

## Terms of Credit Line Agreement

### 1. Definitions

Agreement	the present Credit Line Agreement entered into by and between the Lender and Borrower
Annual Percentage Rate	the total cost calculated on the date of the Agreement according to the applicable Latvian Cabinet Regulations "Consumer Lending Agreement Regulations", which cost is expressed as a percentage of the Credit Line Amount. The Annual Percentage Rate is specified in Part I of the Agreement, and the Assumptions are used in calculating it
Assumptions	the assumptions used in accordance with the Cabinet Regulations to calculate the Annual Interest Rate and the Total Amount due from the Borrower. The Credit Line Amount is made available for a period of one year, and the Credit Line Amount is drawn on in full on the first day of the Agreement and will be repaid on the last day of the Agreement in a single payment
Cabinet Regulations	the effective Regulations on Consumer Lending of the Cabinet of the Republic of Latvia
Credit Line Amount	the outstanding amount of funds drawn by the Borrower from the Credit Line Limit
Credit Line Limit	a limit approved by the Lender, up to which the Borrower is entitled to use the Borrower's funds within the period of duration of the Agreement
Interest	the charge for using the Credit Line Amount
Interest Rate	the interest rate specified in the Agreement and expressed as interest per annum
Parties	the Lender and the Borrower
Price List	the Lender's effective price list, which forms an integral part of the Agreement
Right of Withdrawal	the right of the Borrower to withdraw from the Agreement in accordance with the Consumer Rights Protection Law
Total Amount due from the Borrower	the amount calculated on the date of the Agreement in accordance with the Cabinet Regulations and which consists of the Credit Line Amount and all and any related costs, including Interest Payments, the fee for opening the Credit Line, account opening (if required) and maintenance fees, payable by the Borrower under the Agreement and calculated by using the Assumptions

### 2. Validity of the Agreement

- 2.1. The liabilities contemplated under the Agreement shall come into force as from the moment of signing the Agreement by the Parties. The Borrower shall, on the day the Credit Line Limit is approved, pay the Lender a fee for approving the Credit Line Limit as per Price List and, once a month, a fee for using the Credit Line Amount as per Price List. No fees paid under this clause are refundable to the Borrower.
- 2.2. The Lender shall approve the Credit Line Limit for the Borrower's account, allowing the Borrower to draw on the Lender's funds up to a Credit Line Limit specified by the Lender.
- 2.3. The Credit Line Limit availability period is one year. The Lender shall, two months prior to the end of the Credit Line Limit availability period, consider the possibility of extending the Credit Line Limit availability period to another year, subject to the following:
  - 2.3.1. If the Lender decides to extend the Credit Line Limit availability period to next period on the current terms, then the Borrower shall pay the Lender a fee for extension of the Credit Line Limit availability period as per Price List on the first day of the term period. No fees paid under this clause are refundable to the Borrower.
  - 2.3.2. If the Lender has decided to extend the Credit Line Limit availability period to the next period on new terms (incl. new Interest Rate, Credit Line Limit), then the Lender shall, two months prior to the end of the Credit Line Limit availability period, notify the Borrower thereof by making a relevant notice on the Lender's Internet Banking site (under the Remote Banking Services Agreement). Where there is no Remote Banking Services Agreement signed with the Borrower, information referred to in this clause shall be delivered to the Borrower to the mail address specified by the Borrower. If, within 60 (sixty) days of placing the aforesaid notice on the Lender's Internet Banking site, the Borrower has not requested the termination of the Agreement in writing, the Borrower shall be deemed to have approved the new terms and has acknowledged them to be binding on the Borrower. The new terms shall come into force on the first day of the next period. The Borrower shall pay the Lender a fee for extension of the Credit Line Limit availability period as per Price List on the first day of the next period.
  - 2.3.3. If the Lender has decided not to extend the Credit Line Limit availability period to the next period, then the Lender shall, two months prior to the end of the Credit Line Limit availability period, notify the Borrower thereof by placing a relevant notice on the Lender's Internet banking site (under the Remote Banking Services Agreement). Where there is no Remote Banking Services Agreement signed with the Borrower, information on the Lender's decision not to extend the Credit Line Limit shall be sent to the Borrower to the mail address specified by the Borrower. On the last day of the Credit Line Limit availability period, the Borrower shall have a duty to repay the Lender the Credit Line Amount, pay the Interest and other payments due to the Lender under the Agreement.
  - 2.3.4. If the Borrower does not wish to continue using the Credit Line Limit for the next period (one year), then the Borrower shall, one month prior to the end of the Credit Line Limit availability period, notify the Lender thereof in writing, otherwise the fee for extension of the Credit Line Limit availability period as per Price List will not be refunded if such as been paid. On the last day of the Credit Line Limit availability period, the Borrower shall have a duty to repay the Lender the Credit Line Amount, pay the Interest and other payments due to the Lender under the Agreement.
- 2.4. Obligations under this Agreement shall be deemed discharged in due time if performed on or before the last day due for performance of that obligation. Payment liabilities shall be deemed discharged upon the moment when the amount of the respective payment is debited from the Borrower's account by the Lender.
- 2.5. The performance and settlement of any liabilities under this Agreement shall be effected in the currency of the Credit Line Limit.
- 2.6. This Agreement shall be deemed performed as of the moment when the Borrower has paid the Lender the aggregate of Interest due and payable to the latter, repaid the Credit Line Amount in full, and satisfied all other ancillary claims of the Lender arising from this Agreement, if any.
- 2.7. The Lender shall be entitled to use its own discretion in determining the sequence for discharging the Lender's claims against the Borrower under the Agreement.

### 3. Interest on Credit Limit Amount Used

- 3.1. The Borrower shall, for using the Credit Line Amount, pay the Lender the Interest for the entire actual period of using the Credit Line Amount on a monthly basis on the day due for the monthly payment of Interest.
- 3.2. The Interest shall be calculated on the basis of the Interest Rate and a year of 360 days.
- 3.3. The Interest shall be debited from the Borrower's account by the Lender.
- 3.4. Interest accrued for the period of time from the last monthly interest payment date before the end of the Credit Line Limit availability period until the end of the Credit Line Limit availability period shall be paid by the Borrower at the end of the Credit Line Limit availability period.

### 4. Penalty

- 4.1. The Borrower shall pay the Lender the Penalty specified in Part I of the Agreement for the amount of every payment past due and/or for the Credit Line Limit excess per day in accordance with the Price List for the entire period until the respective amount is repaid.
- 4.2. The payment of penalty shall not release the Borrower from the obligation to perform any outstanding liabilities.

### 5. Rights and Obligations of the Parties

- 5.1. The Borrower shall be under an obligation to deposit funds of no less than 10 % (ten per cent) of the Credit Line Limit to the Borrower's account once a month.
- 5.2. It shall be the duty of the Borrower to notify the Lender of termination of employment or any reduction in the Borrower's remuneration.
- 5.3. The Borrower shall have a duty to present a proof of the Borrower's incomes during last six months within 7 (seven) days of the Lender's request to do so.
- 5.4. The Lender shall have the right to reduce the Credit Line Limit as it may deem appropriate, subject to 30 (thirty) days' prior notice thereof to the Borrower.

- 5.5. The Borrower consents to the Lender's right to detain funds in the Borrower's accounts held with Swedbank AS insofar as may be necessary for ensuring performance of obligations under the Agreement.
- 5.6. All of the Borrower's funds, present or future, in the Borrower's accounts with the Lender, are pledged with the Lender as a financial pledge and serve as a security for all and any of the Lender's claims under the Agreement. In the event of the Borrower failing to provide funds necessary for any payments in the current account, and also in all other cases when a claim by the Lender against the Borrower arises under the Agreement, the Lender shall have the right to satisfy such claim by enforcing the financial pledge. The Lender shall have the right, without any prior notice to the Borrower, to debit (transfer) the due amount from any of the Borrower's accounts held with Swedbank AS or from funds otherwise due to the Borrower; the Lender also shall have the right to convert these funds on behalf of the Borrower without any prior notice to the latter at the exchange rate of Swedbank AS then in force. The Lender shall have the right to suspend the use of any other of the Borrower's contracts with the Lender until and unless the Lender's claims are performed in their entirety.
- 5.7. The Lender shall have the right to debit (transfer) any fees, which are payable under this Agreement as per Price List, from any of the Borrower's accounts held with Swedbank AS or from funds otherwise due to the Borrower; the Lender also shall have the right to convert these funds on behalf of the Borrower without any prior notice to the latter at the exchange rate of Swedbank AS then in force.
- 5.8. If the Credit Line Limit or the Interest Rate was fixed or amended on the basis of the Borrower ensuring that their salary will be transferred to the Borrower's account with the Swedbank AS, then the Borrower shall have a duty to continue to have their salary transferred to the Borrower's account with Swedbank AS at least once a month.
- 5.9. In case the Borrower continues to be overdue with any payments required under the Agreement for more than 30 (thirty) days, the Lender shall have the right to remind the Borrower about the overdue payment, with a fee charged for delivery of such reminder as per Price List.
- 5.10. The Customer confirms that the Borrower is aware of the liability associated with furnishing incomplete or false information in the Consumer Credit Application. The Borrower is aware of the fact that whenever a field of a required information is left blank in the Consumer Credit Application, the relevant information is deemed to be absent.
- 5.11. Any incomplete or false information furnished in the Consumer Credit Application constitute sufficient grounds for the Lender to unilaterally withdraw from the Agreement and demand early performance by the Borrower of obligations created by the Agreement or, alternatively, increase the Interest Rate at its sole discretion in accordance with Clause 6.2 of Section II of the Agreement, as well as to initiate criminal action against the person who furnished the details or completed the application pursuant to Section 210 or Section 177 of the Criminal Law of the Republic of Latvia.
- 5.12. The Borrower shall have the right to bar the Borrower from using unutilized Credit Line funds if the Borrower falls behind any payments, which arise out the Agreement or any other contract existing between the Lender and the Borrower, until and unless the Borrower duly performs their liabilities.
- 5.13. The Lender shall be entitled to furnish information to the Bank of Latvia and to receive information from the Bank of Latvia in the cases and subject to the procedure stipulated in the Credit Register Regulations. The Borrower shall have the right to receive such information about themselves, which is included in the Credit Register, subject to the procedure stipulated in the Bank of Latvia's Credit Register Regulations. The Credit Register Regulations of the Bank of Latvia are available on the website of the Bank of Latvia at [www.bank.lv](http://www.bank.lv).
- 5.14. The Borrower shall promptly notify the Lender of any change in its forename, surname, passport, place of residence, employer or telephone number.
- 5.15. If the Borrower, as the guarantor, and the Lender, as the creditor, has entered into a guarantee agreement, whereunder the Borrower guarantees for third party obligations, then the Borrower authorizes the Lender to apply, towards performance of obligations arising under such guarantee agreement, the required amount of funds from the Credit Line Limit approved for the Borrower's account. The Borrower further authorizes the Lender to apply, towards performance of any other obligations arising under any other agreement existing between the Borrower and the Lender, the required amount of funds from the Credit Line Limit approved for the Borrower's account.
- 5.16. The Borrower may, at any time during the Agreement, upon request and at no charge, receive a printout of the credit statement in paper form or via the Lender's online banking facility if the Borrower has access to it (in accordance with the Remote Banking Services Agreement).
- 5.17. It is mandatory under the Agreement for the Borrower to have an account with Swedbank AS. The fee for opening (if required), servicing and maintaining the account shall be paid in accordance with the Price List. The Lender shall be entitled to change the Price List upon at least 60 days' prior notice thereon to the Lender via the Lender's online banking facility.

### 6. Performance of Obligations

- 6.1. The Borrower shall have the right to terminate the Agreement unilaterally subject to a 2 (two) business days' prior written notice thereof to the Lender, subject to repayment of the Credit Line Amount to the Lender, and subject to payment of the Interest and other payments due to the Lender under the Agreement.
- 6.2. The Lender shall have the right to unilaterally withdraw from the Agreement and to demand an early performance of obligations under the Agreement by the Borrower, or, alternatively, increase the Interest Rate at its sole discretion by 5 (five) percentage points, in the following cases:
  - 6.2.1. In the case provided for in Clause 5.11, Section II of the Agreement.
  - 6.2.2. Third party claims are brought against the Borrower or the Borrower's assets.
  - 6.2.3. The Borrower is not in compliance with Clause 5.1 or Clause 5.8, Section II of the Agreement.
  - 6.2.4. Any of the Lender's Group companies or AB Swedbank (recorded in the Swedish Companies Register under No. 502017-7753) or any companies, in which AB Swedbank, directly or indirectly, holds participating interest, has withdrawn from any contract existing with the Borrower and has demanded early performance of obligations by the Borrower.
  - 6.2.5. The circumstances, which formed the basis for approval of the Credit Line Limit, have changed.
- 6.3. Where the Interest Rate has been raised as stipulated by Clause 6.2, based on the provisions of Clause 6.2.2, 6.2.3 and 6.2.5, the Borrower shall be entitled to request the Lender to reduce the Interest Rate to the rate stated in Section I of the Agreement, but in any event not sooner than after three months of having remedied and not repeated the violations referred to in Clause 6.2.2, 6.2.3 and 6.2.5 in Section II of the Agreement.
- 6.4. The Interest Rate amended under Clause 6.2 and 6.3 of Section II of the Agreement shall come into force one month after the Lender having notified the Borrower thereof by placing the relevant notice on the Lender's Internet banking site (according to the Remote Banking Services Agreement). If the Borrower does not wish to continue using the Credit Line Amount at the amended Interest Rate, the Borrower shall have the right to withdraw from the Agreement on the terms of Clause 6.1 in Section II of the Agreement.
- 6.5. The Lender shall have the right to withdraw from the Agreement unilaterally, subject to a 60 (sixty) days' prior notice thereof to the Borrower.
- 6.6. In the event of withdrawal from the Agreement by the Lender, the Borrower shall be obliged to repay the full amount of the Credit Line Amount, the Interest and all and any monies otherwise due and payable to the Lender under the Agreement, within 7 days of the first demand of the Lender to do so.

### 7. Right of Withdrawal

- 7.1. Within 14 days of coming into force of the Agreement, the Borrower may exercise their Right of Withdrawal and withdraw from the Agreement without providing any reasons therefore.
- 7.2. The Borrower shall notify the Lender on the exercising of the Right of Withdrawal in writing by submitting a respective written notice at a Lender's branch or via the Lender's online banking facility if the Borrower has access to it (in accordance with the Remote Banking Services Agreement). The said notice should be provided before the expiry of the timeframe specified in Clause 10.1 of the Agreement.
- 7.3. The Borrower shall be obliged, without delay and not later than within 30 days of sending the notice of exercising the Right of Withdrawal in accordance with Clause 7.2 of the Agreement, to repay to the Lender the used Credit Line Amount and pay the Interest on the use of the Credit Line Amount for the entire period of using the Credit Line Amount.

### 8. Miscellaneous

- 8.1. The Agreement amends the relevant terms and conditions of the agreement, if any, entered into earlier by and between the Parties on using the Credit Line.

- 8.2. The Agreement is made in two counterparts in Latvian. One counterpart shall be held by the Borrower, and the other – by the Lender.
- 8.3. The correspondence contemplated in the Agreement shall be deemed received within 14 (fourteen) days of being delivered to the Lender's Internet banking site (in accordance with the Remote Banking Services Agreement) or on the third day after the date indicated in the stamp of the Post of Latvia confirming the acceptance of registered letter for dispatch.
- 8.4. The Borrower authorises the Lender to verify the accuracy and completeness of the information furnished, as well as the genuineness and validity of the documents presented, to take any other necessary steps or actions and to request any additional information and confirmations from third parties without approving such actions with the Borrower. By signing the Agreement, the Borrower agrees that, for the purposes of delivery of its services, the Lender shall be entitled to process and disclose to third parties the data, which has come into the Lender's possession and is necessary for the performance of the Agreement and other terms of the Lender and for the delivery of services by the Lender.
- 8.5. Supervisory Institution: Consumer Rights Protection Centre, address K. Valdemāra iela 157, Rīga, LV-1013.
- 8.6. All and any disputes shall be resolved through negotiation. Should the Parties fail to resolve the dispute in question through negotiation, then any dispute, disagreement or claim arising from the Agreement, or concerning it or concerning violation, termination or validity thereof, shall be resolved at a court of law of the Republic of Latvia pursuant to the procedure prescribed in applicable laws and regulations of the Republic of Latvia, unless other agreement exists between the Parties concerning dispute resolution procedure.