

TERMS AND CONDITIONS OF THE CARD AND CARD ACCOUNT USAGE AND SERVICE

1. Terms Used in the Agreement Provisions

The terms used in these Provisions refer both to the singular and plural forms. Chapter headings are used solely for the purpose of convenient reading of the Agreement and shall not be used in interpreting the content of the Agreement.

Bank - Customer - Card User - Service -	Akciju sabiedrība "Latvijas tirzniecības banka", Grēcinieku iela 22, LV-1050, Rīga, Latvia, registration No. LV40003043232 a private individual or legal entity, who has completed and signed the Application and intends to receive a Service under the Agreement. a private individual using a Card and whose name and surname are indicated on the Card. opening and servicing of the Account, issue of the Card to the Card User and provision of the Card servicing, as well as other related banking services.
Application - Agreement - Terms and Conditions - Card -	an application for receiving the Service filled in by the Customer according to the proforma set by the Bank. an agreement between the Bank and the Customer on reception of a Service. these Terms and Conditions of the Card Use and Servicing. MasterCard, MasterCard Gold, MasterCard Virtual Card, Maestro a card issued and numbered by the Bank, that the Bank issues to the Customer/ Card User, who may use it in accordance with the provisions of the Agreement. Upon issue of the „Virtual Card” to the Customer, the Bank also provides for Card information and data.
Account -	the Customer's account with the Bank to which the Card is linked, and the monies in which are used for performance of Transactions under the Agreement.
Transaction -	withdrawal of cash, transfer of monies, payment in points of sale and provision of services, reception of other Bank services as a result of which the account is debited or credited.
Security Deposit -	a deposit by the Customer with the Bank for a specified term, used as a security for performance of the Customer's obligations towards the Bank.
Security Deposit Account - Minimal balance - Spending Limit - Credit Limit -	an account the bank opens for the Customer where to the Customer transfers the security deposit. the mandatory amount payable by the Customer until the Settlement Day. Minimal balance amount can be equal to zero. an amount consisting of the Account Balance, i.e. the Customer's monies, and the Credit Limit granted by the Bank. an amount the Bank permits to spend in addition to the Account Balance, i.e. in addition to the Customer's monies in the Account. The Credit Limit may be up to 75% of the Security Deposit.
Credit Limit Overdraft - Credit - Credit Interest - Default Interest - Report - Cash Machine (ATM) - Merchant - Pricelist - Payment Cycle - Payment Day -	increase of the negative Account balance by an amount exceeding the specified Credit Limit. the Bank's monies (credit resources) that the Customer has actually used within the framework of this Service. Interest specified in the Pricelist for the actually used Credit Limit and Credit Limit Overdraft. interest for the Credit Limit Overdraft, as specified in the Pricelist. Account statement on the transactions in the Account during the previous Payment Cycle. a device intended for withdrawal of cash. a business (stores, hotels, restaurants, etc.) accepting a Card as a means of payment. applicable Pricing Schedule. a calendar month for which the Bank and the Customer settle the payments. the last date of a calendar month when the calculated Credit Interest for the Credit used during the Payment Cycle are deducted from the Account and the Customer shall ensure that the Spending Limit in the Account is sufficient for payment of the Credit Interest. the credit amount used during the Payment Cycle up to the last day of the Payment Cycle - calculated Credit Interest for the Credit used during the Payment Cycle + commission charged by the Bank (if applicable) + Credit Limit Overdraft (if applicable) + Default Interest (if applicable).
Debit -	

Credit Repayment Term - a period of time by which the Customer shall pay to the Bank all the actually used Credit, including the Credit Limit Overdraft and all payments specified under the Provisions related thereto.

2. Use of the Card and PIN/CVC2 Code

- The Card is the property of the Bank that the Bank has issued to the Card Users for using the monies in the Account.
- The Card is issued to the Customer/ Card User. Upon request of the Customer one or more additional Cards may be linked to their Account.
- All Cards, except the Virtual Card, are made of plastic and shall carry the following information: the Card number, Card expiry date, name of the Customer (for legal entities), name and surname of the Card User. In regard to the Virtual Card the Bank provides the Card User with the above information in writing beforehand.
- The use and servicing of the Card, PIN code, CVC2 code and Account are stipulated by the Agreement Provisions, legislative documents approved by the International Card Organization Master Card Int. and legislative acts of the Republic of Latvia.
- The Card can be used when paying for goods and services, withdrawing cash at ATMs or the Bank, as well as for other Transactions allowing use of the Card, that is, where there are Card reading devices (POS terminals, imprinters). The Virtual Card may only be used to pay for goods and/or services in internet in Latvia and other countries, or when ordering goods from catalogues, as well as for withdrawing cash at the Bank. It is not possible to pay by the Virtual Card at sales outlets where the Card information is read by the card acceptance devices, or at ATMs.
- The Card User uses the PIN code and CVC2 code when performing separate Card Transactions. The Bank assumes that it has identified the respective Customer/ Card User, when the respective ATM or card reading device/system into which the PIN code or CVC2 code is entered has identified it. The Bank considers that the PIN code is respectively the personal signature of the Customer/ Card User for confirming the Card Transaction, which renders the Customer liable for the expression of intents, transactions and tasks/authorization subject to the Republic of Latvia Civil Law.
- A daily cash withdrawal limit at ATMs and cash withdrawals places is specified for the Card. Should the Customer require increased cash withdrawal limit to a certain amount on the concrete day, the Customer may do so by calling the Bank's Payment Card department during its office hours and giving their Phone Password, or by submitting a written application. The limit is increased within 60 minutes.

3. Rights and Obligations of the Customer/ Card User

- To receive and use this Service the Customer shall produce and submit all documents and information requested by the Bank, as well as inform the Bank without delay on changes to the provided information. The Customer shall be liable for the authenticity and completeness of the documents and information submitted to the Bank.
- In the event of submitting delayed, false or incomplete information the Bank shall not be held liable for the Customer's damages, and the Customer shall liquidate all damages caused to the Bank in this regard.
- The Customer shall be liable for all Transactions with Cards issued to the Card Users and agrees to cover any damage caused to the Bank as a result of any neglectful, thoughtless or illegal activities with the Card. In such case the Bank shall not be held liable for the Customer's damages.
- The Customer agrees to comply with the requirements hereunder and ensure their observance by each Card User (in the case of the Virtual Card) taking into account the peculiarities of this Card:
 - to sign the Card immediately after its reception;
 - not to reveal PIN code and/or CVC2 code to other persons, not to write it on the Card and not to keep it together with the Card;
 - to act reasonably with the Card, PIN code and/or CVC2 code and the Card number and not to pass the Card to other persons;
 - to inform the Bank immediately about loss of the Card, or if there is suspicion that PIN code and/or CVC2 code may have become known to another person;
 - not to exceed the Spending Limit;
 - not to use the Card after its expiry;
 - to sign a document confirming Transaction after verifying if the amount on the document corresponds to the actual amount (when the Card is used with a POS terminal, imprinter);
 - to inform the Bank in writing within 15 days after the Report drawing date on the discrepancies detected between the Transactions (amounts) in the Report and the actual ones. After the said term the Bank does not accept claims by the Customer;
 - to provide for the Minimum Balance in the Account and transfer monies specified under the Agreement Provisions to the Account within the term indicated in the Report;
 - keep the Card away from high temperature sources, electromagnetic field and mechanical damages;
 - to return the Card to the Bank immediately upon the Bank's request;
 - not to use the Card for unlawful purposes.

By signing the Application the Customer and the Card User confirm that:

- they have provided accurate information;
- the source of the monies in the Account is/will be legal/ lawful;
- the Customer and the Card User will not use the Bank's services for achieving illegal objectives, including for laundering proceeds from crime;
- opening the Account, issue of the Card and its use is in the interests of the Customer, not as directed by another person in order not to disclose the identity of this person.

The Customer ensures that all Users of the Cards linked to the Account have become acquainted with the Agreement Provisions, as well as signed the Agreement under which the Bank issues the card, and that the Customer themselves complies with the Agreement Provisions.

Failure to receive the Report shall not release the Customer from their obligations to pay the Bank all fees and payments pertaining to it, to liquidate all damages caused to the Bank, and comply with all terms and conditions of the Agreement Provisions.

4. Rights and Obligations of the Bank

- The Application for the Card shall be completed in three counterparts of which one is issued to the Customer and two remain with the Bank.
- Within 10 days after reception of the Application the Bank shall take the decision on opening of the Account and issue of the Card. In the case of a negative decision the Bank shall be entitled to refrain from any comments.
- The Agreement is deemed concluded as at the moment the Bank opens the Account, issues the Card and receives a signed Card acceptance-delivery statement from the Customer.
- The Bank shall issue or dispatch to the Customer a Report for each Payment Cycle, wherein the following are reflected: Transactions in the Account as recorded by the Bank, including Card Transactions; payments pertaining to the Bank for the respective Payment Cycle, Account balance, etc.
- All notices by the Bank and other information are delivered for the Customer to the address indicated in the Application or later given to the Bank in writing. The Customer agrees that the Bank or legal entities related to the Bank deliver to the Customer information about the Bank's services, and goods and services of third parties.
- The Customer understands and agrees that the Bank eventually uses services of third parties when acting as directed/ in the interests of the Customer, as well as when providing the Card/Account servicing. In such case the Bank shall not be liable for loss and inconvenience caused to the Customer, provided such are results of actions or inaction by third parties.
- The Bank shall not be held liable for a refusal by a third party to accept the Card. The Bank shall not be liable for the quality of goods and services purchased by using the Card. The Bank shall not be held liable for infringement of the Customer's or Card User's interests or loss caused due to technical problems with ATM/Internet, restrictions or limitations by a third party.
- The Bank shall be entitled to unilateral introduction of amendments to the Pricelist and the Service provision procedure. The Customer may obtain information about the Pricelist and Service provisions, as well as their amendments at the Bank's website in internet www.lhb.com, at the Bank's premises during the office hours, as well as calling the Bank's information line. If the Customer continues using the service after amendments have taken effect, it is deemed that the Customer has agreed to the amendments.
- The Bank shall be entitled to refrain from debiting and/or crediting the Account without notifying the Customer; should the Bank have suspicions about usage of the Account or the Card for laundering of proceeds from crime.

The Bank provides information about the Customer/ Card User and the Transactions performed by them in the cases, within the scope and according to the procedure stipulated by the law of the Republic of Latvia. The Bank is not obliged to notify the Customer/ card user on provision of such information.

The Bank shall be entitled to determine restrictions to the Spending Limit, as well as restriction of the number of Transactions per day/month, to increase safety of the Customer's monies in the Account. These limits may be altered any time, by the Customer submitting a respective written application to the Bank.

5. Payments

- The Customer authorizes the Bank to write off monies from the Account and Deposit Account, but if these are not sufficient, from any of the Customer's accounts with the Bank, without a separate order from the Customer, in the following cases:
 - for Card Transactions;
 - in the cases and according to the procedure stipulated by the law of the Republic of Latvia;
 - for provision of banking services, in accordance with the Pricelist applicable at the moment of writing off;
 - if a transfer to the Account is a technical error of the Bank, or if legal substantiation for the respective transfer to the Account is established;
 - to cover any other fair charge determined by the Bank for the services provided to the Customer that are not included in the Pricelist, but have occurred in relation to servicing the Customer, the Card and the Account;
 - for payment of any other of the Customer's liabilities/debts towards the Bank.

In the case of erroneous debiting of the Account, provided the Customer has complied with Clause 3.4 of the Agreement Provisions, the Bank shall repay to the Customer the disputed monies.

When performing Transactions in currencies different from the Account currency, currency exchange shall be performed in accordance with the exchange rate stipulated by MasterCard Int. and/or the Bank as at the Transaction recording moment, withholding the respective exchange interest.

The Bank shall be entitled, at its own discretion, to reduce or cancel the Permitted Credit and require the Customer to repay the Credit used by them to the Bank by notifying the Customer respectively, in the following cases:

- if a salary is transferred to the Customer's Account, but the Customer has terminated their labor relations with this employer;
- if the Customer's employer has suspended transfer of the salary to the Account;
- if the Bank has at its disposal information on considerable decline of the Customer's financial situation;
- if the Customer has violated these Agreement Provisions.

The Bank shall be entitled to write off monies from the Account without a separate order by the Customer for all payments applicable to the Customer under these Agreement Provisions and the Pricelist, including through increased negative Account Balance.

The Bank calculates the Credit Interest for the used Credit as of the day the Customer started using the Credit Limit to the day it is repaid. The Credit Interest are calculated per each day for the actually used Credit amount according to the Account situation at the close of the day, and assuming that there are 360 (three hundred sixty) days a year.

At the end of each month the Bank:

- calculates and writes off the Account the Credit Interest (should such apply), Default Interest (should such apply) and other payments subject to these Agreement Provisions and the Pricelist.
- calculates the Customer's Debt for the respective Payment Cycle and dispatches the Report to the Customer by the 10th date of the next month (provided the Customer has indicated to the Bank that they would like to receive the Report) to the address indicated by the Customer.

In the event there is a Credit Limit Overdraft in the Customer's Account, the Bank calculates the Default Interest as of the day when the Credit Limit Overdraft occurred to the day (included) when the exceeded amount is transferred/paid into the Account.

The debit interest indicated in the Report consists of the Credit Interest (should such apply) and the default Interest (should such apply).

Until transfer/payment of the Debt into the Account, within the period of time till the Payment Day, the Customer shall pay Credit Interest and default Interest (should such apply), which is included in the calculation of the next Debt.

Should the Customer default Credit Limit Overdraft and Default Interest (should such apply) payment/transfer into the Account for more than 15 (fifteen) calendar days, it is deemed gross breach of the Agreement Provisions and the Bank shall be entitled to take the measures specified in Clauses 5.4 and 10.4 of the Agreement Provisions.

The Credit repayment term shall be one year from the Credit Limit allocation moment. Provided the Customer has not violated these Agreement Provisions during the said term, the Bank may extend the Credit repayment term for 1 (one) more year, and then continue extension of the Credit repayment for each 1 (one) next year.

6. Actions to be Taken in the Case of Loss or Theft of the Card

Should the Card be lost or stolen, or when the PIN code and/or CVC2 code has become known to another person, or there is suspicion that it has become known to another person, the Customer/ Card User shall immediately inform the "First Data Latvia" Dzirnavu iela 37, Rīga, LV 1010, [telephone \(+371\) 7092555](tel:+3717092555), giving the Card number, or the Public Limited Company "Latvijas tirzniecības banka", Grēcinieku iela 22, Rīga, LV 1050, Latvia, [telephone \(+371\) 7045534](tel:+3717045534), who will suspend (block) the Card. In the event the Customer, upon informing, cannot give the Card number or other servicing information, all the Customer's Cards are blocked. Such a case shall be further reported to the nearest police station and/or any MasterCard Int. institution servicing MasterCard Cards.

The loss/theft of the Card shall be reported to the Bank in writing within 7 (seven) days after making the verbal announcement mentioned in Clause 6.1 of these Agreement Provisions, informing the Bank about the time and place of losing the Card.

The Customer shall be liable for each Card Transaction confirmed by PIN code or signature, completed before the moment of reporting to the Bank or First Data Latvia as mentioned in Clause 6.1 of these Agreement Provisions.

The Customer agrees, in the case of necessity, to provide the Bank with all information for investigating the Card loss/theft. After submission of the Customer's written report the Bank shall issue a new Card. Upon finding the Card that had been considered lost or stolen the Customer or the Card User shall immediately inform the Bank and submit the found Card.

7. The Card Expiry Term

- The expiry term - the month and the year, is indicated on the Card. The Card is valid until the last day of the indicated month (inclusive).
- Upon reception of a new Card, i.e. upon expiry of the existing Card, the existing Card shall be submitted to the Bank.
- In the event the Customer/ Card User violates the Agreement Provisions, or is in debt to the Bank, the Bank shall be entitled to suspend the validity of the Card.

8. Security Deposit

On the Customer's request, the Customer shall place a Security Deposit with the Bank for strengthening the security of the Customer's obligation performance. The amount of the Security Deposit shall be determined by the Bank and it depends on the Customer's scope of obligations according to the Pricelist. The minimum term of the Security Deposit shall be equal to the card validity and 40 (forty) days. The Bank shall be entitled to automatically extend the Security Deposit term by a period analogous to the previous, and so continue all the time while the Security Deposit is used for strengthening the Customer's performance of obligations. The Bank shall pay interest as indicated in the Pricelist for the Security Deposit to the Customer. The Customer shall receive the interest for the Security Deposit once a year for previous period.

The Customer authorizes the Bank to use the Security Deposit for paying the Bank's claims against the Customer occurring as a result of using the Service.

Should the Customer intend to reduce the amount in the Security Deposit Account and reduce the Credit Limit, or should the Customer intend to terminate the use of the Credit Limit and withdraw all monies from the Security Deposit Account, the Customer shall submit a respective application to the Bank. The Customer may receive the amount in the Security Deposit Account as indicated in the application not earlier than 40 (forty) days after reception of the Customer's application at the Bank. In such case the Customer shall not be paid the interest for the Security Deposit.

The Customer may withdraw the Security Deposit in cases other than those mentioned in Clause 8.3 only with the consent of the Bank.

The monies in the Security Deposit Account are blocked and not available to the Customer before the provisions of Clauses 8.3, 8.6 or 10.2 apply.

The Customer agrees that the Bank is entitled to use the monies in the Security Deposit Account at any time, incl. within the 40 (forty)-day period indicated in Clauses 8.3 or 10.2 without the Customer's approval, for payment of Transactions and coverage of expenses and loss caused as a result of the account of any Card linked to the Account or the Account use/servicing, or in the event of breach of the Agreement Provisions.

9. Dispute Resolution

Any disagreement, claim or dispute between the Customer and the Bank following from the Agreement, related to the Agreement Provisions or their breach, termination of the Agreement or invalidity, shall be resolved through negotiations or in accordance with the Bank's "Rules for Examining Customer Complaints and Disputes on Transfer of Cashless Credit Means and Transactions with Electronic Payment Means", but in the event the agreement or settlement of the dispute is not reached, it shall be finally resolved at the claimant's choice either at the court of the Republic of Latvia according to jurisdiction, or at the Arbitration Court of Association of Latvian Commercial Banks in Rīga, in accordance with the applicable legislation of the Republic of Latvia and the Rules and Regulations of this Arbitration Court, and the By-law on Expenses of the Arbitration Court of Association of Latvian Commercial Banks. Provisions of those documents shall be deemed included in this clause. The judgment of the Arbitration Court shall be final, not subject to appeal and compulsory for the parties. The number of Arbitrators - one. The Arbitrator shall be appointed by the Chair of the Arbitration Court of Association of Latvian Commercial Banks. The language of the arbitration proceedings shall be Latvian.

In the event the Customer is a legal entity who cannot be a party to an arbitration agreement pursuant to the applicable law, the disputes between the Customer and the Bank shall be resolved at the court of the Republic of Latvia according to jurisdiction.

10. General Provisions

The Bank and the Customer shall be liable for failure or insufficient performance of the Agreement as provided for by the Agreement and legislative acts of the Republic of Latvia. The Card User shall not be a party to this Agreement, except in the case the Card User is the Customer private individual, therefore the Bank shall not be liable towards the Card User concerning their complaints and claims.

Should the Customer intend to discontinue the use of the Service and close their Account, they shall submit a respective application to the Bank and pass over to the Bank all Cards linked with the Account. The Customer may receive the Security Deposit Account balance not earlier than 40 (forty) days after reception of the Customer's application on discontinuation of the Service use at the Bank, provided that all Cards linked with the Account are submitted to the Bank.

The Customer/ Card User confirms and agrees that the Bank processes the Customer's/ Card User's personal data, including, requests and receives the Customer's/ Card User's personal data from any third parties and databases established as provided for by the law, should such be necessary, at the Bank's discretion, for establishing the Customer's and the Bank's legal relations or securing the performance of obligations. The Customer agrees that the Bank is entitled to transfer these data to legal entities related to the Bank for exercising the Bank's rights as stipulated in Clause 4.6 of these Agreement Provisions.

The Bank shall be entitled to discontinue the Service and terminate the Agreement unilaterally at its own initiative:

- without a prior notice at any time, if the Customer/ Card User do not perform their obligations towards the Bank or this Agreement is not complied with,
- without a prior notice, if there have been no Transactions with the Account and/or Card Transactions and the Account balance equals zero for more than 12 months;
- if the Bank has notified the Customer in writing 5 (five) days beforehand. The Bank shall be entitled not to explain the Service discontinuation reasons.

Upon discontinuing the Service the Bank retains the Customer's/ Card User's documents submitted by them to the Bank when completing the Application or during the Service provision term. The Bank shall also not return the already received annual fee for the Card that cannot be divided in parts or applicable for shorter periods of time, even if the Card is used for less than a year.

Discontinuation of the Service due to whatever reason shall not release the Customer from the obligation to pay all payments pertaining to the Bank, liquidate the damage caused, and comply with all requirements of the Agreement that had not been complied with before discontinuation of the Service.

The Bank and the Customer shall not be liable for damage related to force majeure.

The Bank shall be entitled to provide information for the Bank of Latvia and request from it information about the Customer as provided for by the Debtors' Register Rules approved by the Bank of Latvia. The Customer shall be entitled to request and receive information about themselves from the Debtors' Register as provided for by the Debtors' Register Rules approved by the Bank of Latvia, which is available to the Customer at the Bank of Latvia's home page in Internet at <http://www.bank.lv>.

The Customer shall be entitled to refer to the Ombud of Association of Latvian Commercial Banks in accordance with "The Procedure According to Which the Ombud of Association of Latvian Commercial Banks Examines Complaints by Credit Institution Customer (Rules)", approved with Decisions No. 71/1 of the Council of Association of Latvian Commercial Banks on 27.11.2002 and available to the Customers at Association of Latvian Commercial Banks at <http://www.bankasoc.lv/skriejtiesos/ombuds/reglaments/index2.php>.