



## SECTION II

### 1. Loan issuance procedure

1.1. The Lender shall transfer the Loan to the bank account specified by the Borrower within 2 (two) business days after signing this Agreement, deducting the commission fee provided for in Clause 2 of Section I of the Agreement.

1.2. In case the Loan is issued against collateral (commercial pledge), the Lender shall transfer the Loan amount to the bank account specified by the Borrower within 2 (two) days from the date of registration of the commercial pledge, withholding the commission fee provided for in Clause 2 of Section I of the Agreement and the costs provided for in Clause 4.7 of this Section (if such exist, and unless the parties have agreed otherwise).

### 2. Loan repayment procedure

2.1. The Borrower shall repay the Loan in instalments together with interest in accordance with the Payment Schedule, transferring it to the bank account specified by the Lender, by the date of each month specified in Clause 6 of Section I of the Agreement. Payment shall be deemed to have been made on the date on which the payment is received in the Lender's bank account.

2.2. The Borrower shall pay to the Lender the interest specified in Clause 3 of the Special Provisions of Section I of the Agreement for use of the Loan.

2.3. The Borrower may, within 14 (fourteen) days from the date of concluding the Agreement, exercise the right of withdrawal, and withdraw from the Agreement without providing any justification.

2.3.1. The Borrower shall notify the Lender in writing of the exercise of the right of withdrawal.

2.3.2. The Borrower shall be obliged immediately, but not later than within 30 days after the notice of the exercise of the right of withdrawal has been sent, to repay to the Lender the amount of the loan received and the interest accrued on the use of the loan for the period from the date of receipt of the loan until the day when it is fully repaid. Interest shall be calculated on the basis of the loan interest rate specified in the Agreement.

2.3.3. If the Borrower exercises the right of withdrawal, the Lender shall not be entitled to claim compensation from the Borrower and the Lender shall repay the commission for the issuance of the loan specified in the present Agreement.

2.4. The Borrower is entitled to repay the Loan in full or in part prior to the final repayment term specified in the Agreement, notifying the Lender thereof in writing at least 14 (fourteen) days in advance. In such a case, the Borrower shall be liable to pay interest and other charges only for the period until the full performance of its obligations under this Agreement have been carried out (the Lender shall not be entitled to compensation), *i.e.* according to the daily rate set out in Clause 3 of the Special Provisions of Section I of the Agreement (%).

### 3. Rights and obligations of the Lender

3.1. The Lender undertakes to disburse the Loan in accordance with the procedures specified in this Agreement.

3.2. The Lender shall be entitled to unilaterally withdraw from the Agreement and demand from the Borrower an immediate repayment of the balance of the Loan principal, interest, penalty and damages caused to the Lender before the term (term of the Agreement), in the following cases:

3.2.1. if the Borrower is overdue for any payment or part thereof specified in the Agreement, *i.e.*, payment of the loan principal, interest or overdue interest, for more than 60 (sixty) days;

3.2.2. if the Borrower uses the Loan for an unforeseen purpose;

3.2.3. if it is established that the Borrower has indicated false or inaccurate information in its Application.

3.3. In the cases provided for in Clause 3.2 of the Agreement, the calculation of default interest referred to in Clause 5.1 shall not be suspended, as well as the Borrower shall not be released from the obligation to indemnify losses, if such have been incurred by the Lender. The calculation of default/delay interest is suspended only if the Loan is issued against collateral (commercial pledge) and the Borrower (provider of the commercial pledge) has transferred the object of commercial pledge to the Lender for realization (sale) at the request of the Lender. The increase of overdue interest stops when the amount of interest reaches the amount of the outstanding principal of the Loan.

3.4. Termination of the agreement in Clause 3.2. and its sub-paragraphs, shall give rise to obligation of the Borrower to pay the Lender an additional one-time contractual penalty in the amount of 10% of the outstanding principal amount of the loan. Payment of the contractual penalty does not

release the Borrower from the performance of the obligations under the agreement.

3.5. In order to ensure the performance of the Agreement and to communicate with the Borrower, the Lender has the right to process the personal data provided in the Loan Agreement, including data collection, registration, personal identification by codes, input, storage, arrangement, modification, use, transfer, transmission and disclosure to third parties, as well as use the received personal data of the Borrower for the development of the credit history of the Borrower.

### 4. Rights and obligations of the Borrower

4.1. The Borrower undertakes to pay monthly repayments of the Loan and interest in accordance with the Payment Schedule. The Borrower shall be obliged to pay only the payments provided for in this Agreement.

4.2. The Borrower is obliged to provide the Lender with the requested information and documents, as well as not to prevent verification thereof.

4.3. The Borrower is obliged to immediately notify the Lender in writing of any changes in its data.

4.4. The Borrower is obliged to, when carrying out the payments, **indicate the following: Loan Agreement number**, *e.g.*: "Loan Agreement No. 1".

4.5. The Borrower agrees to the processing of personal data specified in this Agreement and their transfer to third parties.

The Borrower agrees that the Lender shall use telephone, facsimile, answering machine and other means of distance communication to communicate with the Borrower, as well as with the persons specified in the Application, in the event that the Borrower fails to comply with the payments specified in the Payment Schedule and improperly complies with the provisions of this Agreement.

4.6. In case the Loan is issued against collateral (commercial pledge) and the Borrower does not observe the payment terms specified in the Payment Schedule, as well as refuses to voluntarily transfer the object of commercial pledge to the Lender for realization/sale, the Borrower agrees that the Lender is entitled to come to the address or property indicated by him to negotiate with the Borrower and agree by legal means on the transfer of the subject of the commercial pledge for its realization/sale.

4.7. In case the Loan is issued against collateral (commercial pledge), all expenses related to the issuance of such Loan shall be borne by the Borrower, including notary costs, expenses related to the registration of the commercial pledge and registration of prohibition marks. In this case, the Borrower is also obliged to cover the insurance costs (OCTA), unless the parties have agreed otherwise in writing.

4.8. The Borrower shall be entitled to, at any time during the term of the Agreement, receive, upon request and free of charge, an account statement with the Loan Repayment Table in paper format or using another durable medium.

### 5. Responsibility of the parties

5.1. If the Borrower has not made the payment within the term specified in the monthly payment schedule, the Borrower shall pay interest on arrears in the amount of 0.30 (zero point thirty)% of the overdue principal payment for each current payment delay for each day of delay for the first 60 days of delay. Starting from the 61<sup>st</sup> day of delay, the Borrower shall pay default interest in the amount of 0.30 (zero point thirty)% of the remaining outstanding loan amount for each day of delay. The total amount of default interest may not exceed the amount of capital (outstanding loan).

5.2. Payment of default interest does not release the Borrower from full performance of the Agreement.

5.3. The Lender shall transfer the funds paid by the Borrower in the following order:

5.3.1. Interest on late payments, if any;

5.3.2. Interest on the use of the Loan in accordance with the Payment Schedule;

5.3.3. Repayment of the balance of the loan principal or a part thereof;

5.3.4. Contractual penalty, if any has accrued.

5.4. The obligations of the Borrower under this Agreement shall be binding on its heirs and successors in title.

### 6. Settlement of disputes

6.1. Any dispute, disagreement or claim arising out of or in connection with this Agreement, or its breach, termination or invalidity, shall be settled in the Riga Arbitration Court (registration No. 40003756873), in accordance with the rules of procedure of the said arbitral tribunal composed of one arbitrator, in a written proceeding on the basis of the submitted documents, or in the court of the Republic of Latvia at the choice of the applicant.

### 7. Operation of the Loan agreement

7.1. The Agreement shall enter into force upon its signing and shall remain in force until the full fulfilment of the obligations of the Parties. All amendments and additions to the Agreement are valid if they are made in writing.

7.2. This Agreement (Sections I and II of the Loan Agreement and the Payment Schedule, which is an integral part of this Agreement) has been prepared and signed in 3 (three) copies, two of which are with the Lender and one – with the Borrower.

**LENDER** \_\_\_\_\_ (authorised person)  
(signature, stamp)

**I have read and agree to the provisions of Section II of the Loan Agreement and am fully aware of my obligations:**

**BORROWER** \_\_\_\_\_  
–  
(signature, name, surname)