

DOCUMENTARY CREDIT TERMS AND CONDITIONS

1. Terms used in the present Terms and Conditions

- 1.1. Application - Documentary credit application, signed by the Client being an applicant of Documentary credit.
- 1.2. Bank - JSC "NORVIK BANKA" registered in the Commercial Register of the Enterprises Register of the Republic of Latvia under the unified registration No.40003072918, legal address: 21 E. Birznieka-Upisha street, Riga, LV-1011, Latvia. Cash cover account – special account opened for the Bank's client or third person – owner of the financial means, where the Client` or a third person's financial means are being credited and held.
- 1.3. Beneficiary - private individual or legal person in whose favour Bank opens Documentary credit.
- 1.4. Client – private individual or legal person, or such persons` partnership which is indicated in the Application as the applicant.
- 1.5. Collateral – financial means of the Client or third person placed in a Cash cover account or deposit account with the Bank, or credit funds granted to the Client in order to open Documentary credit and effect payment, or other collateral accepted by the Bank.
- 1.6. Documentary credit – irrevocable undertaking of the Bank issued by the request of Bank's client in favour of the Beneficiary to pay the amount indicated in the documentary credit after presentation of the documents indicated in the documentary credit in due time and in accordance with documentary credit terms.
- 1.7. GPT - General Provisions for Transactions of the Bank.
- 1.8. Parties – Bank and Client.
- 1.9. Tariffs – current price list for the Bank services.
- 1.10. Terms and Conditions – present Documentary Credit Terms and Conditions.

2. General Conditions

- 2.1. Regulations between the Bank and the Client are governed by the present Terms and Conditions, Application, agreement of Collateral supply and GPT. Documentary credits are subject to *ICC Uniform Customs and Practice for Documentary Credits, No.600, Paris 2007 revision*.
- 2.2. The effective laws of the Republic of Latvia shall apply to the Documentary credit operations insofar as not contradicting to the regulations of the International Chamber of Commerce and international banking practice. Other agreements entered into by and between the Bank and the Client in connection with the relevant Documentary credit shall be subject to the laws and regulations of the Republic of Latvia.
- 2.3. Supply of goods or services between the Client and the Beneficiary is regulated by the contracts concluded between them and Incoterms 2010. The Bank shall bear no liability for the performance of the contract between the Client and the Beneficiary, and such contract shall not be binding upon the Bank even if it has been referred to in the terms of Documentary credit. Responsibility of the Bank is determined by the Terms of the Documentary credit only.
- 2.4. Bank shall familiarise the Client with Terms and Conditions and Tariffs, and the Client shall carefully study Terms and Conditions, Tariffs and other Bank documentation. The Client's signature on the Application certifies that the Client has fully familiarised with Tariffs and Terms and Conditions, agrees to them and recognises himself being bound by the obligations and undertakes to observe them.

3. Documentary credit issuance and payment

- 3.1. Bank issues Documentary credit according to the Client's instructions in the Application.
- 3.2. Bank has the rights to refuse to accept the Application and/or not to issue Documentary credit if:
 - 3.2.1. Client Application does not provide the information requested by the Bank and/or contains inaccuracies, mistakes or contradictions;
 - 3.2.2. Signature of the Client's representative and used seal do not correspond to the sample that is in the Bank's disposal;
 - 3.2.3. Client does not supply the Bank with Collateral in due time.
- 3.3. Bank makes a decision to issue or refuse to issue Documentary credit in 3 (three) working days after the presentation of the filled-in and signed Application.
- 3.4. Bank has the right to refuse to issue Documentary credit without providing explanation. In this case the presented documents are not returned to the Client and remain at the Bank disposal, except for the originals of the documents that confirm property title.
- 3.5. Documentary credit is opened electronically (in the form of tested SWIFT message).
- 3.6. Bank reserves the right not to agree to the Client's choice of the advising bank and confirming bank and use its sole discretion in choosing the correspondent bank for notification and/or confirmation of the Documentary credit, nevertheless the Bank shall not be liable for any inaccuracies or mistakes of such correspondent bank in carrying out instructions of the Bank.
- 3.7. Bank effects payment or authorises the correspondent bank to pay in the currency of the Documentary credit, provided that the conditions indicated in the Documentary credit have been fulfilled and the Documentary credit is in force.
- 3.8. Bank examines compliance of the documents presented by the Beneficiary in accordance with the terms and conditions of the Documentary credit. Bank bears no liability or responsibility whatsoever for the form, adequacy, accuracy, authenticity, falsification, legitimacy or content of any documents presented to the Bank or for any statements in such documents, or for the quality, quantity and existence of goods and services (if such are indicated in the documents). Bank bears no responsibility for the mistakes in the translation or interpretation of the terms. Bank has the right to issue Documentary credit without translation of the terms. Bank bears no responsibility for any inaccuracies, errors, or delays arising due to failure in telecommunication, electronic data interchange systems, post or courier.
- 3.9. When Bank receives documents that comply with the Documentary credit terms, Bank sends a message to the Client advising receipt of the documents and requesting to effect payment under Documentary credit in 2(two) working days time, following from the date of advice. Advice mentioned in this paragraph Bank sends to the Client electronically to the e-mail address stipulated in the Application. It is considered that Client receives the advice mentioned in this paragraph on the same date when e-mail message is sent.
- 3.10. Client has the duty to pay Documentary credit amount and all other amounts related to the Documentary credit specified by the Bank within the period specified in paragraph 3.9. of the present Terms and Conditions.

4. Collateral

- 4.1. Bank issues Documentary credit only when sufficient Collateral is provided.
- 4.2. If Documentary credit is secured by the Client or third person funds placed on Cash cover account or deposit account (as a term deposit of the Client on the basis of the deposit agreement concluded with the Bank) with the Bank, collateral of funds is drawn as a financial pledge (financial collateral), on the basis of the concluded Financial Pledge Agreement.
- 4.3. Bank has the right to use financial collateral or dispose of other granted Collateral if the Client does not fulfil cl.3.10 of present Terms and Conditions and/or in all other cases where the claim by the Bank to the Client arises in accordance with Documentary credit and Terms and Conditions and following to the provisions of Financial Collateral Agreement.
- 4.4. If no liability for the Bank is created to effect the payment under Documentary credit, the Bank shall 5 (five) working days time following the Documentary credit expiry date release the financial means blocked on the Documentary credit Cash cover account by crediting the current account of Client or the third person - financial means owner - with the Bank.

Position

Signature

Full name

Date

_____ seal _____ / ____ / _____

