

**Terms and Definitions used in the Agreement.**

**Added Rate (Margin)** – the part of Interest for Using the Loan expressed as a percentage per annum, assuming a 360-day year. ..

**Agreement** – this Loan agreement, concluded between the Bank and the Client and consisting of 2 (two) parts – Part 1 being the Special Provisions and Part 2 being the General Provisions.

**ALTUM** – joint-stock company “Attīstības finanšu institūcija Altum”, registration number: 50103744891.

**ALTUM Guarantee Premium Request** – the Bank’s request to ALTUM to pay the guarantee premium in the amount specified by ALTUM, which the Bank shall issue or send to the Client immediately upon receiving the relevant guarantee premium invoice from ALTUM, for the guarantee issued by ALTUM as reinforcement for the fulfilment of obligations by the Client as specified in the Agreement.

**Arrangement on Financial Covenants** – an arrangement concluded between the Client or the Client’s Group and the Bank or a company in the Bank’s Group, regarding the obligations of the Client or the Client’s Group to, for the effective term of the Agreement, to ensure that its business activities adhere to certain financial covenants and other obligations specified in the aforementioned arrangement.

**Bank** – joint-stock company “Citadele banka”, uniform registration No. 40103303559, registered office: Republikas laukums 2A, Rīga, LV-1010.

**Bank’s Group** – the BANK, all of the Bank’s foreign branches, subsidiaries of the Bank, and subsidiaries of the Bank’s subsidiaries.

**Bank’s requirements** – the requirements specified by the Bank regarding the form and content of documents (essential provisions). If a copy of a document must be submitted to the Bank, the original specimen shall be presented to the Bank at the time of submission of the copy.

**The Base Rate** – the EURIBOR rate for the period of time specified in the Agreement, being part of the rate of Interest Rate for Using the Loan. EURIBOR is the average interbank EUR lending rate for the duration specified as the Base Rate period in the Agreement. EURIBOR rate setting is managed by the European Money Market Institute (EMMI). The EURIBOR rate for the initial period of the Base Rate shall be determined on the date of entry into force of the Agreement and shall remain in force until the first day of a subsequent Base Rate period, not inclusive. For subsequent periods of setting the Base Rate, the Bank shall, without sending a separate notification to the Client, determine the Base Rate on the first date of each subsequent Base Rate period. Information on the amount of the EURIBOR rate is available to the Client in Citadele Internet Bank.

If EURIBOR is a negative amount at the time of determination, the Base Rate for the relevant Base Rate period shall be deemed to be “0” (zero). If the day of determining the Base Rate falls on an official holiday in countries that determine the relevant money market index, the Base Rate shall be determined on the last business day preceding the holiday. If the EURIBOR rate is not published in an electronic information system on the date of updating the Base Rate, the last available EURIBOR rate published prior to the date of updating the Base Rate shall apply.

In the event that the EURIBOR calculation principles and / or methodology are changed or is no longer maintained (published), the Bank has the right to unilaterally set a new Base Rate, which is internationally recognized in the financial sector and most closely corresponds to the previous Base Rate. If the Bank determines a new Base Rate unilaterally, it shall notify the Client about the new Base Rate in writing, by publishing a notification in Citadele Online Banking. If the Client does not consent to the new Base Rate, the Client shall be entitled to, within 30 days following receipt of the Bank’s notification about the new Base Rate, fulfil obligations arising from the Agreement in full, without paying Loan Prepayment Fee to the Bank.°

**BO** – beneficial owner, an individual who owns over 25 per cent of capital shares or voting stock in the Client through direct or indirect participation, or who controls it either directly or indirectly, or in the name, interest, or for the benefit of whom business relations with the Bank are established.

**Client’s Group** – the Client, its BOs and all legal entities with regard to which any BO of the Client, severally or in combination with other parties, can directly or indirectly exercise decisive influence in the interpretation of the applicable legislation of the Republic of Latvia. This refers to the capacity to, either directly or indirectly:

- a) control (regularly or occasionally) the decision-making of a legal entity’s executive bodies, whether by exercising participation or not,
- b) appoint a number of members of a legal entity’s supervisory or executive body that would provide the party exercising decisive influence a majority of votes in said body.

**Client’s Co-payment** – funds provided by the Client which, in addition to the Loan (part thereof) being issued, are sufficient for paying under an Invoice.

**Collateral** – all Client performance security specified in the Special Provision of the Agreement- Pledge, Financial Collateral and Guarantee.

**Construction (Contractor’s) Agreement** – an agreement/arrangement on the construction of the Object as concluded between the Client and the General Contractor.

**Construction (Contractor’s) Supervision Agreement** – agreement/arrangement on supervising the construction of the Object as concluded between the Client and a construction supervisor.

**Construction Guarantee**– a valid guarantee addressed to the Bank or to the Customer, issued by a credit institution in Latvia or by a European Union credit institution accepted by the Bank, or by an insurance company, and issued in accordance with the ICC Uniform Rules for Demand Guarantees, the wording thereof having been coordinated with the Bank and referring to works performed or to be performed at the Object. In the interpretation of this Agreement, a Construction Guarantee Consistent with the Bank’s Requirements shall represent both the guarantee of performance of construction works at the Object in the amount specified in the Agreement pertaining to the amount of Object construction expenses specified in the Object Estimate (including VAT), and the General Contractor’s guarantee of construction works performance, in the amount specified in the Agreement pertaining to the total expenses on construction of the Object as per the Object Construction Estimate, for the warranty period specified in the Construction Agreement. If a guarantee issued by an insurance company is submitted to the Bank, a copy of a document confirming payment of the insurance premium shall be submitted simultaneously. A Construction Guarantee may be substituted by withholding an amount of funds as specified in the Agreement, or by depositing an amount expressed as a percentage of the Loan/part of the Loan being issued to a dedicated account with the Bank, for the duration necessary for achieving the goal of the relevant guarantee.

**Construction Expert** – a representative of the Bank, or an individual or legal entity selected by the Bank, who upon the Bank’s assignment performs supervision of the Object construction project, implementation process, and the allocation of the loan in the process of construction of the Object.

**Construction Expert’s Report** – a report drafted and signed by the Construction Expert concerning the conformance of the Invoice to the Object Estimate and/or report on the conformance of works specified in the DAS to the scope of works actually performed at the Object. A written statement of confirmation on the Invoice and/or the DAS shall also be deemed equivalent to the Report.

**Current Account** – accounts opened in the Client’s name with the Bank, including Account.

**DAS** – a Delivery and Acceptance Statement for goods/services signed by the Client, corresponding to the purpose of issuing the Loan and to submitted documents. If the purpose of issuing the Loan is construction, renovation or reconstruction of the Object, the DAS shall be drafted and signed by the Client, documenting acceptance of works performed at the Object. The Client’s signature shall represent the conformance of works specified in the DAS to the Object Estimate and to actual performance.

**Default Interest** – remuneration which the Client undertakes to pay on the Final Repayment Date for delay in repaying the Loan or for illegal allocation of the amount of the Loan, and assessed for each day on which some amount of the Loan remains outstanding as starting on the Final Repayment Date.

**Disbursement Order** – a payment order or freeform request for a transfer of funds, signed and formatted in form and substance satisfactory to the Bank.

**Event of Default** - shall mean any of the events or circumstances specified in clause 9.1 of the General Provisions.

**Fixed Interest Rate** – interest for using the Loan expressed as an annualised percentage and assuming a 360-day year.

**Final Loan Disbursement Date** – the date specified in the Agreement, by which (inclusive) the Client is entitled to request issue of the Loan (part thereof) by the Bank.

**Final Repayment Date** – the term for complete fulfilment of obligations, specified in the Agreement or unilaterally determined by the Bank in accordance with the provisions of this Agreement, within which the Client must repay the outstanding Loan to the Bank and pay Interest and other

amounts payable to the Bank under the Agreement in full.

**General Contractor** – the general construction contractor involved by the Client to perform construction, renovation or reconstruction works at the Object, in accordance with the Construction Agreement.

**General Provisions** – these general provisions of the Loan Agreement, constituting part 2 of the Agreement, and available on the Bank's website, [www.citadele.lv](http://www.citadele.lv)

**Guarantor** – a legal entity or individual guaranteeing fulfilment of the Client's obligations to the Bank under the Agreement.

**Interest** – Interest for Using the Loan and Loan Commitment Fee.

**Interest for Using the Loan** – remuneration for the use of the Loan (part thereof), calculated for each actual date of use of an amount of the Loan issued and not repaid, applying the annual interest rate specified in the Agreement and assuming a 360-day year.

**Interest Payment Date** – the date specified in the Agreement by which the Client must pay to the Bank Interest accrued for the preceding Interest calculation Period.

**Invoice** – a document entailing the Client's obligation to perform a payment consistent with the purpose of issuing the Loan and other documents substantiating the transaction as submitted to the Bank. If a copy of an Invoice is submitted to the Bank, the Client upon Bank's request shall present the original specimen of the document.

**Loan** – funds of the Bank, in the amount specified in the Agreement, which the Bank lends to the Client in accordance with the provisions of this Agreement for a specific period, and which the Client is entitled to use, with consideration, for the purpose(s) of allocation of the Loan as specified in the Agreement.

**Loan currency** – the currency in which the Client receives the Loan and performs payments due under the Agreement.

**Loan Commitment Fee** – remuneration for reserving the Loan (part thereof), calculated on the amount being the difference between the amount of the Loan specified in the Agreement and the amount of the Loan (part thereof) actually issued to the Client, for each calendar day from the effective date of the Agreement and until issue of the Loan, or final part thereof, applying the annual interest rate specified in the Agreement and assuming a 360-day year.

**Loan Repayment Principle:**

**Annuity** – the sum of Loan payment and Interest for Using the Loan to be paid in accordance with the Repayment Schedule is the same from month to month.

**Equal payments** – the Loan is repaid in equal instalments, in addition to which Interest for Using the Loan is paid for each Interest accrual period.

**Material Adverse Effect** – means a material adverse effect on:

- a) the project for which the Loan was intended, or the business activities, everyday business operations, financial standing or expected activities of the Client;
- b) the Client's ability to implement the project for which the Loan was intended, without substantial modifications, in the manner specified in the Agreement and in documents submitted to the Bank as pertaining to implementation of the project;
- c) the Client's ability to fulfil obligations under the Agreement or documents pertaining to the implementation of the project for which the Loan was intended;
- d) the validity of the Pledge or the Guarantor's guarantee, which secures the fulfilment of the Client's obligations under the Agreement, or is intended to secure such, or the ability of the Bank to exercise ensuing rights, or the priority (order of allocation) of the Pledge;
- e) the industry within which the Client operates.

**Object** – the real property specified in the Agreement, for the construction, renovation or reconstruction of which the Loan (part thereof) is issued in accordance with the provisions of this Agreement.

**Object Estimate** – a document recording all expenses on the construction, renovation or reconstruction (in the Agreement – construction of the Object) until final commissioning of the Object (in the event of simplified construction – confirmation from the Building Board on the certification card/letter of clarification documenting execution or completion of works), as coordinated with the Bank.

**Pledge** – pledge of movable and real property, provided in favour of the Bank for securing the obligations of the Client under the Agreement. As the wording requires, the Pledge denoting the singular include the plural and vice versa.

**Pledgor** – a legal entity or private individual which, on the basis of a

written agreement, pledges in favour of the Bank some real or movable property in order to secure the fulfilment of the Client's obligations under the Agreement.

**Report** – a report on the amount of construction works actually performed at the Object and the compliance thereof to the Object Cost Estimate, as drafted and signed by the Construction Expert.

**Sanctions Regulations** – the Law on International and National Sanctions of the Republic of Latvia and/or related international and national regulations and/or documents issued by a banking oversight institution.

**SRS** – State Revenue Service.

**Special Provisions** - the special terms and conditions of the Agreement signed by the Parties, which are Part 1 of the Agreement and where the amount of the Loan, Interest, Collateral, procedures for issuance and Repayment of the Loan and other special provisions are stipulated.

**1. Scope of the Agreement.**

1.1. The Bank shall issue the Loan to the Client in accordance with the procedure specified in the Agreement, while the Client shall receive and allocate the Loan to financing the purpose of using the Loan, and shall perform payments specified in the Agreement to the Bank in accordance with the provisions of the Agreement.

**2. Preconditions for Disbursement of the Loan.**

2.1. The Bank shall issue the Loan (part thereof) for the purpose of using the Loan (part thereof) as specified in the Agreement, remitting it in accordance with the procedure specified in the Agreement, once the following conditions are met:

- 2.1.1. the Loan Administration Fee specified in the Agreement, the premium specified in the ALTUM Guarantee Premium Request (if required in accordance with the provisions of the Agreement) and other fees specified in the Agreement as payable prior to the issue of the Loan (part thereof), are paid in accordance with the provisions of the Agreement;
- 2.1.2. the documents specified in the Agreement have been submitted and are compliant with the Bank's requirements;
- 2.1.3. the Pledge specified in the Agreement have been registered in a form and substance satisfactory to the Bank;
- 2.1.4. reinforcement of discharge of the Client's obligations specified in the Agreement and in a form and substance satisfactory to the Bank (Financial collateral/Guarantee) has been submitted;
- 2.1.5. the Pledge is insured in accordance with the Bank's requirements, specified in the website [www.citadele.lv](http://www.citadele.lv), including submission of documents corroborating this;
- 2.1.6. the Client has no tax arrears in accordance with information from the database published by the SRS;
- 2.1.7. the Client has fulfilled the obligations for issue of the Loan (part thereof) as specified in the Special Provisions of the Agreement;
- 2.1.8. no event or circumstance has occurred which, in the Bank's reasonable opinion, might constitute Material Adverse Effect or event of default (clause 9.1);
- 2.1.9. the Bank shall have received such other documents as the Bank may reasonably request.
- 2.2. If the Loan is issued for Object construction, renovation or reconstruction, then, in addition to the provisions of clause 2.1 of the General Provisions, the Client shall, before issue of the Loan (part thereof) commences, ensure that:
  - 2.2.1. the following have been submitted to the Bank:
    - 2.2.1.1. the Construction Agreement regarding construction works at the Object, wherein the contracting parties have agreed not to amend the provisions of the Construction Agreement, including the Object Estimate (above 2% of the initial amount of the estimate of the Facility submitted to the Bank), without written consent from the Bank;
    - 2.2.1.2. the Object construction estimate approved by the Bank;
    - 2.2.1.3. the Object construction design approved by the Building Board;
    - 2.2.1.4. a valid construction permit (certification card or letter of clarification) issued by the Building Board with a reference from the Building Board on the fulfilment of required conditions for designing and/or commencing construction works at the Object;
    - 2.2.1.5. a statement from the Construction Expert, or, if no Construction Expert is involved, from the construction supervisor, on the conformance of the Object Estimate to the Object design and to the construction permit issued for the Object and fulfilment of required conditions for designing and/or commencing construction works at the Object;
    - 2.2.1.6. copy of a general civil liability insurance policy;
    - 2.2.1.7. copies of policies insuring risks of Object construction works, issued by an insurance company approved by the Bank, with insurance terms approved by the Bank and duly formatted, including the indications that the Bank is the beneficiary of insurance indemnity and that the insured

amount is equal to the total expenses on Object construction works as specified in the Object Estimate (including VAT);

2.2.1.8. a Construction Guarantee regarding execution of construction works at the Object.

2.2.1.9. if the Client prefers, and the provisions of this Agreement allow, the receipt of part of the Loan for advance payments:

2.2.1.9.1. for the Client to settle in advance for construction materials, a copy of an agreement on the purchase of specific construction materials shall be submitted to the Bank,

2.2.1.9.2. for the Client to settle in advance for works consistent with the Object Estimate but not actually performed at the Object, an advance payment Invoice for the construction works shall be submitted to the Bank along with a guarantee of advance payment refund guarantee issued by a credit institution, the written wording of which has been approved by the Bank, and in an amount no lower than the part of the Loan requested by the Client for payment under such advance invoice.

2.2.2. the Client has ensured that:

2.2.2.1. at the time of execution of each Disbursement Order, funds on the Current Account are sufficient for covering the Client's Co-payment for an Object construction Invoice in the amount specified in the Agreement,

2.2.2.2. on the date of issue of the Loan (part thereof) to the Client in accordance with the provisions of the Agreement:

2.2.2.2.1. the Invoices submitted to the Bank, on the basis of which the relevant part of the Loan is to be issued to the Client, have been paid;

2.2.2.2.2. the Client's Current Account does not have an unauthorised negative balance, and no circumstances exist that might prevent the execution of the Disbursement Order.

2.3. The Bank shall be entitled not to commence, or to suspend, the issue of the Loan if the Client delays any payment under an agreement/arrangement between the Client and a company in the Bank's Group or from the day of submitting the application for receiving a Credit line to the Bank, the Client has assumed new credit obligations and / or guarantee obligations without coordinating them with the Bank, or any of the Event of Default has occurred, which gives the Bank a unilateral right to set a new Final Repayment Date.

2.4. The date on which the Bank transfers the Loan (or part thereof) to the account/accounts specified in the Special Provisions shall be deemed to be the date on which the Client receives the Loan (or part thereof).

2.5. The Bank shall be entitled to debit from the Current Account held with the Bank, or to withhold from the Loan, if allowed in accordance with the provisions of this Agreement, the funds necessary for the payment of the Loan Administration Fee, and other fees specified in the Agreement.

### 3. Procedure for executing payments under the Agreement.

3.1. The Client shall pay to the Bank Interest accrued over each Interest Period and shall repay to the Bank the outstanding Loan (or part thereof), transferring the funds to the Account, in the Loan Currency.

3.2. The funds provided in the Account are channelled to the Client's commitments, in the following order: (1) payment of amounts related to insurance of the Pledge (2) payment of amounts related to the ALTUM guarantee premium, if due in accordance with the Agreement; (3) payment of outstanding Interest; (4) payment of part of the Loan; (5) payment of contractual penalties (if assessed in accordance with the Agreement). If a lending transaction has been concluded between the Client and the Bank (regardless of whether one is concluded prior to or following the effective date of the Agreement) linked to an ALTUM guarantee and linked InnovFin counter-guarantee issued and administrated by ALTUM, then, if any non-conformance between the declaration submitted by the Client to ALTUM and the InnovFin counter-guarantee criteria, or any breach of the Client's obligations specified in the lending agreement between the Client and the Bank is identified which entitles the Bank to determine a new, earlier Final Repayment Date, the Bank shall be entitled to allocate amounts paid by the Client for the fulfilment of obligations under any lending transactions primarily towards the discharge of the Client's obligations linked to an ALTUM guarantee involving an InnovFIN counter-guarantee, and to require premature complete fulfilment of obligations under lending transactions concluded between the Client and the Bank, provided that this does not contradict imperative regulations specified in the applicable legislation.

3.3. If, within the term specified in the Agreement, funds sufficient making payments under the Agreement in full are not provided into the Account, the Bank shall be entitled to debit outstanding amounts from any Current Account, converting such funds held on accounts opened in the Client's name and denominated in other currencies into the Loan Currency at the cashless monetary transaction exchange rate specified by the Bank as effective at the time of conversion.

3.4. The contractual payments shall be deemed to have been paid when the funds concerned are provided to the Account and have been written off by the Bank for the purposes of fulfilling Client's payment

obligations. If the Bank states a different account for a certain payment, the payment shall be deemed executed once the Client remits the relevant amount to the account specified by the Bank.

3.5. The deadline for executing payments specified in the Agreement shall be 10 p.m (Latvian time) on the stated date of payment.

3.6. If, on the basis of the Client's request, amendments are made to the Agreement and/or documents ensuring fulfilment of the Client's obligations, or if the Bank drafts, reviews documents or performs other activities pertaining to the Agreement, including cases of refinancing, the Client undertakes to pay the Bank a fee in accordance with the Bank's price list (<http://www.citadele.lv/lv/tariffs/>) effective at the time of performing the aforementioned activities, and to pay or refund to the Bank any direct, substantiated expenses pertaining to the aforementioned activities. The Bank shall be entitled to, without an express order from the Client, debit from any Current Account the funds necessary for settling the aforementioned payments, converting such funds held on accounts opened in the Client's name and denominated in other currencies into the Loan Currency at the cashless monetary transaction exchange rate specified by the Bank as effective at the time of conversion.

### 4. Repayment Schedule.

4.1. The Bank shall, upon the Client's request, issue or send to the Client a Repayment Schedule – to the e-mail address specified by the Client or via Citadele Online Banking. The Repayment Schedule is an electronically prepared document valid without the Bank's signature. The Client shall make the payments specified in the Repayment Schedule in accordance with the timing and amounts specified therein. Information on the amount of an upcoming (current) payment shall be available to the Client via Citadele Online Banking. Failure to receive a Repayment Schedule shall not relieve the Client from the obligation of performing payments specified in the Agreement, in the amount and within the time specified.

### 5. Prepayment of the Loan (or part thereof).

5.1. The Client shall be entitled to prepay the Loan (or part thereof) within a different, shorter period of time than specified in the Agreement, by notifying the Bank in writing at least 5 (five) business days in advance). Simultaneously with repayment of the Loan (part thereof), any accrued Interest, contractual penalties, if any, and Loan Prepayment Fee, if specified in the Agreement. In the event of prepayment of the Loan, the Client shall also pay other Bank's fees for transaction processing. The Bank shall be entitled not to allocate funds held on the Account to prepay part of the Loan if the funds in the Account are not sufficient for the full payment of the amount specified in the Client's application for prepayment of part of the Loan and of other amounts specified in this clause of the Agreement.

5.2. If the circumstances specified in clause 9.1.2 of the General Provisions of the Agreement have occurred, the Bank shall be entitled to require the Client to, within a term specified by the Bank, but no less than 30 (thirty) days following sending of the relevant request by the Bank to the Client, provide additional Pledge or repay the Loan in such an amount as to make the ratio of the market value of the Pledge to outstanding amount of the Loan match the respective ratio on the effective date of the Agreement or the amendments to the Agreement regarding increase of the amount of the Loan.

### 6. Obligations of the Client.

6.1. The Client's obligations during the effective term of the Agreement:

6.1.1. to use the loan solely for the purpose(s) of using the Loan specified in the Agreement;

6.1.2. to maintain positive equity throughout the effective term of the Agreement;

6.1.3. to maintain its accounting in accordance with applicable legislation and to ensure the submission of annual reports – or annual income declarations, if the Client's accounts are maintained according to a simplified record system – to the SRS and/or the Bank no later than the term specified in the applicable legislation;

6.1.4. to allow authorised representatives of the Bank to access the Client's production, sales and other premises, to inspect material and technical resources, raw materials and finished products involved in business activities. The Bank shall notify the Client about a planned visit no less than 3 (three) business days in advance;

6.1.5. to comply with the regulatory enactments of health protection, labor safety, labor law and environmental protection in its activities and to submit a relevant written confirmation to the Bank once a year upon the Bank's request in accordance with the form specified by the Bank;

6.1.6. to immediately, within no more than 3 (three) business days, notify the Bank about accidents or events related to the Client's activities where a significant unfavourable impact on the environment, the health or safety of



the public or employees, has occurred or might occur, and to take every feasible action towards remedying/ eliminating unfavourable consequences, informing the Bank thereof;

6.1.7. to take appropriate action in order to prevent any involvement of the Client, participants of the Client's Group in which the Client owns at least 25% of stock/capital shares, their representatives and/or BOs in illegal activities related to corruption, fraud, illegal business activities, and to ensure compliance with the requirements of Sanctions Regulations;

6.1.8. to pay to the Bank the amount of premium specified in the ALTUM Guarantee Premium Request, if due in accordance with the provisions of this Agreement.

6.2. The Client shall not be entitled to, without prior written consent of the Bank, perform the following activities:

6.2.1. conclude transactions involving receipt or issue of credit (loans, borrowings, letters of credit, guarantees), receive or issue credit (loans, borrowings, letters of credit, guarantees), conclude leasing or factoring transactions, or guarantee the performance of obligations by third parties;

6.2.2. declare or pay any dividend or other distributions of a similar nature in respect of the Client's share capital and profit;

6.2.3. conclude a concern agreement or management agreement, or an agreement on management and transfer of profit;

6.2.4. allow the alienation of the Pledge, with the exception of alienation of the Client's property within the framework of everyday business activities, or allow gifting, investment in the statutory capital of a third party, provision into use without remuneration, rental, leasing out, exchange, secondary pledging to third parties, or registration of any encumbrances with public registries;

6.2.5. with regard to the Pledge (a real property) – allow construction and development, renovation (restoration), reconstruction (remodelling) or demolition, receipt of lease (rental) payments from lessees (tenants) for more than one year in advance;

6.2.6. allow the adoption of any decision regarding the liquidation, restructuring and/or substantial change of business activity for the Client or any participant of the Client's Group (legal entity) in which the Client's participation exceeds 50% or which the Client otherwise controls either directly or indirectly;

6.2.7. allow any modifications to be made to the number and proportional allocation of capital shares/stocks in the Client or any participant of the Client's Group (legal entity) in which the Client's participation exceeds 50% or which the Client otherwise controls either directly or indirectly;

6.2.8. allow any decrease/increase in the statutory capital and/or the nominal value of capital shares/stocks in the Client or any participant of the Client's Group (legal entity) in which the Client's participation exceeds 50% or which the Client otherwise controls either directly or indirectly;

6.2.9. create or grant to any person mortgage, pledge or similar interest in any of Client's property, even in the ordinary course of Client's business.

6.3. If the purpose of issuing the Loan is construction, renovation or reconstruction of the Object, the Client shall ensure that:

6.3.1. an all-risk Object construction works insurance policy is valid until the commissioning of the Object and the moment of coming into force of the Object insurance policy executed in accordance with the provisions of the Agreement;

6.3.2. obligations undertaken in accordance with the tripartite agreement between the Bank, the Client and the General Contractor are fulfilled, if such an agreement is concluded in accordance with the provisions of the Agreement;

6.3.3. all agreements (arrangements) regarding the Object as concluded between the Client and the General Contractor, and between the General Contractor and a contractor (if any is involved in performing Object construction works), and invoices issued by contractors (if any) under such agreements, including invoices issued and paid, and agreements (arrangements) between the Client and the Object construction supervisor, are submitted to the Construction Expert upon the Construction Expert's request;

6.3.4. the General Contractor, the Construction Expert and the Client's construction supervisor have access to the documentation necessary in accordance with the applicable legislation of the Republic of Latvia for performing construction works;

6.3.5. upon the Construction Expert's request, structures and covered works within the Object are uncovered, unless this presents additional costs or harms construction works already performs at the Object;

6.3.6. violations, if any are identified in the documentation or in the process of construction at the Object, are remedied immediately, and Documents Consistent with the Bank's Requirements certifying that the identified violations have been remedied, are submitted upon the Bank's request;

6.3.7. an employee of the Bank and/or the Construction Expert has everything they require for ensuring monitoring of Object construction,

including access to the Object and to all necessary documents,

6.3.8. the Bank is informed in writing about:

6.3.8.1. each case where the Client's construction supervisor requests or requires suspension of Object construction works;

6.3.8.2. each case where the Client's construction supervisor initiates the voiding of the construction manager's construction practice certificate;

6.3.8.3. termination of the Construction Supervision Agreement by the Client's construction supervisor and/or by the Client in accordance with the applicable legislation or the Construction Supervision Agreement itself.

## 7. Reporting to the Bank.

7.1. The Client shall be obliged to submit to the Bank, within the term specified by the Bank, but no less than 5 (five) business days following the Bank's request, any documents and other information regarding:

7.1.1. the Client, its financial standing or business activities, which the Bank deems necessary for performing an audit of the Client's financial standing or business activities, or which the Bank must obtain in accordance with the applicable legislation, and on property rights, payment of taxes and utility fees, litigation, if any, and concluded agreements on lease (rental), use without remuneration, or usage rights pertaining to the Pledge;

7.1.2. activities implemented by a participant, representative or BO of the Client's Group to prevent violations involving corruption, fraud and/or criminal business activities.

7.2. The Client shall provide to the Bank the reports specified in the Arrangement on Financial Covenants.

7.3. The Client shall be obliged to immediately, within no more than 5 (five) business days following the occurrence of relevant circumstances or the Client becoming aware of such, notify the Bank about/ that:

7.3.1. changes to the Client's articles of association, correspondence address, e-mail address, equivalent documents or data;

7.3.2. any case of substantial damage to or loss of the Collateral;

7.3.3. any case where failure to comply with Sanctions Regulations may (might) apply to the actions/conduct of the Client, or participants, representatives, BOs of the Client's Group;

7.3.4. any requirement, activity, process or similar activity which is related to applicable Sanctions Regulations and targeting any participant, employee, representative or BO of the Client's Group;

7.3.5. changes to the Client's activities, the Client's performance indicators (criteria) and/or representations provided to the Bank or to ALTUM which the customer specified in the merchant's confirmation submitted to ALTUM while seeking the receipt of an InnovFin counter-guarantee;

7.3.6. other circumstances have occurred, affecting the Client's ability to duly honour its obligations hereunder..

7.4. The Client shall be obliged to, immediately upon becoming aware, notify the Bank about changes to the composition of ownership, proportion of held stocks/capital shares or statutory capital among participants of the Client's Group (legal entities) in which the Client owns at least 25% of capital shares/stocks, provided that such participants of the Client's Group use any service provided by the Bank's Group and/or cooperate with any participant of the Bank's Group under a cooperation agreement. The aforementioned obligation of the Client shall not apply to public joint-stock companies.

7.5. The Client shall be obliged to ensure that the Guarantor and the Pledgor observe and duly fulfil obligations under the relevant agreement, and provide financial information to the Bank in accordance with the procedure specified in the relevant agreement.

## 8. Insurance of the Pledge.

8.1. If, in accordance with a commercial pledge or pledging agreement, the Pledge must be insured, the Client shall be obliged to maintain valid insurance of the Pledge in accordance with the requirements of the Bank as indicated on the Bank's website [www.citadele.lv](http://www.citadele.lv). The Client shall be obliged to coordinate the insurance company and the insurance terms and conditions with the Bank before concluding a contract with the insurance company, in case the Client chooses to enter into an agreement with an insurance company that is not the Bank's cooperation partner indicated on the Bank's website.

8.2. If the Client fails to maintain insurance of the Pledge or fails to present copies of insurance policies/agreements and documents confirming payment of insurance premiums, the Bank shall be entitled to undertake insurance of the Pledge and to assess a contractual penalty in accordance with the provisions of the Agreement. If the Bank undertakes insurance of the Pledge, it shall be entitled to select an insurance company and insurance terms on the Client's behalf, to issue, receive and sign documents and effect settlement as necessary for insuring the Pledge instead of the Client, and to debit from any Current Account the funds necessary for payment of the insurance premium and coverage of expenses

borne by the Bank in connection with undertaking insurance, without any express payment order on the part of the Client. If funds on Current Accounts are insufficient in order to effect such payments, the Bank shall undertake insurance of the Pledge at its expense, which the Client shall be obliged to refund. If the Client fails to reimburse the Bank for funds it expends on insurance of the Pledge within the term specified by the Bank, the Bank shall assess a contractual penalty for delayed payment.

**9. Liability.**

9.1. Events of Default. The following events and circumstances shall constitute an Event of Default:

9.1.1. the Client delays a payment due under in the Agreement by more than 30 (thirty) days;

9.1.2. one of the Client's commitments Collaterals is contested, declared invalid, substantially damaged or decreased in scope, subjected to the claims of third parties, and the Client fails to submit new means of securing its obligations and/or to fulfil an arrangement on repayment of the Loan (part thereof) for 30 (thirty) days after the relevant written notice is sent by the Bank to the Client;

9.1.3. the business activities of the Client, its (Client company's) participant holding a stake in excess of 50% or otherwise possessing direct or indirect control of the Client, are suspended or the liquidation of the Client, its (Client company's) participant holding a stake in excess of 50% or otherwise possessing direct or indirect control of the Client, commences;

9.1.4. legal protection proceedings or insolvency proceedings are initiated in court regarding the Client, the Guarantor or the Pledgor;

9.1.5. prior to the conclusion of this Agreement or during its effective term, the Client and/or the Guarantor submits to the Bank forged documents, or provides to the Bank misleading, inaccurate or incomplete data, or the Loan is not used in accordance with the purpose(s) of using the Loan;

9.1.6. the Client does not fulfil (has failed to fulfil) any of its obligations in accordance with clause 1.17 of the Special Provisions of the Agreement or in clauses 6.2.1–6.2.5 of the General Provisions, or does not fulfil (has failed to fulfil), and continues to not fulfil any of the obligations specified in clause 6.1 and/or clause 7 of the General Provisions of the Agreement, for 10 (ten) days following sending of a warning by the Bank;

9.1.7. the Bank unilaterally terminates any other agreement (arrangement) between the Bank and the Client, determines a new Final Repayment Date and/or a new Final Repayment Date is determined and an agreement (arrangement) between the Client and a company in the Bank's Group is terminated, regardless of whether such agreements (arrangements) are concluded prior or subsequently to the conclusion of the Agreement;

9.1.8. the Bank has access to information indicating that the Client and/or another participant of the Client's Group, its employee, BO and/or representative has been involved in illegal activity or acts related to corruption, fraud, criminal business activities entailing criminal liability in accordance with the applicable legislation, and/or other negative information regarding the Client and/or another participant of the Client's Group, its employee, BO and/or representative which may harm the reputation of the Bank;

9.1.9. the Bank has access to information indicating that the Client and/or another participant of the Client's Group, its employee, BO and/or representative has violated (is violating) the provisions of effective Sanctions Regulations, and fails to remedy a violation or the consequences thereof within the term specified in the Sanctions Regulations or indicated by the Bank;

9.1.10. any activities specified in clauses 6.2.6–6.2.8 of the General Provisions of the Agreement are performed without prior coordination with the Bank;

9.1.11. the ALTUM guarantee loses force (if the provisions of the Agreement stipulate an ALTUM guarantee as security for the Client's obligations).

9.2. In the event of any of the Event of Defaults referred to in Clause 9.1 of the Agreement, the Bank shall be entitled to unilaterally withdraw from the Agreement (determine a new Final Repayment Date) and require complete repayment of the Loan issued and not yet repaid, as well as payment of other amounts due under the Agreement, by sending the Client a notification in accordance with the procedure specified in clause 12.1 of the General Provisions of the Agreement, no less than 14 (fourteen) days in advance.

9.3. Late Payment penalty: If the Client delays any payment specified in the Agreement, the Client shall be obliged to pay the Bank a contractual penalty in the amount specified in the Agreement, starting with the first day in arrears and ending on the day (inclusive) on which the Bank fully discharges the delayed payment, or until the Final Repayment Date, whichever occurs sooner. This contractual penalty shall be payable by the Client no later than the following Interest Payment Date. The contractual

penalty may accrue until it exceeds the maximum amount of contractual penalties as specified in the applicable legislation of the Republic of Latvia, if one is specified.

9.4. Other contractual penalties: The Client shall be obliged to, within the term specified by the Bank, but no less than 10 (ten) days after the Bank sends the relevant contractual penalty request to the Client, pay to the Bank the contractual penalty specified in the Agreement. The contractual penalty may accrue until it exceeds the maximum amount of contractual penalties as specified in the applicable legislation of the Republic of Latvia, if one is specified.

9.5. Default Interest: If, by the Final Repayment Date of the Loan, the Client has not performed all payments specified in the Agreement, the Client shall be obliged to pay the Bank Default Interest in the amount specified in the Agreement per day in arrears as a percentage of the amount of the Loan outstanding as at the Final Repayment Date. The Bank shall be entitled to assess Default Interest from the day following the Final Repayment Date until all obligations are fulfilled.

**10. Activities following the Final Repayment Date.**

10.1. If the Client has not made all payments specified in the Agreement in full, the Bank shall be entitled to direct enforcement upon the means of securing and reinforcing the Client's obligations specified in the Agreement and upon all real and movable property, and funds, owned by the Client and the Guarantor, in accordance with the applicable legislation and agreements concluded with the Bank.

10.2. Funds received for the purpose of discharging the Client's liabilities specified in the Agreement shall be allocated; firstly, towards compensation for expenses related to collecting the debt; secondly, for discharging payments related to insurance of the Pledge; thirdly, for payment of amounts related to the ALTUM guarantee premium; fourthly, toward payment of outstanding interest; fifthly, toward repayment of the Loan; sixthly, toward payment of outstanding contractual penalties. The Bank shall be entitled to define a different order of allocating received funds, unless this contradicts the applicable legislation of the Republic of Latvia, including the allocation of received funds primarily to discharging the Client's obligations to the Bank which are secured by an ALTUM guarantee and an attached InnovFin counter-guarantee.

**11. Data processing.**

11.1. Processing of personal data at the Bank shall be performed in accordance with its approved Privacy Protection Rules (available on the Bank's website [www.citadele.lv](http://www.citadele.lv)).

11.2. The Client may find out the addresses of credit information bureaus with which the Bank has concluded agreements on the provision and receipt of data from the Bank, including the Bank's website [www.citadele.lv](http://www.citadele.lv).

11.3. If fulfilment of the Client's obligations is secured by an ALTUM guarantee with an attached InnovFin counter-guarantee, then, upon providing consent to providing data to ALTUM, the Client also consents the data being provided to the European Investment Fund, the European Investment Bank, the European Audit Chamber, the European Court of Auditors, or any other European Union institution authorised to review the allocation of ALTUM guarantees with attached InnovFin counter-guarantees.

**12. Correspondence.**

12.1. Notifications, warnings, requests provided under the Agreement and other information related to the Agreement, including the Payment Schedule and the ALTUM Guarantee Premium Request (if the Client's obligations are secured using an ALTUM guarantee) shall be considered duly sent to the Client and considered received within the term specified below:

12.1.1. if sent to the Client's registered office and/or correspondence address – on the fifth day following delivery to a postal institution;

12.1.2. if delivered to the Client in person – at the point of delivery;

12.1.3. if signed using a secure digital signature (with the exception of a Payment Schedule) and sent electronically to the Client's e-mail address as specified in the Agreement – on the third day following sending.

12.1.4. if sent to the Client via the Citadele Online Banking – on the third day following sending.

**13. Interpretation and validity of the Agreement.**

13.1. The Agreement shall come into force at the time of signing of the Special Provisions of the Agreement by both of the Parties, and shall remain in force until all obligations specified in the Agreement are fulfilled.

13.2. The Client may unilaterally withdraw from the Agreement only if at the same time as withdrawing from Agreement, he fully fulfils all of the obligations arising from the Agreement towards the Bank.

13.3. The titles of parts, sections and clauses of the Agreement are provided for improving legibility of the Agreement and not for interpretation. Highlighted text at the beginning of a section or clause should be considered its title.

13.4. Should any Special Provisions in Part 1 of the Agreement contradict the General Provisions in Part 2 of the Agreement, the relevant Special Provisions of the Agreement shall prevail.

13.5. If one or more of the provisions of the Agreement in any way become invalid, illegal or non-enforceable, it shall in no way affect or

restrict the validity, legality or enforceability of the other provisions of the Agreement.

13.6. Amendments and updates to the Agreement shall be valid and shall become integral parts of the Agreement if executed in writing and signed by the Parties, with the exception of the right of the Bank to, in accordance with the provisions of the Agreement, unilaterally determine new Interest rates for the use of the Loan and a new Final Repayment Date.

13.7. The Agreement shall be interpreted in accordance with the applicable legislation of the Republic of Latvia.