

# GENERAL CORPORATE CLIENT CREDITING CONDITIONS

(valid from 23-05-2016)

## 1. TERMS AND DEFINITIONS

The terms used in these *General Corporate Client Crediting Conditions* are understood as they are defined in this section; others used and capitalized terms shall be understood as they are regulated by the *General Rules* or *Payment Rules*.

**1.1. Letter of credit:** documentary letter of credit (s) issued at the Client's request by the Bank with the means of which the Bank undertakes to pay the money to the recipient of the letter of credit, if the documents submitted to the Bank meet the conditions of the letter of credit.

**1.2. Bank:** Limited Liability Public Company Šiaulių Bankas, the details and contact information can be found in the *General Rules*.

**1.3. Margin:** Bank's credit risk and profit margins in per cent per year provided for in the Contract.

**1.4. General Rules:** Bank-approved *General Service Rules of Šiaulių Bankas*, which are available on the Bank's website [www.sb.lt](http://www.sb.lt) or in the Bank's Client service offices.

**1.5. General Corporate Client Crediting Conditions:** these Bank-approved *General Corporate Client Crediting Conditions*, which are presented to the Client at his/her request at the time of entering into the Contract or which are available for the Client at the Bank's website [www.sb.lt](http://www.sb.lt) or in Bank's Client service offices. Parties do not sign the *General Corporate Client Crediting Conditions*. These *General Corporate Client Crediting Conditions* are one of the Bank's *Service Providing Conditions* (their part).

**1.6. EURIBOR** (Euro Inter-Bank Offered Rate): the average European inter-bank market interest rate.

**1.7. Financing Limit Contract:** the Contract in which the Parties agree on the maximum amount of credit received by the Client and other credit granting and payment terms, collateral and other arrangements, signed by the both parties.

**1.8. Guaranty:** the guarantee provided by the Bank at Client's request, by which the Bank commits to be fully or partially liable with the means of the amount specified, if the obligation specified in the guarantee is not fulfilled or is incorrectly fulfilled.

**1.9. Schedule:** a document with dates and credit repayment amounts according to which the Client repays the credit (its part) to the Bank, and in the case of credit line, the document with dates and the maximum credit limit amounts below which the Client has the right to use the credit limit.

**1.10. Client:** the person specified in the Special Conditions, who is a party to the Contract, to whom the Bank gives credit.

**1.11. Credit:** cash funds granted (lent) by the Bank to the Client for the purposes and under conditions stated in the Contract, regardless of the form of the credit granted, undertaken by the Client to return to the Bank and to pay interest. Credit funds

may be used for issuing and payment of letters of credit or giving guarantees and requirements for payment under the given guarantees. Credit can not be used to purchase shares of the Bank and/or for other activities, if it is not clearly indicated in the Special Conditions.

**1.12. Credit Line:** the form of credit, when the Bank provides the Client the cash under the conditions and for the purpose specified in the Contract, and the Client has the right to use such funds and in its sole discretion return and re-use within the maximum credit line amount specified in the Contract and/or schedule (if any).

**1.13. Credit Use Period:** the period during which the Client has the right to use the credit, to open a letter of credit or obtain a guarantee.

**1.14. Credit Account:** the special-purpose internal Bank account from which the Credit is paid

**1.15. LIBOR** (London Inter-bank Offered Rate): the average London inter-bank market interest rate.

**1.16. Payment Day:** the calendar day of the month provided for in the Contract, on which the Client returns the Bank the credit, pays the Bank the interest and/or commitment fee.

**1.17. Payment Rules:** Bank-approved *General Payment Service Rules of Šiaulių bankas*, which are available on the Bank's website [www.sb.lt](http://www.sb.lt) or in the Bank's Client service offices.

**1.18. Interest:** the fee paid by Client to the Bank for the use of credit. Interest can be variable, fixed for the entire Contract period or interest may be subject to a review clause. The Parties agree about application of particular interest in the Special Conditions.

**1.19. Additional Term and Obligation Arrangement:** a separate arrangement concluded and signed by the Parties with the means of which the Parties agree on the additional terms applicable to the Client, financial indicators and the implementation of commitments as well as sanctions for non-compliance. In the case the conditions of *Additional Term and Obligation Arrangement* are different from those in the *General Corporate Client Crediting Conditions* or Special Conditions or Financing Limit Contract, the conditions of *Additional Term and Obligation Arrangement* shall prevail.

**1.20. Contract:** the crediting Contract entered into by the Parties (with all its present and future amendments, additions and improvements). Contract includes the Special Conditions signed by the Bank and the Client, Financing Limit Contracts (if any), Schedule (if any), and these *General Corporate Client Crediting Conditions*, *General Rules* and *Payment Rules* not signed by the Parties.

**1.21. Account Credit (Overdraft):** the form of credit, when the Bank gives (lends) Client cash under the conditions specified in the Contract in the Client's Bank account, and the Client has the right to dispose of the cash at his/her own discretion,

repaying the credit in the intervals specified in the Contract, within the maximum Account Credit limit specified in the Contract.

**1.22. Account Credit Use Cycle:** the period specified in the Contract (in the Special Conditions), expressed as the number of calendar days in a row in which the Account Credit has to be at least once returned to the Bank and the Client's Bank Account balance must be positive.

**1.23. Special conditions:** the part of the Contract, with the means of which the Parties agree on the essential conditions of financing, collateral and other terms and obligations, signed by the both Parties.

**1.24. Parties:** the Bank and the Client together being the contractual parties.

**1.25. Collateral:** the instruments ensuring fulfilment of obligations under the Contract specified in the Contract.

## 2. GENERAL CREDIT PAYMENT, LETTER OF CREDIT ISSUING AND GUARANTEE ISSUING CONDITIONS

2.1. The Bank gives credit to the Client, issues a letter of credit or issues a guarantee if all the following conditions are fulfilled:

2.1.1. Collateral agreements are duly entered into with the Bank and, if necessary, registered in the mortgage register, as it is provided for in the Contract;

2.1.2. The Client pays the Bank the contractual administration fee and, if necessary, the other Bank charges;

2.1.3. The Client has fulfilled all other conditions of credit payment and/or the letter of credit issuing or guarantee granting, specified in the Financing Limit Contract and/or the Special Conditions and/or the letter for credit issuing/guarantee granting agreement;

2.1.4. The Client provides the Bank with a credit purpose supporting documents: invoices, contracts, duly signed payment orders and/or other (if requested) Bank-specified documents justifying the use of credit for its purpose;

2.1.5. The real estate (excluding land) and moveable property mortgaged to the Bank is insured in favour of the Bank under the contractual conditions and the Bank is submitted the supporting documents (insurance contracts/policies, premium payment supporting documents);

2.1.6. The Bank has opened for the Client the Bank account, if the Client does not have such an account, which will be used to carry out credit or its part repayments and to pay interest to the Bank;

2.1.7. Other agreements between the Bank or and Bank's subsidiaries and the Client or Client's group companies covering financial obligations including the Contract, are properly carried out;

2.1.8. There are no negative changes in the Client's financial condition, assets or performance results in comparison with the state, which was at the conclusion of the Contract, which

could have essential negative impact on the Client's execution of the obligations under the Contract;

2.1.9. Credit use period specified in the Contract has not expired;

2.1.10. There is no other basis set in the legislation or *General Rules*, allowing/requiring the Bank to stop payment of credit and/or to terminate the Contract;

2.1.11. Client's - farmer, entrepreneur, individual business owner - spouse's written consent for credit taking is received.

2.2. In the case of Overdrafts, the Bank, depending on the Client's account turnover, has the right to unilaterally change (reduce and restore again) the size of the Account Credit granted to the Client and/or suspend the Account Credit payments, by notifying the Client accordingly.

2.3. If the requested to pay credit (or part thereof) is assigned for settlement in the currency other than that in which the credit was granted, the Client must provide the Bank with a request to convert the requested to pay amount of credit into the corresponding currency. Currency conversions are carried out at the then existing rates and fees of the Bank.

2.4. The Credit under the Contract is given by transferring it from the Credit account directly to the goods or services seller's Bank account. Bank does not issue credit to the Client in cash.

## 3. CREDIT COSTS AND OTHER CHARGES

### *Interest*

3.1. The Client pays the Bank the contractual interest on the credit amount paid by the Bank to the Client.

3.2. Contractual interest should run from the credit (or part thereof) transfer from the Credit Account or the Client's Bank account (if the credit is in the form of Account Credit) till the day of actual repayment of the credit into Credit Account or Client's Bank account (if the credit is in the form of Account Credit).

3.3. If the Contract specifies that the Client is subject to variable interest rate, its annual rate is calculated by taking the sum of 1, 3, 6 or 12-month EURIBOR/LIBOR values and the contractual Bank's fixed margin. Variable interest is changed at the frequency of EURIBOR/LIBOR period specified in the Contract. Variable interest begins to run from the date of signing the Contract.

3.4. If the Contract specifies that the Client is subject to a fixed interest rate, the contractual fixed interest rate is set for the entire Contract period.

3.5. If the Contract specifies that the Client is subject to a fixed interest rate with the review clause, it is set for the entire Contract period and reviewed and modified at the frequency of EURIBOR/LIBOR period specified in the Contract. Interest review period is started to calculate on the date of signing the Contract. In case if on the day of fixed interest rate review/modification the contractual EURIBOR/LIBOR value

and the Bank's margin amount is higher than the contractual fixed interest rate, the Client must pay interest to the Bank, which is calculated as the sum of contractual EURIBOR/LIBOR values of EURIBOR/LIBOR period and the Bank's margin. In the case if on the fixed rate revision/modification date the sum of contractual EURIBOR/LIBOR value and the Bank's margin value is less than or equal to the contractual fixed interest, the Client pays the Bank the fixed interest set in the Contract.

3.6. In the case if variable or fixed interest rate review/change day (the specified calendar year) is not a business day, at reviewing/changing the variable or fixed interest rate, the EURIBOR/LIBOR value valid on the previous working day set in the Contract shall be taken as the basis. EURIBOR rate values are made publicly available on the Bank of Lithuania's website [www.lb.lt](http://www.lb.lt).

3.7. Interest shall be calculated by summing the multiplications of each month's actual credit account balances (i.e. the used and the outstanding part of credit) and the contractual interest rates divided by 360 (three hundred and sixty). The Contract stipulates that the year consists of 360 (three hundred and sixty) days and the month consists of the number of calendar days.

3.8. The Client is to pay the accrued interest for the previous calendar month to the Bank on the contractual date of payment, and if the final repayment date does not match with the contractual due date, all accrued interest is to be paid on the last day of the final repayment period.

3.9. Interest is paid in the credit currency.

3.10. If the Client fails to execute his/her contractual obligations, the Bank has the right to unilaterally, in the cases provided for in the Contract, increase the contractual interest rate to the Client (by accordingly increasing the fixed interest and/or the Bank's margin), and the Client must pay the increased interest till the day he/she properly fulfils his/her obligations.

3.11. In the case on Client's request Contract terms are changed (for extension of credit use period, the final repayment period, adjusting the repayment schedule, providing an additional amount of credit, providing extra collateral etc.) the Bank has the right to re-establish the interest rate calculated for the credit.

#### **Administration fee**

3.12. Administration fee is the fee paid to the Bank for analysis of the application for credit and financial and legal documents, preparation of the credit contract, supervision of the granted credit during the term of the Contract, paid by the Client to the Bank on the day of signing the Contract or its amendment into the Bank-specified account. If the Bank in the contractual cases refuses to grant all or part of the credit, the Client is required to pay to the Bank the administration fee in full and the administration fee already paid by the Client is not returned to the Client.

#### **Commitment fee**

3.13. Commitment fee is the fee paid by the Client to the Bank for the unused credit (or its part). The commitment fee is calculated from the date of signing the Contract for every day before the actual day of credit utilization, but not longer than until the contractual credit use maturity. Commitment fee is calculated by adding each month day's actual unused credit part balances and contractual commitment fee rate multiplications divided by 360 (three hundred and sixty), i.e. assuming that a year consists of 360 days and the month has the number of calendar days.

3.14. Commitment fee shall be paid for the previous month on the contractual Payment Date of each calendar month in the currency, in which the credit was given, and if the final credit repayment date does not match with the contractual due date, the accrued commitment fee is payable on the last final repayment deadline day.

3.15. In the case if letter of credit is issued or guarantee is given from the credit funds, it is considered that the credit (or part thereof) is used and no commitment fee is calculated on the reserved credit amount.

#### **Commitment under a letter of credit/guarantee fee**

3.16. Commitment fee under a letter of credit and guarantee is the fee paid by the Client to the Bank, calculated from the amount of Bank's commitment in accordance with a letter of credit or guarantee reserved in the Credit account, from the day of the letter of credit issuance/guarantee granting (inclusive) and runs every day until the last day (inclusive) of the Bank's commitment under the letter of credit/guarantee.

3.17. Commitment fee under a letter of credit fee is paid for the current month on each month's last Banking day and in the actual letter of credit expiry month, on the day of actual letter of credit expiry.

3.18. Commitment fee under the guarantee is paid on the guarantee granting date, if the guarantee granting agreement provides nothing else.

#### **Fines and penalties**

3.19. If Client misses the contractual credit (it part) repayment, interest, commitment fee and/or other payables under the Contract to the Bank, or if during the Account Credit use cycle credit is not refunded (*applicable for Account Credit form*), the Client for each calendar day of delay pays the Bank fine amounting 0.05 per cent (five hundredths per cent) of the missed due amounts.

3.20. If the Client fails to execute or improperly executes the contractual non-financial liabilities, the Bank has the right to impose the Client the fine amounting EUR 300 (three hundred euros), to be paid by the Client within five (5) calendar days after receiving the Bank's request. The fine may be applied also in the case of repeated breaches of the Contract by the Client.

3.21. If the Client fails to execute or improperly executes the obligations provided for in par. 6.4, 6.7, 6.8, 6.13 of the *General Corporate Client Crediting Conditions*, the Bank also has the right, after having identified the violations, to immediately

increase the contractual interest rate applied for the Client as it is specified in par. 3.10 of the *General Corporate Client Crediting Conditions*.

**3.22.** (*Applies to Account Credit form*) If the Client within the Account Credit use cycle does not return the used credit, the Bank writes off the accrued fine for the outstanding credit unilaterally, without a separate consent of the Client, on the day when the Client's Bank account fund balance becomes positive. In the case if the Client's Bank account funds (positive balance) are insufficient for fine payment, the Bank unilaterally, if the contractual final repayment date has not expired, writes off the funds for insufficient fine amount from the Account Credit given to the Client, within the limits of the contractual maximum credit limit.

**3.23.** Payment of fines and/or penalties shall not release the Client from performance of the contractual obligations and does not grant the Client the right to ask for deferring the deadlines for execution of the obligations under the Contract.

#### **Other fees**

**3.24.** During the Contract period the Client has to pay the Bank other Bank-set fees (if any) related to making and execution of the Contract, including, but not limited to Contract provisions amendment fee, charges related to the Contract and the Client's Bank account management, currency conversion, collateral assessment and other charges specified in the *Standard Rates*, and to cover the Bank-incurred costs related to insurance, making of collateral contracts, collateral assessment, obtaining information from the public registries, as well as to pay the Bank the guarantee and letter of credit fees, which are provided for in the letter of credit issuing/guarantee granting contract.

**3.25.** In case if the Client fails to pay the payables as per Contract or Bank report, including the payment of the fine, the Bank is entitled to unilaterally write-off such amounts from the Client's Bank account, and if there are no funds, from Client's other Bank accounts held in the Bank.

## **4. GUARANTEE AND LETTER OF CREDIT GRANTING AND USING PROCEDURE**

**4.1.** The credit granted under the Contract can be used for letters of credit issuance and/or guarantee granting and their payment under the letter of credit documents or claims for payment under the guarantees.

**4.2.** Client, willing to obtain a Bank guarantee or willing that the Bank issued a letter of credit, shall submit the Bank the application and other documents required by the Bank for guarantee or letter of credit issuance and shall sign with the Bank the guarantee or letter of credit issuance contract. The Bank has the right to suspend issuing of letter of credit/guaranty with validity period longer than 15 calendar days before the contractual final repayment deadline, and the total amount, after adding the unpaid credit part and the

Bank's guarantees given for the Client and/or issued letters of credit, is in excess of the credit limit amount specified in the Contract or Schedule (if credit limit reduction schedule is made).

**4.3.** After the Bank issues a letter of credit and/or the guarantee, the Bank reserves the funds for payment of the letter of credit and/or guarantee in the Credit account specified in the Contract and the Client does not have the right to use the part of the credit amounting the reserved letter of credit issued and/or granted guarantee amount during validity of issued letter of credit and/or guarantee. If the documents submitted for payment of the letter of credit meet the terms and conditions of the issued letter of credit and other letter of credit conditions are met or guarantee recipient requires the Bank to pay the guarantee amount (its part), the Client irrevocably and unconditionally authorizes the Bank to pay the payables to the recipient of the letter of credit and/or guarantee from the reserved credit funds, increasing, by the amount paid, the Client-used part of the credit under the Contract. The Client has no right to use these funds until all of the Bank's obligations under the issued letters of credit and/or guarantees are met. Reserved funds may only be used to cover the Client's indebtedness under this Contract, if letter of credit was unused or cancelled and/or no payment claim under a guarantee was received or it has expired. When the Bank cancels reservation of the funds in the Credit account for payment of letter of credit and/or guarantee, the Client is entitled to continue using the credit funds for the purpose in accordance with the Contract.

**4.4.** In the case if the period of validity of issued letter of credit and/or the guarantee is longer than the period of final contractual repayment date or the credit reduction schedule in the Schedule (if any) and the total amount after having added the unpaid credit part and valid guarantees and letters of credit issued by the Bank for the Client exceeds the maximum credit limit amount specified in the Contract or Schedule (if there is credit reduction schedule), within the credit reduction period, the Client must, no later than 5 working days before the contractual final repayment due date, or credit reduction due date specified in the Schedule, deposit own funds in the letter of credit and/or guarantee deposit account opened in the name of the Client. If the Client fails to fulfil this obligation, the Bank is entitled to unilaterally and at least 1 working day before the agreed final repayment deadline or until the credit reduction term set in the Schedule, deposit the Client's own funds, transferring them from the Client's Bank account for payment of letter of credit and/or guarantee in the letter of credit and/or guarantee account opened on behalf of a Client, in order the total used credit and issued letter of credit and guarantee amount, reduced by the amount of deposited funds, does not exceed the maximum contractual credit amount. The Client is not entitled to use the deposited funds until all of the Bank's obligations under the issued letters of

credit and/or guarantees are fulfilled. Deposited funds may be used only for covering of the Client's indebtedness under the Contract. If the Client under this paragraph fails to deposit own funds for payment of issued letters of credit or guarantee, and/or in the case of their absence in the Client's Bank account, the Bank has the right to deposit the funds by the credit funds granted in accordance with the Contract, and it will be assumed that the Client has failed to repay timely the credit granted under the Contract.

4.5. The Bank has the right not to issue the letter of credit and/or guarantee, if their maturity is longer than the contractual final credit repayment date.

4.6. In the case, if there is a credit reduction schedule, the Client undertakes before the Scheduled credit reduction term to repay the Bank the part of the credits taken so that the total of the remaining outstanding amount of credit and valid letters of credit and guarantees issued for the Client by the Bank does not exceed the Scheduled reduced amount of the credit.

4.7. The Client commits before the contractual final credit repayment deadline to repay the Bank all the credits taken, fully settle and fulfil all other obligations to the Bank and third parties, according to the Bank-issued letters of credit and guarantees. If on the date of the final contractual repayment deadline there are valid Bank-issued letters of credit or guarantees, the Client is required, no later than 5 working days before the final credit repayment due date, to deposit own funds in the letter of credit and/or guarantee deposit account opened on behalf of the Client. If the Client fails to fulfil this obligation, the Bank is entitled to unilaterally and at least 1 working day before the agreed final repayment due date, deposit the Client's own funds, transferring them from the Client's Bank account for payment of letter of credit and/or guarantee in the letter of credit and/or guarantee deposit account opened in the name of the Client. If Client under this paragraph fails to deposit own funds for payment of issued letters of credit or guarantees, and/or there are no funds in the Client's Bank account, the Bank has the right to deposit the funds with the credit funds granted under the Contract, and it will be assumed that the Client has failed to repay timely the credit granted under the Contract.

4.8. If the requested to issue letter of credit and/or guarantee is not in the currency of the granted credit, the Bank unilaterally reserves in the Credit account a 10 per cent higher amount for issuing letter of credit and/or guarantee, if the letter of credit/guarantee issuance contract provides nothing else, and in the case if the Bank after payment of letter of credit/guarantee issued in a different currency than the credit, is experiencing currency conversion and/or foreign Bank charges costs not covered by the credit given to the Client under the Contract, the Client undertakes to immediately repay such costs of the Bank, or the Bank is entitled to unilaterally write-off such amounts from the Client's Bank

account (s) through procedure provided for in these *General Corporate Client Crediting Conditions*.

4.9. The Client undertakes to timely and properly perform the obligations secured by Bank guarantees and letters of credit and to provide the Bank with all the necessary information and documents.

4.10. If obligations under guarantee are over or letter of credit deadline is reached or it is cancelled, the Bank releases the deposited funds reserved in the Credit account or letter of credit/guarantee deposit account, which, after deducting the expenses of the Bank or fees in accordance with the letter of credit issuance or guarantee contract, obliged by the Client to compensate, are returned to the Client by transferring them respectively to the Client's Bank account or Credit account from which the funds were deposited. After the deposited funds are returned to the credit account, the Client is entitled to continue disposing them under contractual arrangements.

## 5. CREDIT RETURN AND OTHER CONTRACTUAL FINANCIAL OBLIGATIONS EXECUTION PROCEDURE

5.1. The Client must repay the taken credit to the Bank in the instalments and terms provided for in the Contract and pay the Bank the interest for use of the credit as specified in the Contract.

5.2. In the event when the Client is granted a credit line or Account Credit, the Client, after using the credit or its part, has the right to periodically return it to the Bank and to re-use all or part of the credit, within the limits of the contractual maximum Credit line or Account Credit limits.

5.3. The Account Credit within the Account Credit recovery cycle must be at least once returned to the Bank. If the Account Credit within the Account Credit recovery cycle is not returned to the Bank, the Bank, regardless of the part of the unpaid Account Credit, has the right to suspend any Client's payments from the account until the Account Credit is returned. The Client may re-use the Account Credit or its part not earlier than on the next working day after the Overdraft has been returned and if all the other conditions for the credit payment are fulfilled and there are no circumstances for Contract termination. Overdraft is returned from all cash receipts in any currency credited to the Client's Bank account, and in the absence of funds in the Client's Bank account, from all cash receipts in any currency to any other Client's Bank account at the Bank.

5.4. The Client has the right to use the credit before the agreed credit use deadline. If Client does not use the credit or its part before the agreed credit use deadline, it is assumed that the Client has returned the unused part of the credit before the agreed credit use deadline, if the parties agree nothing otherwise. In this case, the Bank unilaterally adjusts the credit repayment schedule, offsetting the latest returnable parts of the credit and shortening the final repayment date. The Bank

serves the adjusted schedule to the Client without its signing by the Parties and without applying the Client the Contract change fee.

5.5. Client may be established credit line/Account Credit reduction schedule, then the Client must return the used part of the credit in excess of the maximum amount set in the Schedule to the Bank on the scheduled day and has the right to continue using the credit line/Overdraft within the limits of the maximum credit amount set in the Schedule.

5.6. The Client must ensure that at maturity of the credit or its part repayment, interest, commitment charge or fine payment in the Client's Bank account specified in the Contract there must be the required amount of funds to make payments under the Contract. Otherwise, the Bank will assume that the Client has missed the credit or its part, interest or commitment fee payment deadline.

5.7. (*Applicable only for Account Credit form*) If on the date of interest or commitment fee payment deadline credit recovery cycle and contractual final credit recovery period is not expired and the granted Account Credit limit is not used in full, the Bank, without a separate Client's request, will grant the Client the credit to pay the contractual interest and the commitment charge to the Bank and unilaterally write-off from the Account Credit the interest and commitment fees payable by the Client to the Bank up to the maximum credit limit. Provisions of this paragraph shall also apply for the fine calculated on timely unpaid interest or commitment fee.

5.8. On the date stipulated in the Contract for credit or its part repayment, interest, commitment fee, penalties and/or other contractual payables to the Bank, the Bank writes off the required amount without a separate notice from the Client's Bank account specified in the Contract (*this condition applies when the form of Credit is a Credit or credit line*).

5.9. The Client repays the credit, pays interest, commitment fee, fine and other contract-related fees to the Bank in the credit currency. From the Client's Bank account funds are debited in the currency in which payments are to be made to the Bank. If the Client's Bank account lacks funds in the required currency, funds are debited from the Client's Bank account in another currency, by performing conversion into the currency in which payments are to be made. One currency conversion into another is carried out basing on the exchange rate set by the Bank on the funds debiting day. Currency exchange rate applied by the Bank on the transaction date is available on the Bank's website or in the Bank's Client service offices.

5.10. In case if on the payment maturity day provided for in the Contract the Client's Bank account lacks sufficient funds for carrying out payments under the Contract, the Bank has the right, having submitted the debit orders, to debit the payable amount from all kinds of Client's accounts with other Banks and credit institutions and to transfer it to the Bank-specified account. Contract concluded with Client is considered the

Client's unconditional and irrevocable order to another Bank or credit institution to write-off funds from the Client's account, convert the money into the right currency, if the Client's account has no sufficient funds in the currency payable to the Bank and to transfer them to the Bank-specified account.

5.11. Client's refundable credit or its part, payable interest, commitment fee and the other amounts payable under the Contract to the Bank are considered to have been paid from the moment the funds are credited to the Credit account or debited from the Client's Bank account (depending on what occurs first).

5.12. If the Bank receives from the Client a lower amount than it is to be paid under the Contract, the Bank distributes the funds received in the following order: first of all, the Bank is reimbursed the costs incurred in connection with statement of the requirement to fulfil the obligation; secondly, interest is paid, then fine; thirdly, commitment fee and other fees and expenses related to the issuance of letters of credit and/or guarantees, then the interest according to their payment term rankings are paid, and fourthly, the credit is refunded, unless the parties agree otherwise.

5.13. The Bank has the right to unilaterally, after giving a prior written notice to Client, change the credit or its part refund, interest, penalties, liability or administrative fee payment order, indicating the Client the Bank account, to which the credit and/or other payments are to be paid. In this case, the Client returns credit and pays other charges by transferring the amounts to be paid to the Bank-specified account.

5.14. In case the Client has debts to the Bank under other agreements between the Bank and the Client and the Bank receives from the Client a lower amount than the total amount due under the agreements, the Bank regardless of the Client-specified payment destination in its sole discretion shall have the right to decide on what debts and under what contracts are covered by the amount received from the Client.

5.15. The Client has the right to repay the credit or its part before the final repayment term specified in the Contract upon paying the Bank the early repayment fee specified in the Contract.

## 6. SECURING OF OBLIGATIONS

### *Collateral*

6.1. The Client undertakes to ensure that the Contract-specified collaterals are properly placed and remain in force until full execution of the Client's obligations under the Contract.

6.2. If the Client or a third person, who has to set up with the Bank the Collateral contracts, refuses to enter into such contracts under the Bank-acceptable terms, it is considered that the Client has failed to fulfil the Contract conditions.

6.3. If the property is mortgaged to the Bank with a lower-ranking mortgage and the credit (its part) given under the Contract is assigned to cover the debt for the first-degree

mortgage lender (not Bank) (refinancing), the Client shall not later than within ten (10) calendar days from payment of the credit amount to cover the debt of the first-degree mortgage lender (not Bank), provide the Bank with documents proving that the Bank has become the first-degree mortgage creditor.

6.4. In the case if on the land mortgaged to the Bank building(s)/structure(s) are built or under construction, including all engineering devices/networks, which are not pledged to the Bank, upon the Bank's request, the Client undertakes during the term set by the Bank to take all the steps necessary for validation of mortgage (hypothecation) of the building(s)/structure(s) built or under construction, including all engineering devices/networks.

6.5. If the Bank is mortgaged goods inventories, the Client shall, prior to the 15<sup>th</sup> (fifteenth) calendar day of every quarter's first month, submit to the Bank the inventory list for the last day of the last calendar quarter, which shall include the names of the goods, their amount, balance value and storage (stay) location.

6.6. If the Bank terminates the Contract due to the fact that the Client improperly performs obligations under the Contract, the Bank is free to choose the order and the means to realize the Client's collaterals through the forced procedure.

6.7. The Bank has the right, in the case of threat that the credit will not be repaid on time, or if it appears that a Client is experiencing financial difficulties, settlement delays occur or other important events are revealed (e.g. public authorities have applied the Client the sanctions depriving or restricting his/her rights in the economic – financial activities, after the mortgaged property assessment, it appears that value of the mortgaged asset is reduced, the surety or guarantor has become unacceptable to the Bank etc.), likely to jeopardize the proper performance of the Contract, the Client within 15 (fifteen) calendar days from receipt of the Bank's written demand must provide the Bank with additional Bank-acceptable collaterals registered by signing with the Client or the third party under Bank-acceptable conditions the obligation securing agreements or before the deadline repay the part of the credit requested by the Bank in writing.

6.8. If the Contract specifies the collaterals, undertaken by the Client to submit to the Bank after the credit (or its part) payment or before a specific date, the Client must submit such collaterals to the Bank before the agreed deadline.

6.9. Movable and immovable assets are pledged to the Bank under maximum mortgage/pledge contract. Maximum remuneration of maximum mortgage/pledge, which ensures by forfeit (fines and penalties), other payables (commitment fee) and the Bank's losses from the failure and (or) improper performance of the Contract (e.g. costs associated with receipt of the enforcement record, its submission or forced debt recovery (if any), procedural interest) is 30 per cent of the amount specified in the Contract, but not less than EUR 9000. All of maximum mortgage/pledge contract making, including

its subsequent amendments and/or additions, notarization, mortgage/pledge registration through statutory procedure valid in the Republic of Lithuania and de-registration costs are paid by the Client.

6.10. All mortgage and pledge contracts on Client's funds shall be registered immediately by making public the mortgage/pledge contract conditions in the mortgage registry.

6.11. In the case if Collaterals for the Client are provided by the third parties, such collateral providers (collateral lenders, guarantors etc.) are also subject to these *General Corporate Client Crediting Conditions*, including the conditions for submission of information to the Bank.

6.12. The Client undertakes to ensure that in the cases and to the extent that the Client's obligations under the Contract are not secured with collaterals, such obligations at any time are and will be equivalent (*pari passu*) for all other Client's current and future unsubordinated and unsecured with collateral obligations, other than the obligations which imperatively are preferred by the laws and not agreements.

#### **Property insurance**

6.13. Client must insure, for the entire Contract period from the moment of pledging assets to the Bank till the asset pledge or mortgage is completed, in the Bank-acceptable insurance company or insurance brokerage company, in favour of the Bank, all the Bank-mortgaged real estate (excluding land) and moveable property (other than property rights, securities, current and future funds in the account and other assets specified by the Bank) under the Bank-set conditions, which are available on the Bank's website or in the Bank's Client service offices. If Client fails to meet the conditions of this paragraph or timely pay insurance premiums, the Bank has the right to insure the mortgaged property and to recover all costs associated with the pledged property insurance from the Client through the procedure specified in the Contract and the laws, including debiting the appropriate amounts from the Client's Bank accounts. The Client has to pay timely the insurance company all the insurance premiums, and provide the Bank with assets insurance supporting documentation.

#### **Property Valuation**

6.14. The Client, upon the Bank's request, within one month shall provide the Bank with the report of the market and the residual value of the property mortgaged to the Bank prepared by the Bank-acceptable independent appraisers, whose list is published on the Bank's website or at the Bank's instruction by the Bank's real estate appraisers.

6.15. If the Client fails to submit the Bank the property valuation report, the Bank has the right to order the pledged property assessment and to recover all costs related to collateral assessment from the Client through procedure set in the Contract and the laws, including debiting the appropriate amount from the Client's Bank accounts. When the collateral is appraised by the Bank's appraiser, the Client shall indemnify

the Bank in accordance with the rates specified by the Bank in accordance with the *Standard Rates*.

6.16. The Client must allow the Bank's appraisers and other representatives of the Bank without hindrance to check the collateral mortgaged to the Bank, as well as the property for acquisition of which the credit was used.

**Other conditions**

6.17. In the case if for Contract execution security Rural Credit Guarantee Fund (RCGF) or Investment and Business Guarantees UAB (INVEGA) guarantee is to be provided, the Client obliges and must pay RCGF or INVEGA, according to RCGF or INVEGA deadlines and amounts, the fee for the guarantee, and comply with other RCGF/INVEGA conditions.

**7. THE CLIENT'S RIGHT TO REPAY THE CREDIT EARLY**

7.1. The Client has the right to repay the credit or its part before the repayment deadline set in the Contract.

7.2. By requesting repayment of the credit, except the credit line or overdraft facilities, before the maturity date, the Client five (5) Banking days before the respective payment date shall inform the Bank in writing about the intention to repay the credit or its part before the deadline. In the report of early repayment the Client shall state: Contract details (date and number), size of the credit amount repaid before the deadline and the payment date on which the credit will be repaid.

7.3. The Client has the right to refuse from using the credit upon at least 30 days' written notice to the Bank, if he/she receives a written Bank's consent and repays the taken credit in full and pays all the other amounts payable under the Contract to the Bank, and there are no valid Bank's obligations under the letters of credit and guarantees issued according to the Client's instructions.

7.4. If Client returns the Bank all or part of the credit before contractual maturity, the Client must pay the Bank the early repayment fee on the early returned credit provided for in the Contract. If no early repayment fee is set in the Contract, the Client undertakes to pay the largest early repayment fee according to *Standard Rates*. Early credit repayment fee must be paid on the early credit repayment date.

7.5. If Client on his/her own initiative repays the credit before the term, it is considered that the Client returned these portions of the credit, for which the Contract provides the earliest repayment day, if the Client and the Bank agree nothing otherwise. Upon Client's request, the Bank, after applying the Contract amendment fees, may conclude with the Client the arrangement on the Contract terms amendment by proportionally reducing any remaining credit repayments or changing the final repayment date.

7.6. If Client repays before maturity all or part of the outstanding credit, the Client also has to pay interest and/or penalties accrued before the actual credit or its part repayment date.

**8. BANK'S RIGHT OF CONTRACT CANCELLATION AND/OR REQUEST TO SATISFY THE REQUIREMENT BEFORE THE TERM**

8.1. The Bank is entitled, after at least 14 (fourteen) calendar days before giving a written notice to the Client unilaterally, without going to court to *terminate* the Contract prematurely and require that the Client returned to the Bank the entire outstanding credit with accrued interest and potential interest and/or commitment fee in the case of at least one of the following material breaches:

8.1.1. The Client for more than thirty (30) calendar days does not return, within the contractual time limits, the credit and/or does not pay the Bank the accrued interest and/or commitment fees and/or fine and fails to properly fulfil these obligations within 14 (fourteen) calendar days from the day of the Bank's written notice;

8.1.2. The Client uses or used the credit not in accordance with its contract purpose;

8.1.3. The Client fails through contractual procedure and terms to submit the Bank the execution collaterals or other documents requested by the Bank or the collaterals submitted to the Bank are lost, are disputed or it turns out that they are null and void or expired, and because of that Client does not provide additional Bank requested obligation execution collaterals, or collateral presenters (mortgagor, guarantor and so on) fail to meet their obligations to the Bank under the contracts concluded with the Bank and such default, according to the Bank, is material for implementation of this Contract;

8.1.4. The Bank received a request to pay under the given guarantee;

8.1.5. Other events happen or specific circumstances are revealed (e.g. the Client and/or its managers are brought and/or it is prepared to bring a criminal case for financial crimes, third parties entered against the Client or collateral providers some property claims and at a rate that would be essential for implementation of this Contract, the Client or collateral providers are started the bankruptcy or restructuring proceedings or such proceedings are prepared to start, the Client does not correctly fulfil the contractual obligations under other agreements between the Client and the Bank, public institutions apply the Client sanctions, which restrict or deprive his/her rights in the economic – financial activities, there are changes in the Client's equity (shareholders/stakeholders/owners) structure, which are not acceptable to the Bank, it appears that the Client provided false, incomplete and/or undisclosed information about his/her financial status, liabilities, de-registered holding of the farmer, it turns out that the Client's reputation is unacceptable for the Bank etc.) letting to anticipate that the Client will not repay the credit or its part within the contractual terms, and/or



## 9. CLIENT'S OBLIGATIONS

fulfil other contractual obligations and therefore the Bank does not expect that the Contract will be fulfilled in the future;

8.1.6. The Client, Client's subsidiary company or Client's parent company or other parent company's subsidiary companies, as defined in the Law on Companies of the Republic of Lithuania, and/or any other Client group companies, as well as Client's guarantor or surety, for more than thirty (30) calendar days fails to fulfil duly any of its monetary obligation or its part to the Bank under the contracts concluded with the Bank, or to the Bank's subsidiaries in accordance with the contracts entered into with the Bank's subsidiaries and/or other financial institutions or third parties. Non-payment to another creditor (not Bank and not Bank's subsidiary) is considered the basis for termination of the Contract and for claiming to return the credit earlier only if such non-payment compromises repayment of the credit issued under this Contract;

8.1.7. The Client fails and/or improperly fulfils the obligations set out in paragraphs 9.2 and/or 9.3 of these *General corporate client crediting conditions*;

8.1.8. Circumstances, specified in the General Rules happen, which are material to the Bank, due to which the Bank may terminate the Contract.

8.2. In the event that funds were reserved from the credit granted to the Client for payment of the letters of credit and claims under guarantees issued by the Bank for the Client and the Bank terminates the Contract under the conditions provided for in par. 8.1 thereof, the Bank, prior to termination of the Contract, shall have the right to transfer the funds reserved in the Credit account into the letter of credit and/or the guarantee deposit account opened in the name of Client by depositing them for execution of the liabilities under the open letter of credit and/or guarantee, and the Client undertakes to repay the Bank all the credit used.

8.3. After the Client, upon Bank's requirement, repays a part of the outstanding credit, it is assumed that the Client returned the portions of the credit, with the contractual repayment terms being the latest, if the Parties agree nothing otherwise.

8.4. After the Bank terminates the Contract or starts recovery as it is provided for in the legislation, and the Client does not return the credit or its part, the Bank has the right to write-off the outstanding credit, unpaid interest and/or commitment fees and/or fine from the Client's Bank accounts with the Bank, by realizing the financial collateral provided under the Law on Financial Assurance Agreement (if it was submitted to the Bank), or recover from the collateral provided to the Bank or other Client's assets according to the laws. Termination of the Contract shall not suspend interest and late payment calculation and does not eliminate the Client's obligation to repay the credit, to pay interest, penalties and other payments provided for by the Contract and to implement other provisions of the Contract.

9.1. The Client may use the credit received under the Contract only for the purpose stated in the Contract. Credit can not be used to purchase shares of the Bank.

9.2. The Client, during the Contract validity period, without a prior written consent of the Bank *may not*:

9.2.1. Assume any new obligations towards the third parties under warranties, guarantees, mortgages or movable property pledge or other similar contracts, pledge the Client-owned (both existing and newly acquired but yet unencumbered) real and/or other fixed (tangible and financial) assets and/or any other property;

9.2.2. Reduce the Client's authorized capital, purchase own shares (their part), increase the number of shares not mortgaged to the Bank;

9.2.3. Pass decisions on the Client reorganization in merger or division manner, Client restructuring or liquidation;

9.2.4. Assign its rights and obligations under the Contract to third parties;

9.2.5. Conclude any property transfer or division agreements, marriage contracts changing family property legal status (*this condition applies when the Client is an individual business owner, entrepreneur or farmer*);

9.2.6. Close his/her accounts at the Bank;

9.2.7. Adopt corresponding decisions to sell or otherwise dispose Client's brands and not to sell or otherwise transfer the Client's brands.

9.3. If the Client's and related parties', as it is provided for in the *General Rules*, overall outstanding liabilities to the Bank Group companies account for more than EUR 60000, the Client, in addition to the above mentioned conditions of par. 9.2, also undertakes during the entire Contract or Funding Limit Contract (if any) validity period, without the prior written consent of the Bank not to carry out the following operations:

9.3.1. Not to dismantle, rent, write-off, sell and/or otherwise assign to third parties the Client-belonging tangible and/or financial assets with a total book value over the Client's last financial year exceeding 15 per cent of the carrying value of fixed assets (property lease restriction does not apply to companies whose business is property rent, about which the Bank was informed at the time of entering into the Contract);

9.3.2. Not to borrow from financial institutions and/or other persons on the basis of credit, loans, guarantee release, lease (leasing), factoring and/or other contracts, as well as by issuing debt securities and/or bills, amounts greater than EUR 30000 and, if after assuming the new commitments DSCR ratio (credit service coverage ratio, calculated as EBITDA (operating profit before interest, taxes and depreciation) and the cost of servicing credit (repaid portion of the credit and interest) ratio) is less than 1.2, with the exception of the loans of the Client's shareholders (participants ) granted to the Client for cash flow

adjustment duly subordinated towards existing debt obligations for the Bank group companies;

9.3.3. Not to grant loans to third parties (including the Client's shareholders (participants) and/or individuals associated with them) in any form (other than freight credits required for normal Client's activity);

9.3.4. Not to sell or assign neither rent to third parties own business or any part thereof, not to make any investments in other companies, not to sell, pledge, otherwise restrict shares of subsidiaries and related non-property rights, not to establish companies (individually or jointly with other partners);

9.3.5. To refrain from making new investments in tangible and intangible assets, to other companies' shares, bonds or other securities, as well as not to acquire capital or its part in other economic entity, when such other entity's capital or its part exceeds 15 per cent of the Client's last financial year's fixed assets carrying value;

9.3.6. Not to distribute Client's profit, not to offer and pay out Client's participants dividends or other benefits, not to buy own shares, or otherwise pay out profits or assets and so on;

9.3.7. Not to give support for more than 15 per cent of the last financial year's net profit;

9.3.8. The Client undertakes to inform its shareholders and ensure that during the entire Contract period without the prior written consent of the Bank Client's shareholder structure and/or composition and/or number of the Client's shareholders shares held was not changed.

9.4. Upon the Bank's request, the Client undertakes to enable the Bank's representatives to observe, without hindrance, performance of project financed, to check the use of credit under the credit purpose, to access economic – financial and other credit use-related documentation, to verify how property mortgaged to the Bank is operated and protected.

9.5. The Client, after the end of each calendar quarter (after the conclusion of interim financial statements), before the last day of the next quarter's first month, and after the end of financial year (after conclusion of the annual financial statements) before the 1<sup>st</sup> of February, must submit to the Bank the following financial statements signed by the Client's manager and chief accountant:

9.5.1. Balance sheet and profit (loss) statement. Annual financial statements (balance sheet, profit (loss), cash flow and changes in equity reports), approved by shareholders, must be re-submitted before each year's 1<sup>st</sup> of June;

9.5.2. Deciphering of balance sheet items in accordance with the Bank's established forms;

9.5.3. Detailed explanatory letter to the above-mentioned reports, if the Client has completed quarter at loss and short operating plan on how to improve the economic – financial situation;

9.5.4. As well as the other documents referred to by the Bank, which are required for assessment of the Client's economic - financial activity or related with execution of the Client's obligations under the Contract or with the property mortgaged to the Bank.

9.6. If the Client is an entrepreneur, the Client at the end of each financial year, before the 1<sup>st</sup> of June, must provide the Bank with annual income declaration.

9.7. If the Client is a farmer, the Client no later than before the last day of current year's first quarter, must submit to the Bank the financial statements referred to in par. 9.5.

9.8. Upon Bank's request, the Client shall organize independent audit for each year's financial statements and no later than before the next year's 1<sup>st</sup> of June submit its findings to the Bank.

9.9. The Client has to respect and implement the requirements of the laws and regulations of European Community and the Republic of Lithuania, depending on the Client's activity nature, veterinary, hygiene, sanitation, food safety, environmental protection, animal welfare requirements and good business or farming practice.

## 10. FINAL PROVISIONS

10.1. The Contract is valid from the date of its signing till the Client meets all its obligations to the Bank under the Contract.

10.2. The Parties agree that if there are any other conditions not provided for in these *General Corporate Client Crediting Conditions* or Bank applies to the Client any conditions other than those set forth in the *General Corporate Client Crediting Conditions*, all such conditions are stated in the *Special Conditions* or in the *Funding Limit Contract* (if any) or *Additional Terms And Obligations Contract*.

10.3. These *General Corporate Client Crediting Conditions* take effect from 23-05-2016.

10.4. The Bank has the right to unilaterally, without prior Client information and/or consent, make changes to the *General Corporate Client Crediting Conditions* and such changed conditions are valid for the Client from the day of their publication of the Bank's website.

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