

General terms and conditions of the agreement regarding participation in the CBS

Version No. 2016/01, approved on 1 June 2016

1. DEFINITIONS

Definitions of terms used in the agreement

1.1. **CBS** - Credit Bureau System maintained by the credit bureau;

1.2. **System Participant** - A person that has entered into an agreement regarding participation in the CBS with the Credit Bureau;

1.3. **Customer** - i) an individual who has entered into a Customer Agreement with a System Participant or a CBS participant; ii) an individual, with respect to which a System Participant or a CBS participant has taken over the rights of claim arising from the Customer Agreement, iii) an individual who has agreed that a System Participant or a CBS participant may evaluate or take into account his/her creditworthiness upon providing a credit risk-related service to a third party or upon deciding about providing such a service; The term "Customer" shall, according to the circumstances, also mean "a potential customer of the System Participant" that is a person who has expressed the wish to become a Customer of the System Participant in the application delivered to it; iv) any other subject of law (other than an individual) that has entered or will enter into a Customer Agreement with a System Participant; v) any other subject of law (other than an individual), with respect to which a System Participant has taken over or will take over the rights of claim arising from the Customer Agreement; iv) any other subject of law (other than an individual), about which the System Participant, considering the purpose specified in the Agreement, needs to receive the CBS details upon entering into a deal with any third party or upon making a decision regarding entering into such deal.

1.4. **Customer Agreement**: i) an agreement with an individual, under which a System Participant or a CBS participant provides or will provide a credit risk-related service; ii) an agreement with an individual, under which a guarantee is provided to a System Participant or a CBS participant for the obligations of another person; iii) any agreement discussed in points i) and ii) of this subparagraph, the rights of claim arising from which have been taken over by a System Participant or a CBS participant; iv) any agreement that a System Participant enters into with the Customer other than an individual; v) any agreement entered into with the Customer other than an individual, the rights of claim arising from which have been taken over by a System Participant;

1.5. **Customer data** - details about the Customer, which a System Participant transfers to a Credit Bureau for inclusion in the CBS in accordance with the Agreement regarding participation in the CBS;

1.6. **CBS data** - details included in the CBS, including Customer data, and also information from sources of information authorised by legal acts as well as the information developed by the Credit Bureau;

1.7. **Credit Bureau** - JSC Kredītinformācijas birojs, reg. No. 40103673493, legal address: Grēdu iela 4a, Rīga, LV-1019.

1.8. **Agreement** - an agreement entered into by and between the Parties regarding participation in the CBS;

1.9. **Terms and Conditions** - these General terms and conditions of the agreement regarding participation in the CBS No. 2016/01;

1.10. **Services** - services provided by the Credit Bureau to the System Participant under the Agreement;

1.11. **Description of Services** - documents prepared by the Credit Bureau that describe the functionality of the Services;

1.12. **Debt** - information about the Customer's payment obligations towards a System Participant or a CBS participant that have not been met within the term set forth in the Customer Agreement or in legal acts;

1.13. **Positive Credit Information** - all other information about the Customer Agreement that is not considered a Debt;

1.14. **Parties** - Credit Bureau and a System Participant (collectively and individually);

1.15. **Technical Regulations** - technical regulations for use of the CBS;

1.16. **Third party** - any person that is not a party to the Agreement;

2. PRINCIPAL DUTIES OF THE PARTIES

2.1. The Credit Bureau shall provide for:

2.1.1. Services in accordance with the Description of Services;

2.1.2. Customer data delivered to the Credit Bureau are included in the CBS accordingly as well as the System Participant has the opportunity to periodically update such data in accordance with the Technical Regulations of the Credit Bureau;

2.1.3. Customer data security and, insofar as such data relate to individuals, the processing of such data meeting the legal acts on personal data protection as well as compliance with other applicable legal acts, including those governing the operation of credit information offices and procedure of processing of credit information within the licensed operations of credit information offices specified in the legal acts;

2.1.4. Access of the System Participant to the Customer data according to the mutual information reciprocity principle, namely that the data exchange takes place in accordance with the principle that the System Participant is entitled to request data from the Credit Bureau about its Customers of the same nature and detail as it provides to the Credit Bureau about its Customers.

2.2. The System Participant shall ensure that the Customer data transferred to the Credit Bureau are correct, up to date and may be supported by documents proving the relevant Customer data and the right of the System Participant to transfer the Customer data to the Credit Bureau. Upon request of the Credit Bureau, the System Participant shall submit the explanations and documents requested by the Credit Bureau to the Credit Bureau for the evaluation and processing of justified claims and requests of the Customer or any other person having a legitimate interest and reason in accordance with applicable laws and regulations, or for any checks conducted by the credit Bureau on Customer data correctness, topicality and accuracy.

2.3. If required by legal acts, the System Participant shall ensure that any Customer, about which the System Participant acquires the CBS data, has previously delivered written consent to the System Participant allowing the System Participant to acquire the CBS data about the Customer submitted by any other CBS participant member and allowing any other creditor of the Customer providing such CBS data about the Customer to the System Participant. The System Participant shall issue the Customer's consent discussed in this paragraph immediately after the request of the Credit Bureau.

2.4. The System Participant authorises the Credit Bureau and grants the Credit Bureau the right to process Customer data on behalf of the System Participant in order to assess the creditworthiness of the Customer of the System Participant.

2.5. The Party shall be obliged to immediately inform the other Party of any event when any mistake or inaccuracy is established in the CBS data provided by the System Participant to the Credit Bureau or received by the System Participant from the Credit Bureau.

3. SUBMISSION OF DATA TO THE CBS

3.1. A System Participant shall submit and periodically update Customer data in accordance with the Agreement. Submission of data is carried out in compliance with the Technical Regulations.

3.2. A System Participant shall submit the Customer data for all customers of the System Participant.

3.3. A System Participant may not include the Customer data regarding certain financial obligations or debts, the amount of which does not exceed a certain limit, if it substantially encumbers the System Participant's participation in the CBS, by prior written agreement on such with the Credit Bureau.

3.4. If the System Participant fails to submit or update the Customer data in compliance with the periodicity for Customer data update specified in the Agreement, or if the Customer data submitted by the System Participant are incorrect or incomplete, the Credit Bureau shall inform the System Participant of such breaches by sending an e-mail to the contact person of the System Participant. A System Participant is obliged to eliminate breaches specified by the Credit Bureau within 5 business days.

- 3.5. A System Participant shall immediately notify the Credit Bureau by sending a message to the e-mail address support@kib.lv or informing the contact person of the Credit Bureau about it if the System Participant can not ensure the provision, updating of the Customer data or is not able to eliminate the breaches discussed in Paragraph 3.4 of the Terms and Conditions. If the System Participant fails to eliminate breaches within 30 calendar days, the Credit Bureau has the right to suspend the System Participant's access to the CBS until the elimination of breaches.

4. RECEIPT OF DATA FROM THE CBS

- 4.1. The request of the System Participant for the receipt of the CBS data from the Credit Bureau must be with respect to one or more individually identified Customers. No CBS database copies, with the exception of reports of a statistical nature, shall be provided.
- 4.2. A System Participant shall not disclose the CBS data received hereunder to any third party without an agreement with the Credit Bureau in writing, except for the events specified in the applicable legal acts and other events expressly authorised by the Agreement. If the System Participant becomes or may become bound by the obligation to provide the CBS data to third parties in accordance with legal acts then the System Participant shall:
- 4.2.1. promptly notify any such event to the Credit Bureau;
 - 4.2.2. use all available legal remedies to challenge such obligation to provide the CBS data or to suspend its operation;
 - 4.2.3. provide all reasonable support to the Credit Bureau if the Credit Bureau decides to take any legal action or exercise any legal remedies to challenge such an obligation of the System Participant to provide the CBS data or to suspend its operation.
- 4.3. The System Participant shall only request data from the CBS in the events specified in the Agreement or legal acts and according to a specific purpose, if such a request is governed by legal acts, and shall refrain from requesting and not use the requested CBS data for other (including unauthorised) purposes.
- 4.4. The System Participant may disclose data received from the Credit Bureau to the System Participant group companies if it complies with applicable legal acts or contractual obligations towards the particular Customer, about which the Customer data have been requested.
- 4.5. Governmental and local government officials can only receive Customer data in the events and in the form set forth by legal acts.
- 4.6. Information provided by the Credit Bureau is for informative purposes only and it does not prove the amount of obligations of the Customer executed or outstanding and existence or non-existence of payment obligations not performed within a specified period.

5. CBS USER REGISTRATION

- 5.1. A System Participant shall provide the Credit Bureau with all the necessary information about all officials, employees of the System Participant and other persons that are allowed to access the CBS on behalf of the System Participant (hereinafter **the Authorised Persons**) by directly indicating such persons so as to enable the Credit Bureau to register and identify them as the CBS users.
- 5.2. The Credit Bureau shall provide each Authorised Person with a user name and password or other login data.
- 5.3. Each Authorised Person can only use one user name and password. The Authorised Person is prohibited from transferring the assigned user name and password to any other person. The System Participant shall be obliged to ensure that all of its Authorised Persons comply with this prohibition as well as shall be obliged to report every event when the System Participant becomes aware of the fact that any Authorised Person has violated this prohibition.
- 5.4. The Credit Bureau shall suspend or change the Authorised Person's user name and password if:
- 5.4.1. the right of the respective System Participant to use the CBS is terminated;
 - 5.4.2. the Credit Bureau suspects that the user name and password of the Authorised Person has become known to any Third party (even if the Credit Bureau has no information to identify such Third party);

- 5.4.3. the right of the Authorised Person to receive or submit the CBS data is terminated, including, but not limited to cases where the System Participant terminates the legal employment relations with the Authorised Person;
- 5.4.4. the Credit Bureau believes that it is necessary for any other substantial reason.
- 5.5. The System Participant is obliged to immediately inform the Credit Bureau by sending a respective notification to the e-mail address support@kib.lv or informing the contact person of the Credit Bureau about the following events:
 - 5.5.1. the right of the Authorised Person to submit or receive the CBS data is or will be terminated;
 - 5.5.2. it is suspected or there is information suggesting that the user name and password of the Authorised Person are known to a Third party;
 - 5.5.3. to maintain CBS data safety or due to any other reason the System Participant believes that it is necessary to suspend or change the user name and password of the Authorised Person.
- 5.6. Any action by the Authorised Person and any action of another person using the technical means for submitting or receiving the CBS data granted to the System Participant in submitting, requesting or receiving data from the CBS, shall be considered as the activity of the System Participant.

6. PAYMENT PROCEDURE

- 6.1. Services provided by the Credit Bureau to the System Participants and their prices are set forth in the Agreement. All prices shown are exclusive of value added tax (VAT). The Credit Bureau shall additionally calculate VAT in the amount set forth by legal acts and shall include it in the invoice when issued.
- 6.2. The invoice of the Credit Bureau for the services provided to the System Participant during the previous calendar month shall be issued and sent to the System Participant to the address specified in the Agreement by the 10th date of each calendar month.
- 6.3. Where the Agreement provides that the invoice is sent to the System Participant electronically, then:
 - 6.3.1. the Credit Bureau shall draft and send the invoice to the System Participant in PDF format from the following e-mail address: rekini@kib.lv (or from another e-mail address notified by the Credit Bureau to the System Participant in the future) without a secure electronic signature and time stamp;
 - 6.3.2. The System Participant shall accept the invoices prepared by the Credit Bureau in such form and shall provide for the possibility to receive electronic mail at the e-mail address specified in the Agreement.
- 6.4. Unless specified otherwise in the Agreement, all invoices issued by the Credit Bureau shall be paid no later than within 20 days from the date they are issued, by wire transfer to the current account of the Credit Bureau in the credit institution specified in the invoice, unless a longer period has been specified in the invoice.
- 6.5. The date of payment of the invoice issued by the Credit Bureau shall be considered the date when the sum paid according to the invoice is transferred into the account of the Credit Bureau in the credit institution specified in the invoice. If the System Participant has delayed any payment under the invoice then for the entire period of the respective delay the System Participant shall pay the Credit Bureau default interest in the amount of 0.05% of the sum of delayed payment for each late day.

7. LIABILITY OF THE PARTIES

- 7.1. The Credit Bureau is responsible for damages of the System Participant caused by violations of the Customer data protection rules set forth by legal acts or the Agreement due to malicious intent or negligence of the Credit Bureau, including illegal access to the data about the Customer provided by the System Participant. The total liability of the Credit Bureau, other than damages caused due to malicious intent, shall never exceed the amount of money that the System Participant has paid the Credit Bureau for services, which the Credit Bureau has provided to the System Participant under the Agreement during the two calendar months preceding the calendar month in which the Credit Bureau has received a request of the System Participant to indemnify respective damages.

- 7.2. A System participant shall assume full responsibility both towards the Credit Bureau as well as towards any other CBS participant for any damages caused to the Credit Bureau or any other CBS participant due to the unlawful act/omission of the System Participant (including the Authorised Persons), including damages caused to the Credit Bureau or any other CBS Participant if the System Participant (Authorised Person) requests, submits and/or receives data about the Customers to/from the Credit Bureau without a legal reason. For the avoidance of doubt, damages of the Credit Bureau or other CBS participants for the purposes of this Paragraph are deemed to also be any financial sanctions applied to the Credit Bureau or other CBS participants (including administrative penalties imposed by national authorities/any supervisory authorities) and the amounts paid in connection with the Customer, justified claims of other CBS participants or other Third parties regarding indemnification for loss or damages if the respective financial sanctions have been applied and the respective amounts have been paid due to the unlawful act/omission of the System Participant (including the Authorised Persons).
- 7.3. Failure to perform or undue performance of obligations under the Agreement shall not be considered a breach of the provisions of the Agreement if the above has happened due to force majeure circumstances. For the purposes of the Agreement, any event that meets all of the following characteristics shall be considered force majeure circumstances: i) it cannot be avoided and its consequences cannot be overcome; ii) a reasonable person could not foresee such; iii) it has not happened due to an activity of the Party or a person controlled by it. Thus, for example, a general strike, riots, war, activity of a public person or the institution of a public person that substantially hampers the performance of the Agreement, natural disaster, fire as well as other events shall be considered force majeure circumstances for the purposes of the Agreement.

8. CONFIDENTIALITY

- 8.1. All information received based on the Agreement (including any information from the CBS) shall be confidential and shall not be disclosed to Third parties, except in the events specified in the Agreement, legal acts and the Terms and Conditions.
- 8.2. The Parties are entitled to transfer the processing of information to their employees or to Third parties involved in accordance with the legal acts (personal data operators) by retaining responsibility for the activities of the employees and Third parties and by ensuring that all employees, representatives and authorised representatives of the respective Party that are connected with the performance of obligations under the Agreement and processing of data received are respecting the confidentiality requirements.
- 8.3. The information received from the CBS hereunder shall only be used for the purposes specified in the Agreement.
- 8.4. A System Participant shall ensure that the CBS data are received on behalf of the System Participant or by using technical means of the System Participant by the Authorised Persons only. A System Participant shall be responsible for ensuring that the activities of Authorised Persons involving the CBS data meet the requirements of the Agreement and legal acts.

9. VALIDITY AND TERM OF THE AGREEMENT AND WITHDRAWAL FROM IT

- 9.1. The date on which the Agreement enters into force as well as the term of the Agreement are specified in the Agreement. If one of the Parties has not notified the other Party of the termination of the Agreement at least 30 days before the expiry of the current term then the Agreement shall be automatically prolonged each time for one year.
- 9.2. If any Party is in breach of the Agreement, the other Party shall provide a written notice of such breach with a request to eliminate it. If a Party that has committed a breach fails to eliminate such within 30 days from the date of receipt of the written notice, the other Party shall be entitled to withdraw from the Agreement upon serving an immediate notification of withdrawal. If the breach allowed by the System Participant is substantial, the Credit Bureau, after serving the written notification, shall be entitled to suspend operation of the Agreement or suspend access of the System Participant to the CBS until the elimination of the breach.

- 9.3. Each Party shall be entitled to withdraw from the Agreement at any time by notifying the other Party at least 60 days in advance, with the exception of the event specified in Paragraph 10.6 of the Terms and Conditions.
- 9.4. The Credit Bureau shall be entitled to immediately block the System Participant's access to the CBS and to withdraw from the Agreement if:
 - 9.4.1. the System Participant fails to comply with the rules of confidentiality set forth in the Agreement or legal acts;
 - 9.4.2. If the System Participant fails to submit or update the Customer data in compliance with the periodicity for Customer data update specified in the Agreement, or if the Customer data submitted by the System Participant are incorrect or incomplete.
 - 9.4.3. If the System Participant has not paid any invoice issued by the Credit Bureau by the payment deadline.

10. GENERAL PROVISIONS

- 10.1. These Terms and Conditions are applicable to the Agreement signed starting with 01 June 2016 if the Parties have not agreed otherwise in the Agreement.
- 10.2. These Terms and Conditions govern the relationship between the Credit Bureau and the System Participant that the Agreement has been entered into with.
- 10.3. By entering into the Agreement the System Participant confirms that it has researched these Terms and Conditions, agrees to such and recognises them as binding. In the event of conflict between these Terms and Conditions and the provisions of the Agreement, the provisions of the Agreement shall prevail.
- 10.4. The System Participant may research the current Terms and Conditions in the premises of the Credit Bureau during the working hours of the Credit Bureau and on the Credit Bureau website www.kib.lv.
- 10.5. Additions and amendments to the Agreement shall be entered into by and between the Parties in writing, except for amending the Terms and Conditions where the procedure set forth in Paragraph 10.6 shall be applied.
- 10.6. The Credit Bureau shall be entitled to unilaterally amend the Terms and Conditions by notifying the System Participant about the amendments to the Terms and Conditions on the Credit Bureau website www.kib.lv one month before their entry into force. The Credit Bureau shall also be entitled to send or notify amendments to the Terms and Conditions in another way (by mail, by e-mail, using the CBS system, etc.). If the System Participant has not submitted objections to the Credit Bureau by the date of their entry into force then it shall be deemed that the System Participant has agreed to amendments to the Terms and Conditions. If the System Participant does not agree to the amendments to the Terms and Conditions, it has the right to terminate the Agreement by the date the amendments to the Terms and Conditions enter into force without any penalty sanctions.
- 10.7. Each Party shall provide the other Party with the information and notifications in the events specified in the Agreement, as well as shall answer the questions of the other Party in writing, by electronic communication (e-mail) in due time, but no later than within 15 days after the submission of the request, unless another deadline is set forth in the Agreement.
- 10.8. If the legal status, the name, address of the Party or other information identifying the Party is changed, the Party shall promptly notify the other Party of such changes.
- 10.9. Neither Party shall be entitled to assign or otherwise transfer any rights or obligations under the Agreement to a Third party without the prior written consent of the other Party.
- 10.10. Legal acts of the Republic of Latvia shall be applied to the Agreement, as well as the Agreement shall be interpreted in accordance with the above legal acts. The Parties have agreed that any future disputes and disagreements shall be resolved through mutual negotiations. If the Parties fail to reach a mutual agreement, any dispute arising from the Agreement shall be finally resolved in the courts of the Republic of Latvia in accordance with the applicable legal acts of the Republic of Latvia.
