

# GENERAL CORPORATE CLIENT CREDITING CONDITIONS

Valid from 12 October 2020

## 1. DEFINITIONS

The terms used in the *General Corporate Client Crediting Conditions* shall be understood as they are defined in this Section; other terms used and capitalized shall be understood as they are regulated in the *General Rules* or the *Payment Rules*. In the General Corporate Client Crediting Conditions, terms are calculated and indicated in calendar days, unless the calculation of terms in business days is specified.

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

**1.2. Shareholder:** the shareholder of a public limited company or a private limited company, shareholder, member, founder, shareholder, owner or other beneficiary of any other legal form of a legal entity (e.g. agricultural company, general partnership, cooperative, public institution, small partnership).

**1.3. Personal Data Protection Rules:** the *Personal Data Protection Rules* of Šiaulių bankas approved by the Bank, which are available on the Bank's website [www.sb.lt/duomenupsauga](http://www.sb.lt/duomenupsauga) or in the Bank's Client service units, and at the Client's request, the Bank will issue a paper copy of these rules free of charge.

**1.4. Bank:** Šiaulių bankas AB, the details and contacts of which are specified in the *Special Conditions* and the *General Rules*. The address of the Bank's website is [www.sb.lt](http://www.sb.lt).

**1.5. General Rules:** the *General Rules For The Provision Of Šiaulių Bankas Services* approved by the Bank, which are available on the Bank's website or in the Bank's Client service units, and at the Client's request, the Bank will issue a paper copy of these rules free of charge.

**1.6. General Corporate Client Crediting Conditions:** these *General Corporate Client Crediting Conditions* approved by the Bank, which are an integral part of the Contract, available on the Bank's website or in the Bank's Client service units, and at the Client's request, the Bank will issue a paper copy of these rules free of charge.

**1.7. Financing Limit Contract:** the Contract by which the Parties agree on the maximum amount of one or more credits granted to the Client and the conditions and collaterals applicable to all such credits.

**1.8. Guarantee:** the Bank guarantee provided at the Client's request, by which the Bank undertakes to pay the amount specified in the guarantee in full or in part to the beneficiary of the guarantee, if the obligation specified in the guarantee is not fulfilled or is improperly fulfilled.

**1.9. Schedule:** the document with dates and credit repayment amounts, according to which the Client repays the credit (its part) to the Bank, and in case of a Credit Line / Account credit (if any), the document with dates, credit repayment amounts and maximum Credit amounts up to which the Client is entitled to use the Credit Line / Account Credit. The schedule is an integral part of the Contract. The schedule is submitted to the Client together with the Contract, via the Internet Bank or in another manner agreed by the Parties.

**1.10. Variable interest rate:** the EURIBOR or LIBOR, or another variable interest rate that is closest in meaning to the interest specified in the Contract, i.e. another reasonable alternative that would be selected and applied by the Bank to the Client taking into account the recommendations of the supervisory authorities and / or general market practice in case EURIBOR or LIBOR is not published or established, is no longer provided or will not be provided, can no longer be used, or its methodology has changed substantially or can no longer be applied due to other events beyond the Bank's control. The Bank shall inform the Client about the determination of the next variable interest part via the Internet Bank in accordance with the procedure established in the *General Rules*.

**1.11. Client:** the legal entity, farmer or entrepreneur specified in the *Special Conditions*, being the party to the Contract to whom the Bank grants credit.

**1.12. Credit:** Cash provided (lent) to the Bank's Customer for the purpose and under the conditions specified in the Contract (or a part thereof), which the Client undertakes to return and use in accordance with the terms and conditions specified in the Contract.

**1.13. Credit Service Account:** the internal Bank account opened by the Bank on the basis of the Contract and intended for the repayment of the Credit, collection of interest and / or other amounts payable under the Contract. The Client is not entitled to dispose of the funds in this account, but may transfer funds to this account for repayment of the Credit (part thereof) or payment of interest / commitment fee or other amounts payable under the Contract under the conditions provided for in the Contract. The credit service account number is indicated to the Client in the Internet Bank.

**1.14. Credit disbursement:** the use of the Credit granted under the Contract, i.e. disbursement from the Credit Account and / or reservation of Credit funds for payment of the letter of credit and / or claim under the guarantee.

**1.15. Credit disbursement document:** the invoice with accompanying documents, a contract of sale or other contract in its content and form acceptable to the Bank and / or a document confirming the acquisition of goods or service and / or another document confirming the disbursement of the Credit in accordance with the purpose specified in the Contract.

**1.16. Credit line:** the form of credit when the Bank provides funds to the Client under the conditions specified in the Contract for the purpose specified in the Contract, and the Client has the right to use, repay and reuse the provided funds, not exceeding the maximum Credit amount specified in the Contract and / or Schedule (if any).

**1.17. Term of use of the Credit:** the date specified in the *Special Conditions* by which the Credit may be disbursed, guarantee provided or letter of credit issued to the Client

**1.18. Credit account:** the internal Bank account opened by the Bank on the basis of the Contract and intended for disbursement of the Credit and, in the case of a Credit Line, for repayment. The credit account number is indicated to the Client in the Internet Bank.

**1.19. Margin:** the fixed amount of the Bank's credit risk and profit margin as a percentage over one year, which is a component of interest, established in the Contract.

**1.20. Minimum interest:** the interest in the amount specified in the *Special Conditions*, which the Client pays to the Bank in cases when the variable interest rate applied to the Client becomes lower than the set minimum interest rate.

**1.21. Payment date:** the dates specified in the Special Conditions and / or the Schedule on which the Client repays the Credit to the Bank, pays interest and / or the commitment fee.

**1.22. Payment Rules:** the general rules of Šiaulių bankas for the provision of payment services approved by the Bank, which are available on the Bank's website or in the Bank's Client service units, and at the Client's request, the Bank will issue a paper copy of these rules free of charge.

**1.23. Own funds:** the amount of money specified in the Special Conditions or a percentage thereof, which the Client undertakes and must invest in the project financed by the Bank under the Contract with own (not Credit) funds. Own funds are (i) funds held by the Client and / or (ii) funds borrowed and capitalized by the Client or subordinated to the Credit.

**1.24. Interest rate:** the price of the disbursed Credit specified in the Special Conditions, expressed as a percentage of the annual interest rate. The interest rate may be (i) variable, (ii) variable with a fixed minimum interest rate, (iii) fixed, (iv) fixed with a applicable revision clause. The rates of the variable interest rate are publicly available on the websites, the links to which can be found on the Bank's website.

**1.25. Increased interest:** the percentage specified in the Special Conditions and the Additional Terms and Obligations Arrangement (if any), which increases the interest rate set to the Client (Bank margin and / or minimum interest rate or fixed interest rate) for non-performance or improper performance of obligations under the Contract.

**1.26. Additional Terms and Obligations Arrangement:** the arrangement by which the Parties agree on the fulfilment of additional conditions, financial indices and obligations applicable to the Client and sanctions for non-fulfilment thereof. In the event that the terms and conditions contained in the Additional Terms and Obligations Arrangement differ from the terms and conditions set forth in these *General Corporate Client Crediting Conditions*, Special Conditions or the Financing Limit Contract, the terms and conditions contained in the Additional Terms and Obligations Arrangement shall apply.

**1.27. Overdraft:** the form of credit when the Bank provides funds to the Client under the conditions specified in the Contract in the Client's account with the Bank specified in the Special Conditions, and The Client has the right to dispose of them at his / her own discretion, in accordance with the Account credit usage cycle, not exceeding the specified Maximum Credit Amount..

**1.28. Account Credit Usage Cycle:** the period specified in the Special Conditions, expressed in the number of consecutive calendar days during which the Account Credit must be repaid to the Bank and the account credit account balance must become positive. The Account credit usage cycle is calculated from the Account credit usage date.

**1.29. Special Conditions:** the part of the Contract by which the Parties agree on the essential financing conditions, collateral and other conditions and obligations. The Special Conditions shall be drawn up and signed in as many copies as there are Parties (one for each Party), unless all Parties sign them with qualified electronic signatures.

**1.30. Subordination contract:** the Contract concluded between the Bank, the Client and the Client's creditor, according to which all current and future liabilities and interest of the Client to the Client's creditor under their mutual loan and / or other financing Contracts (if any) are subordinated towards the Credit and other monetary obligations arising from the Contract.

**1.31. Contract:** the contract for granting credit to the Client (with all its current and future amendments, additions and supplements), which consists of these *General Corporate Client Crediting Conditions*, Special Conditions, Schedule and other arrangements of the Parties concluded at the Contract. An integral part of the Contract are the *General Rules, Payment Rules, Personal Data Protection Rules*, as well as other Contracts concluded by the Parties (e.g. Financing Limit Contract, Additional Terms and Obligations arrangement), the terms of which apply to the credit relationship established by the Contract.

**1.32. Parties:** the Bank and the Client together.

**1.33. Collateral:** the measures specified in the Special Conditions and / or the Financing Limit Contract to ensure the fulfilment of the Client's obligations under the Contract, such as property pledge contracts, surety contracts, guarantees, etc.

**Abbreviations:**

**1.34. APVA:** Environmental Project Management Agency under the Ministry of Environment of the Republic of Lithuania, legal entity code 288779560.

**1.35. EURIBOR** (Euro Interbank Offered Rate): the average European interbank market interest rate (of 1, 3, 6 or 12 months).

**1.36. DSCR** (debt-service-coverage ratio): the credit service ratio calculated as the ratio of EBITDA to credit servicing costs (repayment of credit and interest).

**1.37. EBITDA** (earnings before interest, taxes, depreciation and amortization): the operating profit before interest, taxes and depreciation.

**1.38. INVEGA:** THE LIMITED LIABILITY PRIVATE COMPANY INVESTICIJŲ IR VERSLO GARANTIJOS, legal entity code 110084026.

**1.39. LIBOR** (London Interbank Offered Rate): the average interest rate on the London interbank market (for 1, 3, 6 or 12 months).

**1.40. LTV** (loan-to-value ratio): the indicator of the ratio of the value of the Credit to be disbursed (together with the disbursed) and the value of the collateral, the amount of which, when applied to the Credit, is specified in the Special Conditions.

**1.41. LVPA:** the public institution Lithuanian Business Support Agency, legal entity code 125447177.

**1.42. NMA:** the National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania, legal entity code 288739270.

**1.43. VAT:** the value added tax as defined in the Law on Value Added Tax of the Republic of Lithuania.

**1.44. VIPA:** the private limited liability company Public Investment Development Agency, legal entity code 303039520.

**1.45. VMI:** the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania, legal entity code 188659752.

**1.46. ZUPGF:** the private limited liability company AGRICULTURAL LOAN GUARANTEE FUND, legal entity code 124261860.

## 2. OBJECT OF THE CONTRACT, ITS CONCLUSION, AMENDMENT AND TERMINATION

**2.1.** The Bank undertakes to provide the Client with the Credit under the conditions set forth in the Contract, and the Client undertakes to provide the Bank with appropriate

Collateral and fulfil the terms of the Credit disbursement, use the received Credit for the purpose specified in the Contract.

**2.2.** For granting and using the Credit, the Client shall pay to the Bank the Commitment Fee / interest, the fees specified in the *Service Fees*, the amount of which may be agreed in the Special Conditions, and other payments due to the Client.

**2.3.** The Contract shall enter into force upon signature of the Special Conditions by the Parties and shall be deemed concluded from the date of conclusion of the Special Conditions specified in the Special Conditions. The Contract is valid until the Client fulfils all its obligations to the Bank under the Contract.

**2.4.** All supplementary arrangements, amendments and annexes to the Contract concluded by the Parties shall form an integral part of the Contract and shall be binding on the Parties.

**2.5.** The Bank has the right to unilaterally, without any prior information and / or consent of the Client, change the *General Corporate Client Crediting Conditions* and the changed terms and conditions shall be valid for the Client from the moment of their publication on the Bank's website.

**2.6.** The Parties agree that if there are other conditions not specified in these *General Corporate Client Crediting Conditions* or the Bank applies to the Client other terms and conditions than those set forth in *General Corporate Client Crediting Conditions*, all such terms are set forth in the Special Conditions or the *Financing Limit Contract or Additional Terms and Obligations Arrangement*.

**2.7.** Should any part, provision or annex of the Contract be declared invalid, the remaining parts, provisions and annexes of the Contract shall remain in full force and effect.

**2.8.** The Contract may be terminated by arrangement of the Parties. On the day of termination of the Contract, the Client must return to the Bank the entire outstanding Credit with accrued interest and possible default interest and / or Commitment Fee, as well as pay all other amounts not paid to the Bank under the Contract. The Client has the right to terminate the Contract upon early repayment of the Credit under the conditions and in accordance with the procedure provided for in Section 5 of these *General Corporate Client Crediting Conditions*.

**2.9.** The Bank has the right, by notifying the Client in writing at least 14 days in advance, to terminate the Contract before maturity and demand early repayment of the Credit or a part thereof and to pay all other amounts payable under the Contract in the case of any essential violation provided for in Section 10 of the *General Corporate Client Crediting Conditions* without going to court. The Contract may be terminated by the Bank unilaterally without going to court also in the absence of a material breach of the Contract, but only in cases of material circumstances for the Bank, specified in the *Special Rules*, for which the Bank may terminate the Contract and / or cannot continue business relations with the Client and / or provide financial services to the Client.

**2.10.** If the Bank terminates the Contract or initiates recovery in accordance with the procedure established by legal acts, and the Client fails to repay the Credit, the Bank has the right to debit the outstanding Credit, unpaid interest and / or Commitment Fee and / or default interest from the Client's bank accounts with the Bank, realizing the financial collateral provided to the Bank, or recovered from the collateral provided to the Bank or other property of the Client in accordance with the procedure established by legal acts.

**2.11.** Termination of the Contract does not suspend the calculation of interest and default interest and does not cancel the Client's obligation to repay the Credit, pay interest, default interest, other payments provided for in the Contract and fulfil other conditions of the Contract.

**2.12.** The law of the Republic of Lithuania applies to the Contract. Disputes between the Parties, which cannot be resolved by mutual arrangement, shall be resolved in court in accordance with the procedure established by the laws of the Republic of Lithuania.

### 3. CREDIT PRICE AND OTHER FEES

#### *Interest*

**3.1.** The Client shall pay to the Bank the interest specified in the Contract on the Credit amount paid to the Client, starting from the day of disbursement of the Credit. Interest shall be calculated until the actual repayment date of the Credit amount.

**3.2.** (*if variable interest is applied*) The Annual Interest Rate is calculated by taking the sum of the value of the variable interest part valid for the term specified in the Special Conditions on the day of signing the Contract and the Margin specified in the Special Conditions. The variable interest is changed at the frequency of the variable interest period specified in the Special Conditions. In the event that the value of the variable interest part is negative on the interest change date, the value of the variable interest part will be deemed to be zero.

**3.3.** (*if a minimum interest rate is set for the applicable variable interest rate*) If the value of the variable interest part decreases to such an extent that the total variable interest rate becomes lower than the minimum interest rate, the minimum interest rate specified in the Special Conditions will apply to the Contract.

**3.4.** (*if fixed interest is applied*) The annual fixed interest rate specified in the Special Conditions shall be determined for the entire term of the Contract.

**3.5.** (*if a fixed interest rate with a revision clause is applied*) The fixed interest rate specified in the Special Conditions shall be revised and changed with the frequency specified in the Contract for the period of the variable interest part. The interest revision period starts from the date of signing the Contract. If on the day of the fixed interest rate revision / change the value of the variable interest part specified in the Contract and the amount of the Bank's margin becomes higher than the amount of the fixed interest specified in the Contract, the Client shall pay interest to the Bank which is calculated as the sum of the values of the variable interest part and the Bank's margin for the variable interest part period specified in the Contract. In case the value of the variable interest part and the amount of the Bank's margin becomes less than or equal to the fixed interest specified in the Contract on the day of revision / change of the fixed interest, the Client shall pay the fixed interest specified in the Contract to the Bank.

**3.6.** In the event that the day of revision / changing the value of the variable interest part is a non-business day, the value of the variable interest part valid on the previous business day shall be taken into account when revising / changing the variable interest part.

**3.7.** Interest is calculated every day from the disbursed Credit amount, assuming that the year consists of 360 days and the month consists of the calendar number of days.

**3.8.** The Client must pay the accrued interest to the Bank on the Payment Date, and in case the last day of the Credit repayment term does not coincide with the Payment Date, all accrued interest must be paid on the last day of the Credit repayment term.

**3.9.** In the case of, at the Client's request changing the terms of the Contract (Credit Usage Term, Credit Repayment Term, Schedule, Credit Amount, Collateral, etc.), the Bank has the right to re-determine the interest rate calculated for the Credit.

#### **Administration fee**

**3.10.** The Administration Fee is a fee paid by the Client to the Bank on the day of concluding the Contract for the preparation of the Contract and administration of the issued Credit during the term of the Contract. If the Bank refuses to grant all or part of the Credit in the cases provided for in the Contract or if the Client refuses the Credit, the Client must pay the Bank the full administration fee and the Bank will not refund the paid administration fee. The Client must ensure that on the day of concluding the Contract, the Client's bank account with the Bank has the required amount of funds for making this payment, which the Bank will debit without separate notice and notification. Upon concluding the Contract, the administration fee shall include the document analysis fee (if not paid before the conclusion of the Contract) for the analysis of the credit application, financial and legal documents.

#### **Commitment fee**

**3.11.** Commitment fee is a fee paid by the Client to the Bank for the unused Credit (its part). The commitment fee shall be calculated every day from the date of signing the Contract until the date of actual use of the Credit, but not longer than until the end of the term of use of the Credit specified in the Contract. The commitment fee is calculated on the assumption that there are 360 days in a year and number of calendar days in a month.

**3.12.** The commitment fee shall be paid for the previous month on the payment date of each calendar month, and in case the Credit utilization term does not coincide with the payment date, all accrued commitment fee shall be paid on the last day of the Credit utilization term.

**3.13.** If the guarantee is provided / the letter of credit is issued when reserving the Credit funds, the Client shall pay to the Bank the obligation fee under the guarantee / letter of credit. The fee for the letter of credit / guarantee obligation is calculated from the part of the Credit reserved for securing the letter of credit / guarantee and is calculated every day from the date of issuance of the letter of credit / guarantee until the last day of the Bank's obligations under the letter of credit / guarantee (inclusive). The commitment fee under the letter of credit is paid for the current month on the last business day of each month, and for the month of expiry of the actual letter of credit - on the day of expiry of the actual letter of credit. The guarantee obligation fee is payable on the date of granting the guarantee for the entire term of the guarantee.

#### **Interest on late payments, fines and interest increases**

**3.14.** If the Client misses the deadlines of Credit (part thereof) repayment, interest, commitment fee and / or other amounts payable to the Bank under the Contract, or fails to repay the account credit during the account credit utilization cycle, the Client shall pay 0.05% to the Bank for each calendar day of delay interest on arrears.

**3.15.** If the Client fails to perform or improperly performs any obligation specified in the Contract (except for those specified in

Clause 3.14 of the *General Corporate Client Crediting Conditions*, without which the Client is subject to interest), the Bank shall, taking into account the consequences of the violation (s), to apply the increased interest specified in the Special Conditions or to impose a fine set by the Bank not exceeding 2% from the Credit amount. The Client must pay the increased interest until the Client informs the Bank about the proper fulfilment of its obligations (the minimum term for payment of the increased interest is 30 days), and pay the fine within the term set by the Bank.

**3.16.** The payment of default interest, increased interest and / or penalties does not release the Client from the performance of contractual obligations and does not entitle the Client to ask to defer the performance of obligations under the Contract.

#### **Other fees**

**3.17.** During the term of the Contract, the Client shall pay to the Bank as well as other fees set by the Bank related to the conclusion and performance of the Contract (if any), including the fee for changing the terms of the Contract, fees related to the administration of the Contract and the Client's bank account, currency conversion, collateral agreement conclusion, registration, amendment, deregistration, termination, insurance, evaluation, maintenance and sale of such instruments, other fees specified in the Service Fees, as well as to pay to the Bank the letter of credit and guarantee fees provided for in the letter of credit issuance / guarantee contract or Special Conditions, and to reimburse costs incurred by the Bank related to insurance, conclusion of collateral Contracts, valuation of collateral, obtaining information from public registers and reasonable increased costs incurred by the Bank related to the conclusion and administration of the Contract, arising from legal acts or their interpretation and / or application changes.

**3.18.** In the event that the performance of the Contract is secured by a guarantee provided by a third party, the Client undertakes to pay the fees for the provided guarantees in a proper and timely manner and to comply with the conditions set by the guarantor.

### **4. CREDIT DISBURSEMENT AND ASSOCIATED LIABILITIES**

**4.1.** The Credit is disbursed in the currency in which it is granted. If the Credit disbursement documents indicate a currency other than the one in which the Credit is granted, the respective credit amount shall be converted using the basic exchange rate as provided in the *Payment Rules* and applying the rates valid at the Bank at that time.

**4.2.** The Bank shall disburse the Credit (except for the account credit) to the bank account of the third party specified in the credit disbursement documents. After using the entire Credit Line, the returned Credit Line funds may be re-disbursed to the Client's bank account.

#### **4.3. Credit disbursement conditions:**

**4.3.1.** The Client has signed the Special Conditions, the Additional Terms and Obligations Arrangement (*if applicable*), the additional contract upon receipt of support (*if applicable*) and other documents constituting the Contract, which are considered an integral part of the Contract and duly executes the terms of the Contract.

**4.3.2.** The term of use of the Credit has not expired.

**4.3.3.** The Client has provided the Collateral and, if necessary, registered it in the Mortgage Register.

**4.3.4.** The Client has invested / paid own funds and submitted documents confirming this to the Bank.

**4.3.5.** The Client has paid to the Bank the fees specified in the Contract.

**4.3.6.** The Client has fulfilled all other credit disbursement conditions specified in the Financing Limit Contract and / or the Special Conditions and / or the Letter of Credit Issuance / Guarantee Contract concluded with the Client and has submitted the documents confirming this to the Bank.

**4.3.7.** The Client has submitted to the Bank the credit disbursement documents of an acceptable to the Bank content and form for the maximum credit amount specified in the Special Conditions (or the respective part thereof, confirming the amount of disbursed part of the Credit).

**4.3.8.** Assets pledged to the Bank (excluding property rights, securities, current and future funds in the account, land and company) are insured for the benefit of the Bank under the terms of the Contract and the Client provided supporting documents for the Bank or insurance broker providing insurance contract supervision services for the Bank (the Insurance Partner).

**4.3.9.** Assets pledged to the bank have been evaluated.

**4.3.10.** If the property pledged and / or purchased (financed by the Credit) is pledged (except for pledge to the Bank), the Client has submitted to the Bank the mortgage / pledge creditor's consent to sell and / or pledge the property with a subsequent mortgage / pledge, indicating that the mortgage / pledge of the pledged / acquired property will be waived no later than within 30 days from the date of payment of the amount specified in the mortgage / pledge of the mortgaged / acquired property in the creditor's consent.

**4.3.11.** A bank account has been opened with the Bank on behalf of the Client.

**4.3.12.** Other Contracts covering financial obligations concluded between the Bank and / or the Bank's subsidiaries and the Client or the Client's group companies are duly executed.

**4.3.13.** There are no adverse changes in the Client's financial condition, assets or performance compared to the situation at the time of concluding the Contract, including reorganization, restructuring, bankruptcy proceedings, seizures of accounts or funds in accounts, other restrictions applied to the Client, which could materially adversely affect the performance of the Client's obligations under the Contract.

**4.3.14.** There are no other grounds established in legal acts or the *General Rules* that allow / oblige the Bank to suspend business relations with the Client and / or the disbursement of the Credit and / or terminate the Contract.

**4.3.15.** The written consent of the spouse of the Client - the farmer, entrepreneur, individual business owner to receive the Credit has been obtained.

**4.3.16.** When the purpose of the Credit is to finance the acquisition of real estate, the following must be submitted to the Bank in addition:

**4.3.16.1.** Purchase Contract (s) for the purchase of the purchased property, which in case of acquisition of real estate must be notarized, and the form of the Contracts must comply with the requirements established in the legal acts of the Republic of Lithuania. In the case of reduction the price of the property indicated in the sale and purchase agreement, the Credit amount will be reduced accordingly;

**4.3.16.2.** Documents of a content and form acceptable to the Bank, confirming the payment of the difference between the

price of the purchased property and the granted Credit (its part) for the acquisition of the purchased property with own funds;

**4.3.16.3.** (applicable if the outstanding obligations to the primary seller of the asset exceed the amount of the Credit granted by the Bank) documents confirming the payment of the difference between the outstanding obligations specified in the primary creditor's certificate of the seller of the asset and the Credit amount.

**4.3.17.** When the purpose of the Credit is to refinance the Client's financial liabilities and / or other debts, a certificate on the balance of the Client's outstanding obligations to the primary creditor on the Credit disbursement date must be submitted to the Bank and if the amount specified in the certificate exceeds the Bank's credit for refinancing liabilities, the documents confirming the payment of this difference from own funds are to be provided to the Bank additionally.

**4.3.18.** When the purpose of the Credit is to finance repair works / reconstruction / construction, the following must be additionally submitted to the Bank:

**4.3.18.1.** Work estimate;

**4.3.18.2.** Valid construction permit issued in accordance with the procedure established by the legal acts of the Republic of Lithuania, construction permit document and / or construction project and / or other permits / permits required for construction / development for reconstruction and other permits required for reconstruction, according to which the Client is granted the right to perform repair / reconstruction / construction works, if such permits are mandatory in accordance with the applicable legal acts of the Republic of Lithuania;

**4.3.18.3.** (in case of construction financing) construction Contract concluded between the Client and the Contractor; The Parties agree that if, in the light of the contracts, the estimated cost of the construction work decreases, the amount of the Credit will be reduced accordingly;

**4.3.18.4.** (in case of repair / reconstruction financing) Upon the Bank's request, the repair / reconstruction contract.

**4.4. Depending on the purpose of the Credit, the Client undertakes:**

**4.4.1.** When the purpose of the Credit is to finance the acquisition of real estate / movable property and this acquired property is pledged - to ensure that no debt note for the acquired property is registered within 10 days from the date of disbursement of the Credit (part of the Credit for real estate acquisition) (if applicable) and inform the Bank thereof and, upon the Bank's request, provide the documents confirming the final settlement for the acquired assets. The Client also undertakes to ensure that the mortgage / pledge of the acquired property is cancelled to the creditor no later than within 30 days from the date of disbursement of the Credit (or the part of the Credit intended for real estate acquisition) and upon the Bank's request to submit documents confirming deregistration of the mortgage / pledge.

**4.4.2.** Where the purpose of the Credit is to finance the acquisition of real estate/movable property and the Parties to the Contract have expressly agreed that VAT on the acquired property may be paid by offsetting after the disbursement of the Credit - no later than 60 days from the disbursement of the Credit (or part of the Credit for purchase of real estate) to receive and submit to the Bank the VMI's decision on taking over the tax arrears or, if the VMI's decision is not received or the tax arrears will be less than the VAT on the purchased property, to pay VAT (missing part of VAT) from own funds and deregister the debt note for the acquired property (if applicable);

and upon the Bank's request - to submit the documents confirming the final settlement for the acquired property.

**4.4.3.** When the purpose of the Credit is refinancing of the Client's financial liabilities and / or other debts - to submit to the Bank documents confirming the deregistration of the mortgage / pledge on the property pledged under this Contract no later than within 14 days from the date of disbursement and if the property was not pledged – the documents confirming full settlement with the original creditor.

**4.4.4.** When the purpose of the Credit is to finance repair works / reconstruction / construction:

**4.4.4.1.** To complete the construction of the property under construction (reconstruction) with Credit funds, to register 100% completeness in the Real Estate Register no later than within 3 months from the term of use of the Credit, and upon the Bank's request - to submit to the Bank the documents confirming the registration and the report on the determination of the market value of the constructed building / construction property;

**4.4.4.2.** (applicable if the property of unfinished construction has been pledged) Upon the Bank's request, to make amendments to the mortgage Contracts after the building / structure 100% completion registration in the Real Estate Register;

**4.4.4.3.** (applicable if investments in the object specified in the Contract increase) to ensure that costs exceeding the amount specified in the estimate submitted to the Bank are financed by the Client's own funds;

**4.4.4.4.** (applicable if the Credit was disbursed not according to the Credit disbursement documents, but according to the made advance payments) no later than within 30 days from the use of the Credit according to the advance documents to submit the documents confirming the Use of credit for its intended purpose (Credit disbursement documents). If the Client fails to submit these documents, the Bank shall suspend (unilaterally, without any separate notification of the Client) further disbursement of the Credit until the proper fulfilment of the Client's obligation provided for in this clause is started.

**4.4.5.** When the Credit is granted to finance VAT, the Client undertakes to immediately inform the Bank about the VAT refunded by the (Credit disbursement documents). If the Customer fails to submit these documents, the Bank shall suspend VMI for the assets acquired with the Credit funds.

## 5. CREDIT REPAYMENT AND EXECUTION OF OTHER PAYMENTS

### Currency

**5.1.** The Client shall pay the Credit, interest, commitment fee, late payment interest, penalties and other fees related to the performance of the Contract to the Bank in the Credit currency. If there are no or insufficient funds in the Client's bank account in the required currency, the Bank has the right to debit the Client's bank account in another currency by converting it into the currency in which the payments are to be made. Conversion of one currency into another is performed at the main exchange rate set by the Bank on the day of debiting the funds, which is available to the Client on the Bank's website or in the Bank's Client service departments.

### Payments

**5.2.** The Client must return the used Credit to the Bank under the conditions, parts and terms specified in the Schedule. If the Schedule has not been concluded, the Credit must be

repaid on the Credit repayment term specified in the Special Conditions, and in the case of the account credit additionally and in accordance with the account credit utilization cycle.

**5.3.** If the Client does not use the Credit part before the term of use of the Credit, the Bank unilaterally adjusts the Schedule by the amount of the unused part of the Credit, offsetting the most recently repayable Credit parts.

**5.4.** The Client must ensure that, upon maturity of the Credit repayment, interest, commitment fee, late payment interest, penalties and / or other payments, the Credit service account or the Client's bank accounts had the required amount of funds to make payments under the Contract.

**5.5.** The Bank shall debit funds from the Credit service account and / or the Client's bank accounts on the payment date without a separate instruction and consent of the Client. In the event that there are insufficient funds in the Credit service account or the Client's bank accounts to make payments under the Contract, the Client shall be deemed to have missed the payment deadlines specified in the Contract. If, due to reasons beyond the Bank's control, the Bank is unable or will not be able to debit the Credit service account or the Client's bank accounts with the funds payable to the Bank, the Client must pay them to another account specified by the Bank within the time limits specified in the Contract. and from the day the funds are credited to this account, the funds are deemed to have been transferred to the Bank for the performance of obligations under the Contract.

**5.6.** (In case of Account Credit) If, upon maturity of payments under the Contract, the Account Credit account does not have sufficient funds to make payments under the Contract and the Account credit limit is not used and the Account credit term has not expired, the Bank has the right to debit the payables from the Account Credit without a separate Client request, not exceeding the maximum account credit amount.

**5.7.** In the event that upon expiry of the Credit repayment, interest, commitment fee, late payment interest, penalties and / or other payments deadlines, there are insufficient funds in the Credit service account or the Client's bank accounts to make payments under the Contract, the Bank, after submitting debit orders, has the right to debit the Client from all types of the Client's accounts located in all banks and credit institutions and transfer them to the account specified by the Bank. The Contract concluded with the Client shall be deemed an unconditional and irrevocable instruction of the Client to another bank or credit institution in accordance with the Bank's requirement to debit funds from the Client's account, convert funds into the required currency if there are no funds in the Client's account in the currency payable to the Bank, and transfer them to the account specified by the Bank.

**5.8.** If the amount in the Credit service account exceeds the amount required to make payments under the Contract upon maturity of the Credit repayment, interest, commitment fee, late payment interest, penalties and / or other payments, the Bank will debit only the amount payable according to the due dates, leaving the unused balance until maturity of other terms of amounts due. The Bank has the right to write off all the funds in the accounts without waiting for the amounts due, if the funds are realized as financial collateral provided to the Bank.

**5.9.** The Bank has the right to unilaterally, after notifying the Client in writing in advance, change the procedure for repayment of the Credit or its part, interest, default interest, commitment or administration fee, indicating to the Client the

Bank account to which the Credit and / or other payments are to be paid.

**5.10.** If the Credit is also granted for VAT financing of the purchased property, the Bank has the right to direct the VAT refundable to the Client to cover the Credit at its own discretion and, if necessary, make related changes to the Schedule.

**5.11.** If the Bank receives a smaller amount from the Client than payable under the Contract, the Bank shall distribute the received funds in the following order: first of all, the expenses incurred by the Bank related to the statement of claim shall be reimbursed; interest, fines are paid in the second row; the commitment fee and other fees and expenses related to the issuance of letters of credit and / or provision of guarantees shall be paid in the third row, followed by interest, the Credit shall be repaid in the fourth row, unless the Parties agree otherwise.

**5.12.** In the event of late payments under the Contract and other contracts concluded by the Parties, the Bank shall determine, regardless of the specified purpose of payment, which arrears and under which Contracts will be covered, and in what order, and shall distribute the received funds accordingly.

#### ***The Client's right to repay or cancel the Credit earlier***

**5.13.** In order to repay the Credit earlier than the term provided for in the Contract or to terminate the Contract and not to use the credit line / account credit, the Client must inform the Bank thereof in writing in advance.

**5.14.** If the Client repays all or part of the Credit to the Bank or terminates the credit line / account credit contract earlier than the term stipulated in the Contract, the Client must pay the Bank an advance credit repayment fee and repay the remaining Credit (or desired repayment) to pay all amounts payable to the Bank under the Contract, as well as to fulfil its other overdue obligations to the Bank under other Contracts concluded with the Bank.

**5.15.** Upon receipt of the Client's notice of intention to repay the Credit earlier than stipulated in the Contract (the notice must be submitted no later than 5 business days in advance), the Bank, from earlier paid amount, shall cover those parts of the Credit with the latest repayment terms and unilaterally update the Schedule, changing accordingly the credit repayment deadline. At the Client's request, the Bank and the Client may also agree on a different procedure for coverage than specified in this clause by concluding a Contract on the amendment of the terms and conditions of the Contract.

**5.16.** If the Client intends to terminate the Contract and not to use the credit line / account credit (or a part thereof), the Bank shall agree with the Client on the amendment of the terms of the Contract.

**5.17.** If the Client repays a part of the outstanding Credit before the due date at the request of the Bank, it shall be deemed that the Client has repaid those parts of the Credit for which the repayment terms to the Bank provided for in the Contract are the latest. If the Credit or a part thereof is repaid before the due date at the request of the Bank, the advance Credit repayment fee shall not be applied.

## **6. PROCEDURE FOR GRANTING AND USE OF GUARANTEE, LETTER OF CREDIT**

**6.1.** This Section applies to the provision of a guarantee or the issuance of a letter of credit when reserving Credit funds.

**6.2.** The Client, wishing to receive a guarantee or that the Bank issued a letter of credit, submits to the Bank an application and other documents required by the Bank and signs an Contract with the Bank for provision of a guarantee or issuing a letter of credit.

**6.3.** The Bank has the right not to issue guarantees / letters of credit, the validity of which is longer than 15 days before the end of the Credit repayment term, and the total amount, plus the outstanding part of the Credit and valid guarantees and / or letters of credit issued at the Client's request, exceeds the Credit amount.

**6.4.** Upon granting the guarantee and / or issuing the letter of credit, the Bank reserves the Credit funds in the amount of the guarantee and / or letter of credit for payment of the guarantee and / or letter of credit and the Client is not entitled to use the reserved part of the Credit while the guarantee and / or letter of credit is valid. The Client shall not be entitled to use the reserved funds until the Bank's obligations under the granted guarantees and / or issued letters of credit expire and the Bank cancels the reservation of funds in the credit account. If the documents submitted for payment of the guarantee and / or letter of credit comply with the terms and conditions the terms of the letter of credit or the beneficiary of the guarantee requires the Bank to pay the amount of the guarantee (part thereof), the Client irrevocably and unconditionally entitles the Bank to pay the amounts due to the beneficiary of the guarantee and / or letter of credit with reserved Credit funds, increasing the Client's used part of Credit under the Contract by the paid amount.

**6.5.** If the Bank has received appropriate documents to pay under the guarantee and / or letter of credit, but is unable to make payment under the guarantee and / or letter of credit due to interim measures applied in accordance with the law or other circumstances beyond the Bank's control, or even in the case of reserved Credit funds to provide guarantees and / or issue letters of credit, the circumstances would become clear considered to be a material breach of the Contract or other circumstances due to which the Bank has the right to unilaterally terminate the Contract become clear, the Client undertakes to deposit cash in the account specified by the Bank no later than within 1 (one) business day from the Bank's request with amount equal to the amount payable under the guarantee and / or letter of credit. If the Client fulfils this obligation, the Bank will cancel the reservation of funds in the Credit Account, and if the Client fails to fulfil this obligation within the term specified by the Bank, the Bank has the right to deposit the Client's own funds for the payment of guarantee and / or letter of credit in the deposit account without the Client's consent and information by transferring them from the Client's bank accounts, or depositing the Credit funds by transferring them from the Credit account thus increasing the used part of the Credit in accordance with the Contract, and using the deposited funds to pay the guarantee and / or letter of credit.

**6.6.** If the term of the guarantee and / or letter of credit is longer than the term of Credit repayment and / or the total amount, plus the outstanding part of the Credit and valid guarantees and / or letters of credit issued by the Bank at the Client's request, would exceed the maximum Credit amount, the Client, no later than 5 business days before the Credit repayment term, shall deposit the respective funds in the letter of credit and / or guarantee deposit account. If the Client fails to perform this obligation, the Bank has the right to unilaterally debit the funds in any Client's bank account or Credit account

by increasing the Client's used portion of the Credit under the Contract and deposit them in the letter of credit and / or guarantee deposit account for total used Credit and guarantees and issued letters of credit reduced by the amount of deposited funds would not exceed the maximum Credit amount.

**6.7.** From the moment of depositing funds in the guarantee and / or letter of credit deposit account, the deposited funds are a financial security provided to the Bank with the transfer of ownership in accordance with the Law on Financial Collateral Contracts of the Republic of Lithuania securing the guarantee and / or letter of credit Contract.

**6.8.** If the Credit funds have been used to pay the amounts payable to the Beneficiary of guarantee or deposited in the Guarantee deposit account, the Client shall return to the Bank a part of the Credit equal to the used / deposited Credit funds no later than within 30 days returns to the Bank a part of the Credit equal to the used / deposited Credit funds. If the Client fails to repay the Credit part within the set term, it is considered that he has missed the Credit repayment term.

**6.9.** If the requested guarantee and / or the requested letter of credit is not in the currency in which the Credit is granted, the Bank unilaterally reserves a 10 percent higher amount in the Credit account for granting the guarantee and / or issuing the letter of credit, unless otherwise is provided in the guarantee / letter of credit contract. Due to exchange rate fluctuations at any time during the validity of the guarantee / letter of credit, if the amount of the guarantee / letter of credit exceeds the 10% higher amount reserved in the Credit account (or other amount agreed in the guarantee / letter of credit contract), the Bank has the right to increase the amount of reserved funds in Credit account by respective amount and in the absence of such an opportunity, the Client must, no later than within 5 business days from the date of the Bank's request, deposit the Client's funds in the guarantee and / or letter of credit deposit account to maintain 10 percent (or other amount, if agreed in the guarantee / letter of credit Contract) for the provision of a guarantee and / or the issuance of a letter of credit. If the Client fails to perform this obligation, the Bank has the right to unilaterally debit the funds in any of the Client's bank accounts or Credit account and deposit them in the letter of credit and / or guarantee deposit account. In the event that the Bank incurs currency conversion and / or foreign bank fees, which are not covered by the Credit, upon payment by the Bank of a guarantee / letter of credit issued in a currency other than the currency in which the Credit is granted, the Client undertakes to immediately reimburse such costs incurred by the Bank or the Bank is entitled to debit such amounts unilaterally from any of the Client's bank accounts.

**6.10.** Upon termination of the Bank's obligations under the guarantee / letter of credit and in the absence of any disputes (including probable ones), the Bank, upon the Client's request or on its own initiative, cancels the reservation of the funds in the Credit Account for the amount of the provided guarantee / issued unused letter of credit or returns the deposited Credit funds in the guarantee / letter of credit deposit account to cover the used Credit. The Bank has the right to reduce the deposited Credit funds returned to cover the used Credit, by the amount of expenses incurred by the Bank related to the issued guarantee / issued letter of credit, and other fees.

**6.11.** The Bank has the right to debit fees and other expenses incurred by the Bank related to the provided guarantee / issued letter of credit from any Client's bank account and Credit Account regardless of the term of use of the

Credit, the term of Credit repayment and the validity of the Contract.

**6.12.** Other conditions for granting a guarantee and issuing a letter of credit are specified in the Contract on granting a guarantee and / or issuing a letter of credit concluded by the Parties.

## 7. PROCEDURE FOR GRANTING AND USING ACCOUNT CREDIT

**7.1.** The account credit is granted to finance the Client's working capital.

**7.2.** The Client, having used the Account credit or a part thereof, must periodically return it to the Bank in accordance with the Account credit utilization cycle and may continue to use it, not exceeding the maximum credit amount and following the Account credit utilization cycle.

**7.3.** Depending on the turnover of the Client in the account credit account, the Bank has the right to unilaterally change (reduce and restore) the maximum credit amount granted to the Client or restrict the Client's ability to use the Account credit.

**7.4.** The Account credit must be repaid to the Bank no later than the last day of the Account credit utilization cycle. If the Account credit is not returned to the Bank during the Account credit utilization cycle, the Bank shall suspend any payments of the Client from the account until the Account credit is repaid. The Client may re-use the Account Credit or a part thereof not earlier than on the next business day after the Account Credit has been repaid and if all other conditions for disbursement of the Credit are fulfilled and there are no circumstances for termination of the Contract.

**7.5.** Other conditions for the use and repayment of the Account credit are specified in Section 5.

## 8. ENSURING THE EXECUTION OF OBLIGATIONS

### *Collateral*

**8.1.** The Client undertakes to ensure that the Collateral specified in the Contract is properly and timely submitted and valid until the full fulfilment of the Client's obligations under the Contract. Collateral must be provided prior to the disbursement of the Credit, unless otherwise is provided in the Special Conditions or (if any) the financing limit contract.

**8.2.** The property is pledged to the Bank by maximum mortgage / pledge contracts, which must be immediately registered in the Mortgage Register at the Client's expense by publishing the terms and conditions of the mortgage / pledge contracts. The complexity of the pledge must be ensured when pledging the property, i.e. all real estate and movable property located / to be in a specific territory (buildings, structures, equipment, engineering networks, rent / use), as well as property necessary for the use of the pledged property, if value of the pledged property and recoverability from it may depend on its presence or absence, or which is otherwise related to the mortgaged property must be pledged to the Bank.

**8.3.** If the property has been pledged under a conditional mortgage contract (s), the Client undertakes to ensure that all actions are taken to give effect to the effective mortgage clause (when the actions depend on the Client and / or third parties) and when the conditional mortgage clause (s) becomes effective, immediately, but no later than within 5 days from the date of fulfilment of the said condition, to inform the Bank and

submit the documents related to the fulfilment of the condition and perform other actions ensuring that the assets will be properly pledged.

**8.4.** When concluding the Contract, the Client shall in all cases provide the Bank with a financial guarantee: all current and future (receivable) funds in all current and future Client's bank accounts with the Bank, signing a financial collateral Contract with the Bank without transfer of ownership under the Law on Financial Collateral Contracts of the Republic of Lithuania (*does not apply to the Client - farmer and entrepreneur*), and the Client - farmer or entrepreneur - pledges to the Bank all current and future (receivable) funds in all current and future Client's bank accounts with the Bank in accordance with the Civil Code of the Republic of Lithuania.

**8.5.** In the event that the Collateral is owned by third parties, the Collateral Providers (pledgors, guarantors, etc.) are also subject to these *General Corporate Client Crediting Conditions*, including the specified terms and conditions for providing information to the Bank. If the Client or a third party required to provide the Bank with the Collateral fails to provide the Collateral on terms acceptable to the Bank, the Client shall be deemed not to have complied with the terms of the Contract.

**8.6.** If a building, including all engineering facilities / networks, is planned to be built, is being built or constructed on the land plot pledged to the Bank or on the land plot the lease rights of which are pledged to the Bank, each such building must be pledged to the Bank at the Client's expense no later than 60 days from the first day of registration of such a building in the Real Estate Register.

**8.7.** Failure to disburse the Credit or a part thereof (even in cases when the Parties have agreed in the Contract on the disbursement of the Credit in stages) does not release the Client from the obligation to submit all Collateral specified in the Contract within the specified terms and fulfil other financial and non-financial obligations.

**8.8.** If stocks of goods are pledged to the Bank, the Client must submit a signed list of stocks of goods to the Bank by the 15<sup>th</sup> day of the first month of each calendar quarter for the last day of the previous calendar quarter, indicating the name, quantity, book value and storage location.

**8.9.** If shares are pledged to the Bank, the Client undertakes to ensure that the percentage of shares and the order of pledge as specified in the Special Conditions are pledged to the Bank during the entire term of the Contract. After increasing the share capital of the issuer of pledged shares by issuing new shares, the Client undertakes to ensure that no later than 30 days after the registration of the issuer's new articles of association in the Register of Legal Entities, the shareholders of the issuer pledge the newly issued shares to the Bank as specified in the Special Conditions.

**8.10.** If a property complex is pledged to the Bank, the value of the property complex specified in the Special Conditions or (if any) financing limit contract shall not decrease during the entire term of the Contract.

**8.11.** If real estate is pledged to the Bank and the LTV indicator is applied, the Client undertakes to maintain the LTV indicator specified in the Contract for the entire term of the Contract, calculated from the market value of the real estate pledged to the Bank.

**8.12.** The value of the pledged property in the Special Conditions or (if any) financing limit contract and mortgage / pledge contracts shall be determined by arrangement of the

Parties in accordance with the property valuations and other data available to the Bank.

**8.13.** The Client undertakes to ensure that in cases and to the extent that the Client's obligations under the Contracts are unsecured by the Collateral, such obligations are and will be at all times equivalent (*paripassu*) to all other current and future unsubordinated and unsecured by Collateral obligations of the Client, except such obligations, which are imperatively preferred by law over contracts.

**8.14.** In the event of non-performance of an obligation under the Contract, the Bank shall, at its discretion, choose the order and means of realization of collateral.

**8.15.** The Bank has the right to demand and the Client must provide additional Collateral acceptable to the Bank within 15 days from the date of the Bank's written request or repay earlier the part of the credit as requested by the Bank in writing if at least one of the following circumstances occurs: (i) there is a risk that the Credit will not be repaid on time; (ii) it becomes apparent that the Client has encountered financial difficulties; (iii) there are significant delays in payments by the Client or the Collateral Providers to creditors; (iv) the value of the Collateral specified in the Contract decreases; (v) the LTV indicator specified in the Special Conditions is violated; (vi) other significant events become apparent (e.g. state institutions have applied sanctions to the Client, which deprive or restrict his / her rights in economic and financial activities, the valuation of the pledged assets reveals that the value of the pledged assets has decreased, the guarantor or surety has become unacceptable to the Bank, etc.) which may impede the proper performance of the Contract.

#### ***Property insurance***

**8.16.** The Client undertakes, throughout the term of the Contract, but not less than the term of the pledge / mortgage of the property, to ensure that all real estate (except land and company) and movable property (except property rights, securities, current and future funds in the account and other assets specified by the Bank) to be insured for the benefit of the Bank in an insurance company acceptable to the Bank under the conditions established by the Bank, which are available on the Bank's website. The Client undertakes to submit to the Bank the documents confirming the property insurance.

**8.17.** The Bank has the right to demand that the property being pledged / pledged to the Bank be insured with the insurance company specified by the Bank, the Insurance Partner or an insurance broker acceptable to the Bank.

**8.18.** Services for the supervision of insurance contracts of property insured for the benefit of the Bank are provided by the Insurance Partner indicated on the Bank's website. The Insurance Partner has the right to apply directly to the Client for property insurance, and the insurance documents submitted by the Client to the Insurance Partner shall be deemed submitted to the Bank

**8.19.** If the property pledged under the Contract is insured for a period shorter than the Credit term, the extended / new, renewed insurance policy must be submitted to the Insurance Partner or the Bank not later than 10 days before the expiry of the valid insurance policy.

**8.20.** If the Client fails to insure the property being pledged / pledged before the entry into force of the Contract, fails to fulfil its obligation to insure the pledged / being pledged property during the term of the Contract or fails to pay insurance premiums on time, the Bank has the right to insure the pledged property engaging the Insurance Partner. The Client undertakes

to reimburse the Bank, depending on the Bank's request, all related expenses or to pay insurance premiums directly to the insurance company, after the Bank has paid the fee for insurance administration set by the Bank.

**8.21.** The Client undertakes to ensure that the owner of the property being pledged under the Contract duly fulfils all the terms of the insurance contracts, including the payment of insurance premiums.

**8.22.** The Bank has the right to use the received insurance indemnity funds to cover the Client's financial obligations.

#### **Property Valuation**

**8.23.** The assets pledged to the bank must be evaluated. The valuation of assets acceptable to the Bank is considered relevant, i.e. not older than 12 months, valuation performed by independent property appraisers acceptable to the Bank, the list of which is published on the Bank's website. During the entire term of the Contract, the Client shall, upon the Bank's request, submit an updated report on the determination of the market value of the pledged property within 30 days. The Bank has the right to request the Client to renew the valuation of the assets pledged to the Bank at the Client's expense once a year or more frequently in cases when renewal of the valuation is required in accordance with applicable legal acts or for banking supervision purposes. If the Customer refuses to update the valuation of the property or fails to submit the updated valuation of the property to the Bank within the term set by the Bank, the Bank has the right to order the valuation of the market value of the pledged property, and the Client undertakes and must enable the property appraisers and other representatives of the Bank to inspect the pledged property, as well as the assets for the acquisition of which the Credit was used and to pay / reimburse all costs related to the valuation of the assets (including the valuation ordered by the Bank).

## **9. CLIENT'S OBLIGATIONS AND CONSENTS**

**9.1.** The Client may use the Credit only for the purpose specified in the Contract. The Credit may not be used to acquire the Bank's shares. When the Credit is secured by an individual guarantee provided by a third party (for example, INVEGA, ZUPGF), the Client undertakes to comply with the additional conditions set by the guarantor, which are published on the guarantor's website, and may not use the Credit for salaries, taxes established in the legal acts of the Republic of Lithuania, except for payment of VAT on assets purchased for credit funds and fulfilment of financial obligations in financial institutions

**9.2.** The Client undertakes not to perform the following actions during the entire term of the Contract without the prior written consent of the Bank:

**9.2.1.** to enter into new obligations under guarantees, sureties, pledges of property or other contracts of a similar nature which ensure the proper performance of obligations by third parties;

**9.2.2.** to reduce the Client's authorized capital, to repurchase own shares (their part), to increase the number of shares not pledged to the Bank;

**9.2.3.** to make decisions or start implementation regarding reorganization of the Client by merger or division, reorganization, liquidation or restructuring of the Client, separation of a part of Client, its sale, lease, other transfer or restriction of rights towards the Client or its part, as well as initiate bankruptcy proceedings against the Client in any form,

except when the initiation of bankruptcy proceedings against the Client is necessary in accordance with the mandatory provisions of law;

**9.2.4.** to propose to conclude or conclude an arrangement with other creditors regarding assistance in overcoming financial difficulties in accordance with the Law on Insolvency of Legal Entities of the Republic of Lithuania;

**9.2.5.** to transfer its rights and / or obligations under the Contract to third parties;

**9.2.6.** (*condition applies when the Client is the entrepreneur or farmer or owner of sole proprietorship*) to enter into property transfer, division, marriage and / or other Contracts changing the legal status of family property;

**9.2.7.** to close its accounts with the Bank;

**9.2.8.** to sell or otherwise transfer the Client's trademarks;

**9.2.9.** to dismantle, lease, write off, sell and / or otherwise transfer to third parties long-term tangible and / or financial assets owned by the Client, the total book value of which exceeds 15 percent of the book value of fixed assets during the last financial year of the Client (asset lease restriction does not apply to the companies engaged in lease of property and of which the Bank was informed at the time of concluding the Contract);

**9.2.10.** to pledge or otherwise restrict the property belonging to the Client while ensuring the fulfilment of the Client's obligations to other creditors;

**9.2.11.** to borrow from financial institutions and / or other persons under credit, loan, guarantee, lease, factoring and / or other contracts, as well as by issuing of debt securities and / or bills for the amount in excess of EUR 50,000, and if after new commitments the DSCR ratio (credit service ratio calculated as the ratio of EBITDA (operating profit before interest, taxes and depreciation) to the cost of credit service (repayable part of credit and interest)) becomes less than 1.2, except for the Client's shareholders loans granted to the Client for cash flow adjustment, duly subordinated towards existing debt obligations to the Bank's group companies;

**9.2.12.** to provide loans to third parties (including the Client's shareholders and / or persons related to them) in any form (except for granting trade credits necessary for the performance of the Client's normal activities);

**9.2.13.** to sell or otherwise transfer and lease its business or a part thereof to third parties, to invest it in other companies, to transfer, pledge, otherwise restrict the shares of existing subsidiaries and related non-property rights, to establish companies (individually or jointly with other partners);

**9.2.14.** to invest in long-term tangible and intangible assets, shares, bonds or other securities of other companies, as well as to acquire the capital or part thereof of other undertakings, when the capital or part of such investments or acquired other undertaking exceeds 15 percent of the Client's long-term book values of assets;

**9.2.15.** to distribute the Client's profit, to offer and pay dividends or other benefits to the Client's participants, to purchase own shares, to pay out a part of the profit or property in another way, etc.

**9.2.16.** to provide support amounting to more than 15 per cent of the net profit of the last financial year.

**9.3.** The Client undertakes to inform its shareholders and ensure that the structure and / or composition of the Client's shareholders and / or the number of shares held by the Client's shareholders are not changed during the entire term of the Contract without the prior written consent of the Bank.

**9.4.** If the total outstanding liabilities of the Client and its related persons, as provided for in the *General Rules*, to the Bank and the Bank Group companies together amount to less than EUR 100,000 and the Client duly fulfils them, the Client shall not be subject to the Clauses 9.2.9 - 9.2.16 and 9.3 of the *General Corporate Client Crediting Conditions*.

**9.5.** (*condition applies if an individual ZUPGF guarantee is provided for the Credit Collateral*) Without the prior written consent of the Bank and the ZUPGF, during the entire term of the Contract validity, the Client / Client's shareholders shall not have the right to make decisions on Client's reorganization, restructuring or liquidation; to sell or otherwise transfer, lease, re-pledge the property pledged to the Bank for the provided credit;

**9.6.** (*condition applies if an individual INVEGA guarantee is provided for the Credit Collateral*) The Client undertakes, during the entire term of the Contract validity, without the prior written consent of the Bank and INVEGA, not to borrow from third parties, not to lend to funds of the Client to shareholders or third parties, not to reduce the authorized capital, not to pay dividends or bonuses, not to purchase the Client's capital parts (shares) and / or not to pay the profit part to the Client's participant (s) in other ways.

**9.7.** At the request of the Bank, the Client undertakes to create conditions for the Bank's representatives to monitor the implementation of the financed project, check the use of credit according to the credit purpose, get acquainted with economic, financial and other documentation related to the use of credit, check the operation and storage of assets pledged to the Bank.

**9.8.** At the end of each calendar quarter and financial year, the Client must submit to the Bank the financial statements signed by the Client's manager and the chief accountant within 30 days after the end of the reporting period:

**9.8.1.** balance sheet and profit and loss account. The annual financial statements (balance sheet, profit and loss account, cash flow account and statement of changes in equity, explanatory notes) approved by the shareholders must be resubmitted by 1 June each year;

**9.8.2.** details of balance sheet items and income and loss statement according to the forms established by the Bank;

**9.8.3.** as well as other documents specified by the Bank, which are necessary for the assessment of the Client's economic and financial activities or are related to the fulfilment of the Client's obligations under the Contract or to the property pledged to the Bank.

**9.9.** If the Client is an entrepreneur, by June 1 of each financial year he/she must submit an annual income statement to the Bank.

**9.10.** If the Client is required by law to have an independent audit of its annual financial statements, or if an independent audit is not required but the Bank so requests, the Client must perform an independent audit of each year's financial statements no later than June 1 of the following year submit its conclusions to the Bank.

**9.11.** In the event that third party guarantees such as ZUPGF, INVEGA or other guarantees are provided for the Credit Collateral, the Client undertakes to provide the documents specified in Clauses 9.8-9.10 of the *General Corporate Client Crediting Conditions* to the guarantors of these guarantees upon request.

**9.12.** The Client undertakes to immediately inform the Bank about the change of name and other decisions or plans related to the Client's legal status.

**9.13.** The Client undertakes to comply with and enforce the legal acts of the European Community and the Republic of Lithuania regulating, depending on the nature of the Client's activities, veterinary, hygiene, sanitation, food quality, environmental, animal welfare and good business or farming practices and to submit supporting documents to the Bank.

**9.14.** By concluding the Contract, the Client agrees that the Bank would transfer and / or pledge the claim rights (together with the rights towards the Collateral) arising from the Contract to third parties (including the Bank of Lithuania, if the Bank borrows funds from the Bank of Lithuania as one of the collateral by submitting the credit claims held by the Bank), also agrees that the Bank shall disclose bank secrecy or confidential information related to the Contract to persons to whom the rights of claim would be transferred or pledged. The Client is aware that if the Bank pledges the claim rights and fails to fulfil the obligations to the collateral taker, the collateral taker (e.g. the Bank of Lithuania) will have the right to unilaterally realize them (transfer them to other persons or take into ownership). The pledge of the rights of claim or the change of the creditor does not affect the validity and performance of the Contract, the rights and obligations of the Client.

**9.15.** By concluding the Contract, the Client unconditionally and irrevocably waives its rights to set off netting claims (i.e. to apply netting of claims) against the credit claim with the Bank (as a creditor) and other persons to whom this creditor has transferred, pledged or used the credit claim as financial collateral.

## 10. MATERIAL BREACH OF CONTRACT

**10.1.** The following circumstances (any one of them) shall be considered a material breach of the Contract:

**10.1.1.** The Client fails to perform or improperly performs any of its financial obligations under the Contract for more than 30 days and fails to properly perform these obligations within the notice period specified in the Bank's notice, which is not less than 14 days;

**10.1.2.** The Client uses or has used the Credit not in accordance with the purpose of the Credit provided for in the Contract;

**10.1.3.** The Client fails to submit to the Bank the Collateral or other documents requested by the Bank in accordance with the procedure and terms established in the Contract, or the Collateral submitted to the Bank is lost, seized, disputed or it becomes clear that they are invalid and the Client fails to provide additional security measures requested by the Bank, or Collateral providers (pledgors, guarantors, etc.) fail to fulfil their obligations to the Bank under the Contracts concluded with the Bank and such default is, in the Bank's opinion, essential for the performance of this Contract and the Client fails to fulfil / eliminate these violations within the notice period specified in the Bank's notice, which is not less than 14 days;

**10.1.4.** any Client's account with the Bank is seized or the Client's right to dispose of it or the funds contained therein is otherwise restricted and such restriction is not revoked within the notice period specified in the Bank's notice, which is not less than 14 days;

**10.1.5.** The Bank received a claim to pay under the guarantee provided;

**10.1.6.** other events or specific circumstances have occurred (for example, the Client's financial condition deteriorates (the

Client is operating at a loss, sales of goods and services are significantly reduced, profitability of operating and other activities is significantly reduced, the share of doubtful debts significantly increases, cash flows from the Client's activities become negative, major Client's suppliers refuse to cooperate with it, the Bank or the Bank's subsidiaries acquire the right to terminate before the term another Contract concluded with the Client, etc.), criminal proceedings have been instituted and / or are being prepared against the Client and / or its managers for financial crimes, third parties have filed property claims against the Client or the persons who have provided the Collateral and in an amount that would be essential for the performance of this Agreement, a bankruptcy, restructuring case against the Client or the persons who have submitted the Collateral have been filed or is being prepared to file, the Client, without the consent of the Bank, has entered into a contract with the other persons for the aid in overcoming the financial difficulties in the performance of this Contract In accordance with the Law on Insolvency of Legal Entities of the Republic of Lithuania, the Client fails to properly perform obligations provided for in other Contracts concluded between the Client and the Bank, public administration institutions apply sanctions to the Client, which deprive or restrict his rights in economic and financial activities, there are changes in the Client's ownership (shareholders) structure, which is unacceptable to the Bank, it is revealed that the Client has provided incorrect, incomplete and / or omitted information about his financial condition, liabilities, the farmer's farm is deregistered, it is revealed that the Client's reputation is unacceptable to the Bank, etc.), allowing to suggest that the Client will not repay the credit or its part and / or will not fulfil other obligations under the Contract within the terms provided for in the Contract and therefore the Bank does not expect the Contract to be fulfilled in the future and these circumstances / events are not remedied within the notice period of at least 14 days;

**10.1.7.** in accordance with the mandatory legal acts regulating the prevention of money laundering and terrorist financing, the Bank acquires the right or obligation to terminate the Contract and / or there are reasonable grounds to suspect that any of the following persons: the Client, its beneficiary, any person related to the Client or its beneficiary (including managers and members of the management bodies), the person (s) who ensured the fulfilment of the Client's obligations or the persons for whose benefit the Credit is used (the Person) is or may be involved in money laundering, terrorist financing and / or other criminal activities (e.g. the Person is or has been engaged in the area of significant risk of money laundering and / or terrorist financing; the Person does not provide sufficient documentation or other evidence of the Person's ownership and management structure, source of funds for transactions, business relationships or other information and documents which are required in accordance with binding legislation on the prevention of money laundering and terrorist financing);

**10.1.8.** a court decision has been made regarding the forced recovery from the property pledged to the Bank and / or other collateral provided to the Bank;

**10.1.9.** The Client terminates the main activity, substantially changes it, permits, licenses or other documents are revoked, due to which the Client no longer has the right to perform its main activity;

**10.1.10.** The Client, the Client's subsidiary or the Client's parent company, or other subsidiaries of the parent company as defined in the Law on Companies of the Republic of Lithuania,

and / or other companies of the Client's group, as well as the Client's guarantor or surety, fail to perform duly any of its monetary obligations or a part thereof to the Bank under contracts concluded with the Bank, or to the Bank's subsidiaries under contracts concluded with the Bank's subsidiaries and / or other financial institutions or third parties. Non-payment to another creditor (other than the Bank and a non-Bank subsidiary) shall be considered as grounds for early termination of the Contract and demanding early repayment of the Credit only if such non-payment jeopardizes the repayment of the Credit;

**10.1.11.** The Client fails to perform and / or improperly performs the obligations specified in the Special Conditions and / or Clauses 9.2 and / or 9.3 of these *General Corporate Client Crediting Conditions*.

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Šiaulių bankas AB