

## GENERAL TERMS AND CONDITIONS OF DOCUMENTARY CREDIT CONFIRMATION AND DOCUMENTS DISCOUNTING

(an integral part of the documentary credit confirmation application and cover letter for documents presentation under documentary credit, valid for applications / cover letters submitted from January 1st, 2025)

### 1. TERMS AND DEFINITIONS

The terms used in these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* are understood as they are defined in this section; the other used and capitalized terms shall be understood as they are regulated by the *General Rules* or *Payment Rules*.

The parties agree that if there are other conditions unidentified in these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* or Bank applies the Beneficiary different terms than those set in these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting*, all such conditions are determined in the Application and / or Cover Letter and / or Special conditions.

**1.1. Credit validity period:** Credit validity period, the expiration of which is specified in the Credit. If Credit validity period expiration specified in the Credit is non-business day, Credit validity period expiration shall be considered the next business day after the non-business day.

**1.2. Credit confirmation basis:** the Beneficiary's Documentary credit confirmation application, these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* and other documents concluded by the parties, which are considered an integral part of the Credit confirmation basis.

**1.3. Credit amount:** the maximum possible amount of the Credit considering amount tolerance.

**1.4. Bank:** AB Artea bankas, whose details and contact information are specified in the *General Rules*. Website of the Bank is [www.artea.lt](http://www.artea.lt).

**1.5. Issuing bank:** the bank having issued the Credit.

**1.6. General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting:** these Bank-approved *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting*, which are applicable to the Application / Cover Letter and are an integral part of the Application / Cover Letter, Special conditions. *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* are available on the Bank's website [www.artea.lt](http://www.artea.lt) or in the Bank's client service units, or at the Beneficiary's request, the Bank will issue a paper copy of these terms and conditions free of charge. *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* are not signed by the Parties.

**1.7. General rules:** the *General Service Rules of Artea bankas* approved by the Bank, which are available on the Bank's website [www.artea.lt](http://www.artea.lt) or in the Bank's client service units, or at the Beneficiary's request, the Bank will issue a paper copy of these rules free of charge.

**1.8. Documents:** Beneficiary's documents presented for payment under the Credit.

**1.9. Documentary Credit (the Credit):** an unilateral irrevocable obligation of the Issuing bank issued in favour of the Beneficiary to pay to the Beneficiary the amount not exceeding the Credit amount, if the Beneficiary until the Credit validity period expiration presents the Documents complying with the terms and conditions of the Credit.

**1.10. Discounted amount:** Documents amount which the Bank, after signing the Special Conditions with the Beneficiary, prepays to the Beneficiary under the Documents presented

before the maturity of the Credit.

**1.11. Documents discounting day:** the date on which the Bank under the Cover Letter prepays the Documents complying with the terms and conditions of the Credit or accepted by the Issuing bank.

**1.12. Documents Amount:** the amount of the Documents submitted for payment indicated in the Cover Letter. If the Issuing bank / other bank specifies in the terms and conditions of the Credit any fees in connection with the execution of the Credit which are payable by the Beneficiary, the Documents Amount shall be equal to the amount of the Documents submitted less the Issuing bank / other bank's charges.

**1.13. EURIBOR – (Euro Interbank Offered Rate):** average European interbank market interest rates (1, 3, 6, 12 months).

**1.14. Beneficiary:** the party specified in the Credit in whose favour the Credit is being issued.

**1.15. Limit:** the limit for the prepayment of Documents, i.e. the maximum amount in accordance with the Agreement of prepayments of Credit Documents that may be made to the Beneficiary at the time. The Limit is being granted only in cases where the Parties have agreed on the granting of the Limit in the Special Conditions.

**1.16. Cover Letter:** according to the Bank-submitted form Beneficiary's filled and signed Cover Letter for Documents Presentation under Documentary Credit requesting prepayment of the Documents before their maturity term. *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting, General Rules, Privacy Policy, Payment Rules and Service Fees* are an integral part of the Cover Letter.

**1.17. Payment rules:** the *Payment Service Rules of Artea bankas* approved by the Bank, which are available on the Bank's website [www.artea.lt](http://www.artea.lt) or in the Bank's customer service units, and at the request of the Beneficiary, the Bank will issue a paper copy of these rules free of charge.

**1.18. Payment date:** if the Credit is available by deferred payment – the due date for payment under the Credit plus 1 (one) business day, if the Credit is available by payment at sight – 20 (twenty) calendar days from the date of prepayment of the Documents by the Bank.

**1.19. Applicant:** the party on whose request the Issuing bank has issued the Credit.

**1.20. Service fees:** the fees for services provided and transactions performed by the Bank approved by the Bank which are available on the Bank's website [www.artea.lt](http://www.artea.lt) or in the Bank's customer service units, and at the request of the Beneficiary, the Bank will issue a paper copy of these fees free of charge.

**1.21. Application:** according to the Bank-submitted form Beneficiary's filled and signed Documentary Credit confirmation application. *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting, General Rules, Privacy Policy, Payment Rules and Service Fees* are an integral part of the Application.

**1.22. Privacy policy:** the *Privacy Policy of Artea bank Group companies in Lithuania* approved by the Bank, which is available on the Bank's website [www.artea.lt/en/about/important-documents/privacy-policy](http://www.artea.lt/en/about/important-documents/privacy-policy) or in the Bank's customer service units, and at the request of the Beneficiary, the Bank will issue a paper copy of this policy free of charge.

**1.23. SOFR – (Secured Overnight Financing Rate):** average USA interbank market interest rates (1 night).

**1.24. Special Conditions:** the part of the Agreement (Special Conditions of Documentary Credit Documents Discounting Agreement) signed by the Parties in case of prepayment of the Documents, agreeing on the essential terms and conditions of the prepayment, the measures of performance security and other conditions and obligations. The Special Conditions are concluded and signed in as many copies as there are Parties (one copy for each Party), except when signed by all Parties by means of qualified electronic signatures.

**1.25. Agreement:** the Documentary Credit Confirmation and, if the Special Conditions are signed, Documents Discounting Agreement (with all its present and future amendments,

additions and appendices). These *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting*, Applications, Cover Letters (applicable in case of Documents prepayment), Special Conditions (applicable in case of Documents prepayment), *General Rules*, *Payment Rules*, *Privacy Policy* are an integral part of the Agreement, as well as any other agreements entered into by the Parties stating that the terms and conditions of such agreements shall apply to the Credit.

1.26. **Parties:** the Beneficiary and the Bank, as well as their legal successors.

1.27. **Confirmation:** an additional undertaking to the one of the Issuing bank to pay to the Beneficiary the amount not exceeding the Credit amount, if the Beneficiary until the Credit validity period expiration presents the Documents complying with the terms and conditions of the Credit.

1.28. **Performance Security Measures:** measures specified in the Special Conditions securing performance of the Beneficiary's obligations under the Agreement, such as pledge agreements, suretyship agreements, etc.

## 2. CREDIT CONFIRMATION CONDITIONS

2.1. The Bank, acting in accordance with Credit rules approved by the International Chamber of Commerce (ICC Publication No. 600, 2007 Revision, ICC Uniform Customs and Practice for Documentary Credits), by making a positive decision to give approval to the Application, adds its confirmation to the Credit, by informing the Beneficiary in writing, if all the conditions listed below are properly fulfilled:

2.1.1. the Beneficiary has submitted to the Bank duly completed and signed Application;

2.1.2. the Beneficiary has paid to the Bank all the fees associated with handling of the Credit, as well as charges of the Issuing bank and / or other banks payable by the Beneficiary;

2.1.3. the financial status of the Issuing bank, the amount of the undertaking to be assumed, the validity term of the Credit and / or other terms of the Credit are acceptable to the Bank;

2.1.4. the Applicant and / or the Beneficiary and / or other banks specified in the Credit and / or other persons participating in the transaction are not subject to financial sanctions or other restrictive measures (including sectoral sanctions for the activities carried out) of the European Union, the United Nations, the United States of America, the Republic of Lithuania and / or other states or international organizations and the Applicant and / or Beneficiary or other banks specified in the Credit are not controlled by such a person and have no links with persons included in the list of international financial sanctions or other restrictive measures and do not violate the restrictions of sectoral sanctions;

2.1.5. there are no other grounds established in legal acts or the *General Rules* that allow / oblige the Bank to suspend business relations with the Beneficiary and / or the Confirmation of the Credit and / or terminate the contractual relationship.

2.2. In case the Credit specifies that it is to be advised without adding Confirmation, the Bank, by adding its Confirmation to the Credit, undertakes to pay the Documents only if all of the following conditions are met:

2.2.1. the Beneficiary has presented the Documents to the Bank;

2.2.2. the Bank has been informed:

2.2.2.1. by the Issuing bank that the latter has received the Documents;

2.2.2.2. by the Issuing bank that the latter will pay for the Documents, specifying a payment date in accordance with the terms of the Credit.

2.3. The Bank has the right to suspend the execution of Confirmation undertaking under the Credit in cases where the Applicant and / or the Beneficiary and / or other banks specified in the Credit and / or other persons participating in the transaction are subject to financial sanctions or other restrictive measures (including sectoral sanctions for the activities carried

out) of the European Union, the United Nations, the United States of America, the Republic of Lithuania and / or other states or international organizations or whether there are other circumstances provided for in clauses 2.1.4 and / or 2.1.5.

2.4. Upon receipt of the Credit amendment increasing the amount of the Credit and / or extending the validity term of the Credit, the new amount and / or validity term of the Bank's Confirmation undertaking under the Credit shall only come into effect following the submission of a duly completed and signed Application to the Bank by the Beneficiary and the Bank's favourable decision in respect of the amendment to the terms and conditions of the Credit Confirmation.

2.5 The obligations of the Parties under a particular Application in case of sight payment under the Credit shall remain in force until the expiry date of the Credit plus ten (10) business days, and in case of deferred payment under the Credit, until the latest possible Documents maturity date, plus ten (10) business days, but not less than until the Parties shall have fulfilled all of their respective obligations under the Application and these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting*.

## 3. DISCOUNTING TERMS AND CONDITIONS

3.1. Prepayment of the Documents shall be carried out in accordance with these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting*, and the terms and conditions set out in the Special Conditions signed by the Parties, which shall apply to all cases where the Bank prepays the Documents on the basis of the received Cover Letters. The performance of the Beneficiary's obligations under the Special Conditions shall be secured by the performance security measures specified in the Special Conditions (where applicable).

3.2. Upon receipt by the Bank of the Credit issued in favour of the Beneficiary and upon presentation by the Beneficiary the Documents under the Credit and a Cover Letter requesting discounting of the Documents prior to their due date to the Bank, the Bank shall make a decision on the satisfaction of the request for discounting submitted by the Cover Letter within seven (7) business days from the date of the receipt of the Cover Letter. In the event of the Bank's negative decision, the Beneficiary shall be informed thereof in writing (by e-mail, internet banking message, etc.). If the Bank does not provide the Beneficiary with a written refusal to satisfy the request for prepayment of the Documents submitted by the Cover Letter within 7 (seven) business days from the date of receipt of the Cover Letter, it shall be deemed that the Bank will proceed with the discounting of the Documents in accordance with the Agreement.

3.3. Upon receipt of the Cover Letter from the Beneficiary, the Bank shall acquire the demand rights to the proceeds receivable under the Documents without any separate notification.

3.4. If the Bank decides not to satisfy a request for discounting of the Documents before their due date submitted by a Cover Letter, the Bank shall, by its written notice of refusal, return to the Beneficiary the assigned demand rights to the proceeds receivable under the Documents. From the time the Beneficiary receives the Bank's notice of rejection of the request for discounting of the Documents before their due date, the demand rights to proceeds receivable under the Credit shall be deemed to be returned to the Beneficiary.

3.5. Upon deciding by the Bank to satisfy the request for discounting of the Documents before their due date, the Bank shall transfer the amount of the Documents specified in the Cover Letter to the Beneficiary's account with the Bank specified by the Beneficiary, subject to / upon fulfilment of all of the following conditions:

3.5.1. the Credit is confirmed by the Bank;

3.5.2. the Documents submitted by the Beneficiary comply with the terms and conditions of the Credit or the Bank has received confirmation from the Issuing bank that the latter has accepted

and will pay the Documents, indicating the payment due date in accordance with the terms and conditions of the Credit;

3.5.3. If the Credit specifies that it is to be advised without adding Confirmation, the Bank has received confirmation:

3.5.3.1. from the Issuing Bank that the latter has received the Documents;

3.5.3.2. from the Issuing Bank that the latter will pay the Documents, indicating a due payment date in accordance with the terms and conditions of the Credit;

3.5.4. Do not emerge circumstances that:

3.5.4.1. the Documents or other documents related to this Agreement or the trade / service providing transaction have been drawn up and signed illegally and / or are forged;

3.5.4.2. any of the clauses 5.1 to 5.5 of the *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* is met;

3.5.4.3. the representations and warranties of the Beneficiary indicated in the Agreement are false or misleading;

3.5.5. the Beneficiary has paid to the Bank the discount interest at the rate specified in the Special Conditions, the fees specified in the Bank's Service fees related to the handling of the Credit, discounting, also fees payable by the Beneficiary to the Issuing Bank and / or other banks.

3.6. Upon effecting prepayment by the Bank, in case the Issuing Bank on the due payment date has not paid for the Documents or their part, the Beneficiary must and undertakes to pay the Bank the amount not paid by the Issuing Bank on time, and if this is not done by the Payment Date, to pay the Bank default interest specified in the Agreement. This clause applies to all cases where the Parties have agreed in the Special Conditions on the Limit granted to the Beneficiary. When the Special Conditions do not provide for the granting of a Limit to the Beneficiary, this clause applies only when the Issuing Bank fails to make the payment due to:

3.6.1. performance of the Beneficiary or failure to perform or breach of the terms of the relevant contract or the Credit, or

3.6.2. an existing dispute between the Beneficiary and / or the Applicant regarding the performance of the relevant contract.

3.7. The Bank will promptly inform the Beneficiary upon the occurrence of the circumstances referred to in clause 3.6.

3.8. The Bank undertakes to return without delay to the Beneficiary any funds subsequently recovered from the Issuing bank under the Documents, if written off in accordance with clause 3.6.

3.9. The obligations of the Parties under a specific Cover Letter executed by the Bank shall remain in full force and effect at least until the Parties have fulfilled all their obligations under the Cover Letter, *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting, Special Conditions*.

## 4. FEES

### *Credit confirmation fees*

4.1. The Beneficiary undertakes in case of sight payment on the Credit expiry date, in case of deferred payment – the latest maturity date of the Documents to pay to the Bank the fee for Confirmation of Credit specified in the Application.

4.2. The fee for the Confirmation of the Credit shall be calculated on the basis of 360 days per year and the number of calendar days per month. The fee for the Confirmation of the Credit shall be calculated in case of sight payment from the Confirmation of the Credit date until the expiry date of Credit from the Credit amount, in case of deferred payment: the first part – from the Confirmation of the Credit date until the expiry date of Credit from the Credit amount, the second part – from the next day after the expiry date of the Credit until the maturity date of the Documents from the Documents amount.

### *Discounting for the Documents fees*

4.3. The discounting of the Documents will be subject to an annual discount interest at the rate specified in the Special

Conditions being calculated from the date of prepayment of the Documents until the Payment date. In case of a variable interest rate, the annual discount rate shall be calculated by reference of the 1, 3, 6 or 12-month EURIBOR / overnight SOFR value applicable on the business day preceding the date of prepayment of the Documents. The Agreement provides that a year shall consist of 360 (three hundred and sixty) days and a month shall consist of a calendar number of days. In case of on the date of setting interest rate the value of the variable interest is negative, the variable interest part shall be deemed to be zero.

4.4. The Beneficiary undertakes to pay to the Bank, not later than on the date of prepayment of the Documents, the fees set out in the Bank's Service fees related to the prepayment of the Documents and the discount interest at the rate set out in the Special Conditions.

### *Other provisions of the payments*

4.5. The Beneficiary undertakes to pay other fees as per *Service fees* related to Credit handling and / or other related services of the Bank. These fees shall be paid by the Beneficiary immediately after the Bank provides relevant service, and, at the Bank's request, in good time before the relevant service provision date and to cover all the costs incurred by the Bank.

4.6. When the fees of other banks are for the account of the Beneficiary, the Beneficiary undertakes to pay the fees determined by another bank related to the Credit handling or other related services of another bank, also the fees payable by the Beneficiary to the Issuing bank and / or other banks, the fees deducted by the Issuing bank and / or other bank from the transferred Documents amounts. This obligation of the Beneficiary is termless.

4.7. The Bank shall be entitled, and the Beneficiary irrevocably agrees, that all amounts payable by the Beneficiary to the Bank or to other banks (the Credit fees, other fees provided for in the Bank's Service fees and / or the Agreement, etc.), the Bank shall, without any separate consent or notification of the Beneficiary, debit from the Beneficiary's accounts with the Bank upon the due date of payment of such amounts (the accounts from which debits shall be made shall be selected at the Bank's discretion). Amounts payable by the Beneficiary under the Agreement shall be deemed to have been paid to the Bank as from the time the amounts are debited from the Beneficiary's account with the Bank.

4.8. The Beneficiary undertakes to ensure that, when amounts due to the Bank or to other banks become due, there will be sufficient funds in Beneficiary's accounts with the Bank for debit of the amounts payable. The Beneficiary undertakes not to close the Beneficiary's account(s) with the Bank held at the date of the conclusion of the Agreement until the obligations under the Agreement have been fully discharged, and to ensure that the Bank's right to debit the amounts would not be restricted.

4.9. If currencies of the amounts payable to the Bank or other banks and of the funds held in the Beneficiary's account with the Bank differ, the Bank debits the funds amount from any Beneficiary's account in the Bank required to be paid to the Bank or other banks to cover the payables, applying the Bank-set currency exchange rate on the writing-off.

4.10. If, for reasons beyond the control of the Bank, the Bank is unable or likely to be unable to debit the Beneficiary's account with the Bank with the funds necessary to cover the amounts due to the Bank or other banks, the Beneficiary shall be obliged to pay the amounts due to the Bank or other banks within the time limits set out in the Agreement to a special account of the Bank, the details of which shall be provided by the Bank to the Beneficiary on the Beneficiary's request. In this case, the amounts payable by the Beneficiary under the Agreement shall be deemed to have been paid to the Bank as from the date on which the funds are paid into the account specified by the Bank.

### *Default interest, fines and increase of interest rate*

4.11. If the Beneficiary misses payment deadlines, he/she/it shall, for each calendar day of delay, pay to the Bank 0.05 (five hundredths) per cent default interest from the amount with

missed payment deadline.

4.12. If the Beneficiary fails to perform or improperly performs the non-financial obligations provided for in the Application, Cover Letter and / or these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting*, the Bank has the right, taking into account the consequences of the violation (s), to unilaterally impose on the Beneficiary a fine not exceeding 2 (two) per cent from the Credit amount. The Beneficiary must pay the fine within the term set by the Bank.

4.13. The Bank shall be entitled to apply increased interest rates, if such rates are set out in the Special Conditions.

4.14. Payment of the default interest and / or fines, application of increased interest rates do not release the Beneficiary from performance of contractual obligations and does not give the Beneficiary the right to request postponement of execution of the obligations.

4.15. In case the Beneficiary fails to pay the payables indicated in the Application / Cover Letter / these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting / Special Conditions / Service fees* or Bank notice, including the payment of the fine, the Bank has the right to unilaterally write off such amounts from any of the Beneficiary's Bank account(s).

## 5. BANK'S RIGHTS AND OBLIGATIONS

5.1. The Bank shall have the right to refuse to confirm and/or discount a Credit if:

5.1.1. the Applicant and / or the Beneficiary and / or other banks specified in the Credit and / or other persons participating in the transaction are subject to financial sanctions or other restrictive measures (including sectoral sanctions for the activities carried out) of the European Union, the United Nations, the United States of America, the Republic of Lithuania and / or other states or international organizations and the Applicant and / or Beneficiary or other banks specified in the Credit are controlled by such a person and have links with persons included in the list of international financial sanctions or other restrictive measures and violate the restrictions of sectoral sanctions;

5.1.2. the financial condition of the Issuing bank, the amount of the commitments to be taken, the validity term of the Credit and/or other terms of the Credit are unacceptable to the Bank;

5.1.3. bankruptcy proceedings have been instituted against the Beneficiary or a decision has been made to initiate bankruptcy proceedings, the Beneficiary is being restructured or a decision has been made for restructuring, the Beneficiary is being liquidated, merged, divided or reorganized or a decision has been made regarding the liquidation, merger, division or reorganization of the Beneficiary;

5.1.4. the Beneficiary does not fulfil and / or improperly fulfils his / her / its obligations to the Bank under the agreements with the Bank and / or the Bank's subsidiaries, and / or other financial institutions, and / or third parties;

5.1.5. essential negative information emerges about the Beneficiary, Applicant or for any other reasons that the Bank is not obliged to specify.

5.2. The Bank shall be entitled to obtain from the Beneficiary all documents it requires in connection with the Application / Cover Letter and/or these *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* in relation to the assignment to it of demand rights to amounts receivable under the Credit.

5.3. The Bank shall have the right to control the performance of the Beneficiary's obligations under the Agreement and, if necessary, to require the Beneficiary to provide the Bank with documents relating to the performance of the Agreement. The Beneficiary shall provide the specified information and/or documents to the Bank within 3 (three) business days from the date of receipt of the Bank's written request.

5.4. If the Beneficiary fails to perform obligations provided for in the Agreement or in the event of negative information about other parties related to the performance of the Agreement, the

Bank shall have the right to terminate the Confirmation of the Credit/discounting by informing the Beneficiary in writing thereof.

5.5. In the event that the Bank receives negative information about the parties to a trade/service transaction settled under a Credit (i.e, exporter, importer, banks, carriers, etc.), or information about a dispute between them, as well as information that these parties are subject and/or are to be subject to financial sanctions or other restrictive measures (including sectoral sanctions for the activities carried out) of the European Union, the United Nations, the United States of America, the Republic of Lithuania and / or other states or international organizations and the Applicant and/or the Beneficiary or other banks specified in the Credit are controlled by such a person and have links to persons included in the list of international financial sanctions or other restrictive measures and violate the restrictions of sectoral sanctions, circumstances come to light that the Documents or other documents relating to the Agreement or a trade/service transaction have been prepared and signed illegally and/or are forged, the Beneficiary has engaged in activities which may result in the Issuing bank and/or other confirming bank not paying the Documents or paying only a part of the value of the Documents, or in the non-performance of or violation of the terms of the relevant agreement or the Credit, or that a dispute has arisen between the Beneficiary and the Applicant concerning the performance of the relevant agreement, etc., in the event that the representations and warranties of the Beneficiary in the Agreement are false or misleading, in the event of fraud or other circumstances which could prevent the payment of the Documents to the Bank, the Bank undertakes to inform the Beneficiary immediately and shall have the right to terminate the Confirmation of the Credit and / or to refuse to make the discounting. In the event that prepayment has already been made, the Beneficiary undertakes to reimburse to the Bank, within three (3) business days of the date of dispatch of the notification, the full amount of the prepayment of the Documents or the difference between the amount paid by the Bank and the amount paid to the Bank by the Issuing bank.

5.6. The Beneficiary agrees that, in the event of default by the Beneficiary under the Agreement, the Bank shall have the right to terminate Confirmation of the Credit and/or discounting and/or all the amounts due by the Beneficiary under the Agreement to:

5.6.1. recover from the Beneficiary;

5.6.2. debit from all accounts of the Beneficiary;

5.6.3. terminate the disbursement of funds from the Beneficiary's accounts with the Bank.

5.7. The Bank shall have a right, by giving the Beneficiary at least 14 (fourteen) calendar days' prior written notice, to terminate the Agreement before its validity term, without applying to the court, and to require the Beneficiary to repay to the Bank all amounts of the prepayment of the Documents in accordance with the Agreement, together with any applicable interest, in the event that the Beneficiary commits any of the following material breaches of the Agreement:

5.7.1. for more than 30 (thirty) calendar days from the date of the Bank's written request, fails to reimburse the Bank at least one of the amounts of prepayment of the Documents in accordance with the Agreement and/or fails to pay to the Bank the accrued interest and fails to duly fulfil these obligations within 14 (fourteen) calendar days from the date of the Bank's written request;

5.7.2. fails to submit to the Bank the performance security measures provided for in the Special Conditions (when applicable) in accordance with the procedure and terms established in the Agreement, or the performance security measures submitted to the Bank are lost, seized, disputed or it becomes clear that they are invalid and the Beneficiary fails to provide additional performance security measures requested by the Bank;

5.7.3. other events or specific circumstances have occurred (for example, the Beneficiary's financial condition deteriorates

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

5.7.4. The Beneficiary, the Beneficiary's subsidiary or the Beneficiary'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 Beneficiary's group, as well as the Beneficiary's guarantor or surety, fail to perform duly for more than 30 days any of its monetary obligations or a part thereof to the Bank under agreement concluded with the Bank, or to the Bank's subsidiaries under agreements concluded with the Bank's subsidiaries and / or other financial institutions or third parties.

5.8. If the Bank terminates the Agreement under the conditions set out in the Agreement or commences recovery proceedings on the grounds provided for in the Civil Code of the Republic of Lithuania and the Beneficiary fails to reimburse the Bank for all amounts of discounting under the Documents under the Agreement, the Bank shall have the right to debit the nonreimbursed amounts of prepayment under the Documents under the Agreement, unpaid default interest from the Beneficiary's bank accounts with the Bank or to recover from the provided performance security measures or any other assets of the Beneficiary in accordance with the procedure set out by the laws of the Republic of Lithuania. The Bank shall have the right to choose which performance security measures to use and in what order.

5.9. The Bank undertakes to immediately return to the Beneficiary any funds subsequently recovered under the Credits, if such funds have been received in accordance with clause 5.8 of the General Part.

## **6. BENEFICIARY'S RIGHTS AND OBLIGATIONS**

6.1. The Beneficiary hereby irrevocably assigns to the Bank all demand rights to amounts receivable under the Credit and transfers to the ownership of the Bank all documents evidencing the said demand rights (including, without limitation, invoices,

certificates, insurance policies for the goods to be settled by the Credit, transport documents).

6.2. The Beneficiary undertakes:

6.2.1. reimburse the Bank for all costs incurred or likely to be incurred by the Bank upon Confirmation of the Credit / discounting of the Documents no later than the date of incurring the costs. The Bank's reimbursable expenses shall include other (including foreign) bank charges;

6.2.2. after finding out about the circumstances in contrary to the Beneficiary's representations and warranties, immediately inform the Bank in writing;

6.2.3. upon the Bank's request, immediately provide all information and / or documents related to the Credit and / or execution of the Agreement, the Beneficiary and / or the Applicant, including the Beneficiary's financial documents (quarterly, semi-annual financial statements, annual financial statements);

6.2.4. upon the Bank's request, at the end of each calendar quarter and financial year, the Beneficiary must submit to the Bank the financial statements signed by the Beneficiary's manager and the chief accountant within 30 days after the end of the reporting period:

6.2.4.1. 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 upon the Bank's repeatedly request must be resubmitted by 1 June each year;

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

6.2.4.3. a conclusion of independent audit of financial statements notwithstanding the fact whether or not the Beneficiary is required by law to have an independent audit;

6.2.4.4. other documents specified by the Bank, which are necessary for the assessment of the Beneficiary's economic and financial activities or are related to the fulfilment of the Beneficiary's obligations under the Agreement or to the property pledged to the Bank;

6.2.5. maintain a current account with the Bank throughout the validity of the Agreement;

6.2.6. without the Bank's prior consent not to take decisions for Beneficiary's liquidation, reorganization (by merger or division of companies, changing the type or status of the company), restructuring, bankruptcy case instituting to the Beneficiary or non-judicial bankruptcy proceedings initiation;

6.2.7. no later than within five (5) business days in writing notify the Bank about:

6.2.7.1. amendment of the Beneficiary's articles of association, name, domicile address and other details of the Beneficiary, the change in Beneficiary's head or members of other management bodies (the board, the supervisory board), composition of the Beneficiary's participants (shareholders, members, partakers, etc.);

6.2.7.2. the sanctions already applied or to be applied by public administration and law enforcement agencies on the Beneficiary, which deprive or restrict the Beneficiary's rights in the economic-commercial activities, limit disposal of Beneficiary's assets.

6.3. In consideration of the fact that the Beneficiary hereby assigns to the Bank all demand rights to amounts receivable under the Credit, the Beneficiary undertakes not to and shall not, during the entire validity of the Agreement, enter into any contract or agreement or take any other actions which would amend the terms of the Credit or which would give rise to any possibility of the cancellation of the Credit or non-payment to the Bank of the whole or any part of the amount of the Credit thereunder.

6.4. The Beneficiary confirms and ensures that:

6.4.1. between the Beneficiary and the Applicant, there are no disputes or disagreements regarding establishing and / or execution of the transaction or obligation, for which the Credit is issued, there are no circumstances that could prevent from execution or cause improper execution of the Beneficiary's

commitments to the Applicant under such transaction or other obligation;

6.4.2. information and documents provided to the Bank are accurate and true;

6.4.3. the assignment of the Beneficiary's demand rights to amounts receivable under the Credit to the Bank is legally valid and there are no restrictions, limitations or other impediments to the assignment of the said demand rights;

6.4.4. the Beneficiary's representative, who has submitted the Application / Cover Letter, shall act in accordance with his / her / its mandate, the submission of the Application / Cover Letter does not contradict with the laws, Beneficiary's articles of association, other founding documents, the management bodies regulations and other statutory requirements, obligations assumed by the Beneficiary under the agreements concluded with the third parties, also that all the necessary permits, consents, authorizations necessary for the submission of the Application / Cover Letter and to create contractual relationships arising from it from Beneficiary's management bodies, public authorities or others have been obtained;

6.4.5. the Beneficiary has all the necessary permits and licenses necessary for the Beneficiary's activities;

6.4.6. on the day of signing the Application / Cover Letter the Beneficiary is not instituted the case and the Beneficiary does not know about preparation of instituting the same in the court or arbitration, in which the decision could have a negative impact on the Beneficiary's financial position and business or Beneficiary's ability to properly carry out its obligations under the Application / Cover Letter, and there is no reason to believe that such disputes or proceedings may arise in the future;

6.4.7. Beneficiary's representative, by signing the Application / Cover Letter, undertakes to indemnify the Bank if the Application / Cover Letter and / or the contractual relationships arising on its basis will be challenged on the ground that the Application / Cover Letter was submitted in violation of the Beneficiary's governing bodies competence, exceeded the powers conferred or is in contrary to the Beneficiary's goals;

6.4.8. the Beneficiary assumes the potential risk of disclosure of confidential information to third parties, which may arise from sending information related to the Confirmation / discounting of the Documents under the Credit by e-mail.

6.5. The Beneficiary undertakes not to accept amendments to the terms and conditions of the Credit without the Bank's prior written consent.

6.6. In the event that the Special Conditions provide for a Limit to be granted to the Beneficiary, the Beneficiary undertakes, without the Bank's prior written consent:

6.6.1. not to enter into any new commitments under credit, loan, guarantee issuance, leasing, factoring agreements with credit institutions or other companies and persons and/or not to sign promissory notes in an aggregate amount exceeding 50 (fifty) percent of the Limit amount;

6.6.2. not to enter into any new commitments towards third parties under guarantee, suretyship or assets pledge agreements;

6.6.3. not to sell or otherwise dispose of or lease to third parties any of its assets, business or any part thereof, not to pay dividends, not to make any investments in other companies, not to transfer, pledge or otherwise restrict the shares of its subsidiaries and the non-property rights related to them, and not to set up any business (either alone or jointly with other partners);

6.6.4. not to reduce the authorised capital, not to purchase own shares (part thereof), not to increase the number of shares not pledged to the Bank.

## 7. LIABILITY OF THE PARTIES

7.1. The Beneficiary must compensate all losses incurred by the Bank due to the Beneficiary's outstanding or inadequately fulfilled obligations, as well as due to the fact that the Beneficiary's statements and representations are untrue.

7.2. The Bank is not responsible for the consequences if the Documents are damaged or lost when sending them by post, courier or other transfer, are illegible due to postal or telecommunications problems, sent late or not delivered and / or for the errors in the making translation of the Documents into another language or interpretation of technical terms.

7.3. The Bank is not responsible for the losses incurred by the Beneficiary due to the fact that the Bank stopped the execution of Confirmation of the Credit / discounting of the Documents in cases where where the Applicant and / or the Beneficiary and / or other banks and / or other persons participating in the transaction are subject to financial sanctions of the European Union, the United Nations, the United States of America, the Republic of Lithuania and / or other states or international organizations or whether there are other circumstances provided for in the Agreement regarding which the Bank can terminate Confirmation of Credit and/or discounting of the Documents.

## 8. FINAL PROVISIONS

8.1. The Agreement shall come into force on the earlier of the date of the Bank's Confirmation of the Credit (the date of the Bank's notification to the Beneficiary of the Confirmation of the Credit) (in the case of the Confirmation of the Credit) or the date of the signing of the Special Conditions (in the case of the discounting of the Documents). The Agreement shall remain in full force and effect until the Parties have fulfilled all their obligations under the Agreement.

8.2. In case if the provisions of the *General Terms and Conditions of Documentary Credit Confirmation and Documents Discounting* are in contrary to the conditions laid down in the Application and/or Cover Letter and/or Special Conditions, the conditions specified in the Application and/or Cover Letter and/or Special Conditions shall prevail.

8.3. The Beneficiary shall not assign its obligations and/or rights under the Agreement to any third party without the Bank's written permission. The Bank shall have the right to assign all or part of the Bank's rights and/or obligations under the Agreement to other persons. The Beneficiary shall be informed in writing of the assignment of rights and/or obligations.

8.4. The relations between the Parties are governed by the laws of the Republic of Lithuania. All disputes arising between the Parties shall be resolved by negotiations. If the Parties fail to agree, disputes shall be settled according to the laws of the Republic of Lithuania

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