

TERMS AND CONDITIONS OF JSC "RIETUMU BANKA" AND CLIENT AGREEMENT

Approved at the meeting of the Board of the JSC "Rietumu Banka", 31.03.2015, Minutes No. 21

The Terms and Conditions of JSC "Rietumu Banka" and Client Agreement (hereinafter – the Terms and Conditions) regulate the procedure of delivery of financial services and performance of banking operations and constitute an integral part of JSC "Rietumu Banka" and Client Agreement (hereinafter – the Agreement) unless another regulatory order of their legal relations is stipulated by other agreements concluded by the Bank and the Client. Provisions of these agreements prevail over the Terms and Conditions.

Provisions of Section II "Delivery of Basic Services of the Bank" and Section III "Opening and Maintenance of Investment Accounts" prevail over provisions of Section I "General Provisions".

Section I. General Regulations

1. Basic Terms

All terms not defined by the Terms and Conditions have the meaning given them by the corresponding norms of law of the Republic of Latvia. Except where the Terms and Conditions stipulate otherwise, the terms in the section "Basic Terms" defined in singular have the same meaning in plural, as well as the terms defined in plural have the same meaning in singular.

Assets – all cash funds, Financial Instruments and other resources held on all Client's accounts with the Bank or in custody of the Bank in accordance with the concluded transaction.

Bank – the joint stock company "Rietumu Banka" registered in the Register of Enterprises of the Republic of Latvia on May 14, 1992, registered in the Commercial Register of the Republic of Latvia on November 11, 2004, under the unified registration No. 40003074497, the legal address: 7, Vesetas Street, Rīga, LV-1013, the Republic of Latvia. The licence for credit institution activity was re-registered on April 22, 2008, by the Financial and Capital Market Commission. The number of the Licences Register is 06.01.04.018/245.

Bank's Losses – any uncovered expenses, debts, losses and commitments to third parties, Penalties and fees, unenforceable liabilities of third parties, as well as lost profits and damage to the Bank's reputation.

Client – a private individual or a corporate entity or an association of those individuals or entities, to whom the Bank provides services under the Agreement.

Client's Representative – a person who is entitled to deal with the Assets and/or submit the Orders on behalf of the Client and receive information provided for the Client and otherwise represent the Client in his/her legal relations with the Bank within the framework of his/her authorisation.

Counterparty – a third party through whose mediation the Bank executes Orders and provides the custody of Assets.

Due Certification – the certification of documents made by a competent public officer taking into account that:

- additional certification in the form of legalisation or "Apostille" is not required if the documents are issued in the countries the Republic of Latvia has signed a treaty on legal assistance with;
- additional certification in the form of legalisation or "Apostille" is not required if the documents are issued in the member states of the European Union, the European Economic Area and the Swiss Confederation;
- documents need to be certified with "Apostille" for signatory countries of the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents (except for member states of the European Union, the European Economic Area and the Swiss Confederation);
- documents have to be legalized for countries that are not signatories of the Hague Convention and have no treaty on legal assistance signed or that are not member states of the European Union, the European Economic Area and the Swiss Confederation.

Electronic Signature – a signature generated in compliance with the algorithm set by the Bank using the Identification and Authorisation Tools. The Electronic Signature has the same legal power as a real (manual) signature.

Financial Collateral – cash funds and/or Financial Instruments used to secure the fulfilment of the Client's liabilities to the Bank that arise or may arise under the Terms and Conditions. The provisions of the Financial Collateral are regulated by the Agreement and Financial Collateral Law of the Republic of Latvia (Finanšu nodrošinājuma likums).

Financial Instruments – financial instruments within the meaning of the Law on Financial Instruments Market of the Republic of Latvia (Finanšu instrumentu tirgus likums), agreements that simultaneously give rise to financial assets of one person and financial liabilities and equity securities of another person; as well as documents certifying the issuer's obligations to the holder, including but not limited to stocks, bonds, debt warrants, bills of exchange, shares in mutual funds, any other claims on assets; as well as their related or derivative instruments or contracts, i.e., options, futures contracts and forward deals.

Home-Banking – a remote Assets management system, which allows the Client to manage accounts and use all the Bank's

services via the Internet using specially installed software.

Identification and Authorisation Tools:

- DigiPass OTP (One Time Password) – the OTP generation device;
- DigiPass – the OTP and Test Key generation device;
- Mobile DigiPass – the software installed on a mobile device to generate the OTP and Test Key;
- TCT – the individual Test Code Table;
- DC (Digital Certificate) – the digital certificate used to authorise the Order in the Internet Bank.

Internet Bank – a remote Asset management and Bank's services receipt system in the Internet with following options:

- in limited-access mode – the system enables control over account balances and receipt of account statements, and make transfers within accounts of one Client;
- in full-access mode – the system enables getting all the Bank's services available through the Remote Banking Systems.

M-Bank – an information system, which ensures the Client's communication with the Bank, delivering the Client messages on his/her mobile phone or messages and account statements on his/her e-mail.

Order – an instruction given by the Client duly filled in and submitted to the Bank or a Counterparty in accordance with the Terms and Conditions, which serves as a basis for the execution of Transactions with Assets or the performance of other activities under the Terms and Conditions.

OTP – a one-time password acquired via DigiPass OTP, DigiPass or a Mobile DigiPass.

Party/Parties – the Client and the Bank referred to in the Terms and Conditions either alone or jointly.

Penalty – a penalty provided by Article 1716 of the Civil Law of the Republic of Latvia (Civillikums).

Remote Banking Systems – Internet Bank, Home-Banking and M-Bank.

Remuneration – commission fees and payment for services of the Bank in accordance with the Tariffs or an agreement between the Bank and the Client, and the Penalty, interest and other Client's payments to the Bank.

Rietumu ID – an identification number (identifier) of the Client's Representative assigned by the Bank.

Tariffs – a pricelist of services and commission fees of the Bank published on the web site of the Bank www.rietumu.com.

Test Key – a digital code calculated using a TCT, a DigiPass or a Mobile DigiPass in compliance with the algorithm set by the Bank.

Transactions with Assets – any activity with Assets in accordance with the Terms and Conditions.

Working Day – an official business day of the head office of the Bank in Riga, Latvia.

Working Hours – the hours when the Bank accepts Orders for execution.

2. The Client's Identification

2.1. When signing the Agreement, the Bank identifies the Client and the Client's Representatives according to the legislation of the Republic of Latvia and the internal documents of the Bank.

2.2. During the Agreement period, the Client is obligated on his/her own discretion and at the request of the Bank:

2.2.1. to provide the Bank with necessary documents if the submission of those documents is obligatory under the norms of law of the Republic of Latvia and/or the countries of the placement of the Client's Financial Instruments and/or cash funds;

2.2.2. to inform the Bank about any amendments to the Client's/Client's Representative status, documents submitted at opening accounts, change of the Client's beneficial owner and changes in the membership of the Client's executive bodies no later than on the Working Day following the introduction or approval of such changes by the appropriate institution;

2.2.3 to provide immediately complete and true information and supporting documents about the Client and his/her business activity, the origin of the Client's cash funds and Financial Instruments and purposes of their use, the transactions to be made and the beneficial owners of cash funds and Financial Instruments during the whole Agreement period.

2.3. If the Client fails to fulfil his/her obligations regarding the submission of information or documents to the Bank, the Bank is entitled to request the necessary information about the Client in the public registers and to debit the amount of cash funds from the Client's account without further authorisation to cover the Bank's expenses.

2.4. The Bank states the adequacy level of the provided and requested information according to the legislation of the Republic of Latvia and the internal documents of the Bank. The Client is liable for the authenticity and truthfulness of the information provided to the Bank.

2.5. The Bank uses the information provided by the Client to the extent and within limits stipulated in the legislation of the Republic of Latvia.

3. The Client's Representatives

- 3.1. The Client enters into legal relations with the Bank directly or through Client's Representatives.
- 3.2. The Client's Representatives enter into legal relations with the Bank acting for and on behalf of the Client and create rights and obligations for the Client.
- 3.3. The Client's Representatives are entitled to enter into legal relations with the Bank on behalf of the Client to the extent and according to limits of the authorisation. Activities of the Client's Representatives are binding to the Client as if the Client has performed them himself/herself. The Bank is not liable for losses inflicted on the Client by the Client's Representatives. The Client incurs full liability to the Bank for activities of the Client's Representatives.
- 3.4. Rights and authorisation of the Client's Representatives have to be Duly Certified according to the legislation of the Republic of Latvia and the internal documents of the Bank.
- 3.5. The Client submits signature samples of the Client's Representatives on appropriate forms of the Bank Duly Certified by an officer or a partner of the Bank.
- 3.6. If signature samples of the Client's Representatives are not certified or are certified unduly, the Bank is entitled to refuse to accept Orders from the Client's Representatives for execution.
- 3.7. The authorisation of the Client's Representatives has legal power in respect to the Agreement until the Bank will not be duly informed about the cancellation of their authorisation in writing. The Client is obligated to make sure that the Bank has received a notice on the cancellation of the authorisation of the Client's Representatives. The Bank has a right, but is not obliged to check the validity of the authorisation of the Client's Representatives in public registers, official journals and other information sources.
- 3.8. When the membership of the Client's Representatives changes, the Bank is entitled to contact the Client and request additional information about the substitution of the Client's Representative. Until the receipt of the requested information, the Bank is entitled not to accept Orders from the Client's Representatives.
- 3.9. The Client is entitled to inform the Bank about all changes in the authorisation of the Client's Representatives in writing. The Client is liable for the losses the Parties may incur as a result of the failure to meet this Clause of the Terms and Conditions.
- 3.10. The Client takes on liability for any losses incurred due to the incapacity of the Client's Representative, if the Bank has not been notified about this incapacity in due time in writing.

4. General Procedure of Providing Services of the Bank

- 4.1. Banking operations are executed and financial services provided only according to the Order with the exception when the Bank is entitled to debit Assets or perform other activities without further authorisation.
- 4.2. The debiting of Assets without further authorisation is performed:
- in cases and procedure stipulated by the legislation of the Republic of Latvia;
 - to pay for services provided by the Bank;
 - to discharge the Client's liabilities towards the Bank;
 - to reimburse the Bank's Losses incurred when providing services to the Client;
 - to correct errors made when crediting funds wrongly or without reason;
 - in other cases specified in the Terms and Conditions.
- 4.3. Depending on the services of the Bank the Client wishes to use, the Bank opens accounts to the Client and services them, as well as maintains accounting of the Assets. The Bank's and the Client's relations regarding the receipt of a particular banking service (product) are established when the Bank approves a relevant Order (including implicative actions of the Bank).
- 4.4. The Client agrees that all cash funds on accounts or in custody of the Bank according to a concluded transaction form a part of the property of the Bank in accordance with Part 1 of Article 172 of the Law on Credit Institutions of the Republic of Latvia (Kredītiestāžu likums).

Identification and Authorisation Tools

- 4.5. The Bank provides Rietumu ID and the Identification and Authorisation Tools to every Client/Client's Representative for the execution of operations planned by the Client. The Client's Representative signs applications for the issue/change/receipt of the Identification and Authorisation Tools.
- 4.6. Several Identification and Authorisation Tools of one type cannot be attached to one Rietumu ID, except for a Mobile DigiPass.
- 4.7. If the Client's Representative is authorised to act on behalf of several Clients, he/she is entitled to use:
- 4.7.1. the same Identification and Authorisation Tools for submitting Orders on behalf of several Clients;
 - 4.7.2. separate Identification and Authorisation Tools for submitting Orders on behalf of each separate Client.
- 4.8. If the Identification and Authorisation Tools issued to the Client's Representative are valid for submitting Orders on behalf of several Clients, the Client's Representative (if having connection to the Remote Banking Systems – Internet Bank and Home-Banking) is automatically provided with an access to all Clients and their accounts in the Remote Banking Systems within the

framework of his/her authorisation.

4.9. A DC is valid for 60 (Sixty) months from the moment of generation of the DC. Upon expiration of the DC use term application of the DC is impossible.

Remote Banking Systems

4.10. After receiving the Identification and Authorisation Tools the Client is entitled to use the Internet Bank in a limited-access mode.

4.11. On the basis of the Order, the Bank entitles the Client to use the Internet Bank in a full-access mode and Home-Banking, and connects the Client to the information system M-Bank.

4.12. If the Client's Representative loses his/her rights to submit Orders on behalf of one Client, specified in the Order for connection to Remote Banking Systems, he/she retains rights to submit the Orders on behalf of another Client via the Remote Banking Systems using the same Rietumu ID.

4.13. The Client has to submit a new Order for connection to Remote Banking Systems, if 6 (Six) months have passed since:

- the date when the Bank had accepted the previous Order for connection to Remote Banking Systems, however, the Client has not been connected to Remote Banking Systems yet for reasons beyond the control of the Bank;
- the Bank has suspended the Client's access to the Remote Banking Systems.

4.14. The Bank is entitled to set limits to all kinds of transactions executed via the Remote Banking Systems. The standard limits are published on the web site of the Bank www.rietumu.com and/or when connected to the Remote Banking Systems.

4.15. The following transaction limits are set for operation of the Internet Bank:

- the limit of one Client's transaction – the maximum amount of one transaction made from any of the Client's accounts via the Internet Bank;
- the day limit for the Client – the maximum grand total of all transactions made from any of the Client's accounts via the Internet Bank.

The Bank is entitled to set individual limits of transactions according to the Order.

4.16. Amounts of the Internet Bank limits are set in Euro (EUR). If the Client specifies another currency, in order to set the limit amounts, the limit amounts are converted in Euro applying the exchange rate of the European Central Bank on the date of setting the limits.

4.17. The limits are set according to the Order for connection to the Remote Banking Systems in the Internet Bank. If the Client fails to set the limits, the Bank applies the limit amounts set by the Bank at the moment of the execution of the Transaction with Assets. Where required, the limits for operations in the Internet Bank in a full-access mode may be changed according to the Order.

4.18. M-Bank services are available to the Client, if telephones and mobile network providers used by the Client provide short message service via the Internet.

4.19. The Bank is entitled to terminate M-Bank services without any prior notice to the Client in case if:

- cooperation between the Bank and the relevant mobile network operator ends;
- the Client's mobile phone number or mobile phone e-mail is changed;
- the Client's e-mail address is changed.

4.20. The Bank is entitled to suspend the Client's access to the Remote Banking Systems without any prior notice if:

- the Client has failed to pay for operating the Remote Banking Systems;
- the validity of the authorisation of the Client's Representative has expired or his/her authorisation has been cancelled;
- the Client fails to update the used software;
- the Client has failed to receive or fails to renew the Identification and Authorisation Tools.

Submitting Orders

4.21. The Client is entitled to submit the Orders in person, by phone, fax, e-mail (only scanned documents), post, via the Internet Bank and Home-Banking.

4.22. The Client is obligated to submit the duly completed Orders. The Bank sets requirements for completion of the Orders.

4.23. The Client is obligated to provide the Bank with the precise, clear and consistent Orders submitting them in accordance with provisions of the Terms and Conditions. The Order, depending on the type of a transaction and/or service provided by the Bank, may contain including but not limited to the following information:

- the type and name of the Assets;
- the subject of the Transaction with Assets or the service;
- the quantity of the Assets;
- the execution time of the Order if it is an essential condition;
- the essential details required for the Client's identification according to Clause 4.24 herein.

When receiving the Order, the Bank is entitled to request from the Client a confirmation of the Order or any other information, including the Client's confirmatory documents on any of his/her accounts via any other channel of communication. Until the receipt of such confirmation or the requested information, the Bank is entitled not to execute the Order.

4.24. When the Client submits the Order the Bank identifies the Client according to Clause 4.25 herein. After the identification of the Client, the Client is entitled to submit the Order confirming it according to Clause 4.26 herein.

4.25. Upon contacting the Bank, the Client is identified, specifying depending on the means of communication:

- in person – states the company name or name and surname of the Client, and presents a personal identification document of the Client's Representative;
- via Internet Bank – Rietumu ID and an OTP;
- via Home-Banking – Rietumu ID and an OTP;
- via fax, e-mail (only scanned documents) – the company name or name and surname of the Client, Rietumu ID and the Test Key;
- by phone – Rietumu ID and the OTP;
- by post – the company name or name and surname of the Client, Rietumu ID and the Test Key.

4.26. The Order, depending on the way of submission, has to include:

4.26.1. if given directly – the signature and the seal sample if any;

4.26.2. if given using the Remote Banking Systems, by fax, e-mail, phone – Rietumu ID and the Electronic Signature;

4.26.3. if given by post – Rietumu ID and the Test Key calculated using the TCT or the Duly Certified signature and the seal sample if any.

The Order submitted by the Client in the procedure set in Clause 4.26 herein is considered to be the Order authorised by the Client.

4.27. Unless the Terms and Conditions stipulate otherwise the Electronic Signature under Clause 4.26.2 herein shall be deemed:

4.27.1. for the Orders related to accounts held by one Client, payment Orders using a template, non-payment Orders, documents related to the Client categorisation for operations on the Financial Instruments markets and assessment of confirmation of the product or service to the Client's interests – the OTP, DC or Test Key;

4.27.2. for other payment Orders – the DC or the Test Key.

The Bank does not accept Orders for activating the Identification and Authorisation Tools for execution, if signed with the OTP.

4.28. After generating the OTP, the Test Key becomes valid within the limited time period. To check correctness of the OTP and Test Key, the Bank uses the date and time of receiving the Order or the date specified in the Order.

4.29. The Client is entitled to submit Orders by phone only using those phone numbers indicated on the web site of the Bank www.rietumu.com. The Bank makes audio records of the Orders submitted by the phone.

4.30. The Bank determines types of the Orders to be given by phone.

4.31. The Bank is not obligated to accept the Client's Orders by phone, if the Bank, according to documents submitted by the Client to the Bank, is entitled to accept the Orders only with given signatures of 2 (Two) or more Client's Representatives.

4.32. The Bank accepts the Orders during the Working Hours. The Parties may agree on another acceptance time of the Order.

4.33. The Bank is not liable for consequences resulting from:

- mistakes made by the Client in details of the Order;
- wrong interpretation of the Order;
- the unclear, incomplete or imprecise Orders;
- incorrectly filled in documents;
- text distortion of the Order and other reasons beyond control of the Bank.

The Bank is not liable for the non-execution or improper execution of the Order in case if such non-execution or improper execution is caused by the market conditions or other objective circumstances.

4.34. The Bank is not liable for possible losses caused to the Client due to misuse, forgery or fraud of third parties, if the Bank meets all the Client's identification procedures in accordance with the Client's instructions and regulations accepted by the Bank.

4.35. The Bank notifies the Client on changes of the identification and authorisation procedures and conditions accepted by the Bank. From the entry into force of the changes, the Bank is entitled not to execute any Orders which does not comply with the new procedures and conditions.

4.36. The Client is entitled to cancel the Order until the moment of its execution by the Bank, except for the Orders that cannot be cancelled or have already been executed upon the receipt of the cancellation Order.

4.37. An audio record of the Orders submitted by phone is a legal proof for the execution of the Transactions with Assets alongside with a fax message or a printout of an e-mail, the Internet Bank or Home-Banking. The Orders submitted by phone do not require any other documentary proof; however, the Bank is entitled, at its own discretion, to refuse to accept the Order by phone and require an additional written confirmation of the Order.

4.38. The Client is liable for actions of the persons having access to the Remote Banking Systems and other systems for submitting the Orders to the same extent as for his/her own actions, and accepts their actions as binding on the Client.

4.39. The Client is liable to keep any Identification and Authorisation Tools, passwords, keys, codes, identifiers and carriers of the above mentioned data and tools safe and secret. If third parties gain access to information mentioned in Clause 4.38 herein, the Client is obligated to notify the Bank immediately.

4.40. The Bank is entitled to refrain from the executing the Order, when establishing any of the following conditions:

- 4.40.1. the Order has been submitted without complying with requirements of the Terms and Conditions;

4.40.2. the text of the Order is illegible and/or incorrect;
4.40.3. the Order does not contain all the information necessary for the execution of the Transaction with Assets;
4.40.4. the Client has a debt to the Bank as a result of the non-fulfilment and/or improper fulfilment of the Client's obligations under the Terms and Conditions and/or other documents regulating legal relations between the Client and the Bank;
4.40.5. the account, specified in the Order, does not have sufficient Assets for the execution of the Order;
4.40.6. the circumstances beyond the control of the Bank have appeared complicating the execution of the Order or making the execution of the Order impossible;
4.40.7. the Order does not meet the current market conditions and/or is technically non-executable;
4.40.8. the execution of the Order may result in the Bank's Losses;
4.40.9. the Order contradicts the norms of law of the Republic of Latvia and/or the countries where the Assets are located and/or the provisions of the Terms and Conditions;
4.40.10. the Bank doubts the validity or authenticity of the Order or the information submitted to the Bank or the documents supporting this Order;
4.40.11. in other cases under the Terms and Conditions and/or the norms of law of the Republic of Latvia.
The Bank is not liable for the losses the Client might incur as a result of such non-execution of the Order.

4.41. When submitting the Order for the Transactions with Assets, the Client must ensure the Assets on the accounts in the amount required for the execution of the Order. The amount of the Assets required for the execution of the Order includes the following:

4.41.1. the cash funds and/or Financial Instruments required for the Transaction with Assets;
4.41.2. the cash funds required to cover the costs of the Transaction with Assets;
4.41.3. the cash funds required to pay taxes or duties, if the Transaction with Assets is subject to taxation;
4.41.4. the cash funds required to cover other costs of the Bank related to the execution of the Order;
4.41.5. the cash funds required to pay the Remuneration.

4.42. If the amount of Assets is insufficient the Bank is entitled either to refrain from the execution of the Order or to debit the additional expenses and cash funds required to cover the Remuneration from the Client's any accounts. Besides, the Bank is not obligated to agree these activities with the Client beforehand.

4.43. The Bank is entitled not to execute the Order without giving a reason in so far as it is stipulated by the legislation of the Republic of Latvia or the Terms and Conditions.

4.44. The Bank suspends the Transactions with Assets if the Client's activities or the ground of these activities fail to comply with the legislation of the Republic of Latvia or the Terms and Conditions. The Transactions with Assets are renewed after the Client has eliminated these inadequacies.

4.45. The Order for the Transactions with Assets is also a payment document and provides a reason for the Bank to debit the respective amount of the cash funds required to execute the Order or to transfer the cash funds received as a result of the execution of the Order to the specified accounts.

4.46. In case of transfers, the Assets are not credited to accounts if the account number or the account name or other details necessary for transfers are missing or incorrect.

4.47. The Bank may annul financial postings, wrongly executed due to a mistake of the Bank, by an ordinary reversal (i.e., by restoring the initial state) without coordinating it with the Client.

4.48. The Bank is entitled to attract the Counterparties for execution of the Orders without coordinating it with the Client.

5. Payment for Services

5.1. The Client remunerates the Bank for opening, maintenance and closing of accounts, execution of the Orders and other services in accordance with the Tariffs. The Client is obligated to get himself/herself acquainted with the Tariffs, exchange rates and interest rates before submission of the Order.

5.2. The Bank is entitled to unilaterally amend the Tariffs and the Remuneration payment procedure; the Bank shall notify the Client of these changes 5 (Five) Working Days before the new Tariffs and/or Remuneration payment procedure take effect unless the legislation of the Republic of Latvia stipulates another period of time.

5.3. Exchange rates and interest rates take effect upon their introduction by the Bank.

5.4. Executing the activities stipulated by the Terms and Conditions, the Bank without further authorisation debits the amount of the Remuneration against any Client's account with the Bank. Moreover, the Bank is entitled to exchange cash funds on the Client's accounts according to the exchange rate of the Bank, if the Client's accounts fail to have cash funds in the currency required for the Remuneration payment.

5.5. The Bank is entitled to debit the Remuneration due to the Bank at the moment when the Assets are credited to accounts; besides, the Bank may charge the Remuneration due to the Bank for any past period.

5.6. The Parties may agree on a special rate of the Remuneration for the specific Transaction with Assets and it shall be subject to additional agreements between the Parties.

5.7. The Bank is entitled, at its own discretion, to unilaterally set an individual amount of the Remuneration for services of the Bank in respect to the Client.

5.8. The Remuneration for the Bank's services is withheld from the Client until his/her liabilities for the Remuneration payment and any claims of the Bank against the Client are discharged in full.

5.9. The Bank calculates interest on the Client's outstanding payments due to the Bank presuming that there are 360 (Three hundred and sixty) days in a year and the actual number of days in a month.

5.10. The Bank calculates interest on the Client's credit liabilities in all currencies except for RUB (Russian roubles) presuming that there are 360 (Three hundred and sixty) days in a year. When calculating interest in RUB (Russian roubles), the Bank presumes that there are 365 (Three hundred and sixty five) days in a year. The Bank presumes that a month has the actual number of days for calculations of interest in any currency.

5.11. The Bank carries out round-off according to standard mathematic rules. The Bank rounds all currencies except for BYR (Belarus roubles) and JPY (Japanese yens) to two decimal digits. The Bank rounds BYR (Belarus roubles) and JPY (Japanese yens) to a whole number.

5.12. The Bank is entitled to calculate, charge and write off interest on an overdraft daily, including the day of the overdraft repayment.

5.13. When granting a loan or credit line to the Client, the Bank is entitled to calculate interest for the period, charge them daily and write off at the end of the period. The Bank is also entitled to calculate, charge and write off interest on the day of the loan repayment.

5.14. If the total maturity of financing, regardless of its type, is 1 (One) day, the Bank calculates, charges and writes off interest for the provided financing on the day of its provision.

6. Financial Collateral

6.1. The Client provides the Bank with the property specified in Clause 6.2 herein as the Financial Collateral (in the meaning of the Financial Collateral Law of the Republic of Latvia (Finanšu nodrošinājuma likums)). The Assets in custody of the Bank are considered to be pledged for a guarantee and security of the fulfilment of the Client's liabilities to the Bank that may arise as result of the provision of services to the Client under the Terms and Conditions. The Bank is entitled to put a lien on the Financial Collateral until the Client's obligations to the Bank have been fully discharged, as well as to write off or alienate the Financial Collateral to the benefit of the Bank or third parties where the non-fulfilment or improper fulfilment of the Client's obligations takes place.

6.2. The Financial Collateral includes:

6.2.1. the Assets;

6.2.2. the cash funds and income derived from the disposal of the Financial Collateral;

6.2.3. improvements, increments and civil fruits of the Financial Collateral that have been produced and obtained during the period of legal relations between the Bank and the Client under the Terms and Conditions.

6.3. The Financial Collateral secures fulfilment of all obligations by the Client to the Bank in full as estimated at the moment of the actual satisfaction of the Bank's claims, including interest and the Penalty, Financial Collateral sale expenses, as well as all other losses, including indirect losses, incurred as a result of the Client's breach of his/her obligations to the Bank.

6.4. If the Client fails to fulfil obligations under the Terms and Conditions, the Bank is entitled to levy execution upon the Financial Collateral unilaterally and without prior notice to the Client. In this case, the Bank is entitled to write-off the Assets or to sell the Assets held as the Financial Collateral at the current market price and use the proceeds to discharge the Client's obligations to the Bank.

6.5. If the Financial Collateral is sold on the Financial Instruments market, the Bank withholds the Remuneration from the Client in the amount of the Bank's commission for execution of the Order according to the Tariffs or an agreement between the Bank and the Client.

6.6. If the amount of the proceeds received from alienation of the Financial Collateral is insufficient to fully discharge the Client's obligations, the Bank is entitled to levy execution on the rest of the Client's property.

6.7. If the Client has outstanding obligations to the Bank, he/she may not change the contents and natural form of the subject of the Financial Collateral without the Bank's permission, nor can he/she alienate the Financial Collateral (rights for the Financial Collateral) to third parties (to the benefit of third parties). The Client may not pledge the Financial Collateral, transfer the Financial Collateral to third parties for management (ownership) or encumber the Financial Collateral with any encumbrance. Should any of these actions have been committed, they are invalid. The Client is liable for the notification of third parties about the existence of the Financial Collateral to the benefit of the Bank. The Client shall not to commit any actions that would reduce the value of the Financial Collateral and not to conduct the Client's (corporate entity) reorganization or liquidation. To protect its right to claim the Bank is entitled to put a lien on the Client's Financial Collateral and not to execute Orders in respect to the Financial Collateral.

6.8. In case of outstanding obligations on the part of the Client to the Bank, the Bank is entitled to use the Assets held as the Financial Collateral in the transactions performed by the Bank at its own expense, as well as at expense of other Clients of the Bank, including but not limited to pledge, re-pledge, sale, purchase or lend to third parties.

7. Confidentiality

7.1. The Bank discloses information about the Transactions with Assets, information about the state of accounts and any other

information related to the Client's activities only directly to the Client or the Client's Representatives via the Client's contact information specified in the Client's Registration card or via another contact information specially given in the corresponding Orders. Information may only be disclosed to third parties in cases explicitly provided for by the norms of law of the Republic of Latvia, regulations and other regulatory documents of depositaries and/or stock exchanges or the Counterparties who mediate the Client in conducting his/her activities or the country of issue of the Financial Instruments on occasions and according to the procedures provided for by relevant laws and regulations.

7.2. The Bank discloses information about the Transactions with Assets, the Client and the Client's Representatives at an official request of authorised public authorities or the Counterparties. In accordance with this Clause, information about the Client may be given to any state power, including countries outside the territory the European Union. The Client hereby authorises the Bank to do so and agree to the disclosure of relevant information.

7.3. The Client is obligated to treat any information learned about the Bank and the Counterparties, as well as their technology, intellectual property and any other commercial and business information received in relation to the services the Bank delivers to the Client as confidential. The Client undertakes not to disclose the above mentioned information to any third party, if it is not allowed by the Terms and Conditions, the norms of law and/or acts of public authorities applicable to the Client. The Client undertakes to maintain adequate security procedures and take reasonable precautions to prevent the misuse, disclosure or loss of the above mentioned information.

7.4. The Bank processes the information submitted by the Client and personal details of the Client's Representatives. The Bank is entitled to use and pass the information mentioned in this Clause for marketing and commercial purposes within the Rietumu Group.

7.5. The Bank forwards information about loan obligations, their discharge, debts and other related information about the Client to the Credit Register of the Bank of Latvia under the regulations of the Credit Register of the Bank of Latvia.

7.6. The information transferred by the Bank via public communication channels may be available to third parties. The Bank is not liable for damages resulting from the possible use of this information by third parties against the interests of the Client.

8. Provision of Information and Reports to the Client

8.1. The Bank provides at the Client's request full information about the state of accounts for a period specified by the Client and information and reports on the executed Transactions with Assets.

8.2. The Client undertakes to reimburse the Bank for expenses resulting from the transfer of information to the Client. The payment is made for the actual expenses of the Bank unless the Tariffs provide a special amount of the Remuneration.

8.3. Reports and other information provided by the Bank to the Client under the Terms and Conditions can be transmitted via open unencrypted channels and means of communication.

8.4. If information does not include any individual data, it is published on the web site of the Bank www.rietumu.com or in the official gazette "Latvijas Vēstnesis".

8.5. The Bank may provide individual information to the Clients who are connected to the Remote Banking Systems via the Remote Banking Systems.

8.6. Depending on the used means of communication, the date when the Client receives information from the Bank is:

8.6.1. the date when this information is sent by fax, e-mail, the Remote Banking Systems or when the message is given by phone;

8.6.2. the 14th (Fourteenth) day, including the date of posting the correspondence in the post office receipt;

8.6.3. the date of the publication of the information on the web site of the Bank;

8.6.4. the date of the publication in the official gazette "Latvijas Vēstnesis".

8.7. The Client is obligated to check the information on the web site of the Bank www.rietumu.com regularly, which also includes keeping track of the amendments to the Terms and Conditions, the Agreement and the Tariffs.

9. Liability of the Parties

9.1. The Bank covers direct losses incurred by the Client as a result of wilful misconduct by the Bank.

9.2. The Bank is liable only for direct losses the Bank has inflicted on the Client; the Bank does not cover indirect damages, including unearned profit.

9.3. The Bank is not liable for third parties' and/or Counterparties' actions or failures to act and for any consequences related to their financial standing and quality of their services.

9.4. The Bank is not liable for the fact that the Counterparty, a third party has not followed instructions of the Bank and the Transaction with Assets has not been duly conducted for reasons beyond the control of the Bank.

9.5. The Bank is not liable for any Client's obligations to third parties.

9.6. The Client reimburses the Bank's Losses incurred in connection with execution of the Orders under the Terms and Conditions.

9.7. The Bank, providing services under the Terms and Conditions, does not act as a financial, tax, legal or investment adviser; the Bank is not obligated to provide the Client with information and/or analytical materials related to the financial markets. If such information and/or analytical materials are provided to the Client, they have an informative character and any investment decisions the Client takes on the basis of such information and/or analytical materials are taken as the Client's own decisions, at the Client's expense and risk and are not based on any assertions or recommendations of the Bank.

9.8. The Client is solely and fully liable for the payment of taxes in the country of the Client's tax residency. The Bank is entitled to withhold taxes from the Client under the requirements of laws and regulations of the Republic of Latvia, the country of the location of the Assets, and/or the country of the Client's tax residency. Unless the Bank and the Client have agreed otherwise in writing, the Client is obligated to cover at his/her own expense the amount of taxes levied in the country of the Client's tax residency on the payment of cash funds or other assets to the benefit of the Bank. Thus, the Client is obligated to independently increase the amount of the payment to the Bank by the amount corresponding to withhold tax amount. Such a procedure is applied regardless of whether a convention for the avoidance of double taxation has been concluded between any of the states as well as regardless of which Party has tax liability or obligation to withhold tax.

9.9. The Client is solely liable for the registration of the Client's accounts according to the legislative acts of the country of the Client's tax residency.

9.10. In addition to other provisions of the Terms and Conditions, in case of any of the following events:

- the Client has failed to fulfil his/her obligations under any of transactions concluded with the Bank and/or breached any provision of the Agreement, the Terms and Conditions or any other contract or agreement concluded between the Bank and the Client;
 - the process of insolvency, reorganization, liquidation or other procedure which leads to transfer, suspension or termination of the Client's obligations or alienation of a significant part of the Client's property is initiated in respect of the Client or by the Client or the Client has decided to initiate such a process or procedure;
 - the Client has lost any licence or operating permission or significant restrictions on conducting commercial or professional activities have been imposed on the Client by competent public authorities;
 - disability, death or liquidation of the Client (legal person) occurs or is declared;
 - the Client is not able to fulfill any of his/her obligation and/or becomes insolvent within the meaning of legislation applicable to the Client;
 - the Client has provided false information to the Bank,
- the Cross Default situation takes force for the Client, i.e. the Client's obligations that arose towards the Bank at the moment of such default shall be deemed as unfulfilled in respect to all contracts, transactions or other agreements.

9.11. In any case specified in Clause 9.10 herein, the Bank is entitled unilaterally and without prior notice to the Client, at its own discretion, takes any of the following actions:

- not to execute or cancel any of the Client's Order or the Transaction with Assets;
- to sell any of the Assets and send them to discharge any of the Client's obligations to the Bank;
- to offset the obligations with the Client;
- immediately terminate provision of any service;
- not to execute or terminate execution of own obligations under the Terms and Conditions or any transaction or agreement concluded between the Bank and the Client;
- to take any necessary action in respect of the Client and the Assets to protect interests of the Bank and prevent the Bank's Losses;
- to demand the immediate preterm repayment of all loans issued to the Client;
- to demand the immediate preterm execution of any obligations of the Client;
- to close forcibly all Client's positions and transactions on the financial and currency markets, in particular, by selling of the Financial Instruments owned by the Client;
- immediately terminate all contracts and agreements between the Client and the Bank, including termination of the Agreement in accordance with Clause 14.4 herein;
- to perform any other actions with the Assets which are necessary to carry out the actions specified in Clause 9.11 herein.

9.12. Acting in accordance with Clause 9.11 herein the Bank is not liable to the Client and third parties for any losses or expenses. The Bank's rights under Clause 9.11 herein supplement other rights of the Bank determined by the Terms and Conditions and do not depend on other provisions of the Terms and Conditions. The Bank's failure to exercise own rights under Clause 9.11 herein does not mean a waiver of such rights by the Bank.

10. Force Majeure

10.1. Unless the Terms and Conditions foresee otherwise, the Parties are released from liability for a complete or partial failure to discharge obligations for deals concluded under the Terms and Conditions if such a failure is caused by force majeure:

- 10.1.1. extraordinary and unavoidable circumstances of acts of God, including but not limited to fire, flood, an earthquake, warfare, terror acts, riots and strikes;
- 10.1.2. the delay to fulfil obligations (moratorium) established by a statutory act of the country of registration of the Bank or the Counterparty;
- 10.1.3. the suspension of a statutory act of the country of registration of the Bank or the Counterparty affecting the fulfilment of obligations under the Terms and Conditions.

11. Effectiveness of the Terms and Conditions and their Amendments

11.1. The Terms and Conditions take effect upon signing of the Agreement by the Parties. The text of the Terms and Conditions is drawn up and approved by the Bank in Latvian, Russian and English. Texts in all three languages mentioned in this Clause of the Terms and Conditions have equal legal power.

11.2. The Bank is entitled to unilaterally amend any provision of the Terms and Conditions notifying the Client thereof 30 (Thirty) days before the new provisions come into effect, unless another provision of the Terms and Conditions or the legislation of the Republic of Latvia stipulates another time limit. If the Client does not agree with the amendments, he/she is entitled to refuse from the services of the Bank.

11.3. The latest edition of the Agreement and the Terms and Conditions is published on the web site of the Bank www.rietumu.com.

11.4. If any of the provisions of the Terms and Conditions or the Agreement becomes void, it does not affect the validity of other provisions of the Terms and Conditions or the Agreement.

12. Assignment

12.1. In case of the Client's death, his/her rights and obligations are assigned to his/her heir on the basis and upon submission of a Duly Certified inheritance document.

12.2. In case of the Client's liquidation or reorganisation, his/her rights and obligations are assigned to his/her legal successor on the basis and upon submission of relevant documents.

12.3. In case of absence of the heir or successor, the Bank administers the Client's funds as stipulated by the legislation of the Republic of Latvia.

12.4. In case of of the Client's insolvency, reorganisation, liquidation or death, all his/her liabilities to the Bank are assigned to the Client's legal successors or heirs and they have to be discharged first in relation to other Client's obligations against third parties.

12.5. The Bank is entitled to delegate its authorities acquired on the basis of the Terms and Conditions to third parties notifying the Client thereof 10 (Ten) days before this delegation unless the Terms and Conditions or legislation of the Republic of Latvia stipulate otherwise.

13. Claim and Dispute Settlement

13.1. The Bank gives a written reply on the Client's written applications and complaints about financial servicing within 30 (Thirty) days from the day of receipt of this application or complaint, and within 10 (Ten) days if the Client is regarded as a consumer under the legislation of the Republic of Latvia. If the meeting of this term is impossible due to objective reasons, the Bank is entitled to prolong it by notifying the Client about the extension in writing.

13.2. The Parties settle any dispute and disagreement relating to the Terms and Conditions or the Agreement by means of negotiation. If the Parties fail to reach an agreement, the dispute, at the choice of the complainant party, is referred either to a court of general jurisdiction of the Republic of Latvia or the Court of Arbitration of the Association of Latvian Commercial Banks.

13.3. If the Client is a consumer in the meaning of the norms of law of the Republic of Latvia the dispute has to be considered in a court of general jurisdiction of the Republic of Latvia.

13.4. If a dispute is referred to the Court of Arbitration of the Association of Latvian Commercial Banks, legal proceedings take place in compliance with the Articles, the General Terms and the Regulations on Costs of the Court of Arbitration of the Association of Latvian Commercial Banks. Provisions of the above mentioned documents are regarded as incorporated into this Clause of the Terms and Conditions. A decision of the Court of Arbitration is final, not subject to the appeal and is binding on the Parties. The number of arbitrators is 1 (One). The Parties authorise the Chairman of the Court of Arbitration of the Association of Latvian Commercial Banks to appoint the arbitrator for the dispute. The language of dispute settlement is Latvian.

13.5. Norms of the substantive law of the Republic of Latvia govern the Terms and Conditions and the Agreement.

14. Termination of the Parties' Relations

14.1. The Bank is entitled to terminate the delivery of any separate service to the Client notifying the Client 30 (Thirty) days before the termination date of the service delivery, unless the Terms and Conditions or the legislation of the Republic of Latvia stipulate otherwise.

14.2. Unless the legislation of the Republic of Latvia stipulates another time limit the Agreement is considered to be terminated:

- 30 (Thirty) days after the Bank has executed the Order to close all the accounts serviced under the Terms and Condition and the Client has not opened any account with the Bank once again;
- 2 (Two) months after the Bank has notified the Client about the closing of all Client's accounts serviced under the Terms and Conditions on its initiative.

14.3. Breaching the Agreement or terminating the provision of services of the Bank, the Client is obligated to specify an account, to which the Assets shall be transferred. In such case, the transfer of the Assets will be transferred at the Client's expense.

14.4. Regardless of provisions of Clause 14.2 herein, the Bank is entitled to terminate legal relations with the Client (to terminate validity of the Agreement) immediately without giving a reason thereof, if the Client's activities fail to comply with the legislation of the Republic of Latvia, the Agreement or the Terms and Conditions; if the Client commits legally punishable, dishonest or unethical act towards the Bank, or if the Bank has good grounds to believe that further cooperation with the Client shall harm its reputation.

14.5. If the Agreement is terminated on the initiative of the Bank, the Client's Assets are kept on a special account of the Bank. No

interest is calculated on these Assets, and the Bank is entitled to withhold Remuneration from them. The Bank pays these Assets out to the Client according to the Order.

14.6. If the Agreement is terminated in compliance with provisions of the Law on the Prevention of Money Laundering and Terrorism Financing of the Republic of Latvia (Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma finansēšanas novēršanas likums), the Bank, according to the Client's instructions and if found to conform to the legislation of the Republic of Latvia, transfers the Assets to the Client's account with another bank or to the account these Assets were received from.

14.7. The Bank does not return documents submitted by the Client to the Bank during their cooperation.

Section II. Delivery of Basic Services of the Bank

15. Current Account

Current Account – a multi-currency account of cash funds, opened by the Bank for the custody and accounting of the Client's cash funds.

Minimum Balance – the sum of cash funds in the amount stated in the Tariffs, which cannot be used by the Client, except for the case of closing the Current Account at the Bank by the Client.

Minimum Balance Account – the account, automatically opened by the Bank, for keeping the Minimum Balance.

Relationship Balance – the value of the Assets of the Client.

Total Relationship Balance – the value of the Assets of all Clients, with a common beneficiary (in accordance with documents submitted to the Bank) within the framework of the legislation of the Republic of Latvia.

15.1. The multi-currency Current Account is opened to the Client; cash funds are credited and kept on this Current Account in the respective incoming currency.

15.2. The Client is obligated to transfer cash funds on own Current Account during a period of 90 (Ninety) days from the day of opening the Current Account; and in 90 (Ninety) days from the day of the first transfer of the cash funds, the Client shall provide transfer of the Minimum Balance on the Current Account.

15.3. In case of failure to comply with Clause 15.2 herein, the Bank is entitled to close the Current Account and terminate the Agreement unilaterally.

15.4. Transferring cash funds to the Current Account, the Bank autonomously opens the Minimum Balance Account and after withholding the Remuneration transfers cash funds from the Current Account to the Minimum Balance Account until the amount of cash funds on the Minimum Balance Account totals the Minimum Balance.

15.5. The Minimum Balance is kept on the Minimum Balance Account for 6 (Six) months from the day of its full transfer. The Client is entitled to use the Minimum Balance during 6 (Six) months only in case of termination the Agreement. In this case, the Bank, after subtracting all the due commission fees, acts in accordance with Clause 14.3 herein.

15.6. After expiration of the 6 (Six) months period, the Minimum Balance Account is closed, the Minimum Balance is transferred to the Current Account, and the Client is entitled to manage the cash funds at his/her own discretion taking into consideration requirements stipulated by Clause 15.7 herein.

15.7. The Client is obligated to regularly maintain the Assets on own accounts with the Bank to the extent necessary to provide the Relationship Balance and/or Total Relationship Balance according to the Tariffs.

15.8. In case of failure to fulfil requirements of Clause 15.7 herein, the Bank is entitled to withhold a penalty and the Client is obligated to pay the penalty in amount stated in the Tariffs.

15.9. Requirements of Clauses 15.2, 15.3, 15.4, 15.5 and 15.6 herein are applicable to the Clients, whose Current Accounts were opened later than June 1, 2015, except for cases when beneficiaries of such Clients were beneficiaries of other Clients of the Bank as of June 1, 2015, and/or at least six months are beneficiaries of the Bank's Clients who use services or used services of the Bank at least six months.

15.10. The Bank calculates interest for the cash funds kept on the Current Account every month, based on the balance at the end of the day if it is provided by the Tariffs. When closing the Current Account either on the initiative of the Bank or the Client, the interest for cash funds is not calculated for the month of closing the Current Account.

15.11. The Current Account is closed within 7 (Seven) days according to the Order, if the Client does not use other services of the Bank requiring the Current Account. The cash funds are transferred or paid out in cash as specified in the Order. If the Client has any outstanding obligation to the Bank, the Bank is entitled to refuse to close the Current Account and transfer the cash funds.

15.12. Except for cases stipulated by the Terms and Conditions, the Bank is entitled to close the Current Account if the Transactions with Assets were not been performed on the Current Account for 12 (Twelve) consecutive months, and the cash balance on the Current Account does not exceed the Client's obligations to the Bank. Besides, the Bank is entitled to withhold the Remuneration

for the closing of the Current Account.

16. Non-cash Payments

Transfer – a non-cash payment, a money transfer from one account to another within one or several credit institutions on a basis of the Order to transfer cash funds to the recipient.

Transfer to the Payment Card – a non-cash payment, a money transfer from the Client's Account with the Bank to a third party's payment card (MasterCard WorldWide and Visa Europe) within one or several credit institutions on a basis of the Order to transfer cash funds to the recipient.

Value Date – the day when cash funds are credited or debited to the respective Client's account.

16.1. The Transfer Order has to contain complete information on a remitter and a recipient of cash funds, explicit and detailed information on the purpose of the payment and other required details.

16.2. The Order for the Transfer to the Payment Card can be submitted to the Bank only via the Internet Bank and has to contain information requested from the Client in the Internet Bank before making the Transfer.

16.3. The Bank credits the Client's account on the basis of the account number.

16.4. If the required details of a recipient of cash funds are insufficient or fail to comply with the data provided earlier, the Bank is entitled, before the transfer of cash funds, to make a special investigation concerning the incoming payment and withhold the Remuneration from the Client's account. If within 4 (Four) weeks these details are not clarified, the Bank is entitled to return the cash funds to a financial institution, from which these funds have been received, and to withhold the Remuneration for the made examination from the payment amount.

16.5. Cash funds are credited to the relevant Client's account on the day when a respective notice has been received from a correspondent bank via the payment system.

16.6. The Transfer Order is considered to be received from a moment of its submission to the Bank.

16.7. The Transfer Order is noted for execution on the day when it has been received in the Bank unless the Order specifies another Value Date. The Transfer Order the Bank receives beyond the Working Hours is noted for execution the next Working Day.

16.8. Provisions of the Transfer Order are determined in the Tariffs.

16.9. The Transfer Orders received on the Client's visit to the Bank are valid for 10 (Ten) days from the date indicated in the Order. The Transfer Orders received by the Bank via the Remote Banking Systems and by fax, phone or e-mail (only scanned documents) are valid for 7 (Seven) days from the day the Bank has received the above mentioned Orders unless the Remote Banking Systems stipulate another time limit.

16.10. When executing the Transfer Order, which includes currency exchange, the Bank applies its local exchange rate valid at the moment of the transaction unless the Bank and the Client have agreed otherwise.

16.11. If the Client submits several Transfer Orders and their sum exceeds the amount of cash funds available on the respective Client's account, the Bank executes these Transfer Orders at its sole discretion.

16.12. If the cash funds on the respective Client's account are insufficient to execute the Transfer Order or cover the Remuneration, the Order is executed when such cash funds are credited to the respective account and within the set validity term of the given Transfer Order. The Bank is not liable for any losses the Client may incur due to the non-execution of such Transfer Order.

16.13. The Bank is entitled to change the Counterparty indicated in the Transfer Order to another Counterparty.

16.14. The Bank accepts the Transfer Orders for execution in the name or on behalf of third parties on condition that the Client has presented sufficient relevant information for the execution of these Transfer Orders.

16.15. The Bank informs the Client about the maximum execution time of his/her Transfer Order and the service fee at the Client's request.

16.16. The Client is entitled to request the Bank to change necessary details of the Transfer Order or cancel the Transfer Order by notifying the Bank in writing. In case of cancellation of the Transfer Order, the Bank returns the cash funds to the Client only in case if the Bank receives these cash funds in its free disposition or that the Bank has not executed the Transfer Order to be cancelled.

16.17. The Bank ensures execution of the standing Transfer Order (a standing payment order). Considering the payment terms, amount and periodicity the Client has stated in his/her Order, the Bank automatically withdraws cash funds from the Current Account on condition that the cash funds in payment currency are sufficient on the Current Account.

16.18. The Client is entitled to submit the Transfer Order by phone (a payment with authorisation) in compliance with the payment details, previously submitted by the Client to the Bank for this purpose in writing. The Bank executes this Transfer Order by phone (a payment with authorisation) within the set limits and on a condition that Clause 4.24 herein is fulfilled.

16.19. The Bank informs the Client about the refusal to execute his/her Transfer Order and reasons of non-execution unless it is prohibited by the legislation of the Republic of Latvia.

16.20. The Client is obligated immediately but no later than 6 (Six) months from the day of the execution of the Transfer to inform the Bank about the execution of an incorrect payment. Otherwise, the compensation to the Client will be refused.

16.21. The Client understands and agrees that the Bank uses third parties' (including the Counterparties') services when performing Transfers or other banking operations. The Bank is not liable for the non-execution or wrong execution of the Transfer Order, if the Bank has transferred cash funds to the Counterparty or the receiving bank of the Transfer duly and timely.

16.22. The Order for the Transfer to the Payment Card can be limited in terms of amount, however, the amount of the limit is disclosed to the Client before making the corresponding payment in the Internet Bank. The Bank is entitled to refuse the Client from executing the Order for the Transfer to the Payment Card.

16.23. In case a financial institution, that issued the receiver's card, refuses to transfer the cash funds, the Bank is not liable towards the Client.

17. Cash Transactions

Cheque – a Cheque Book form used to pay cash funds from the Current Account to the bearer.

Cheque Book – a set of Cheque forms issued by the Bank to the Client according to the Order.

17.1. The Bank performs cash transactions in currencies stated in the Tariffs.

17.2. Performing the cash transactions, the Bank identifies a payer/ recipient of cash funds according to Clause 4.24 herein.

17.3. The Bank deposits cash to an account according to the payer's Order.

17.4. An individual may deposit cash solely in his/her own name.

17.5. When receiving a cash contribution, the Bank examines compliance of the submitted banknotes and coins with the cash in circulation. If these banknotes or coins are recognised as counterfeited according to requirements of the Bank of Latvia or other foreign central banks, the Bank withdraws this money and hands it over to law enforcement bodies.

17.6. The Bank performs transactions with damaged banknotes subtracting the Remuneration according to the Tariffs.

17.7. The Bank is entitled to refuse to perform transactions with damaged banknotes, if the level of damages prevents from determining the validity of the banknotes.

17.8. The Bank withdraws cash from the Client's account on the basis of the Order or the Cheque provided that Clause 4.24 herein is fulfilled.

17.9. The Client is entitled to preorder cash to receive banknotes of different denomination.

17.10. The Bank is entitled to refuse pay out cash immediate, if the Client has not preordered the cash for receipt.

17.11. The Client is obligated to check the amount of the received money in the presence of the official of the Bank who made the cash transaction, otherwise the Bank admits no further claims.

17.12. The Client is entitled to request the examination of the authenticity of banknotes with the technical equipment of the Bank for the Remuneration.

17.13. Cheques from one Cheque Book can be used for cash receipt from one Current Account.

17.14. The Client is obligated to inform the Bank about the loss of the Cheque Book.

17.15. The Cheque is valid for 8 (Eight) days from the date specified on the Cheque.

17.16. The Client is entitled to cancel the Cheque by submitting the Order.

17.17. The Bank is entitled to refuse to pay cash according to the Cheque, if the Cheque:

- is filled in incorrectly;
- has corrections on it.

18. Foreign Exchange Transactions

Derivative Exchange Transactions – the Foreign Exchange Transaction, including urgent (forward) transactions with a specific fulfilment day in future, which is not earlier than the third Working Day after the transaction is concluded, at the rate established by the Parties at the moment the transaction is concluded, or SWAP transaction consisting of two opposite Foreign Exchange Transactions on the same amount but with different settlement dates, at rates prescribed by the Parties at the moment the SWAP transaction is concluded.

Foreign Exchange Order – the Order either to buy from or sell currency to the Bank at the exchange rate specified by the Client. The Foreign Exchange Order is executed in future when the exchange rate reaches the level specified in the Foreign Exchange Order and is valid until its execution or cancellation.

Foreign Exchange Transaction – a currency purchase or sale deal between the Parties where one currency is purchased/sold against other currency at a specified exchange rate with a settlement on a specific date.

Initial Margin – the amount of initial margin requirement of the Bank to the Client paid by the Client to the Initial Margin Account for the purpose of the fulfilment of the Client's obligations arising from Derivative Exchange Transactions. It is blocked on the Initial Margin Account until fulfilment of the Client's obligations on Derivative Exchange Transactions.

Initial Margin Account – account of cash funds which the Bank opens to place Client's Initial Margin.

Maintenance Margin Requirement – the minimum Initial Margin amount where the Margin Call situation emerges. The Maintenance Margin Requirement amounts to 50% (Fifty percent) of the Initial Margin.

Margin Call – the requirement of the Bank to the Client to bring up the level of the Initial Margin to meet the Initial Margin Requirement set by the Bank.

Voice Password – the password, specified by the Client in the Order for the assignment of a voice password and used by the Bank to identify the Client and authorise the fixed exchange rate for the Foreign Exchange Transactions concluded by phone.

18.1. The Bank executes cash and non-cash Foreign Exchange Transactions according to the exchange rate set by the Bank and valid at the moment of the receipt of the Order or at the exchange rate agreed with the Client.

18.2. The Bank executes the Foreign Exchange Transactions at the exchange rate agreed with the Client during its Working Hours, as for the rest of the time (outside a trade session) the Foreign Exchange Transactions are executed according to the official exchange rate of the Bank.

18.3. When making the Foreign Exchange Transaction, the following essential conditions are agreed:

- the name and the amount of the currency to be purchased and sold;
- the exchange rate of the currency purchase/sale;
- the value date for currency settlements;
- the Current Account for the execution of the Foreign Exchange Transaction.

18.4. The Foreign Exchange Transaction is considered to be concluded from the moment when:

- the Bank receives the Order, if the Foreign Exchange Transaction is made according to the exchange rate of the Bank; or
- the Parties agree on the essential conditions set in Clause 18.3 herein.

18.5. When concluding the Foreign Exchange Transactions by phone, a deviation from requirements of Clause 4.24 herein is permitted and the Client may be identified and the fixed exchange rate authorised by using the following details: the Client's name/ name and surname, account number and the Voice Password.

18.6. When the Foreign Exchange Transaction is concluded by phone according to the provisions of Clause 18.5 herein, the Client has to submit a written Order to the Bank on the day of concluding the Foreign Exchange Transaction, which complies with provisions specified in Clause 4.24 herein and includes all essential conditions agreed with the Bank. A failure to submit the Order for a Foreign Exchange Transaction does not release the Client from his/her obligations related to this Foreign Exchange Transaction.

18.7. If the Client, after giving an Order for a Foreign Exchange Transaction by phone, fails to submit a written Order for the Foreign Exchange Transaction to the Bank or the submitted Order does not comply with essential conditions of the Foreign Exchange Transaction agreed by phone, or the Client does not have sufficient cash funds to execute the respective Order, the Bank is entitled to write off/transfer the difference in the exchange rate from the Client's any account, which is determined as a difference between the value of the Client's liabilities calculated at the exchange rate of the transaction and the exchange rate of that currency pair on the day when the money transfer is made in the Bank. The Foreign Exchange Transaction is considered closed thereto.

18.8. The Client is entitled to submit the Order to the Bank for an automatic (standing) Foreign Exchange Transaction. Until the cancellation or expiration of the term of this Order all the amounts in the currency specified by the Client are automatically converted into the claimed currency at the exchange rate of the currency pair at the moment the Foreign Exchange Transaction is executed in the Bank.

18.9. The Client is entitled to submit a Foreign Exchange Order in concurrence with the Bank. To ensure the fulfilment of the Client's liabilities, the Bank blocks the amount equivalent to the sum of the Foreign Exchange Order on the Current Account needed for the execution of the Foreign Exchange Order and subtracts the Remuneration. When the exchange rate on the currency market reaches the one specified in the Foreign Exchange Order, the Foreign Exchange Order is executed automatically. The Client is entitled to cancel the unexecuted Foreign Exchange Order by submitting the corresponding Order.

18.10. The Client is entitled to conclude the Derivative Exchange Transaction to hedge the currency risks associated with the Client's activities.

18.10.1. If the Client makes the Derivative Exchange Transaction on terms and conditions, not established in Clause 18.10 herein, the Client is obligated to inform the Bank about it, and such transaction is concluded under the conditions established by Section III of the Terms and Conditions.

18.11. To conclude the Derivative Exchange Transaction, the Client undertakes to provide the Initial Margin Account with the Initial Margin amount determined by the Bank.

18.12. The minimum amount of the Derivative Exchange Transaction is USD 100 000 (One hundred thousand US dollars) or an equal amount in another currency.

18.13. If due to the change of the market price of the Derivative Exchange Transaction the absolute value of the current losses is equal to or exceeds the difference between the Initial Margin and the Maintenance Margin Requirement, the Bank notifies the Client of the Margin Call situation. The Bank is entitled but not required to inform the Client about the Margin Call situation. The Client has to individually keep track of the market price of the Derivative Exchange Transaction. If the Margin Call situation emerges the Client is obligated to bring up the level of the Initial Margin Account to meet the Initial Margin requirement.

18.14. If the absolute value of the current losses is equal to or exceeds 70% (Seventy percent) of the amount of the Initial Margin, the Bank is entitled to close the position at any time without notifying the Client.

18.14.1. If the amount of cash funds received from the Derivative Exchange Transactions and the Initial Margin Account balance are insufficient to cover the Bank's Losses, the Bank is entitled to cover the Bank's Losses by debiting other Assets.

18.15. The Client confirms that it understands, assumes and assesses all risks related to the Foreign Exchange Transactions and Foreign Exchange Orders and that it is fully aware of and agrees that the Foreign Exchange Transactions and Foreign Exchange Orders involve the use of electronic data transmission means, telecommunications and software, and that due to a failure or malfunction of the mentioned means the execution of the Foreign Exchange Transaction and/or Foreign Exchange Order may become impossible and that the Bank cannot be held responsible for such non-execution.

19. Deposits

Deposit – the cash funds, which the Client deposits in the Bank for a definite period of time with a right to receive the deposited cash funds and the interest thereon according to the Tariffs.

Orphan's Court – an institution for guardianship and curatorship of underage established according to the legislation of the Republic of Latvia, in case of a non-resident – a relevant institution of the non-resident's country.

19.1. The Bank sets types of Deposits, maturities, currencies, minimum placement and replenishment amounts, minimum exchange amounts, annual interest rates on Deposits, annual interest rates on overdrafts (if applicable), interest payment frequency and termination provisions of the Deposits and records them in the Deposit Order.

19.2. The Client chooses any type of the Deposits offered by the Bank when submitting his/her Deposit Order. The Client is obligated to open the Current Account to process the Deposit.

19.3. Upon the receipt of the Deposit Order, the Bank is entitled to process the Deposit by transferring the amount specified in the Order from the account specified by the Client to the Deposit account, and place the Deposit.

19.4. The Bank starts to calculate the interest on the Deposit from the day when cash funds are credited to the Deposit account. The Bank calculates the interest for each Deposit day until the end of the Deposit term (not including the date of the Deposit termination). The Bank calculates interest on the Deposit presuming that there are 360 (Three hundred and sixty) days in a year and the actual number of days in a month.

19.5. In case of the Deposit replenishment, the interest rate is recalculated according to the rates valid on the date of the replenishment for the term remaining until the maturity of the Deposit.

19.6. Capitalisation of the interest (for types of the Deposits, which require such capitalisation) is performed every month on the date when the Deposit was opened.

19.7. The Bank, without prior coordinating it with the Client, withdraws income tax capital according to the legislation of the Republic of Latvia. If the Deposit is terminated before the maturity, the Bank does not pay back the withheld taxes related to the Deposit to the Client.

19.8. If the Deposit interest has been overpaid at the moment when the Deposit is terminated, the Bank withholds this overpaid interest amount from the Deposit principal.

19.9. The Client may terminate the Deposit before its maturity by submitting the relevant Order to the Bank in the procedure and within the term specified in the Order for the Deposit. Cash funds are transferred to the account specified by the Client initially at a moment of filing the Deposit in the Deposit Order.

19.10. At the maturity of the Deposit, both the Deposit principal and interest are transferred to the Client's account(s) with the Bank the Client has previously when processing the Deposit specified in the Deposit Order. The calculation of interest on the Deposit is terminated.

19.11. In case of the Client's death, both the validity of the Deposit and interest accrual are terminated at the moment of registration of the Client's death. In these circumstances, the Bank pays the Deposit and the accrued interest to the Client's heirs when duly processed inheritance documents are submitted to the Bank

19.12. In case of the assignment of rights and obligations of the Client (corporate entity), the Deposit does not become invalid

and according to the legislation of the Republic of Latvia and the internal regulatory framework of the Bank this Deposit may be reprocessed to the Client's successors when they submit relevant documents to the Bank.

Service Conditions for Deposits for Underaged

19.13. The Bank opens the Deposit on the name of the Client under the majority age according to the application submitted by the Client's parent/parents (one or both) or the Client's guardian.

19.14. The Deposit is multicurrency and can be replenished. The Deposit currencies, the minimum balance amount for interest accrual, the minimum replenishment amount and interest rate are determined at the moment of opening and replenishing the Deposit in accordance with the Client's actual age.

19.15. Until the Client reaches the age of 18 (Eighteen), a permit of the Orphan's Court is needed to convert currencies and withdraw cash funds from the Deposit fully or partly. In case of a partial withdrawal the cash funds deposited with the lowest interests rate are paid first and foremost.

19.16. When the Client reaches the age of 18 (Eighteen), the interest is no longer accrued. The Client is entitled to manage the cash funds at his/her own discretion.

19.17. The Deposit, opened on the name of the Client under majority age, and the Agreement can be terminated before the maturity in the following cases:

- the Orphan's Court made the respective decision; the Bank pays off the Deposit according to the decision of the Orphan's Court within 7 (Seven) days after both the decision and the Client's application are received;
- according to Clause 19.11 herein.

20. Payment Cards

Available Balance – the amount of cash funds on the Card Account, which can be used for the Card Transactions consisting of the sum of the available Credit Limit and/or Overdraft and the Client's funds on the Card Account by subtracting the Card Transaction already made but not yet written off from the Card Account.

Balance – the amount of cash funds on the Card Account without the Credit Limit and/or Overdraft and any amounts reserved for the Card Transactions already made but not yet written off from the Card Account.

Card – an international payment card issued by the Bank, which the Bank is entitled to issue and which is handed over by the Bank to the Cardholder in accordance with the Order. The Card is attached to the Client's Card Account. The Cardholder can use the Card to withdraw cash and pay for goods and services at points of sale that accept the cards of this system.

Card Account – the Client's account with the Bank for the custody and accounting of cash funds to be used for the Card Transactions.

Card Code – a Card security code for the Card Transactions in the Internet. For Visa payment system cards, the code is CVV2. For MasterCard payment system cards, the code is CVC2.

Card Password – a voice password specified in the Order for the issue of the Card and used by the Bank for identification purposes of the Client or the Cardholder by phone.

Card Transaction – a payment with the Card for goods and services, cash withdrawals using the Card at ATMs and banks, money transfers from the Card Account according to the Order, and Remuneration payments and other activities decreasing the Available Balance.

Card Transaction Limit – the maximum number and/or total amount of the Card Transactions gone through the Transaction Authorisation in the Bank within a definite period of time (a day, week or month). The Parties may agree to set another Card Transaction Limit in the Order for the issue of the payment card, if it does not exceed the maximum Card Transaction Limit applied by Bank.

Cardholder – a person specified in the Order for the issue of the Card whose name, surname and signature sample have been placed on the Card and to whom the Card has been handed over for use.

Credit Limit – the maximum financial credit amount set in the Order that can be borrowed by the Client for making Payments over the Positive Balance on the Card Account. The Credit Limit is attached to the Card Account, and the Credit Limit cannot be used for making Payments from another Client Account.

Debit Balance – the Card Account balance, which equals to the amount of the Client's liabilities towards the Bank at the end of a particular day or an account statement period. The Debit Balance is changed after each Card Transaction. The Debit Balance is shown with a minus (-) sign in the Card Account statement.

Interest on Use of Credit Limit and/or Overdraft – the remuneration in percentage for use of the Credit Limit and/or Overdraft which is calculated from the amount of the Debit Balance on the Card Account and does not exceed the Credit Limit and/or Overdraft at the end of a particular day.

Overdraft – the Bank's financial loan provided by the Bank for making Payments with the Card exceeding the Positive Balance of

the Card Account. Overdraft's repayment must be carried out by the Bank's request. The Overdraft is attached to the Card Account.

Overlimit Debit Balance:

- for the Card Account, which was granted the Credit Limit and/or Overdraft, it is the Debit Balance exceeding the Credit Limit and/or Overdraft of the Card Account at the end of a particular day;
- for the Card Account, which was not granted the Credit Limit and/or Overdraft, it is the Debit Balance that exceeds the Available Balance at the end of a particular day.

Personalisation – embossed or engraved printing of data of the Card and the Cardholder on a blank (plastic) Card and data recording into the magnetic stripe and/or the chip of the Card.

PIN Code – a personal identification number known only to the Cardholder and used to identify the Cardholder electronically.

Positive Balance – the Client's cash funds on the Card Account which are marked with a plus (+) sign in the Card Account statements.

Transaction Authorisation – an electronic check of the Card data, the Available Balance, the Card Transaction Limit and the Cardholder's verification data as a result of which the Card Transaction is authorised or declined.

20.1. The use of the Card is subject to the Terms and Conditions and regulations of international payment card organisations MasterCard Worldwide and Visa Europe (according to the Card type).

20.2. In order to open the Card Account, the Client has to open the Current Account. The Client (a private individual) is entitled to open the Card Account without opening the Current Account if:

- the Client is a resident of Latvia and complies with the regulatory framework of the Bank;
- the Card is issued to the Client pursuant to a cooperation agreement between the Parties;
- the Client is the beneficiary or signatory to an existing customer of the Bank.

20.3. To receive the Card, the Client submits the respective Order. The Bank reviews the Order for the issue of a payment Card and makes a decision on the issue of the Card and opens the Card Account within 10 (Ten) days. The Client specifies the way of receiving the Card: either to receive the Card and the PIN Code in person or by courier mail. To activate the Card, the Client or the Cardholder has to contact the Bank by using the Identification and Authorisation Tools or his/her Card Password.

20.4. The Card is valid until the last day of the month and the year written on the Card. The Card validity term is not considered to be the validity term of the Card Order. The Card validity term for the current month is extended in the banking system on the last day of the previous month. The Card validity term is not extended, if the Available Balance of the Card Account is less than the annual Card fee and/or the Client/Cardholder has not used his/her Card for 6 (Six) consecutive months; in these case, the Bank closes the Card after the Card expiry date. The Personalisation of the renewed Card is performed only after receiving the new Order.

20.5. The Client is entitled to exchange or renew the Card. The Bank reviews the Order for the Card replacement/renewal and the change of the Card Account data within 5 (Five) days from the day the Bank receives this Order in its head office in Riga.

20.6. No Card and PIN Code duplicates are issued. If the Client submits the Order for the Card issuance/replacement/renewal via the Internet Bank, specifying the PIN code for the Card, only the Card shall be issued to the Client. On all other occasions, the new Card with the new PIN Code is issued.

20.7. The Card is the property of the Bank. The Cardholder has sole authority to make the Card Transactions. It is prohibited to hand the Card over to third parties and disclose any Card data, the Card Code and/or PIN Code to third parties.

20.8. It is presumed that the Card Transactions made with all the Cards attached to the Card Account are made on the Client's approval.

20.9. The Cardholder of the additional or corporate Card is entitled to:

- use the cash funds on the Card Account only by using the Card;
- receive information only about his/her Card, i.e., request information about the Card Account balance and the Card Transactions;
- submit the Order for suspension or renewal of the Card Transaction Authorisation.

20.10. The Cardholder of the corporate Card apart from the said in Clause 20.9 herein is entitled to receive a respective Card Account statement or to increase the daily Card Transaction Limit.

20.11. The Orders are allowed to be submitted by phone via the Identification and Authorisation Tools or the Card Password only for the following purposes:

- to receive information about the Card, Card Account balance and Card Transactions, and to receive a Card Account statement;
- to suspend or renew the Card Transaction Authorisation;
- to increase the daily Card Transaction Limit or the Available Balance;
- to extend the validity term of the Card (by using the Card Password only on condition that the Client or the Cardholder receives the new Card in the head office of the Bank in Riga, in a representative office of the Bank or from an officer of the Bank).

20.12. Apart from the provisions of Clause 20.11 herein, the following Orders by phone are also allowed, if given by using the Identification and the Authorisation Tools and for the following purposes:

- to replace the Card (on condition that the Client or the Cardholder receives the Card in the head office of the Bank in Riga, in a representative office of the Bank or from an officer of the Bank);

- to close the Card Account (on condition that the balance is credited to the Current Account);
- to transfer cash funds between the Client's accounts.

20.13. No Card may be used for any illegal action, including the payment for the goods or services that according to the legislation of the Republic of Latvia, require a special permit to buy them unless such a permit has been received.

20.14. The Cardholder has to sign the Card Transaction documents or enter the PIN Code. A supplier of goods and services is entitled to request the Cardholder to present his/her identification document. The Cardholder is entitled not to sign any Card Transaction document or enter the PIN code, if the transaction amount is not specified or is specified incorrectly in the transaction document. As to making payments via the Internet, the Cardholder might be requested to enter the Card Code and other information within additional payment authentication (3D Security).

20.15. The Client is obligated to regularly (not less than 1 (Once) in 2 (Two) weeks) control the use of the cash funds on the Card Account and monitor their balance. The Client has to immediately inform the Bank about the incorrectly made Card Transactions. The failure to provide such information serves as a proof that the Client accepts the status of the Card Account.

20.16. Upon the moment of sending the M-Bank message, it is presumed that the Client and/or the Cardholder is informed about the Card Transactions.

20.17. The Card Account is opened in one particular currency. If a deposit to the Card Account is made in a currency, which differs from the Card Account currency, the Bank is entitled to convert the received amount applying its local exchange rate valid on the date of the transaction.

20.18. Upon the Transaction Authorisation the Bank reserves cash funds on the Card Account for this Card Transaction simultaneously reducing the Available Balance. After the receipt of the confirmation of this Card Transaction, the Card Transaction amount is subtracted from the Card Account. If the Bank does not receive the transaction confirmation from a respective institution within 30 (Thirty) days after the Card Transaction, the reserved cash funds become available to the Client. After the actual Card Transaction settlement, the Bank is entitled to subtract cash funds from the Client's accounts within the term specified in the regulations of the respective organisations Visa Europe and MasterCard Worldwide.

20.19. A possibility exists that, when making the Card Transactions, transactions not authorised by the Bank may appear. Such unauthorised Card Transactions are subtracted from the Card Account by reducing the Available Balance on the Card Account only after receiving the Card Transaction confirmation from a respective institution.

20.20. If the Card Account currency differs from the Card Transaction currency, the Bank carries out the currency exchange, and on the date of writing off the Card Transaction withholds the amount of the Card Transaction in the Card Account currency based on the Bank's exchange rate applicable to the Card Transactions. As a result of the exchange rate fluctuations, a difference might arise for all types of Cards between the sum, earmarked on the Card Account, and the sum of written-off Card Transaction; besides, the Overlimit Debit Balance might occur.

20.21. The Client is obligated to monitor own transactions on the Card Account to prevent the Overlimit Debit Balance and repay the Debit Balance immediately on the Card Account. The Client pays the Bank interest on the Overlimit Debit Balance for the existing Overlimit Debit Balance on the Card Account. The interest is accrued at the end of every day and subtracted on the last day of every month.

20.22. The Bank calculates the interest on the Overlimit Debit Balance considering that there are 360 (Three hundred and sixty) days in a year, and the actual number of days in a month.

20.23. The Bank is entitled to set the amount of the Card collateral and Card Transaction Limits in definite periods of time, as well as design the Cards.

20.24. The Bank is entitled to block the Card, if:

- there are suspicions about the fraudulent use of the Card;
- there are suspicions about the unauthorized use of the Card;
- the Credit Limit and/or Overdraft is granted to the Card Account and the risk that the Client may not be able to meet the obligations has significantly increased.

The Bank informs the Client about the fact of blocking prior to or after blocking the Card via the Remote Banking Systems or other communication means, about which the Client has informed the Bank. The Bank is entitled not to inform the Client about the fact of blocking the Card in cases according to the legislation.

20.25. The Bank is entitled to interrupt servicing of the Card, which includes the closure of the Card and/or Card Account, without any prior notice, if:

- the Client has not met his/her obligations to the Bank;
- within 4 (Four) months after the Card expiry date the Client has not renewed the Card or has not received the Card issued by the Bank;
- if the Client has not used the Card for over 3 (Three) months and there is not enough cash funds on the Card Account for withholding of the annual fee.

20.26. The Bank is entitled to detain the Card in an ATM, if the PIN Code of the Card has been entered incorrectly 3 (Three) consecutive times. If at the moment of making payments to a seller the Cardholder enters the PIN Code incorrectly 3 (Three) times, the Card chip is blocked automatically. Thus, no further use of this Card is possible and the Cardholder has to exchange it.

20.27. The Cardholder is obligated to immediately notify the Bank about the loss or theft of the Card and in case of suspicion that the PIN or Card Code or other Card data became known to any third party. After receiving a notification about the loss or theft of the Card from the Client or the Cardholder, the Bank declines the Transaction Authorisation and takes actions needed to prevent any further Card Transactions.

20.28. The Client is entitled to submit a claim and thus request the Bank to cancel the Card Transaction or replenish any debited amount, if the Card has been used illegally and the Transaction has not been approved by the PIN Code, the Card Code or the Cardholder's signature, or any other tool of identification. These Client's rights are in force only if requirements of Clauses 4.39 and 20.15 herein are met and the Cardholder has not acted negligently or illegally.

20.29. The Bank does not repay cash funds to the Client under a dispute, if the Cardholder when executing the respective operation has been identified in the procedure stipulated in the Terms and Conditions or the Cardholder has not observed regulations of Clauses 4.39 and 20.15 herein, or the Client/the Cardholder has acted carelessly or maliciously.

20.30. The Card can be closed on the initiative of the Bank or upon the receipt of the Order after the Bank has substracted the Remuneration. The Card Account is closed within 30 (Thirty) days after the Card closure, if the Card Account balance is equal to zero. If the Card Account has the Debit Balance at the moment of closure, the Bank is entitled to repay the Debit Balance by writing off cash funds from any Client's account with the Bank. If there is a positive balance on the Card Account at the moment of closure, the Bank transfers these cash funds to the Current Account unless the Client has specified another way of receipt in his/her Order.

20.31. The Remuneration for the Card Account services of the Bank is paid from the Card Account. If funds available on the Card Account are insufficient to pay the Remuneration, the Overlimit Debit Balance can occur, which the Client is obligated to cover according to the Terms and Conditions. If the Client fails to fulfil his/her liabilities, the Bank, without a prior notice, approval of the Client and the court interfiarance, is entitled to write off the due amount from any of the Client's accounts with the Bank and/or use any other Client's cash funds at the Bank's management and/or keeping and transfer the amount which is necessary to cover the Overlimit Debet Balance to the Card Account and close the Card and the Card Account immediately.

20.32. The Client is entitled to file his/her claim with the Bank regarding the Card Transactions within 8 (Eight) weeks from the day of recording this Card Transaction on his/her Card Account. If the claim is not submitted in the stated term, this fact serves as a proof of the Card Transactions made by the Client.

20.33. Considering the claims on the Card Transactions, the terms defined in regulations of the international payment card organizations Visa Europe or MasterCard Worldwide are taken into account, and they may total up to 180 (One hundred and eighty) days. The disputed sums of the Card Transactions are refunded to the Client's account only after receiving a respective decision made by organizations Visa Europe or MasterCard Worldwide.

Automatic Replenishment

20.34. The Bank ensures a possibility of the constant Card Account replenishment from the Current Account. The Bank automatically replenishes the Card Account according to the payment term, periodicity and the amount specified by the Client in the Order for the Card Account automatic replenishment.

20.35. The first new or modified Order for the Card Account automatic replenishment is executed within 1 (One) Working Day after the approval or modification of the Order. If such Order is received when the monthly automatic replenishment has already been made, in case of the increase of the replenishment amount the Card Account is replenished for the difference between the amount submitted earlier and the amount specified in the new Order; while in case of the reduction of the replenishment amount, the difference between the earlier submitted amount and the amount specified in the new Order is not refunded to the Current Account from the replenished Card Account.

20.36. When calculating the payment amount, the type of the Card Account automatic replenishment specified in the Client's Order is considered:

- up to the minimum balance (the repayment of the used Credit Limit and/or Overdraft in full);
- by fixed amount (the Card Account replenishment with cash, non-cash transfers to the Cash Account and returned Card Transactions and taxes are not included in the calculation of the amount);
- up to the fixed amount (taking into account the Balance or the Available Balance; either taking or not taking into account the Credit Limit and/or Overdraft and the amounts earmarked for the Card Transactions).

20.37. The Card Account automatic replenishment is made in the Card Account currency within the amount available on the Current Account in the Card Account currency. The Bank does not convert other currencies on the Current Account.

20.38. If on the day of the Card Account automatic replenishment the cash funds available on the Current Account are insufficient to make the automatic replenishment and cover the Remuneration, the Bank is entitled not to make the Card Account automatic replenishment or to make it in the amount of the Available Balance on the Current Account.

20.39. The further Card Account automatic replenishment payments are made in terms stipulated below if it is necessary to replenish the Card Account:

- once a month – the automatic replenishment is made on the first or the last day every month according to the Order for the Card Account automatic replenishment;
- once a week – the automatic replenishment is made every Friday;
- once a day – the automatic replenishment is made every day.

20.40. The Client is obligated to inform the Bank in writing about all changes of the information provided in the Order for the Card

Account automatic replenishment no later than 5 (Five) days before the next payment by submitting the new Order for the Card Account automatic replenishment.

20.41. The Bank terminates the execution of the Order for the Card Account automatic replenishment if:

- the Client submits to the Bank Order for the Card Account automatic replenishment;
- the Card Account or the Current Account are closed.

20.42. The Bank terminates the execution of the Order for the Card Account automatic replenishment within 1 (One) Working Day after the Bank approves the Order for the Card Account automatic replenishment cancellation in a written form within 3 (Three) Working Days after the Bank approves the Order for the Card Account automatic replenishment cancellation.

Security Deposit

20.43. To receive the Card or Credit Limit in cases stipulated by the Bank, the Client has to provide a security deposit which secures the fulfilment of the Bank's claims to the Client, and which is handed by the Client to the Bank as a part of the Assets which form the Financial Collateral (in understanding of the Financial Collateral Law of the Republic of Latvia (Finanšu nodrošinājuma likums)). The amount, maturity and other conditions of the security deposit is determined by the Bank.

20.44. The term of the security deposit has to exceed the validity term of the Card or the Credit Limit for at least 1 (One) month. If after the expiry of the Credit Limit the Client renews his/her Card or prolongs the term of the Credit Limit, the maturity of the security deposit is prolonged automatically.

20.45. If the Bank makes a decision to change the collateral for the Card or the Credit Limit by cancelling the security deposit, the maturity of the security deposit expires 1 (One) month after such a decision is taken.

20.46. The Bank pays the Client interest for funds on the security deposit if it complies with the Tariffs, paying this interest in accordance with conditions stated by the Client in the respective Order.

20.47. The Bank is entitled to close the Cards and annul or change the Credit Limit if the operation of the security deposit is terminated on the Client's initiative.

20.48. The Client is not entitled to receive the security deposit before the fulfilment of all his/her obligations towards the Bank that have arisen as a result of the use of the Card and the Credit Limit.

20.49. After the expiry of the security deposit, the Bank transfers the amount of the security deposit and the unpaid interest to the account the Client has specified in the respective Order. Before paying the security deposit and interest, if such has been charged, the sum of cash funds necessary for covering the Client's obligations towards the Bank is withheld from the Client. The Bank is entitled to fully or partially cover the Client's financial obligations towards the Bank unilaterally without informing the Client and without taking any further steps/procedures by writing off the security deposit or its part in favour of the Bank; if the security deposit is insufficient to fulfil the Client's financial obligations towards the Bank, to do the write-off from any other Client's accounts with the Bank and/or sell Financial Instruments which are Financial Collateral on the current market value and transfer the received cash funds to cover the Client's financial obligations towards the Bank. In case if the security deposit currency differs from the currency of paying the obligations, the Bank performs the currency exchange in accordance with the Bank's currency exchange rate on the day of payment.

General Provisions of Credit Limit and Overdraft

20.50. The Bank provides the Client with the possibility to obtain the Credit Limit and/or Overdraft for making Payments with the Card in accordance with the Provisions. The Client shall repay the Bank amount of the used Credit Limit and/or Overdraft and pays the Remuneration of the Bank in the order stipulated by the Terms and Conditions and the Tariffs.

20.51. The Bank grants the Credit Limit on its own discretion, in the stated (desirable) amount specified in the respective Order, and the Bank can fix the smaller Credit Limit amount or refuse the Credit Limit granting. The Bank is entitled not to explain the Client the reasons behind granting the smaller Credit Limit amount or not granting the Credit Limit.

20.52. The Bank provides the Client with a possibility to start using the Credit Limit within 3 (Three) working days starting from the date when the following preconditions have been met:

20.52.1. the Client has provided the Order to the Bank and the Bank has made a decision on the Credit Limit granting;

20.52.2. security, stated in Clause 20.58 herein, is filed in favour of the Bank.

20.53. The Credit Limit and/or Overdraft is deemed to be granted starting from the date when the Bank has increased the Available Balance by the amount of the Credit Limit and/or Overdraft.

20.54. It is considered that the Client starts to use the Credit Limit and/or Overdraft at the moment when funds are used for making the Payment within the Credit Limit and/or Overdraft above the Positive Balance on the Card Account.

20.55. If there is no sufficient Positive Balance on the Card Account to make the Card Transaction, the Credit Limit is used first of all to make the Card Transaction if such has been granted for the Card Account, and only then the Overdraft is used.

20.56. The Client's liabilities on the Credit Limit and/or Overdraft are deemed to be discharged in full as of the moment when the used Credit Limit and/or Overdraft amount is totally repaid by the Client (paid or transferred on the Card Account, and is at own disposal of the Bank), and all other Client's liabilities, including repayment of the Interest on Use of Credit Limit and/or Overdraft,

the Overlimit Debit Balance, interest on the Overlimit Debit Balance and interest on overdue payments if such was calculated by the Bank. If the Client's liabilities on the Credit Limit and/or Overdraft are discharged in full, there is no Debit Balance on the Card Account.

20.57. Any amounts transferred to the Card Account are first of all used for discharging the liabilities related to the use of the Overdraft and then – to discharge liabilities related to the Credit Limit in the following order:

- 20.57.1. to pay off the interest on overdue payments in case if such has been calculated;
- 20.57.2. to pay off the interest on the Overlimit Debit Balance in case if such has been calculated;
- 20.57.3. to pay off the Interest on the Overdraft use;
- 20.57.4. to pay off the Interest on the Credit Limit use;
- 20.57.5. to redeem the Overlimit Debit Balance if such has occurred;
- 20.57.6. to pay the amount of the used Overdraft;
- 20.57.7. to pay the amount of the used Credit Limit.

20.58. Security (if such was provided), specified in the Order, secures fulfilment of the Client's obligations towards the Bank within the granted Credit Limit; it can be the following:

- 20.58.1. security deposit;
- 20.58.2. the Client's Deposit with the Bank;
- 20.58.3. the third party's Deposit with the Bank;
- 20.58.4. the third party's authorisation filed according to the Bank's demands on the Client's liabilities stemming from the the Order for gaining the Credit Limit;
- 20.58.5. any other security enhancing the liabilities, stated in the respective Order.

20.59. The Interest on Use of Credit Limit and/or Overdraft is calculated taking into consideration the following:

- 20.59.1. The Interest on Use of Credit Limit and/or Overdraft is calculated starting from the date when the Client starts to use the Credit Limit and/or Overdraft until the date when the used Credit Limit and/or Overdraft amount is repaid in full. The Interest is calculated each day from the used and unpaid Credit Limit and/or Overdraft amount in accordance with the Card Account balance at the end of a particular day;
- 20.59.2. the Bank debits the calculated Interest on Use of Credit Limit and/or Overdraft from the Card Account on the last day of a calendar month. If the cash funds are not enough on the Card Account to pay the Remuneration, the Bank reduces the available amount of the Credit Limit and/or Overdraft limit by the amount of the Remuneration due at the moment of the payment. If the Credit Limit and/or Overdraft are used in full, the Bank creates/increases the Overlimit Debit Balance;
- 20.59.3. for the purpose of calculation of the Interest on Use of Credit Limit and/or Overdraft, it is admitted that there are 360 (Three hundred and sixty) days in a year, and the actual number of days in a month.

20.60. The Client guarantees and acknowledges that all information submitted to the Bank regarding the Credit Limit Agreement and/or Overdraft Agreement is true, complete and accurate, the Client has not concealed and will not keep secret any circumstances that can negatively impact the Bank's decision regarding the Credit Limit and/or Overdraft granting to the Client, as well as that all information submitted in the future will be complete and true. By signing the Credit Limit Agreement and/or the Overdraft Agreement, the Client confirms that on the date of signature there are no hindering factors due to which performance of the Credit Limit Agreement and/or the Overdraft Agreement could be considered as impossible or difficult, as well as that no claims have been lodged and no legal proceedings have been taken against the Client.

20.61. The Client is obliged to:

- 20.61.1. repay the used Credit Limit and/or Overdraft amount in full within the terms, specified in the Bank's request;
- 20.61.2. pay the Bank the interest on the overdue payment if the Client has not repaid the Credit Limit and/or the Overdraft amount within the term, specified in the Bank's request or on the last day of providing the Credit Limit and/or Overdraft service;
- 20.61.3. in the term and order stipulated by the Terms and Conditions and the Order, repay the Credit Limit and/or Overdraft, pay the Interest on Use of Credit Limit and/or Overdraft, interest on the Overlimit Debit Balance, interest on the overdue payment if such have been calculated by the Bank, as well as any other payments according to the Tariffs, the Order and the Terms and Conditions;
- 20.61.4. notify the Bank of any changes in the information provided in the Order and deliver respective documents on change of the information to the Bank within 5 (Five) working days in writing, via the Internet Bank or Home-Banking;
- 20.61.5. regularly provide transfer of monthly income of the Client to the Card Account if the Credit Limit and/or Overdraft has been granted taking into account income of the Client, i.e. his/her salary, without filing any other collateral;
- 20.61.6. fully discharge the liabilities in compliance with Clause 20.56 herein on the last day of providing the Credit Limit and/or Overdraft.

20.62. If the Client is considered to be a consumer under the Consumer Rights Protection Law (Patērētāju tiesību aizsardzības likums) of the Republic of Latvia, the Client within 14 (Fourteen) calendar days from the date of the granting the Credit Limit and/or Overdraft is entitled to exercise the cancellation rights and withdraw from the Credit Limit and/or Overdraft, informing the Bank about exercising such cancellation rights in writing or by the Remote Banking Systems within this term.

20.63. If the Client exercises the cancellation rights under Clause 20.62 herein the Client is obliged immediately, but not later than in 30 (Thirty) calendar days from the day the Client sent the notification about exercising cancellation rights to the Bank, to repay the Bank the used Credit Limit and/or Overdraft, as well as fulfil other liabilities in accordance with Clause 20.56 herein.

20.64. The Bank is entitled at any time within the term, specified by the Bank, to request the Client the repayment of the Credit Limit and/or Overdraft, including the accrued Interest on Overlimit Debit Balance and repay the Overlimit Debit Balance in full.

20.65. The Client is entitled to use the Credit Limit and/or Overdraft in the granted volume repeatedly in a period of using the Credit Limit and/or Overdraft and paying the Credit Limit and/or Overdraft.

20.66. The Client is entitled to execute his/her obligations to the Bank regarding the Credit Limit and/or Overdraft at any moment. The Client shall not notify the Bank about the fulfilment of the obligations, and the Bank does not charge commission fee for the fulfilment of obligations.

20.67. Payment of interest for the overdue payments and interest on Overlimit Debit Balance does not release the Client from fulfilment of the overdue liabilities.

20.68. Calculating the annual interest rate, the Bank complies with the Regulations of the Cabinet of Ministers on Consumer Credit No. 1219 (Noteikumi par patērētāja kredītešanu) as of December 28, 2010, assuming that:

- the Credit Limit and/or Overdraft shall be used immediately and in full;
- the Credit Limit and/or Overdraft shall be redeemed within 3 (Three) months.

20.69. The last of providing the Credit Limit and/or Overdraft service is deemed to be:

20.69.1. a day stated in the respective Order if the Credit Limit has been granted for a particular term;

20.69.2. a day when the Client informed the Bank about refusal from the Credit Limit and/or Overdraft and discharged his/her liabilities in accordance with Clause 20.56 herein;

20.69.3. a day stated in the Bank's notification on refusal to grant the Credit Limit and/or Overdraft.

20.70. The Client agrees that the Bank gives the Client's information and personal data to third parties if it is necessary for rendering the Credit Limit and/or Overdraft services. The Client is entitled to request information from the Bank regarding the goal and extent of the use of his personal data

20.71. The Bank shows the flow of cash funds on the Card Account during a particular period, including the Card Transactions, the Card Account balance at the beginning and at the end of this period, and the granted Credit Limit and/or Overdraft in the Card Account statement, provided by the Bank and available to the Client according to the order stipulated by Order for connection to the Remote Banking Systems. The Card Account statement serves as a proof of the Credit Limit and/or Overdraft disbursement, existing obligations of the Client towards the Bank, as well as shows transactions with cash funds held on the Card Account.

20.72. In case of changing the security provided by the Client to the Bank in accordance with Clause 20.58 herein, the Bank is entitled to unilaterally change the special Interest on Use of Credit Limit and/or Overdraft to the standard Interest on Use of Credit Limit and/or Overdraft in accordance with the Tariffs without informing the Client about it.

20.73. The Bank is entitled to unilaterally amend the Interest on Use of Credit Limit and/or Overdraft. The Bank publishes information on amendments to the Interest on Use of Credit Limit and/or Overdraft the Bank's website www.rietumu.com, as well as notifies the Client about the amendments via the Internet Bank. The Interest amendments come in force on the 30th (thirtieth) day after publishing the respective information on the Bank's website and sending the respective notification to the Client.

20.74. The Bank is entitled to amend the Terms and Conditions and Tariffs regulating the Credit Limit and/or Overdraft service. The Bank informs the Client who uses the Credit Limit and/or Overdraft service about the amendments at least 2 (Two) months before the amendments take effect by placing the information on the amendments in the Bank's premises and on the Bank's website www.rietumu.com and also notifying the Client via the Internet Bank and/or Home-Banking.

20.75. If the Client does not notify the Bank on his/her disagreement with the amendments stated in Clauses 20.73 and 20.74 herein before these amendments take effect, it is considered that the Client absolutely agrees with the corresponding amendments.

20.76. In case if the Client does not agree with the amendments stated in Clauses 20.73 and 20.74 herein and informs the Bank hereinto, it is considered that the Client has expressed the wish to refuse from the Credit Limit and/or Overdraft, and, before the day the respective amendments take effect, he/she has to fulfil own liabilities in accordance with Clause 20.56 herein.

Special Provisions on Overdraft

20.77. After evaluation of financial indices and turnover of the Client's Accounts, the Bank can send the Client via the Internet Bank an offer for granting the Overdraft on the Card Account.

20.78. If the Client has an intention to receive the Overdraft and the Client has the Card Account, the Client fills in and signs the Order via the Internet Bank, and the Bank grants the Overdraft on the Card Account during 24 (Twenty four) hours from a moment of signing the Order in the Internet Bank.

20.79. If the Client wishes to receive the Overdraft and the Client has no Card Account, the Client also fills in and signs via the Internet Bank the Order for opening the Card Account and issue of the Card; and the Bank grants the Overdraft right after opening the Card Account.

20.80. After evaluation of financial indices and turnover of the Client's Accounts, the Bank is entitled to immediately decrease the granted Overdraft to the used Overdraft or to the Overdraft, granted by the Bank, if on a day of the Overdraft decrease it was not used at the full extent, or annul the Overdraft informing the Client about it via the Internet Bank.

Special Provisions on Credit Limit of Card MasterCard World Elite

20.81. The Bank provides the Client with a possibility to start using the Credit Limit within 3 (Three) Working Days starting from the date when the following preconditions have been met:

20.81.1. the Client has provided the Order to the Bank and the Bank has made a decision on issue of the Card;

20.81.2. security, stated in Clause 20.58 herein, is filed in favour of the Bank.

20.82. The Bank is entitled to refuse the Client in opening the Card Account and, respectively, in granting the Credit Limit.

20.83. On the last day of validity term of the Card MasterCard World Elite the Client is obliged to fulfil all liabilities to the full extent in accordance with Clause 20.54 herein.

20.84. The Client can close the Card and the Card Account on its own initiative on fulfilment of liabilities in accordance with Clause 20.56 herein to the full extent, and submitting to the Bank an application for closing the Card and the Card Account.

20.85. The Bank can close the Card and the Card Account on its own initiative at the term specified by the Bank informing the Client hereinto via the Internet Bank or, at its own discretion, choosing other means of communication according to the contact information specified by the Client. In this case, the Client is obligated to fulfil all liabilities to the full extent in accordance with Clause 20.56 herein.

20.86. If the Client does not agree with amendments stated in Clauses 20.73 and 20.74 herein, in such cases, except for consequences stated in Clause 20.76 herein, it is considered that the Client also expressed the wish to close the Card MasterCard World Elite.

21. Cheques

Business Cheque – a document that includes an unconditional written order to the Paying Bank that has issued this document to transfer cash funds to the payee indicated in the document on his/her demand. A Business Cheque is valid 180 (One hundred and eighty) days from the date when it has been drawn unless specified otherwise on the Business Cheque.

Cheque – the Business Cheque and the Travellers Cheque.

Endorsement – the actual writing on the back of a Business Cheque, which testifies a transfer of the Business Cheque to another person transferring rights to this person to receive the cash funds indicated on the Business Cheque.

Paying Bank – a financial institution indicated on a Business Cheque, to which the Business Cheque is referred and which meets the Business Cheque by debiting the drawer's account.

Travellers Cheque – a payment document that includes its issuer's liability to pay the amount indicated in the document to the bearer, the private individual, who has signed this document upon its purchase.

Acceptance of Cheques for Collection

21.1. The Bank accepts from the Client the Cheque for collection on the basis of the Order. The Client signs the back of the Cheque in the presence of the employee of the Bank.

21.2. Upon the signature of the Cheque, the Client confirms that he/she is entitled to receive cash funds indicated on the Cheque in exchange for the Cheque, that the Cheque includes no alterations and that the Client does not know any reason that may prove the Cheque to be invalid or undue for payment and he/she entrusts the Bank to pay the Cheque.

21.3. After accepting the Cheque for collection, the Bank sends the Cheque to the Paying Bank or another institution, which provides the Cheque payment services. The Cheque is paid not earlier than within 4 (Four) weeks from the date the Bank accepted the Cheque.

21.4. The Bank credits the cash funds specified on the Cheque to the Client's account only after the Paying Bank has transferred the respective amount to the correspondent account of the Bank.

21.5. If the Paying Bank or another institution, which provides the Cheque payment services, demands that the Client returns the paid amount of the Cheque, the Bank writes off the required amount from the Client's accounts without further authorisation according to Clause 4.2 herein. If the cash funds available on the Client's accounts are insufficient, the Client is obligated to return the amount received for the Cheque to the Bank.

21.6. The Client is entitled to stop the payment of the Cheque, submitted to the Bank for collection, by covering the Remuneration and the actual expenses of the Bank. The Bank returns the Cheque to the Client, if possible.

21.7. The Bank is entitled to refuse to accept the Cheque for collection from the Client without specifying a reason.

Business Cheques

21.8. The Bank accepts Business Cheques for collection from the Client, to whom the Business Cheque has been drawn, or from the authorised person to whom the payee, indicated on the Business Cheque, has issued the Duly Certified power of attorney, if:

- there are no other Endorsements on the Business Cheque; but the Endorsement, which testifies the submission of the Business Cheque to the Bank, or other inscriptions;
- the sum indicated on the Business Cheque in figures complies with the sum written in words.

21.9. The Bank is entitled to refuse to accept the Business Cheque for collection, if:

- the Business Cheque fails to comply with requirements of the organisation, which has issued the Business Cheque;
- there are suspicions that the Business Cheque is forged;
- there are corrections, other Endorsements or inscriptions on the Business Cheque;

- the Business Cheque has already been returned unpaid;
- the validity term of the Business Cheque has expired;
- all necessary details have not been complete on the Business Cheque for its collection;
- the Bank implements its authority according to anti-money laundering and terrorist financing regulations or on the basis of Clause 21.7 herein.

Travellers Cheques

21.10. The Client has to sign the Travellers Cheque in the presence of the officer of the Bank. The signature has to match the signature affixed on the Travellers Cheque upon its purchase; otherwise, the Bank is entitled to refuse to pay cash funds in exchange for this Travellers Cheque.

21.11. Upon the signature of the Travellers Cheque, the Client confirms that he/she is entitled to receive, in exchange for the Travellers Cheque, the cash funds indicated on it and that the Client does not know any reason that may prove the Travellers Cheque to be invalid or undue for payment.

21.12. The Bank is entitled to refuse to pay cash funds in exchange for the Travellers Cheque, if:

- there are suspicions about the authenticity of the Travellers Cheque;
- the signatures of the bearer of the Travellers Cheque do not comply;
- the Travellers Cheque has been damaged, or in any other case at the discretion of the Bank.

22. Lending and Trade Finance Transactions

Documentary Collection – an intermediation banking transaction where cash funds are transferred with mediation of the Bank from a payer to a beneficiary against commercial and/or financial documents crediting these cash funds to the beneficiary's account.

Letter of Credit – an irrevocable commitment of the Bank issued on behalf of the Client (if the Client provides a respective and due collateral for the fulfilment of the Client's obligations towards the Bank) to pay the cash funds to the beneficiary against documents presented by the beneficiary according to conditions of the Letter of Credit. The Bank issues the Letters of Credit in accordance with of the Uniform Customs and Practice for Documentary Credits by the International Chamber of Commerce (Publication 600, Revision of 2007). If the said Uniform Customs and Practice for Documentary Credits 600 are amended, the Bank applies the above mentioned Customs and Practice considering amendments made to them without coordinating it with the Client.

Letter of Guarantee – an irrevocable commitment of the Bank issued by order of the Client (if the Client provides a respective and due collateral for the fulfilment of the Client's obligations towards the Bank) (to ensure liabilities on the amount of third parties' guarantee) to pay the beneficiary the amount of money upon receiving the beneficiary's request for payment.

Loan (credit line, overdraft etc.) – the cash funds the Bank grants to the Client under a respective agreement (a loan agreement, a credit line agreement, an overdraft agreement) signed between the Bank and the Client, which the Client agrees to repay to the Bank within a term set according to provisions of the respective agreement (a loan agreement, a credit line agreement, an overdraft agreement) signed between the Bank and the Client, and to pay interest for the use of the Loan, the Remuneration for processing and granting the Loan and any penalty imposed to the Client for a failure to properly meet provisions of the respective above mentioned agreement signed between the Bank and the Client.

22.1. Entrusting the Bank the issue of the Letter of Credit/Letter of Guarantee, the Client assumes liability for all risks related to the execution of these transactions and undertakes to cover all possible damages/expenses connected with these transactions, including, but not limited to, the amount of the Letter of Credit/Letter of Guarantee, the Remunerations, the Counterparties' remunerations and expenses etc.

22.2. The Client authorises the Bank to write off the payable amounts of cash funds from any account of the Client. The Order to issue the Letter of Credit/a Letters of Guarantee is irrevocable and cannot be revoked or altered without the approval of the Bank. Entrusting the Bank to issue the Letter of Credit/Letter of Guarantee, the Client authorises the Bank to pay the amount (amounts) of cash funds specified in the Client's Order without further approval and any other agreeing with the Client in favour of the beneficiaries of the Letter of Credit/Letter of Guarantee according to conditions of the Letter of Credit/Letter of Guarantee issued by the Bank.

22.3. The Bank considers fulfilment of conditions of the Letter of Credit/Letter of Guarantee by the beneficiary based only on documents submitted by the beneficiary, and does not make any additional examinations, inspections etc.

22.4. Executing the Documentary Collection, the Bank acts exclusively according to the Order and has no financial liability to pay documents, and it is not liable for third parties' activities related to the execution of orders of the Bank concerning this transaction.

22.5. As a part of agreements signed between the Client and the Bank, the Client is entitled to submit the Orders for the receipt/repayment of Loans or parts of Loans, and Orders for issue/amendments to provisions of the Letter of Guarantee by submitting these Orders via the Remote Banking Systems and using the Electronic Signature. By using the Remote Banking Systems and the Electronic Signature, the Client is also entitled to submit the Orders to draw the Documentary Collection, draw the Letter of Credit/issue the Letter of Guarantee, as well as to submit various Orders related to these transactions, including, but not limited to, pay-out of cash funds, transfer of title documents and other financial and commercial documents etc. If, in opinion of the Bank, no circumstances encumber execution of the Orders, the Bank executes the Orders received in the above described manner. The Client is aware and agrees that the Bank does not make any additional inspections when receiving and executing the Orders.

Section III. Opening and Maintenance of Investment Accounts

23. Terms

Automatic Financing – the Margin Loan provided to the Client in the form of the credit line.

Base Currency – the currency specified by the Client in the Order for opening the Investment Accounts.

Cash Account – a special investment account opened by the Bank for holding and accounting of the Client's cash funds for the purpose of the Transactions with Financial Instruments. The Cash Account has the only interrelated Financial Instruments Account.

Order Execution Policy – "JSC Rietumu Banka Client Order Execution Policy for Operations on Financial Instruments Markets".

Execution Only - a procedure of execution of a retail client's Order, if the Client insists on making a transaction, and there is no information on the Client's knowledge and experience on the Financial Markets essential for the Bank to assess the product or service appropriateness to the retail client's interests.

FCMC – the Financial and Capital Market Commission of the Republic of Latvia (www.fktk.lv).

Financial Instruments Account – an account opened by the Bank for holding and accounting of the Client's Financial Instruments.

FOREX – the international currency market where exchange transactions of freely convertible currencies take place.

Initial Margin – the amount of initial margin requirement for the Transaction with Financial Instruments (futures contract, option etc.) paid by the Client to the Financial Instruments Account and/or Cash Account and/or Trading Venue Account and blocked on one of these accounts. The Initial Margin is used as a collateral to cover possible loss resulting from the price variation of the corresponding Financial Instrument.

Investment Accounts – the Cash Account and the Financial Instruments Account.

Investment Assets – the Assets accounted on the Investment Accounts.

Margin Call – the Bank's claim to the Client for bringing up the amount of the Initial Margin against the Financial Instrument up to the amount of the primary Initial Margin, or a requirement to restore the balance between the volume of the Margin Loan, granted by the Bank, and the collateral market value.

Margin Loan – the amount of money, granted by the Bank in accordance with the Order for purchase of the Financial Instruments or other purposes, against the Investment Assets Financial Collateral and/or acquired Financial Instruments.

Multilateral Trading Facility – the system, supported by an investment brokerage company, a credit institution or a market maker, and which, by following equivalent conditions, brings together third parties' buying and selling orders for the Financial Instruments in a way that results in making a transaction.

Nominal Accounts – the Investment Accounts, which are used by the Client exclusively for holding and accounting of the third persons' Financial Instruments and cash funds.

Policy on Conflicts of Interest – "JSC Rietumu Banka Policy on Management of Conflicts of Interest".

Regulated Market – a set of organisational, legal and technical measures, which provides for a possibility to enter into the Transactions with Financial Instruments in an open and regular manner.

Report to TR – reports on completed transactions with derivative Financial Instruments provided to the trade repository in order to fulfil the requirements of the EMIR (the European Market Infrastructure Regulation) – Regulation No 648/2012 of the European Parliament and the Council dated July 4, 2012.

Short Position Opening – the Order to sell the Financial Instruments which do not belong to the Client at the moment of submitting the Order. In this case, the Bank or the Counterparty allow the Client to sell the Financial Instruments, assuming that the Client will fulfil obligations, incurred at the time of the Order submission at the time period set by the Bank or the Counterparty, or Financial Instruments may be provided to the Client on credit, including by providing the Margin Loan.

Software – the software and/or passwords and/or access keys, provided by the Bank and/or the Software Provider, which either jointly or separately allow the Client's access to the Trading Venues for entering into transactions independently.

Software Provider – the third party, which has legal relationship with the Bank and provides the Client with the Software.

Specific Instructions – the execution time and/or price and/or venue and/or amount of the deal, and any other directions on the deal in the Client's Order.

Systematic Internaliser – an investment brokerage company or a credit institution, which deals on its own account and on an organised, frequent and systematic basis by executing the Client's Orders outside the Regulated Market or the Multilateral Trading Facility.

Trading Venue – a place where the Bank executes the Orders for the Transactions with Financial Instruments and/or a place where the Client acts on own account by carrying out the Transactions with Financial Instruments and/or cash funds.

Trading Venue Account – a special account opened for holding and accounting of the Client's Assets on the Trading Venue for providing the Client with a possibility to enter into the Transactions with Financial Instruments on own account.

Transactions with Financial Instruments – transactions and other activities, including, but not limited to, transfer, blocking, deregistration, redemption, depositing, discounting, the object of which are the Financial Instruments, and which are carried out by the Bank on its own behalf according to the Order, and/or those that the Client carries out on his/her own account using the Software.

Stop Loss – a ratio set by the Bank between the granted Margin Loan and the value of the Financial Collateral, which allows the Bank to sell the Financial Collateral in order to discharge the Client's liabilities to the Bank.

24. Investment Services Providing Procedure

24.1. Under the Law on the Financial Instruments Market of the Republic of Latvia (Finanšu instrumentu tirgus likums), the Bank categorises the Client as a retail client, a professional client or an eligible counterparty.

24.2. If the Bank has not (separately) notified the Client on his/her categorisation as a professional client or an eligible counterparty, the Client is categorised as a retail client.

Retail Client

24.3. A person who is not a professional client or an eligible counterparty may be considered as a retail client or an eligible counterparty.

24.4. The Bank is entitled not to assess the appropriateness of a product or service to the retail client's interests when receiving and executing the Client's Transaction Order provided that all of the following conditions are met:

- the Bank provides the service related to the non-complex Financial Instruments: shares that are admitted to trading on the Regulated Market of a member state or on the foreign market; to money market instruments, bonds or any other types of debt securities (except for debt securities that embed the derivative instruments); investment fund equity stakes and other non-complex Financial Instruments;
- the service is provided upon the initiative of the Client;
- the Client is informed that in a process of providing the service the Bank has not assessed the appropriateness of the provided service or offered product to interests of a retail client and for this reason the Client loses certain protection;
- the Client has been acquainted with the excerpt from the Policy on Conflicts of Interest.

24.5. A retail client is entitled to make a request to the Bank to change the Client's category to that of a professional client, if the Client meets at least two of three following criteria:

- the Client has carried out at least 10 significant transactions on the Financial Instruments market (where a significant transaction is deemed to be a transaction involving at least 20,000 EUR (Twenty thousand Euro) – at least 10 such transactions per quarter during four previous consecutive quarters;
- the value of the Financial Instruments portfolio, which includes the Client's Financial Instruments and cash deposits, exceeds 500 000 EUR (Five hundred thousand Euro);
- at least 1 (One) year of professional experience in the financial sector in a position, which requires knowledge of transactions and services on the Financial Instruments market.

24.6. The Bank is a member of the investor protection system in accordance with the Investor Protection Law of the Republic of Latvia (Ieguldītāju aizsardzības likums). If the Bank cannot fulfil its liabilities to the Client, the Client is entitled to receive compensation. As from 2008, a compensation of 90 percent (Ninety percent) of the irrevocably lost Financial Instruments or loss incurred due to the investment services within 20 000 EUR (Twenty thousand Euro).

An application for receiving the compensation has to be submitted within a year after the Client becomes aware that the Bank cannot fulfil its obligations towards the Client; however, no later than five years from the date of the failure to fulfil these obligations. The compensation is not paid to the Client if the Client is:

- a participant of the system, an insurance company, investment company, or an investor who has informed of the fact that he/she is a professional investor or is recognised as such;
- a pension fund;
- a state or a local government.

24.7. Investor protection does not apply if the Client has suffered loss due to changes in the prices of the Financial Instruments or if Financial Instruments, owned by the Client, have become non-liquid.

The Investor Protection Law of the Republic of Latvia (Ieguldītāju aizsardzības likums) is available on the web page of the FCMC: http://www.fctk.lv/texts_files/Investor_Protection_law.doc

Professional Client

24.8. A professional client can be considered to be an entity, which meets one of the parameters stipulated by the Financial Instrument Market Law (Finanšu instrumentu tirgus likums) of the Republic of Latvia.

24.9. A professional client is:

24.9.1. An institution licenced to operate on the Financial Instruments markets and supervised by a competent authority in the

Republic of Latvia or another country:

- an investment brokerage company;
- another licensed and regulated financial institution;
- an investment fund, pension fund and investment management company;
- a trade dealer;
- a company, which carries out proprietary trading on the options, futures and other derivative Financial Instruments markets or on the derivative Financial Instrument underlying asset markets, and the sole objective of such company is to limit financial risks on the derivative Financial Instruments markets; or a company, which carries out transactions on behalf of other participants of such markets or is a market maker guaranteed by the participants responsible for settlements on such markets, if those participants of the markets responsible for settlements on such markets take on responsibility for securing of the concluded agreements;
- another company, whose principal activity is investing in the Financial Instruments which carries out such investments in large volumes.

24.9.2. A commercial company, which meets at least two of the following three parameters:

- shareholders' equity of at least 2 million EUR (Two million Euro);
- net turnover of at least 40 million EUR (Forty million Euro);
- balance sheet total of at least 20 million EUR (Twenty million Euro).

24.9.3. A commercial company whose principal activity is investing in the Financial Instruments which carries out such investments in large volumes.

24.9.4. A person, recognised as a professional client in the European Union or in a member state of the European Economic Area.

24.10. The category of a professional client entails certain limitations on the level of regulatory protection, which is guaranteed to private clients. In particular, with regard to a professional client:

24.10.1. The Bank is not required to provide information about the Bank itself, services provided by the Bank, costs resulting from provision of services to the Client, as well as commission fees received by the Bank in a process of provision of services.

24.10.2. The Bank is not required to analyse the appropriateness and compliance of the services received by the Client from the Bank with the Client's interests; or inform on possible risks related to a particular service or Financial Instrument, because it is assumed that a professional client possesses sufficient expertise and experience to be able to evaluate such risks on his/her own.

Eligible Counterparty

24.11. An eligible counterparty can be considered to be an entity, which meets one of the parameters stipulated by the Financial Instrument Market Law (Finanšu instrumentu tirgus likums) of the Republic of Latvia:

- a credit institution;
- an insurance company;
- a state, local government or public institution that services the public debt, a national central bank, the World Bank, the International Monetary Fund, the European Central Bank, another international financial institution.

24.12. The category of an eligible counterparty entails certain limitations on the level of regulatory protection, which is obligatory for the Clients which have been categorized as retail or professional clients. In particular, with regard to an eligible counterparty:

24.12.1. The Bank is not required to follow conditions of achieving the best result for the Client when executing an Order.

24.12.2. The Bank is not required to provide information about the Bank's investment services; the Financial Instruments, offered investment strategies, risks related to such investment strategies and investments in the Financial Instruments; execution venues; costs and expenses related to the provided services, commission fees received by the Bank from third parties; as well as execution of the Order.

24.12.3. The Bank is not required to analyse the appropriateness and compliance of investment services with the Client's interests.

Excerpt from Order Execution Policy

24.13. Objectives and application:

24.13.1. The Order Execution Policy defines the execution procedure of the Orders of the Clients who receive the Bank's services related to operations on the Financial Instruments market.

24.13.2. The Order Execution Policy was elaborated with an aim to ensure the execution of the services on the Financial Instruments market provided by the Bank following instructions given in the Order and meeting the Client's interests.

24.14. Order submission and execution procedure

24.14.1. Carrying out the Order, the Bank acts with an aim to deliver the best execution to the Client except for cases when the Orders' specific features or current market conditions make them non-executable, or the Client's interests demand different activities. The Bank timely informs a retail client on any significant complications related to due execution of the Order.

24.14.2. Before rendering the investment service, the Bank identifies an investment risk profile for the retail client to make sure that the service is appropriate and conforms to the retail client's interests. For this purpose, the Bank uses Client Application Form for Operations on Financial Instruments markets, where the Client states information on his/her experience and knowledge on Financial Instruments market and the objectives concerning investments on the Financial Instruments market.

24.15. Aggregation of Client Orders:

24.15.1. The Bank is entitled to aggregate the Client's Orders with other Orders of the Bank's Clients and execute them by aggregating with the deals concluded by the Bank on its own account.

24.15.2. If the Bank has aggregated the Order with a deal for its own account, after execution of the respective Order the Bank undertakes to separate its Assets from those of the Client fairly in a way that is not detrimental to the Client.

24.15.3. If the Order, which has been aggregated with the Bank's deal for its own account, is partially executed, the Bank allocates the Assets, which are the subject of the deal, to the Client in priority order, whereas the Client's interests are considered to be primary. If, without the above mentioned aggregation, the Order could not be carried out in accordance with the respective terms, or could not be executed at all, the Bank will divide the result of this deal proportionally.

24.16. Best execution:

24.16.1. The Bank applies the principle of the best execution according to requirements of legislation of the Republic of Latvia and considering the content and specific character of each Order. The Bank does not provide the best execution to the Client in following situations:

- if the Client has been categorised as an eligible counterparty;
- in Spot FX deals;
- in deals executed after closing the relevant Trading Venue or a respective market.

24.16.2. Carrying out the Order, the Bank acts with an aim to deliver the best execution taking into account the following factors: the speed of the Order execution, the possibility of the Order execution, the settlement on a deal, the price of a deal, the amount of a deal, expenses of a deal and other factors concerning the execution of the Order. Determining, which of the Order execution factors is prior, the Bank analyses the Order and the potential deal being guided by its experience and according to information on the market situation available to the Bank, taking into account the following criteria:

- the Client categorisation;
- the type of the Order, including a type of the Financial Instruments in respect to which the Order was submitted;
- the Order execution venue (the Regulated Market, Multilateral Trading Facility, Systematic Internaliser or any other venue where execution of respective Order is possible).

24.16.3. In order to ensure the best execution for the retail clients, the Bank defines the best execution as a total cost of the service. The total cost comprises the price of the Financial Instrument and all fees related to execution of the Order: the Trading Venue fee and transaction fee, as well as other fees set by the persons related to execution of the Order.

24.16.4. The Bank warns the retail client that those other factors – speed of the Order execution, possibility to execute the Order, speed and possibility of settlement of a transaction, a type and value of the Order, influence on the market, etc. considered to be important by the Bank, are less significant than a total cost of the service.

24.16.5. The Bank warns the retail client if it has no information on the Client's knowledge and experience on the Financial Instruments Markets, set forth in Clause 24.14.2 herein, which is necessary to assess the product or service appropriateness to the retail client's interests. If the Client refuses to provide the required information to the Bank and insists on the Order execution, the Bank is not liable for consequences resulting from the Client's refusal to provide the required information. In this case, the Bank executes the Client Order on an Execution Only condition.

24.16.6. For the purpose of the best execution for the client, the Bank, if there are no Specific Instructions, shall set priorities for the application of factors of best execution for each individual Client in a way, which is regarded by the Bank as the best for the particular Client.

24.16.7. Executing the Order with Specific Instructions, the Bank is not obliged to immediately place information about the deal on the market, unless the Client informs the Bank about such a necessity.

24.16.8. If the Client sends the Bank the Order with the Specific Instructions, the Bank acts and executes the Order according to the given Specific Instructions. In this case, the Bank is released from following the best execution delivery principle for the Client.

24.16.9. If the Client sends the Bank the Order without the Specific Instructions, and there is more than one Trading Venue to execute this Order, to ensure the best execution for the Client, the Bank compares the conditions, under which the above mentioned Order can be executed, and chooses the Trading Venue, where the best execution for the Client is more likely.

24.16.10. For the purpose of the best execution, the Bank is entitled to hand the Order to the Systematic Internaliser which envisages a trading algorithm (smart order or another trading algorithm available to the Bank for execution) for the Order execution. Such Order execution ensures splitting of the Order and executing it by parts in different Trading Venues for different prices without violation of basic conditions of the Order. The Bank submits the Client an approval of making a transaction on the average value. The detailed information can be provided by request of the Client.

24.16.11. The Bank reviews whether the principle of the best execution is followed in relation to several Client's Orders, not to each separate Order.

24.16.12. If the Bank hands the Client's Order for execution to the Counterparty, the Bank shall take all reasonable steps to comply with the principle of the best execution, taking into account the execution factors.

24.17. Regulation on Trading Venues:

24.17.1. The Orders can be executed inside and outside the Multilateral Trading Facility, as well as inside and outside the Regulated Markets. The List of Trading Venues and Counterparties for Deals with Financial Instruments is approved by the Board of the Bank, and the List is published on the home page of the Bank www.rietumu.com.

24.17.1.1. In separate cases, the Bank can also execute the Client Order at the execution venue or with the Counterparty not included in the List of Trading Venues and Counterparties for Deals with Financial Instruments, if the Bank is able to provide the best Order execution according to the factors set in Clause 24.16.2 herein or when the specific nature of the Client Order requests to do so.

24.17.2. Acting in accordance with regulations of the Order Execution Policy, the Bank is entitled to buy and sell Financial Instruments to the Client from the Bank's personal portfolio or to the Bank's personal portfolio, thus acting as the deal's party.

24.17.3. For particular Financial Instruments, the Bank can use one Trading Venue, and in such circumstances the Bank shall consider that the best execution has been delivered to the Client.

Information on Safekeeping of Financial Instruments and Funds

24.18. To ensure the compliance with the Law on the Financial Instruments Market of the Republic of Latvia (Finanšu instrumentu tirgus likums) and the Regulations of the FCMC No. 153 "Statutory Rules on Information which in the Course of Providing Investment Services is Being Provided to the Client on an Investment Service, Financial Instruments, Costs of Services and Transactions Made" dated November 9, 2007, the Bank provides information on how the Bank ensures safekeeping of Financial Instruments and funds.

Safekeeping of Financial Instruments

24.19. The Bank keeps its Clients' Financial Instruments separately from its own Financial Instruments, that is, outside the balance of the Bank, the Clients' Financial Instruments cannot be used to fulfil obligations of the Bank in case of its insolvency.

24.20. The Bank is entitled to use services of the Counterparties for safekeeping of the Financial Instruments. The Bank, prior to

transferring the Clients' Financial Instruments for safekeeping to the Counterparty, evaluates its competence and market reputation, and the legislation of the Counterparty's country of incorporation in relation to safekeeping of the Clients' Financial Instruments.

24.21. Safekeeping of the Financial Instruments with the Counterparty causes risks of a total or partial loss of the Financial Instruments to the Client, which arises, including, but not limited to, from the following factors:

24.21.1. the Counterparty's insolvency;

24.21.2. if the Financial Instruments are kept at such a nominal account where several Clients' Financial Instruments are accounted together;

24.21.3. if the Clients' Financial Instruments are not identified separately from the Financial Instruments belonging to the Counterparty;

24.21.4. if legislation of other countries is applicable to the Clients' Financial Instruments, and thus the Client's rights referring to these Financial Instruments may differ from the rights provided by the legislation of the Republic of Latvia;

24.21.5. if safekeeping of the Clients' Financial Instruments is regulated by the agreement concluded between the Bank and the Counterparty which is filed according to the foreign legislation, namely, the agreement may be applied in unpredictable way;

24.21.6. if decisions of a foreign executive, legislative or court authorities are difficult to predict, namely, amendments to the legislation, decisions of tax authorities that may affect the Client's rights to the Financial Instruments.

24.22. The Bank is safekeeping the Client's Financial Instruments with the Counterparty that is regulated and acts in compliance with legislation on segregated safekeeping of the Client's Financial Instruments; however, in some cases, Financial Instruments may be transferred for safekeeping to the Counterparty only in a certain country or when Financial Instruments are held on behalf of a professional client and he/she submits an application to the Bank demanding such holding in a certain country.

24.23. The Bank is entitled to transfer the Clients' Financial Instruments in safekeeping to the Counterparty, which is not regulated by law in favour of the Clients (segregated safekeeping is not provided). Such safekeeping may create additional risks to the Client and the Client may incur losses.

24.24. The Bank keeps the Clients' Financial Instruments according to the agreement signed with the Counterparty. The Bank brings to the Clients' notice that in some cases encumbrances, netting rights, collateral rights can be set on Clients' Financial Instruments or no assurance is given that no encumbrances exist referring to the Client's Financial Instruments when the Counterparty uses services of other intermediaries. The Bank cannot guarantee that the Client's Financial Instruments issued abroad are not encumbered with rights of third parties.

Safekeeping of Funds

24.25. The Bank keeps its Clients' funds together with its own funds, in particular, on the balance of the Bank. Prior to transferring the Clients' funds for safekeeping to the Counterparty, the Bank evaluates its competence and reputation on the Financial Instruments market, and the legislation of this party's country of incorporation in relation to safekeeping of Clients' funds.

24.26. Safekeeping of funds with the Counterparty creates risks of a total or partial loss of the Assets to the Client, which arises, including, but not limited to, from the following:

- the Counterparty's insolvency;

- if legislation of other countries is applicable to the Clients, and thus the Client's rights referring to such cash funds may differ from the rights under the legislation of the Republic of Latvia;

- if the safekeeping of cash funds is regulated by the agreement concluded between the Bank and the Counterparty processed according to foreign legislation, namely, the agreement may be unpredictably applied;

- if decisions of a foreign executive, legislative or court authorities are difficult to predict, namely, amendments to the legislation, decisions of tax authorities that may affect the Client's rights to the cash funds.

24.27. The Bank safekeeps the Client's funds with the Counterparty that is regulated and acts in compliance with legislation on segregated safekeeping of the Client's funds, however, in some cases funds may be transferred for safekeeping to the Counterparty only in a certain country or when funds are held on behalf of a professional Client and he/she submits an application to the Bank demanding such holding in a certain country.

24.28. The Bank is entitled to transfer the Clients' funds to the foreign Counterparty which is not regulated by law in safekeeping in favour of the Clients (segregated safekeeping is not provided). Such safekeeping may create additional risks to the Client and the Client may incur losses.

24.29. The Bank keeps its Clients' funds according to the agreement signed with the Counterparty. The Bank brings to the Clients' notice that in some cases encumbrances, netting rights, collateral rights can be set on Clients' funds or no assurance is given that no encumbrances exist referring to the Client's funds when the Counterparty uses services of other intermediaries. The Bank cannot guarantee that the Client's funds are not encumbered with rights of third parties.

24.30. Any Client of Latvian banks and savings companies – either private individual or a corporate entity – under the Deposit Guarantee Law of the Republic of Latvia (Noguldījumu garantiju likums) effective as of November 1, 1998, is provided with a compensation payment for all types of deposits in all currencies up to 100 000 EUR (One hundred thousand Euro) in any bank or savings company (on all accounts together in case of several accounts in a bank). The state-guaranteed amount refers to deposits, current account balances, salary accounts, savings accounts, cash accounts, etc. The Bank is a participant of the Deposit Guarantee Fund. The FCMC pays the guaranteed compensation to the Clients who have submitted their claims to a liquidator or an administrator and whose claims have been accepted by the mentioned persons according to legislation of the Republic of Latvia. The Deposit Guarantee Law of the Republic of Latvia is available on the web page of the FCMC: http://www.fctk.lv/en/law/credit_institutions/laws/deposit_guarantee_law/

Excerpt from Policy on Conflicts of Interest

24.31. The Policy on Conflicts of Interest defines the essence of the conflict of interest in the Bank, the procedure of timely identification and management of possible conflicts of interest, the procedure of minimisation of the situations of the conflicts of interest, as well as defines responsibility of both structural units and employees of the Bank regarding management of conflicts of interest.

24.32. The situation of the conflicts of interest is a situation where the Bank's official/employee, performing his/her professional duties should make a decision or perform other activities related to the position of the Bank's official/employee, which influence or could influence the personal or economic interests of this official/employee, his/her relative or a business partner.

24.33. The Bank provides its officials/employees a possibility to report on possible or identified cases of the conflicts of interest in their own activities or other employees' activities.

24.34. The Policy on Conflicts of Interest is developed to identify the possible situations of the conflict of interest, evaluate and manage these situations and define the procedure how to eliminate the situations of the conflict of interest.

24.35. In order to achieve the goal, the Bank pursues the following objectives:

24.35.1. to identify, document and eliminate a situation of the conflict of interest;

24.35.2. to ensure the mutual independence of the structural units among which the conflict of interest may arise (different subordination, separated information flow);

24.35.3. to ensure the clarity, accuracy and authenticity of the information provided to the Clients;

24.35.4. to ensure that conditions for the deals of the persons associated with the Bank and the Bank's officials/employees, do not differ from those, which are offered to the persons unassociated with Bank;

24.35.5. to ensure that conditions for the deals of the companies, where the persons associated with the Bank and the Bank's officials/employees, have qualifying holding, do not differ from those, which are offered to the unassociated persons;

24.35.6. to ensure that the Bank's officials/employees, when performing their professional duties, eliminate the occurrence of the situation of the conflict of interest and avoid making decisions on the Bank's deals, where these persons face or could face the conflict of interest;

24.35.7. to ensure that all employees follow the rules and provisions of the Policy on Conflicts of Interest;

24.35.8. to ensure that the Bank's management is informed about the identified situations of the conflict of interest and measures taken for their elimination. The Bank's management ensures the application of the corrective measures.

24.36. The Bank's officials/employees who, when performing their duties, could face the situation of the conflicts of interest, are not allowed:

24.36.1. to make a personal transaction:

- on the basis of internal information, which is available to employees, when they perform their professional duties;

- by using or inadequately disclosing information, which contains the transaction's secret;

- which is in conflict with requirements set in the Law on the Financial Instruments Market of the Republic of Latvia (Finanšu instrumentu tirgus likums);

- using prepared investment research when a person associated with the Bank has investment research information at his/her disposal not yet available to the Bank or Clients.

24.36.2. to advise the third party to make such a transaction with the Financial Instruments, which for the person, who advised the transaction, would be qualified as a personal transaction, with exception, if the transaction is suggested when performing professional duties;

24.36.3. to disclose information to the third party or voice an opinion, if the person, who disclosed this information, knows or should have known that as a result of this disclosure the third party will make or could make or advise another person to make such a transaction with the Financial Instruments, which for the person, who disclosed this information, would be qualified as a personal transaction.

24.37. The Bank is entitled to state that in order to make a personal transaction by Clients who are Bank's officials/employees or persons associated with the Bank, should have the Bank's authorisation to execute the respective transaction.

24.38. The associated persons inform the Bank about personal concluded transactions.

24.39. The Bank has developed and maintains a register, where information is kept about transactions made by the associated persons within Bank and outside the Bank, based on information provided by the respective persons or acquired during monitoring.

24.40. Elimination measures of situations of the conflict of interest for the persons, who develop an investment research, are taken according to requirements of this Policy on Conflicts of Interest and related regulations.

24.41. The Bank is entitled to impose a prohibition on a person who produces investment research to make personal transactions that underlie investment research where a transaction is contrary to the investment recommendation suggested by the research.

24.42. Persons who are holders of inside information may not:

24.42.1. disclose, utilise or provide to third parties any inside information, except in cases where such information is disclosed or provided in the performance of their employment or professional duties;

24.42.2. on the basis of inside information obtain or alienate Financial Instruments on his/her own behalf or on the behalf of another person, as well as recommend or instruct another party to acquire or alienate Financial Instruments;

24.42.3. to trade with Financial Instruments issued by the Bank on the secondary market 1 (One) month prior to the publication of the financial statement of the Bank.

24.43. The Bank notifies any person included in the list of holders of inside information on his/her inclusion in the list and informs on requirements of internal documents and about the procedure whereby these persons are entitled to make transactions with the Financial Instruments issued by the Bank.

24.44. The Bank also identifies such situations of conflicts of interest, which could occur because of the structure or activity of the company, which is a member of the group of companies.

25. General Provisions on Maintenance of Investment Accounts

25.1. The Bank opens Investment Accounts to the Client on the basis of his/her Order.

25.2. The Bank holds and services the Financial Instruments and cash funds on the Investment Accounts.

25.3. The Client who has the Investment Accounts is entitled to submit the Orders for the Transactions with Financial Instruments.

25.4. When submitting the Orders regarding the Investment Accounts or the Trading Venue Account by phone the following conditions are applied:

25.4.1. the Client (private individual) has to call Rietumu ID and an OTP of the Client.

25.4.2. Client's Representative who has one and the same Identification and Authorisation Tools for submitting Orders on behalf of several Clients has to call Client's name, surname (for private individual) or company name (for corporate entity) as well as Client's Representative Rietumu ID and an OTP.

25.4.3. Client's Representative who has separate Identification and Authorisation Tools for submitting Orders on behalf of every separate Client has to call Client's Representative Rietumu ID and an OTP.

25.5. The Client may submit the following Orders by phone:

- the Orders to buy or sell the Financial Instruments;
- the Orders to transfer cash funds from the Cash Account to the Current Account and vice versa;
- the Margin Loan repayment Orders or currency exchange Orders on the Cash Account.
- the Orders to act on behalf of the Client by using the Software.

25.6. The Orders for cash funds transfer from the Cash Account and to buy/sell/transfer Financial Instruments, received by the Bank after the Client personally visits the Bank, are valid for 10 (Ten) days from the date indicated in the Order. The Orders stated in Clause 25.5 herein and received by the Bank via the Remote Banking Systems and by fax, phone or e-mail (only scanned documents) are valid for 7 (Seven) days from the day the Bank has received these Orders unless the Remote Banking Systems stipulate another time limit. Orders to buy/sell the Financial Instruments are valid until the end of the Working Day in which the Bank has received this Order unless the Parties have agreed on another term.

25.7. The Bank, at its own discretion, is entitled to aggregate the Orders for Transactions with Financial Instruments with the transactions, in which the Bank uses its own assets, and/or with other Clients' Orders. In some cases, the aggregation may result in changes in the conditions of the Transaction with Financial Instruments yet the Bank may not be held liable for such changes.

25.8. The validity term of the Order for transactions with the Investment Accounts and Transactions with Financial Instruments is 10 (Ten) days. This validity term does not refer to the Orders for opening Investment Accounts.

25.8.1. The validity term of the particular Orders to buy/sell the Financial Instruments – until the end of the Counterparty's trading session or until the end of the Working Day.

25.9. Executing the Order for Transactions with Financial Instruments, the Bank acts according to the Order Execution Policy.

25.10. The Bank conducts the Transactions with Financial Instruments with the Short Position Opening if it is prescribed by the conditions of the Trading Venue or the Counterparty. The Short Position Opening poses a high risk level; for this reason the Bank first and foremost gives such opportunity to the professional clients or to the Clients who have already carried out the Transactions with Financial Instruments with the Short Position Opening. The Client assumes liability for all risks related to execution of the Order with the Short Position Opening by the Bank including the risk of forced closure of a short position.

25.11. The Bank is not liable for the non-execution or improper execution of the Order, where such non-execution or improper execution has been caused by market conditions or other objective circumstances.

25.12. If the Investment Assets are insufficient for the execution of an Order, the Bank is entitled to refrain from the execution of the Order or to execute it partially or else to debit the required cash funds from the Client's any account without prior coordination of its actions with the Client.

25.13. If the Client's cash funds are insufficient to execute an Order for a Transaction with Financial Instruments, the Bank is entitled but not required to execute the Order for a Transaction with Financial Instruments by providing an overdraft to the Client equal to the lacking amount. The Bank establishes the interest rate on such an overdraft unilaterally without further authorisation; however, it cannot exceed 0.3% (Point three percent) of the overdraft per day.

25.14. The Bank withholds the Remuneration for the execution of the Order to sell Financial Instruments from the proceeds received from the sale of the Client's Financial Instruments.

25.15. The Bank withholds the Remuneration for the holding of Financial Instruments in the Base Currency from the Client's Cash Account on a monthly basis.

25.16. For any outstanding payment on the part of the Client when making settlements or other payments related to the Transactions with Financial Instruments under the Terms and Conditions the Client pays a Penalty of 0.05% (Point zero five percent) of the outstanding payment amount for each delayed day to the Bank. The Penalty payment does not release the Client from his/her obligations under the Terms and the Conditions.

25.17. If the Client submits the Order to buy the Financial Instruments or if the Client owes an amount to the Bank in currency other than the currency available on the Cash Account or the Current Account, the Bank is entitled but not required to convert the Base Currency and/or the currency with the least balance on the Client's account to the currency required for the execution of the Order or for the Client's debt repayment without prior coordination, at the current currency exchange rate of the Bank. The Client covers all costs related to the conversion.

25.18. The Bank provides the Client with information about the conditions of the accounts as well as information and reports on the Transactions with Assets according to Clause 8.1 herein.

25.18.1. The Bank provides a confirmation of the execution of the Orders on Transactions with the Assets to the Client categorised as a private client in the meaning of the Law on Financial Instruments Market of the Republic of Latvia (Finanšu instrumentu tirgus likums) in the following terms:

25.18.1.1. no later than on the next Working Day after the execution of the Order;

25.18.1.2. if the Bank receives the confirmation on the execution of the Transactions with Assets from the Counterparty, no later than the next Working Day after the receipt of such confirmation.

25.19. The Bank is entitled to close the Investment Accounts in the following cases:

25.19.1. if the Client has submitted the Order for rejection of services of the Bank and closing of the Investments Accounts;

25.19.2. if the balance of the Investment Accounts has been zero or the overall balance of the Investment Accounts has amounted to less than 100 EUR (One hundred Euro) or an equivalent in another currency, and no Transactions with Financial Instruments have been carried out on the Investment Accounts within a year. In these circumstances, the Bank transfers the remaining balance to the Current Account;

25.19.3. if the Current Account is being closed on the initiative of the Bank by informing the Client 10 (Ten) days before the closing of the Investment Accounts;

25.19.4. in other cases stipulated by the Terms and Conditions and the norms of law of the Republic of Latvia.

26. Holding and Maintenance of Financial Instruments

26.1. The Bank performs holding of the Client's Financial Instruments on the Bank's accounts with the Counterparties chosen by the Bank for such holding. With regard to the Financial Instruments and cash funds kept on the Bank's accounts with the Counterparties, the legal norms of the country of the registration of the respective Counterparty are applicable, which may differ from the legislative requirements of the Republic of Latvia as to the holding of Financial Instruments.

26.2. The Client assumes all risks of encumbrance, blocking or forced alienation related to the activity of the Counterparties or to non-fulfilment by the Counterparties of their obligations. If the Client has his/her own Financial Instruments accounts in the countries where the Client's Financial Instruments and/or cash funds are placed, the holding may be done on these accounts, in which case the Client is obliged to issue an authorisation to the Bank as to these accounts to enable the Bank to fulfil obligations under the Terms and Conditions.

26.3. The Client is entitled to request the Bank to open accounts for holding of the Client's Financial Instruments and/or cash funds with any third party chosen by the Client. If the Bank agrees to open the respective account, the Client undertakes to reimburse the Bank for all costs related to the opening and maintenance of this account.

26.4. Due to certain specific conditions applied to the holding of the Financial Instruments by third parties on some markets, it is possible that the Client may not be able to participate in corporate events of the issuers, whose Financial Instruments are acquired by the Client, including the meetings of shareholders, as well as exercise other anchored rights. The Client confirms that the Bank cannot be required to provide and ensure the Client's ability to exercise the right to participate in the meetings of shareholders, to vote and to take part in other corporate events of the issuers, whose Financial Instruments are held by the Client. The Bank is entitled but not obligated to inform the Client about such events. The Bank undertakes not to use the Client's inability to exercise the Client's rights as an owner of Financial Instruments of any of the issuers to its own benefit; the Bank is not liable for consequences of the inaction of the Bank.

26.5. The Bank transfers the amounts due to the Client as a result of the sale of the Financial Instruments or the receipt of income (coupons, dividends etc.) from the Financial Instruments to the Cash Account no later than within 2 (Two) Working Days as of the moment the cash funds have become available to the Bank unless the Parties have agreed otherwise. If due to any reason the Bank does not receive from its Counterparties the income from the Client's Financial Instruments and calculated by the issuer or the proceeds from the sale of the Financial Instruments, the Bank is not required to transfer the amounts mentioned herein to the Cash Account before such income has been made available to free disposition of the Bank. The Client assumes the risk of loss on the failure to receive income as a result of the action and/or inaction of the issuer and/or third parties.

26.6. When the Client submits the Order to transfer the Investment Assets to other accounts of the Client or third parties, the Bank executes the part of the Order where cash funds are concerned no later than on the next Working Day from the receipt of the Order. The Bank executes the Order to transfer the Financial Instruments, if the conditions governing the circulation of such Financial Instruments do not prohibit such transfers and, subject to the specific details of each Order, within the time limits agreed between the Client and the Bank. Otherwise, the Bank transfers the Financial Instruments within the time limits corresponding to the international market practice with regard to the transfer of such Financial Instruments.

26.7. The Bank services events related to the Financial Instruments, including but not limited to the redemption of the debt Financial

Instruments, the alteration of the nominal value of the Financial Instruments, the aggregation or division of the issue of the Financial Instruments in accordance with conditions established by the issuer or depository of the respective Financial Instrument in each specific case or according to the international market practices with regard to a particular event related to the Financial Instruments. In certain circumstances, the Bank has to receive the Client's instructions to perform any action related to events with the Financial Instruments owned by the Client, in which case the Bank will not act until such instructions are received from the Client. Besides, the Bank is not liable for consequences of the inaction of the Bank, if the Client does not provide the instructions or the Bank does not succeed to contact the Client to obtain such instructions.

26.8. Acting under the Terms and Conditions, the Bank is entitled to become a depositor of another holder of the Financial Instruments and/or cash funds according to the agreement signed with this holder and hand the Client's Financial Instruments and/or cash funds over to the holding of this holder.

27. Transactions with Derivative Financial Instruments

27.1. This Section is applied, if the Client by using services of the Bank has expressed a wish to perform transactions related to the derivative Financial Instruments, such as: options, futures contracts, forward contracts and other derivative Financial Instruments.

27.2. Carrying out transactions with the derivative Financial Instruments, the Client undertakes to ensure the necessary Initial Margin and the amount of the Remuneration on the Cash Account. The amount of the Initial Margin is defined by the Regulated Market, the Bank's Counterparty or the Bank. The Client must specify the amount of the Initial Margin individually in the Bank on the day of transaction with the Derivative Financial Instruments. Due to the specific features of some of the Derivative Financial Instruments, as well as places of execution of the Orders, the actual amount of the Initial Margin can be defined and accepted for the Client in 2 (Two) Working Days from the moment of concluding the corresponding deal.

27.3. The Bank saves itself the right to unilaterally alter the amount of the Initial Margin by notifying the Client thereof 1 (One) Working Day before the new conditions come into effect. If the amount of the Initial Margin changes due to corresponding changes on the particular Regulated Market or decisions of the Bank's Counterparty, the Bank is not obligated to report it to the Client in advance. The Client has to keep track of changes on the Regulated Market individually.

27.4. The Bank saves itself the right to refuse to perform transactions with the derivative Financial Instruments for the Client without specifying a reason.

27.5. If due to change of the price of the derivative Financial Instruments and/or change of the market price of the Investment Assets that serve as the Financial Collateral for a transaction with derivative Financial Instruments the minimum level of loan-to-collateral ratio set by the Bank is reached, the Margin Call situation emerges for the Client.

27.6. The Bank is entitled but not required to inform the Client about the Margin Call situation. The Client has to individually keep track of the market situation and in case of the Margin Call deposit additional cash funds to meet the Initial Margin or to sell the Financial Instrument, thus closing the position of the derivative Financial Instrument.

27.7. If the Client fails to contact the Bank during the day that the Margin Call situation is registered, the Bank is entitled but not required to do the following without notifying the Client thereof:

27.7.1. to close the position of the derivative Financial Instrument by total or partial selling of the Financial Instrument and to use the proceeds first and foremost to cover its losses and the Penalty, or

27.7.2. to bring the Initial Margin against the derivative Financial Instrument to the required level from the cash funds available in the Client's any accounts with the Bank.

27.8. In case of the Margin Call situation and if the Client fails to fulfil his/her obligations in the set period, the Bank is entitled to close the position at any time without notifying the Client.

27.9. The Client is liable for the repayment of any losses to the Bank, including accidental losses resulting from force majeure circumstances which may arise as a result of transactions with the derivative Financial Instruments and assumes all related risks. No circumstances, including force majeure, cancel, can cancel or suspend these Client's obligations.

27.10. For the purpose of the fulfilment of the EMIR requirements ((the European Market Infrastructure Regulation) – Regulation No. 648/2012 of the European Parliament and the Council of July 4, 2012) the obligation of residents of the European Economic Area to provide Reports to TR and lies on both transaction parties.

27.10.1. The Client is entitled to authorise the Bank to provide Reports to TR by submitting the relevant Order. The full responsibility for providing the Bank with all necessary information for the Report to TR lies on the Client.

27.10.2. The Client is solely liable for the fulfilment of the EMIR requirements ((the European Market Infrastructure Regulation) – Regulation No. 648/2012 of the European Parliament and the Council of July 4, 2012) as well as for possible losses and/or adverse effects that may be caused in case he/she fails to submit the Order specified in Clause 26.10.1 herein.

27.11. If legislative requirements of any country, except for the EMIR, for the transaction with the derivative Financial Instrument are applied which, including, but not limited to, requires notification of the repository or another organisation about the concluded transaction with the derivative Financial Instrument or provides its special execution order, the Client is obligated to individually ensure compliance with these legislative requirements. If these legislative acts require any Bank's actions, the Client is obligated to explain legislative requirements to the Bank before submitting the Order on transactions with the derivative Financial Instrument. The Bank is entitled not to execute the Order on transactions with the derivative Financial Instrument. If the Client violates liabilities under this Clause, the Client is obligated to cover the Bank's Losses, if any.

28. Transactions with Investment Gold

28.1. This Section applies to the Client's transactions with the investment gold in a framework of investment services of the Bank.

28.2. Within the meaning of the Terms and Conditions, the investment gold is equal to the Financial Instrument.

28.3. To conduct a transaction with the investment gold, the Client submits the Order for a transaction with the investment gold to the Bank.

28.4. The Bank is entitled to refuse to accept the Order for execution, not to execute the Order or to execute the Order partially, if the circumstances that have occurred make the execution of the given Order impossible or difficult. The Bank executes an Order in its own name but on the Client's account and under the Client's instruction.

28.5. If the amount of the investment gold specified in an Order is not consistent with available denominations of gold bars, the Bank informs the Client thereof and the Client undertakes to amend the Order in a manner as to make it executable.

28.6. The Client understands, accepts and confirms the following:

28.6.1. due to the particularity of the transactions with investment gold, the time period between the moment of the acceptance of the Order for execution and the moment of the delivery of the investment gold to the Bank vault and its corresponding reflection on the Financial Instruments Account may differ in every particular case. The Bank does not guarantee and is not liable for the observance of the dates the Client has indicated in the Order;

28.6.2. when executing the Order in full or partially and receiving the investment gold from the Counterparty, the investment gold is deposited into the Bank vault and reflected on the Financial Instruments Account. The Client's right to title over the investment gold purchased according to the Order occurs as of the moment when it is reflected on his/her Financial Instruments Account;

28.6.3. the Client's investment gold is stored at the Bank vault together with the investment gold of other Clients and segregated from the investment gold owned by the Bank;

28.6.4. when the Bank receives the investment gold from the Counterparty who mediates in the execution of the Order, the Bank is not obligated to check the authenticity and quality of the investment gold, including but not limited to an examination or a hallmark check. The Bank is not liable for the quality, parameters and specifications of the investment gold. The Client agrees to all related risks and assumes them, and waives any claims or objections on the quality, parameters and specifications of the investment gold addressed to the Bank;

28.6.5. the Client assumes all risks, expenditures and losses occurring in connection with the transportation of the investment gold when the Bank executes the Order;

28.6.6. the Bank pays the Client the amount received from the sale of the investment gold according to the Order only after the Bank actually receives this amount from the Counterparty.

28.7. The Client is entitled to physically obtain the investment gold, which belongs to him/her, by giving the Bank a 3 (Three) Working Days prior written notice. The moment of physical receipt of the investment gold by the Client serves as a condition for the Bank to delete the entry on the Financial Instruments Account concerning the right to title over the investment gold.

28.8. The Client assumes all tax liabilities, which occur from transactions with the investment gold, and is fully liable for the payment of taxes in the country of the Client's tax residency. The Client is obligated to compensate the tax expenditures of the Bank, which occur or may occur when executing the Order.

29. Margin Loans

29.1. This Section is applied, if the Client has expressed a wish to receive the Margin Loan with the Bank against the Financial Collateral of the Investment Assets.

29.2. Based on the Client's Order, the Bank is entitled but is not required to provide the Margin Loan to the Client against the Financial Collateral of the Investment Assets.

29.3. The period, amount and interest rate applicable to the Margin Loan and other conditions of the Margin Loan are reflected in the Client's duly formulated and completed Order.

29.4. Standard margin criteria, namely, the ratio of the loan and the collateral as well as the value at which the Margin Call or Stop Loss occurs, are reported to the Client on the website of the Bank www.rietumu.com. If the Bank approves the individual funding conditions, in particular, margin criteria, the Bank informs the Client about such individual criteria in respect of whom such parameters are set.

29.5. The Bank is entitled to unilaterally alter conditions including margin criteria of the Margin Loan by notifying the Client 1 (One) Working Day before the new conditions come into effect. The Bank at its own discretion may refuse to continue the provision of the Margin Loan to the Client and to demand the repayment at any time.

29.6. If the Bank discontinues the provision of the Margin Loan or alteration of its conditions so that the Client is required to fully or partially refund the amount of the Margin Loan, the Bank notifies the Client thereof at least 1 (One) Working Day before the new conditions come into effect. The Client has to reimburse to the Bank the required amount of the Margin Loan with accumulated interests and pay the Penalty if any has been assessed by the Bank no later than on the day of the expiry of the Margin Loan.

29.7. If the market value of the Investment Assets used as the Financial Collateral decreases and is insufficient to meet the level defined by the Bank in accordance with loan-to-collateral ratios established in the Bank, the Margin Call situation emerges.

29.8. The Bank is entitled but not required to inform the Client about the Margin Call situation. The Client has to individually keep track of the market price of the Financial Instruments used as the Financial Collateral for the Margin Loan and contact the Bank in case of the Margin Call to receive the Bank's instructions:

29.8.1. to deposit additional cash funds in his/her Cash Account to meet the margin (or a part of the margin), i.e., the difference between the purchase price of the Financial Instruments (or the amount of the provided Margin Loan) used as the Financial Collateral for the Margin Loan and their real value;

29.8.2. to buy additional Financial Instruments or transfer them to the Financial Instruments Account to provide the Financial Collateral. The Bank takes a decision about the measures to be taken to eliminate the Margin Call situation unilaterally, without additional coordination with the Client. The Client has to fulfil the Bank's instruction by 12.00 CET (Twelve o'clock Central European time) of the day following the day of the Margin Call.

29.9. If the Client fails to contact the Bank during the day that the Margin Call situation is registered or fails to fulfil the Bank's instructions by 12.00 CET (Twelve o'clock Central European time) of the day following the day of the Margin Call, the Bank is entitled but not required to restore the balance between the Margin Loan and the Financial Collateral without further notice and/or without coordinating it with the Client by withholding the required amount from the Cash Account and/or the Current Account, or to repay the Margin Loan by selling the Client's Financial Instruments used as the Financial Collateral for the Margin Loan.

29.10. If between the moment that the Margin Call situation is registered and 12.00 CET (Twelve o'clock Central European time) of the next day the market price of the Financial Instruments used as the Financial Collateral for the Margin Loan continues to fall, the Bank is entitled but not required to sell the Client's Financial Instruments used as the Financial Collateral for the Margin Loan.

29.11. When calculating the Margin Call, the Bank takes into account the Investment Assets regardless of whether the Margin Loan is issued against the Financial Collateral of the Investment Assets or a specific Financial Instrument(-s), and also takes into account the accrued interest on the respective Margin Loan. At the repayment of the Margin Loan, the available cash funds are used in the following order: to cover the Penalty, to cover interest and to repay the principal amount of the Margin Loan.

29.12. The Bank is entitled independently, without prior coordination with the Client, to decide which of the Financial Instruments and in what order should be sold, regardless of whether the Margin Loan is issued against the Financial Collateral of the Investment Assets or a specific Financial Instrument(-s).

29.13. The Client has to pay the accrued interest on the Margin Loan at the request of the Bank unless the Parties have agreed otherwise but in any case at least 1 (Once) in each 6 (Six) months by direct debit from the Current Account and/or Cash Account without authorisation. In case the day of debiting the accumulated interest for the provided Margin Loan falls on a holiday or a public holiday, the debiting is made on the Working Day after the holiday or the public holiday.

29.14. The Client pays the Penalty of 0.05% (Point zero five percent) per day of the total amount payable in case of the Margin Call. The Penalty payment does not release the Client from the obligation to close the Margin Call situation. The Penalty is calculated from the day following the day when the Margin Call situation is registered and up to the moment when the Margin Call situation is fully eliminated.

29.15. If the Client submits the Order to the Bank for the provision of the Margin Loan by attracting credit funds from the Counterparty against the Financial Collateral of the Client's Financial Instruments, the Bank may return the Financial Instruments, which serve as the Financial Collateral, within 3 (Three) Working Days from the moment the Client has repaid the Margin Loan.

29.16. If the Client takes the Margin Loan without the indication of its repayment date and the Bank repledges Client's Financial Instruments, which serve as the Financial Collateral, according to Clause 6.8 herein, the Bank may return the Financial Instruments held as the Financial Collateral to the Client within 3 (Three) Working Days from the moment of the repayment of the Margin Loan.

29.17. The Client is liable to repay the Margin Loan to the Bank and to cover any losses, including accidental losses resulting from force majeure circumstances related to the provision of the Margin Loan to the Client and assumes all related risks. No circumstances, including force majeure, cancels, can cancel or suspend these Client's obligations.

Automatic Financing

29.18. Automatic Financing is provided in US dollars according to the relevant Order and is valid until its termination by the Client or the Bank on condition that at the time of the cancellation of Automatic Financing Orders, the Client has paid to the Bank the Margin Loan payments as well as all the accumulated interest and Penalties, if any has been assessed by the Bank.

29.19. Automatic Financing is provided if after the payment of transactions or other operations with cash funds, the negative balance appears on the Cash Account on a specific date. The Automatic Financing is provided in the amount necessary to cover the negative balance of the Cash Account.

29.20. The Automatic Financing can be provided to the Client if at the time of submitting of the Automatic Financing Order the already granted Margin Loan is no less than 10 000 USD (Ten thousand US dollars).

29.21. The interest rate on the Margin Loan under Automatic Financing is established and can be changed by the Bank unilaterally.

29.22. When free cash funds are credited to the Client's Cash Account, the Bank will automatically debit the funds to meet the current Client's liabilities towards the Bank for the Margin Loan issued under Automatic Financing or the Bank's granted overdraft.

29.23. If current market value of the Client's Financial Instruments is less than the Initial Margin, the Bank unilaterally, without further authorisation, transfers cash funds in order to discharge the Margin Loan granted under the Automatic Financing until it

reaches the initial amount of the Initial Margin. If cash funds are insufficient to cover the Marginal Loan under granted Automatic Financing, the Bank unilaterally without further authorisation is entitled to grant overdraft to the Client.

29.24. If within Automatic Financing it is impossible to grant the required amount of the Margin Loan, the Bank is entitled to grant an overdraft to the Client on the deficient amount on condition that the current value of the Client's Financial Instruments is less than the Initial Margin deposit.

29.25. Automatic Financing provisions do not apply to the marginal FOREX, as well as non-standard Margin Loans granted on special conditions.

30. Provision of Services on Financial Markets by means of Software

30.1. This Section applies to the Transactions with Financial Instruments entered into by the Client on his/her own account using the Software.

30.2. Within the meaning of this Section, the term "Trading Venue" is also applicable to the Bank, if the Bank is a party to a transaction, which the Client has concluded by means of the Software.

30.3. The Bank and/or the Software Provider provide the Software to the Client on the basis of a non-exclusive, revocable, non-transferable and limited license for the use of the Software to perform Transactions with Financial Instruments on own account.

30.4. The Client is aware that the Bank and/or the Software Provider or their associates are the owners of the Software, the rights to the Software, its applications and content. These rights include the right to use the Software and any of its applications, and other intellectual property rights (whether registered or not).

30.5. The Client has to use security systems and procedures required to prevent the violation of the applicable law and unauthorised access and/or the use of the Software, including but not limited to intentional or unintentional introduction or admission of introduction of computer viruses, worms and other malicious codes and programs in the Software.

30.6. The Client shall not to take the following actions:

30.6.1. sell, lease, transfer, create the derived Software from the Software, reproduce, redistribute or distribute the Software to a third party in any other way;

30.6.2. copy, modify, transform, decompile the Software, including for the purpose of extracting the source codes;

30.6.3. remove, obscure or change any copyright or other notices contained in the Software and/or the Trading Venue;

30.6.4. access the information or applications in the Software or the Trading Venue that the Client is not authorised to use. If the Client receives such access, he/she has to notify the Bank immediately.

30.7. The Client is liable for all actions made through the Software. The Client transmits the Orders through the Software at his/her own risk. All the Orders made through the Software have to be precise, complete, consistent and duly formulated. The Bank is not required to and will not verify the accuracy of the Orders. Besides, the Client undertakes to ensure the availability of cash funds on the Cash Account required for the execution of Orders at the Trading Venue.

30.8. The Bank and/or Software Provider are entitled to discontinue the provision of the Software to the Client or block the Client's access to the Trading Venues at any time without prior notice and without specifying a reason for such discontinuance or access denial. The Bank and/or Software Provider may not be held liable for any consequences of such discontinuance or access denial. No modification, suspension or discontinuance of the provision of the Software or the access denial to the Trading Venues invalidate or affect liabilities for the transactions the Client has entered into before such discontinuance of the provision of the Software or the access denial to the Trading Venues. The renewal of the provision of the Software and the Client's access to the Trading Venues for Transactions with Financial Instruments may be restored solely at the discretion of the Bank and/or Software Provider.

30.9. For transactions on the FOREX market the amount of the Initial Margin is 1:50 (Two percent), unless the Parties have agreed otherwise. The Client accepts the risk that, if the above mentioned ratio falls below this level, the Trading Venue system automatically sells the assets purchased by the Client. The margin requirement may be altered by the Bank at any time subject to changes in the conditions of transactions on the FOREX market, and the Client undertakes to ensure the availability of the amount of the cash funds on the Client's Cash Account sufficient to cover the established margin requirement within the time limits specified by the Bank.

30.10. Carrying out transactions by using the Software, the Client is solely liable for the control of positions and has to ensure that the Orders regarding such positions are submitted in due time. In case of a negative balance in the Trading Venue Account, the Bank equates such a negative balance to the overdraft and unilaterally without further authorisation calculates and writes off the interest for the overdraft rate to the benefit of the Bank but not more than 0.1 % (Point one percent) per day of the negative balance amount in the Trading Venue Account.

30.11. The Client undertakes to ensure the safekeeping of the Software and not to provide the Software to third parties. The Client is liable for and accepts as binding any actions of any persons (authorised or unauthorised users of the Software and persons who have illegally gained access to the Software) who have been given or have gained access to the Software as for the Client's own actions.

30.12. The Client undertakes to immediately inform the Bank by sending the relevant notice to the Bank, if the Client has lost the password and/or the key or any other part of the Software. In these circumstances, the Bank is entitled but not required to block the Client's access to the Trading Venues until a new password and/or a key is issued to the Client. The Bank may not be held liable for any consequences arising from the loss of the password and/or the key or any other part of the Software by the Client.

30.13. At the request of the Bank the Client has to provide the Bank with any information and/or documents required for the provision and/or use of the Software.

30.14. When using the services of the Bank specified in Clause 30.3 herein, the Client is entitled to receive the Software and receive information about the technical parameters of the Software required for actions at the Trading Venues. The Bank and/or the Software Provider may, at their own discretion, provide the Client with materials, user manuals and instructions related to the use of the Software. This information is provided "as it is" and for informative purposes only, and the Bank and/or the Software Provider are not liable for its content. It is the Client's sole responsibility to provide all required equipment and the services needed to access and use the Software.

30.15. The Client is aware and agrees that an Order placement at the Trading Venue through the Software does not mean that the Order has been accepted for execution. The Order may not be executed due to specific features of transactions at the Trading Venues.

30.16. If the Counterparty through whose mediation an Order is executed renders the execution of the Order infeasible or limits its execution, the Bank is entitled to limit the number of the Client's open positions at a certain Trading Venue without further authorisation and without specifying a reason and/or to close the Client's any open position at any time.

30.17. All the Client's activities related to the Software and to the Transactions with Financial Instruments at the Trading Venues have to be legal and consistent with norms of law governing the activity of the Client, the Bank, the Software Provider and the Trading Venues. The Client is prohibited to use the Software for publishing or transmitting inappropriate or illegal information or materials.

30.18. The Client guarantees to pay damages to the Bank and/or the Software Provider and protect them against various liabilities and claims, which may arise to the Bank and/or the Software Provider both directly and indirectly due to:

30.18.1. the Client's failure to fulfil his/her obligations under the Terms and Conditions, including the Client's obligations concerning any transaction, which the Client has concluded by means of the Software;

30.18.2. intellectual property infringements by the Client. The Client's obligation to indemnify and protect applies to all actions of any person (regardless of the person's authorisation) who has been given or has gained access to the Software.

30.19. In case of any claims by third parties or public authorities addressed to the Bank and/or the Software Provider regarding the Client's Transactions with Financial Instruments at the Trading Venues, the Client undertakes to cover all costs and the Bank's Losses and/or the Software Provider related to such claims. The Bank is entitled to withhold all costs and the Bank's Losses, if any, without further authorisation from the Client's cash funds on the Client's any accounts with the Bank.

30.20. By providing the Software to the Client the Bank is not liable for any consequences of Transactions with Financial Instruments, including but not limited to the following: for settlements related to the performed Transactions with Financial Instruments; for the completeness and authenticity of the information the Client receives at the Trading Venues; for technical features of the execution of Transactions with Financial Instruments at the Trading Venues; for changes in the conditions of Transactions with Financial Instruments. Regardless of the above said the Bank is liable to perform obligations solely under the transactions, in which the Bank acts as a party.

30.21. The Bank is only liable for direct losses caused to the Client; the Bank does not compensate indirect losses, including lost profit and any losses resulting from the technological and/or technical features or errors related to the provision of the services specified in Clause 30.3 herein.

30.22. The Software Provider is not liable (to the Client or any third party), including but not limited to for any lost profit, data loss, indirect losses or any other damages caused by using of the Software or related to the provision of the Software, the use and/or the inability to use the Software. The Software Provider is entitled to directly demand that the Client fulfils his/her obligations under this Section of the Terms and Conditions.

30.23. The Bank is not liable for any obligations of third parties to the Client that may emerge while the Client uses the services of the Bank specified in Clause 30.3 herein.

30.24. The Bank and the Software Provider disclaim any obligation to keep the Software free of errors or computer viruses or to maintain uninterrupted access. The Bank and/or the Software Provider are entitled to stop producing or updating the Software or to stop providing the quotes.

30.25. All information submitted to or collected by the Bank and/or the Software Provider through or in connection with the Software, as it is available to the Bank and/or the Software Provider through the Software, will be the property of the Bank and/or the Software Provider accordingly. The Bank or the Software Provider is entitled to use this information freely at its own discretion according to its business practices regardless of the confidentiality provisions stipulated by the Terms and Conditions. The Bank and the Software Provider are entitled to use this information if it is aggregated with other data or processed in a way that it cannot be attributed to or associated with the Client.

30.26. The Bank and the Software Provider, their authorised persons and representatives are entitled to monitor how the Client uses the Software and record telephone conversations with the Client concerning the Software. The Bank reserves the right to audit how the Client uses the Software on its initiative or at the Software Provider's request.

30.27. Given that by providing the services specified in Clause 30.3 herein to the Client the Bank does not conclude any transaction for the Client and/or does not perform any settlements, the Bank does not provide any statements, reports and/or other documents related to Transactions with Financial Instruments to the Client unless the Bank is a party to a relevant transaction entered by

and between the Bank and the Client under the Terms and Conditions. If the Bank is a party to a transaction, the Bank at its own discretion will provide the Client with statements, reports and/or documents related to the entered transaction. These documents are provided for informative purposes only and their content will be limited and partial comparing with the documents, which are available to the Client through the Software. When using the Software the Client has independent access to statements, reports and/or other documents related to his/her Transactions with Financial Instruments and the Client is liable for the storage of this information. The Bank is not liable for the accuracy and authenticity of the data included in these statements, reports and/or other documents, nor is the Bank liable for the safekeeping and/or recovery of the data related to Transactions with Financial Instruments after the Client's Investment Accounts with the Bank are closed and/or after the Client's access to the Trading Venues is blocked. No data about the Client's Transactions with Financial Instruments will be provided to the Client upon the expiry of 1 (One) year from the moment that the Client's Investment Accounts have been closed and/or the Client's access to the Trading Venues has been blocked.

30.28. Upon the termination of the Client's access to the Software or the provision of the Software, the Client is obligated to cease to use the Software and any Software or documentation related to it. The Client is obligated to return all copies of the Software and the related documentation in the Client's disposition to the Bank and/or the Software Provider.

30.29. The Client is liable to cover the Bank's Losses, including accidental losses resulting from force majeure circumstances related to the provision of the services specified in Clause 30.3 herein and assumes all related risks. No circumstances, including force majeure, cancels, can cancel or suspend the Client's obligations under this Section of the Terms and Conditions.