



JSC „RIETUMU BANKA“  
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## TERMS AND CONDITIONS OF JSC “RIETUMU BANKA” AND CLIENT AGREEMENT

Approved by the Board of JSC “Rietumu Banka”, Minutes No. 23., 30.06.2017

The Terms and Conditions of JSC “Rietumu Banka” and Client Agreement (hereinafter – the Terms and Conditions) regulate the relationship between the Bank and the Client receiving financial services 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”, Section III “Investment Services” and Section IV “Trading Platforms” prevail over provisions of Section I “General Provisions”.

### Section I. General Provisions

#### 1. Basic Terms

All terms not defined by the Terms and Conditions have the meaning given them by the corresponding rules 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, and the terms defined in plural have the same meaning in singular.

**Assets** – all financial resources of the Client, including: 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, Riga, 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 of the Bank to third parties, Penalties and fees, unenforceable liabilities of third parties, and lost profits and damage to the Bank’s reputation.

**Beneficial Owner** – a private individual: a) who owns or directly or indirectly controls at least 25 per cent of the merchant’s fixed capital or the total amount of voting shares, or who controls the merchant’s activity in any other way; b) who directly or indirectly has the right to property or who directly or indirectly controls at least 25 per cent of a legal entity other than a merchant. A person or a group of persons for whose benefit an establishment has been set up is considered the Beneficial Owner of the establishment. A political party, partnership or cooperative society is considered the Beneficial Owner of the relevant political party, partnership and cooperative society, c) for whose benefit of in whose interests the business relationship is being established, or d) for whose benefit or in whose interests an individual transaction is being executed without establishing a business relationship (for the purpose of the Law on the Prevention of Money Laundering and Terrorism Financing of the Republic of Latvia).

**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 which 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) and countries the Republic of Latvia has signed a treaty on legal assistance with;
- documents have to be legalized in accordance with the procedure established by the laws 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 based on the algorithm set by the Bank using the Identification and Authorisation Tools. The Electronic Signature generated in accordance with the procedures established by the Bank has the same legal force as a genuine (manual) signature.

**Enterprise Link** – a Remote Banking System which gives the Client access to the Transactions with Assets via the Internet Bank and accounting systems of the Client.

**Enterprise Link PRO** – a Remote Banking System which gives the Client access to the Transactions with Assets via the Internet Bank and accounting systems of the Client, and allows the Client to issue Orders.

**Financial Collateral** – cash funds, Financial Instruments and/or other resources placed on all Client's accounts in the Bank or which are subject to the transfer on the Client's account in the Bank, used to financially 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, Terms and Conditions 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 or equity securities of another person; and documents certifying the issuer's obligations towards the holder, including but not limited to stocks, bonds, debt warrants, bills of exchange, shares in

mutual funds, any other claims on assets; and their related or derivative instruments or contracts, i.e., options, futures contracts and forward transactions.

**Home-Banking** – a Remote Banking System of the Assets which allows the Client to manage accounts and use all the Bank's services via the Internet using specially installed software on a specific equipment of the Client.

**Identification and Authorisation Tools:**

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

**Internet Bank** – a Remote Asset Banking and Bank's services receipt System in the Internet with the following options:

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

**M-Bank** – an information system which ensures the communication between the Bank and the Client, delivering the Client messages to his/her mobile phone or messages and account statements to his/her e-mail.

**Order** – an instruction given by the Client duly filled in and submitted to the Bank and/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, M-Bank, Enterprise Link and Enterprise Link PRO.

**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, fines, interest and other payments by the Client for the benefit of the Bank.

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

**Tariffs** – a pricelist of services and commission fees of the Bank published on the website of the Bank [www.rietumu.com](http://www.rietumu.com).

**Ticket** – an electronic pass provided to the Client when connecting to the Enterprise Link/Enterprise Link PRO service.

**Test Key** – a digital code calculated using a TCT, DigiPass or Mobile DigiPass using 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 validity period of the Agreement, the Client is obligated at his/her own discretion and upon 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 rules of law of the Republic of Latvia and/or the countries of the placement of the Client's Financial Instruments, Metals 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 the opening of accounts and/or at receipt of financial services, 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 without delay complete and true information and supporting documents about the Client and his/her business activity, the origin of the Assets, and purposes of their use, the transactions to be made and the Beneficial Owners of Assets over 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 necessary 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 and/or through the 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, change and/or terminate the rights and obligations of 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 on the Client as if the Client has performed them by 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. Documents approving the 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 to the Bank sample signatures of the Client's Representatives on the forms of the Bank that are Duly Certified by a competent public official or certified by an employee of the Bank.

3.6. If sample signatures 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 until the Bank is duly informed about the cancellation of the authorisation of the Client's Representatives in writing. The Client is obliged 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 execute 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 for Providing Services of the Bank**

4.1. Transactions with Assets are executed and the Bank's services are provided only according to the Orders except when the Bank is entitled to debit Assets or perform other activities without further authorisation. The Client submits to the Bank documents and/or Orders in Latvian, English and Russian. The Client submits documents and/or Orders in any other language only upon a prior agreement with the Bank.

4.2. The debiting of Assets without further authorisation is performed:

- 4.2.1. in cases stipulated by the legislation of the Republic of Latvia;
- 4.2.2. to pay for services provided by the Bank;
- 4.2.3. to discharge the Client's liabilities towards the Bank;
- 4.2.4. to reimburse the Bank's Losses incurred when providing services to the Client;
- 4.2.5. to correct errors made when crediting cash funds wrongly or without reason;
- 4.2.6. in other cases specified in the Terms and Conditions.

4.3. Depending on the services of the Bank the Client wishes to receive, the Bank opens accounts for the Client and services them, as well as keeps records of the Assets. The relationship between the Bank and the Client regarding the receipt of a particular service is 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 Article 172 (1) of the Law on Credit Institutions of the Republic of Latvia (*Kredītiestāžu likums*), except the Client's accounts having a respective licence/registration, holding the cash funds owned by third parties.

### **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 transactions planned by the Client. The Client or the Client's Representative signs the Orders 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 use term – DC is invalid.

### **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, Enterprise Link and Enterprise Link PRO.

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 the Remote Banking Systems, he/she retains the right 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 the Remote Banking Systems, if 6 (Six) months have passed since:

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

4.13.2. the Bank has suspended the Client's access to the Remote Banking Systems.

4.14. The Bank is entitled to set up limits for transactions executed via the Remote Banking Systems. The standard limits are published on the website of the Bank [www.rietumu.com](http://www.rietumu.com) and/or when connected to the Remote Banking Systems.

4.15. The following transaction limits are set for transactions via the Internet Bank:

4.15.1. 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;

4.15.2. 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 up individual transaction limits according to the Client's Order. If the Client fails to set the limits, the limits set by the Bank at the time of execution of Transactions with Assets are taken into account.

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 calculated in Euro applying the exchange rate of the European Central Bank on the date of setting the limits.

4.17. The limits are set up according to the Order for connection to the Remote Banking Systems in the Internet Bank. 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 the short message service via the Internet.

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

4.19.1. cooperation between the Bank and the relevant mobile network operator ends;

4.19.2. the Client's mobile phone number or an e-mail address set up on the mobile phone is changed;

4.19.3. 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:

4.20.1. the validity of the authorisation of the Client's Representative has expired or his/her authorisation has been cancelled;

4.20.2. the Client fails to update the used software;

4.20.3. the Client has failed to receive or fails to renew the Identification and Authorisation Tools;

4.20.4. the Client has failed to pay for using the Remote Banking Systems in accordance with the Tariffs.

### **Submitting Orders**

4.21. The Client is entitled to submit the Orders/documents related to the Orders in person, via the Internet Bank, Home-Banking, Enterprise Link PRO, by phone, fax, e-mail (e-document

and/or electronic copy of a paper document), by post, meeting the Bank's identification requirements specified in Clauses 4.25 – 4.26 of the Terms and Conditions.

4.22. 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 requirements of the Bank and 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 services;
- the quantity of the Assets;
- the execution time of the Order if it is an essential requirement;
- the essential details required for the Client's identification according to Clause 4.25 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. Upon acceptance of 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/Client's Representative is identified, by specifying depending on the means of communication:

4.25.1. in person – the company name/name and surname of the Client, and presents a personal identification document;

4.25.2. via Internet Bank – Rietumu ID and an OTP;

4.25.3. via Home-Banking – Rietumu ID and an OTP;

4.25.4. via fax, e-mail (e-document and/or electronic copy of a paper document) – the company name/name, surname of the Client, Rietumu ID and the Test Key;

4.25.5. by phone – Rietumu ID and the OTP;

4.25.6. by post – the company name/name and surname of the Client, Rietumu ID and the Test Key;

4.25.7. Enterprise Link – Rietumu ID and Ticket;

4.25.8. Enterprise Link PRO – Rietumu ID, Ticket and DC.

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 such is provided in the Signature and seal sample card;

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 such is provided in the Signature and seal sample card.

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. The Electronic Signature under Clause 4.26.2 herein shall be deemed to be:

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 conformity assessment 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 the 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 the phone numbers indicated on the website of the Bank [www.rietumu.com](http://www.rietumu.com). The Bank makes audio records of the Orders submitted by the phone.

4.30. The Bank determines types of the Orders the Client is entitled to give by phone.

4.31. The Bank is not entitled to accept the Client's Orders by phone, if according to the Signature and seal sample card the Orders are valid 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 Orders.

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

4.33.1. mistakes made by the Client in details of the Order;

4.33.2. wrong interpretation of the Order;

4.33.3. unclear, incomplete or imprecise Orders;

4.33.4. incorrectly filled in documents;

4.33.5. text distortion of the Order and other reasons beyond the control of the Bank.

The Bank is not liable for the non-execution or improper execution of the Order in case 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 do 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 can not 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, Home-Banking, Enterprise Link or Enterprise Link PRO. 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 for keeping 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 specified in Clause 4.38 herein, the Client is obliged to notify the Bank without delay.

4.40. The Bank is entitled to refrain from 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 that regulate 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 occurred that complicate the execution of the Order or make 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 rules 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 rules 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 and/or other Assets 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 pay the Remuneration and to cover other costs of the Bank related to the execution of the Order.

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 any accounts of the Client. Moreover, 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 insofar as it is stipulated by the legislation of the Republic of Latvia, internal regulations of the Bank and/or the Terms and Conditions, including:

4.43.1. if the Order and/or Transaction with Assets is related to the country or the person in relation to which sanctions of international organizations or states are imposed;

4.43.2. if the Order and/or Transaction with Assets is related to the restrictions set by the Counterparty, including in respect of the certain category of Clients.

4.44. The Bank suspends the Transactions with Assets if the Client's activities or the grounds 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 non-compliances.

4.45. The Order for the Transactions with Assets is also a payment document and serves as a basis 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. The Assets received by the Bank are not credited to accounts of the Client, if the account number or the account name or other details necessary for transfers are missing or incorrect.

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

4.48. The Client agrees that the Bank, when executing the payment Order for transferring of the cash funds, uses the services by the Counterparties, including correspondent banks. The Bank is entitled to attract the Counterparties for execution of the Orders without prior agreement with the Client.

4.49. The Client is entitled to send to the Bank an electronic document and/or electronic copy of a paper document via the Internet Bank or Home-Banking. An electronic document and/or electronic copy of a paper document received via the Internet Bank or Home-Banking is an Order for execution or processing of a document/copy as an original document in a paper medium containing an Electronic Signature. The Bank is entitled at its own discretion to refuse the Client to accept the electronic document and/or electronic copy of paper document without giving reasons, as well as if it contradicts the provisions of the legislation of the Republic of Latvia and/or internal regulations of the Bank.

4.50. The provisions of Clause 4.49 do not apply to the Order for the Transactions with Assets.

## **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 following their announcement by the Bank.
- 5.4. When 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 at 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 not entitled to debit the Remuneration from the accounts of the Clients having a respective licence/registration, holding the Assets owned by third parties. In such cases the Bank debits the Remuneration from the Client's account holding the Client's own Assets or issues an invoice for the services rendered, at the Bank's discretion or by a written agreement of the Parties.
- 5.6. 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.
- 5.7. The Parties may agree on a special amount of the Remuneration for the specific Transaction with Assets and it shall be subject to additional agreements between the Parties.
- 5.8. The Bank is entitled, at its own discretion, to unilaterally set or cancel an individual amount of the Remuneration for services of the Bank in respect to the Client.
- 5.9. 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.
- 5.10. The Bank calculates interest on the Client's outstanding payments due to the Bank assuming that there are 360 (Three hundred and sixty) days in a year and a month has the actual number of days.
- 5.11. The Bank calculates interest on the Client's credit liabilities in all currencies except for RUB (Russian roubles) assuming that there are 360 (Three hundred and sixty) days in a year. When calculating interest in RUB (Russian roubles), the Bank assumes that there are 365 (Three hundred and sixty five) days in a year. The Bank assumes that a month has the actual number of days for calculation of interest in any currency.
- 5.12. The Bank carries out round-off according to standard mathematic rules. The Bank rounds off all currencies except for JPY (Japanese yens) to two decimal digits. The Bank rounds off JPY (Japanese yens) to a whole number.
- 5.13. The Bank calculates, charges and writes off interest on an overdraft daily, including the day of the overdraft repayment.
- 5.14. 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.
- 5.15. If the total maturity of financing regardless of its typ, 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 as a guarantee and security for 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 for its own benefit or for the benefit of 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 to the Financial Collateral) to third parties (for the benefit of third parties). The Client may not pledge the Financial Collateral, transfer the Financial Collateral to management (ownership) of third parties 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 for 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 (legal 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 of the Client towards 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 the expense of other Clients of the Bank, including but not limited to pledge, re-pledge, sale, purchase or lend to third parties.

6.9. The Client undertakes to inform the Bank in writing at the time of opening the accounts that the accounts are opened for the custody of Assets owned by third parties. The provisions of the Financial Collateral do not apply to the Assets which are kept on the Client's accounts and are owned by the customers of the Client, if the Client is obliged to ensure the separate custody of the own Assets and Assets of the clients in accordance with the effective laws. The Bank shall not be liable for possible costs and/or losses incurred by the Client and/or customers of the Client, if such costs and/or losses arose due to untimely notifying the Bank on the purpose of opening the accounts.

## **7. Confidentiality**

7.1. The Bank complies with the confidentiality requirements in accordance with the legislation of the Republic of Latvia. The Bank discloses information about the Transactions with Assets, information about the 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 rules 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 upon official request of authorised public authorities or the Counterparties, as well as in the cases stipulated in Section 8 of the Terms and Conditions.

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 rules 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, the Client's Beneficial Owner(s) and the Client's Representatives in accordance with the legislation of the Republic of Latvia. The Bank is entitled to use and pass the information specified in this Clause to the companies which are related to the Bank in the framework of the Client's cooperation with these companies.

7.5. The Bank forwards information about credit liabilities, 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. Exchange of Information

8.1. On the basis of regulatory requirements, upon request and/or on a regular basis the Bank and the Counterparties shall collect, process and provide data and information on the Clients, Assets and Transactions with Assets of the Clients to tax authorities of one or another country. The Bank provides information to the State Revenue Service of the Republic of Latvia, which automatically sends information to the tax residence of the Client, if such country participates in exchange of information. Furthermore, the Bank shall also in certain cases carry out an Exchange of Information between the Client and the Counterparties of the Bank upon their request (hereinafter – Exchange of Information).

8.2. The Client agrees and confirms that:

8.2.1. the Bank is entitled to request and the Client undertakes to provide in a timely manner information and documents requested by the Bank and necessary to fulfil the requirements for the Exchange of Information. This information and/or documents may contain, including, but not limited to data of the Client, Client's Representative, Beneficial Owner of the Client, their personalities, residence/location address, nature of business, place of tax residence and taxpayer's number, as well as other confidential information;

8.2.2. documents and information provided in accordance with Clause 8.2.1 hereof are complete and reliable. In case of any changes in respect of such information and documents the Client shall promptly notify on it the Bank in writing;

8.2.3. the Bank is entitled to send requests specified in Clause 8.2.1 hereof via an electronic mail and/or the Remote Banking Systems. The Client shall on a regular basis, but at least once a week check the section of notifications and messages of the Remote Banking Systems, as well as electronic mail, the address of which was notified to the Bank by the Client as the Client's contact information;

8.2.4. failure by the Client to respond to the request by the Bank and/or to provide the requested information and documents within the period specified by the Bank, and/or if information and documents received from the Client do not meet the requirements specified by the Bank to the Client, are sufficient grounds for:

8.2.4.1. suspension by the Bank of Transactions with Assets of the Client, and/or

8.2.4.2. occurrence of one of the Cross Default events specified in Clause 10.10 hereof, and/or

8.2.4.3. termination of relations with the Client in accordance with Clause 15.4 hereof.

Performance by the Bank of activities specified in Clause 8.2.4 hereof in respect of the Client does not release the Bank from the obligation to submit a relevant report in the framework of Exchange of Information, if such is required by applicable law;

8.2.5. in the event of establishment and/or change of information and data of the Client that are available to the Bank, the Bank is entitled to unilaterally, without an approval by the Client, take a decision to change/amend the status of tax residence of the Client, Beneficial Owner of the Client, as well as other statuses of the Client, provided for in the framework of the Exchange of Information;

8.2.6. informing the Client on the contents of reports to be submitted within the framework of the Exchange of Information, including on the status of tax residence of the Client, Beneficial Owner of the Client, as well as other statuses and data of the Client specified in the framework of the Exchange of Information to be indicated in one or the other report, is the right, but not the obligation of the Bank. The Bank at its own discretion decides whether to disclose such information to the Client or not. At the same time the Bank is entitled to disclose such information to the Client solely via the Remote Banking Systems;

8.2.7. acting in accordance with Section 8 hereof, the Bank shall not be liable to the Client and third parties for any losses and expenses.

8.3. Failure by the Bank to exercise its rights specified in Section 8 hereof does not imply the Bank's refusal to exercise such rights in future.

8.4. The Client understands and agrees that the Counterparty in the event of the Exchange of Information between the Bank and the Counterparty may fully and/or partly transfer the information received from the Bank to third parties, in particular to tax authorities, supervisory and law enforcement institutions in the country of residence of the Counterparty, depositories, stock exchanges, tax agents and counterparties of the Counterparty.

8.5. In the event of non-performance or unduly performance by the Client of his/her obligations specified in Section 8 hereof, the Client undertakes to reimburse the Bank for all losses and expenses incurred.

## **9. Provision of Information and Reports to the Client**

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

9.2. 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.

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

9.4. If information does not include any individual data, it is published on the website of the Bank [www.rietumu.com](http://www.rietumu.com) or in the official gazette "Latvijas Vēstnesis".

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

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

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

9.6.2. the 14th (Fourteenth) day, including the date of dispatch recorded on the post office receipt;

9.6.3. the day of the publication of the information on the website of the Bank;

9.6.4. the day of the publication in the official gazette "Latvijas Vēstnesis".

9.7. The Client is obligated to check the information on the website of the Bank [www.rietumu.com](http://www.rietumu.com) and the Remote Banking Systems on a regular basis, which also includes keeping track of the amendments to the Terms and Conditions, the Agreement and the Tariffs.

## **10. Liability of the Parties**

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

10.2. 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.



10.3. 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.

10.4. 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, including also if the Assets specified in the payment Order were blocked and/or are not refundable as a result of activities of the Counterparties, including the correspondent banks on the basis of their decisions.

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

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

10.7. The Bank, when 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 nature 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.

10.8. 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 obliged to provide the Bank with the certificate from the tax authorities of the country of the Client's tax residency on the taxes withheld by the Client from the income due to the Bank, if such withholding is stipulated by the legislation of the country of the Client's tax residency.

10.9. The Client is solely liable for the registration/declaration of the Client's accounts according to the legislative acts of the country of the Client's residency.

10.10. 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 permission for conducting business or significant restrictions on conducting commercial or professional activities have been imposed on the Client by competent public authorities;
- disability, death of the Client or liquidation of the Client (legal entity) occurs or is declared;
- the Client is not able to fulfill any of his/her obligations 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.

10.11. In any case specified in Clause 10.10 herein, the Bank is entitled unilaterally and without prior notice to the Client at its own discretion to take any of the following actions:

- not to execute or cancel any of the Client's Orders or the Transactions 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 early repayment of all loans issued to the Client;
- to demand the immediate early fulfilment 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 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 15.4 herein;
- to perform any other actions with the Assets which are necessary to carry out the actions specified in Clause 10.11 herein.

10.12. Acting in accordance with Clause 10.11 herein the Bank is not liable to the Client and third parties for any losses or expenses. The Bank's rights under Clause 10.11 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 10.11 herein does not mean a waiver of such rights by the Bank.

## **11. Force Majeure**

11.1. Unless the Terms and Conditions foresee otherwise, the Bank is 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:

11.1.1. extraordinary and unavoidable circumstances of acts of God, including but not limited to fire, flood, an earthquake, warfare, terror acts, riots and strikes;

11.1.2. the delay to fulfil obligations (moratorium) established by a statutory act of the country of registration of the Bank or the Counterparty;

11.1.3. 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.

## **12. Effectiveness of the Terms and Conditions and Amendments Thereof**

12.1. 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 specified in this Clause of the Terms and Conditions have an equal legal power. In the event of conflict between the text of the Terms and Conditions in Latvian and text of the Terms and Conditions in any other language, the Terms and Conditions in Latvian are applied. The current version of the Agreement and the Terms and Conditions are published on the website of the Bank [www.rietumu.com](http://www.rietumu.com).

12.2. 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.

12.3. The Bank has the right to change a separate Section of the Terms and Conditions meeting the deadline specified in Clause 12.2 hereof. The consolidated version and amendments to the Section of the Terms and Conditions are published on the website of the Bank [www.rietumu.com](http://www.rietumu.com).

12.4. 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. The Bank unilaterally excludes the invalid provision from the Terms and Conditions or the Agreement, or replaces it with a valid provision which the Bank notifies to the Client.

### **13. Assignment of Rights and Obligations**

13.1. 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.

13.2. In case of the Client's (legal entity's) liquidation or reorganisation, its rights and obligations are assigned to its legal successor on the basis and upon submission with the Bank of relevant documents.

13.3. In case of absence of a heir or successor of the Client's rights and obligations, the Bank administers the Client's funds as stipulated by the legislation of the Republic of Latvia.

13.4. In case 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.

13.5. The Bank is entitled to delegate its powers 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.

### **14. Claim and Dispute Settlement**

14.1. The Bank gives a written reply to the Client's written applications and complaints about the financial services provided within 30 (Thirty) days from the day of receipt of this application or complaint, and within 15 (Fifteen) 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.

14.2. Audio recordings of the Client's Orders transmitted over the phone and electronic documents/electronic copy of a paper document delivered via the Remote Banking Systems, fax, e-mail are legal proof of the performance of the Transactions with Assets and/or other activities specified herein, and may be used by the Parties as an evidence, when resolving the disputes.

14.3. 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.

The dispute is resolved in accordance with the laws of the Republic of Latvia without regard to its conflict of laws provisions.

14.4. If the Client is a consumer in the meaning of the legislation of the Republic of Latvia the dispute has to be adjudicated by a court of general jurisdiction of the Republic of Latvia.

14.5. 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.

14.6. Rules of the law of the Republic of Latvia govern the Terms and Conditions and the Agreement.

## **15. Termination of the Parties' Relations**

15.1. 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, unless the Terms and Conditions or the legal enactments of the Republic of Latvia stipulate otherwise.

15.2. Unless the Terms and Conditions, the Agreement and/or legal enactments of the Republic of Latvia stipulate another time limit, the Agreement is considered to be terminated:

15.2.1. 30 (Thirty) days after the Bank has received the Order to close all the accounts serviced under the Terms and Conditions;

15.2.2. 2 (Two) months after the Bank has notified the Client about the termination of the supply of services and closing of all Client's accounts serviced under the Terms and Conditions on the Bank's initiative.

15.3. Terminating 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 is carried out at the Client's expense.

15.4. Regardless of provisions of Clause 15.2 herein, the Bank is entitled to unilaterally terminate transactions on the accounts of the Client and/or legal relations with the Client (to terminate validity of the Agreement) immediately without giving a reason thereof to the Client, when:

15.4.1. the Bank has information or suspicion that the Client's activities fail to comply with the legal enactments of the Republic of Latvia, the internal policies of the Bank, the Agreement or the Terms and Conditions, and/or

15.4.2. in respect of the Client at least one of the Cross Default events specified in Clause 10.10 hereof has arisen, and/or

15.4.3. the Bank has information or suspicion that the Client commits legally punishable, dishonest or unethical act towards the Bank and/or towards third parties, and/or

15.4.4. if the Bank has good grounds to believe that further cooperation with the Client will harm its reputation or will result in the Bank's Losses.

15.5. The Client agrees that in the event of an immediate suspension of transactions on the Client's accounts and/or termination of the relations with the Client (termination of the validity

of the Agreement) on the Bank's initiative in accordance with Clause 15.4 hereof, the Bank independently and unilaterally without prior agreement with the Client, makes such a decision and the Bank is not obliged to explain to the Client the reasons and grounds for such a decision. At the same time the Bank independently and unilaterally without prior agreement with the Client takes a decision on the procedure and time period in which the Client is obliged to transfer/withdraw his/her Assets from the Bank and notify the Client on it (unless the transfer of Assets is prohibited by the Terms and Conditions and/or legal enactments of the Republic of Latvia). The Client is obliged to pre-agree and obtain the Bank's consent in respect of the form and details for the withdrawal of the Client's Assets from the Bank.

15.6. If the Agreement is terminated on the initiative of the Bank, the Client's Assets are kept on special accounts of the Bank until the receipt of the Order for transfer of the Assets. No interest is calculated on the Assets, and the Bank is entitled to withhold Remuneration and expenses of the Bank for their custody. The Bank transfers these Assets to the Client according to the Order.

15.7. If the Agreement is terminated pursuant to 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 immediately suspend transactions on the Client's account and on the basis of the Client's Order transfers the Assets to the Client's account with another bank or to the account these Assets were received from, if it is not contrary to the legal enactments of the Republic of Latvia. In this case the Bank is not obliged to explain to the Client the reasons and grounds for termination of the Agreement, and the Bank independently and unilaterally without prior agreement with the Client takes a decision on the time term for transferring the Assets, and notifies the Client on it.

15.7. 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**

### **16. Current Account**

**Current Account** – a multi-currency account of cash funds, opened by the Bank for carrying out operations with the Client's cash funds.

**Minimum Balance** – a sum of cash funds which the Client shall provide in the amount specified in the Tariffs.

**Minimum Balance Account** – an account to be automatically opened by the Bank for keeping the Minimum Balance.

**Relationship Balance** – a value of the Assets which are kept on the Client's accounts in the Bank.

**Total Relationship Balance** – a Relationship Balance of the Clients with a common Beneficial Owners.

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

16.2. The Client is obligated to transfer cash funds to his/her 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 a transfer of the

Minimum Balance on the Current Account.

16.3. In case of failure to comply with Clause 16.2 herein, the Bank is entitled to close the Current Account and terminate the Agreement unilaterally.

16.4. When opening the Current Account and transferring cash funds to the Current Account, the Bank autonomously transfers cash funds from the Current Account to the Minimum Balance Account until the amount of cash funds on the Minimum Balance Account has reached the amount of the Minimum Balance specified in the Tariffs.

16.5. The cash funds are kept on the Minimum Balance Account for 6 (Six) months from the day they are fully transferred and the Client is not entitled to use these cash funds. The Client is entitled to use the Minimum Balance only in case of termination the Agreement. In this case, the Bank, after subtracting all the Remunerations, acts in accordance with Clause 15.3 herein.

16.6. After expiration of the 6 (Six) months period, the cash funds from the Minimum Balance Account are 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 16.7 herein.

16.7. The Bank establishes requirements in amount of the Minimum Balance, Relationship Balance and Total Relationship Balance.

16.8. In case of failure to fulfil requirements of Clause 16.7 herein, the Bank without a further authorization deducts from the Client's accounts a penalty in amount stated in the Tarrifs.

16.9. 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 of the Current Account.

16.10. The Current Account is closed within 7 (Seven) days according to the Order, if the Client uses no 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/pay out the cash funds.

16.11. The Bank is entitled to close the Current Account if the Transactions with Assets were not 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 on the day of closing of the Current Account.

## **17. 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 (Visa Europe, Visa Inc. and MasterCard WorldWide) within one or several credit institutions on a basis of the Order to transfer cash funds to the recipient.

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

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

17.2. 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. The Bank is entitled to refuse the Client to execute the Order for Transfer to the Payment Card.

17.3. The Bank credits the Client’s account on the basis of the Client’s account number.

17.4. 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 these details are not clarified within 4 (Four) weeks, the Bank is entitled to return the cash funds to a sender, from which these funds have been received, and to withhold the Remuneration for the investigation made from the payment amount.

17.5. 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 and/or the Counterparty, including the correspondent bank.

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

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

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

17.9. The Transfer Orders received in the Bank by visiting the Client in person 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 (electronic document and/or electronic copy of a paper document) 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.

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

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

17.12. If the cash funds on the respective Client’s account are insufficient to execute the Transfer Order or to cover the Remuneration, the Order is executed when such cash funds are credited to the respective account and within the validity term set or stipulated in 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.

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

17.14. 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.

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

17.16. 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 the Bank receives these cash funds from the Counterparty at its free disposal or that the Bank has not executed the Transfer Order to be cancelled.

17.17. The Bank ensures execution of the standing Transfer Order (a standing payment order). Considering the payment terms, an 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.

17.18. 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 condition that Clause 4.24 herein is fulfilled.

17.19. 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.

17.20. 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 possibility to return the payment and/or amending the payment will be refused to the Client.

17.21. The Bank is not liable to the Client in case a financial institution that issued the receiver's card refuses to transfer the cash funds to the receiver's card.

## **18. 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.

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

18.2. The Bank is entitled to refrain from transactions with cash funds, if they have signs of unusual and/or suspicious transactions.

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

18.4. The Bank deposits cash to an account of the recipient according to the payer's Order.



18.4.1. Orders for issuing of the cash funds sent by the Client via the Remote Banking Systems are valid for 7 (Seven) days from the date of receipt by the Bank of the Order.

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

18.6. 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.

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

18.8. 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.

18.9. 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.

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

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

18.12. The Client is obligated without delay 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.

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

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

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

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

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

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

18.18.1. is filled in incorrectly;

18.18.2. has corrections on it;

18.18.3. in the opinion of the Bank, has signs of counterfeit.

## **19. 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.

**EMIR** – EMIR (European Market Infrastructure Regulation) – Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012.

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

**Initial Margin** – an 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 the Derivative Exchange Transactions.

**Initial Margin Account** – an account of cash funds which the Bank opens to place the 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.

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

**Voice Password** – for the purposes of this Section a 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.

19.1. 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.

19.2. 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 trading session) the Foreign Exchange Transactions are executed according to the official exchange rate of the Bank.

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

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

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

- 19.4.1. the Bank receives the Order, if the Foreign Exchange Transaction is made according to the exchange rate of the Bank; or
- 19.4.3. the Parties agree on the essential conditions set in Clause 19.3 herein.

19.5. 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 full name/name and surname, account number and the Voice Password.

19.6. When the Foreign Exchange Transaction is concluded by phone according to the provisions of Clause 19.5 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 specified in Clause 19.3 herein 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.

19.7. 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.

19.8. 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.

19.9. The Client is entitled to submit a Foreign Exchange Order upon agreement 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.

19.10. The Client is entitled to conclude the Derivative Exchange Transaction to hedge (to limit) the currency risks associated with the Client's activities.

19.10.1. If the Client makes the Derivative Exchange Transaction on terms and conditions not established in Clause 19.10 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.

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

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

19.13. 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 is not obliged 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.

19.14. 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.

19.14.1. 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.

19.15. 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.

19.16. The Bank does not carry out an exchange of variation margin in accordance with the EU Regulation 2016/2251 on OTC derivative transactions with the Clients which are not the financial institutions.

19.17. The Bank confirms an entering into the OTC derivative transaction with the Client via the Internet Bank. If the Client, upon receipt of the confirmation on OTC derivative transactions within 1 (One) Business day from the date of receipt of the confirmation from the Bank, has failed to file his/her objections to the Bank, it is considered that the Client agrees with the confirmation sent by the Bank and conditions of the transaction.

19.17.1. The Bank assigns a unique transaction identifier (UTI) and informs the Client thereof confirming the entering into of the OTC derivative transaction.

19.18. The Bank provides the Client with information about the outstanding OTC derivative transactions in accordance with EMIR requirements. Failure by the Client to submit his/her objections in respect of information received within 5 (Five) days is regarded as confirmation and approval by the Client of the assessment sent by the Bank.

19.19. A Client who is a legal entity or an establishment undertakes to notify the Bank in the event the Client achieves or exceeds the clearing threshold specified in EMIR.

19.20. The Bank provides information about the entered into OTC derivate transactions to trading repositories and other entities in accordance with requirements of EMIR.

## 20. Deposits

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

**Orphan's Court** – an institution for guardianship and curatorship of minors 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.

20.1. 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.

20.2. 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.

20.3. Upon the receipt of the Deposit Order, the Bank independently transfers the amount specified in the Order from the account specified by the Client to the Deposit account.

20.4. 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 assuming that there are 360 (Three hundred and sixty) days in a year and a month has the actual number of days.

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

20.6. 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.

20.7. The Bank, without prior approval by the Client, withholds taxes specified in the laws 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.

20.8. 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.

20.9. 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 in the Deposit Order at the moment of filing the Deposit in the Deposit Order.

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

20.11. 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 approved and processed inheritance documents are submitted to the Bank.

20.12. In case of the assignment of rights and obligations of the Client (legal entity), the Deposit shall remain valid and according to the legislation of the Republic of Latvia and the internal regulatory documents of the Bank this Deposit may be reprocessed to the Client's successors when they submit to the Bank duly certified and processed documents.

## **Service Conditions for Deposits for Minors**

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

20.14. 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.

20.15. 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 of the Deposit the cash funds deposited with the lowest interests rate are paid first and foremost.

20.16. 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.

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

20.17.1. 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 duly certified decision and the Client's application are received;

20.17.2. according to Clause 20.11 herein.

## **21. Payment Cards**

**Available Balance** – an 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** – an 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 to be issued under the payment card brand Visa and/or MasterCard, which is handed over by the Bank to the Cardholder in accordance with the Order and which is attached to the Client's Card Account. The Cardholder can use the Card to make payments from the Card at points of sale that accept the cards of the specified payment systems.

**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 Card 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 set by Bank.

**Cardholder** – a natural 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 Card Transactions 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 Card Transactions from another Client account.

**Debit Balance** – a 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 to be paid by the Client 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** – a 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 of the Card 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.

**Card Transaction Authorisation** – an electronic procedure aimed at checking 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.

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

21.2. 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:

21.2.1. the Client is a resident of Latvia and meets the requirements of the regulatory framework of the Bank;

21.2.2. the Card is issued to the Client pursuant to a cooperation agreement between the Parties;

21.2.3. VISA Platinum Jurmala card is issued to the Client;

21.2.4. the Client is the Beneficial Owner or the Client's Representative of an existing client of the Bank.

21.3. To receive the Card, the Client submits the respective Order for issue of the Card. 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. Irrespective of the method of receipt, the Card is issued to the Client/ Cardholder in an inactive form. 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.

21.4. 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 this case, the Bank closes the Card after the Card expiry date. The Personalisation of the renewed Card is performed only after receiving the Order.

21.5. 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.

21.6. 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 is issued to the Client. On all other occasions, the new Card with the new PIN Code is issued.

21.7. 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.

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

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

21.9.1. use the cash funds on the Card Account only by using the Card;

21.9.2. receive information only about his/her Card, i.e., request information about the Card Account balance and the Card Transactions;

21.9.3. submit the Order for suspension or renewal of the Card Transaction Authorisation.



21.10. The Cardholder of the corporate Card apart from the said in Clause 21.9 herein is entitled to receive a respective Card Account statement or to increase the daily Card Transaction Limit.

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

21.11.1. to receive information about the Card, Card Account balance and Card Transactions, and to receive a Card Account statement;

21.11.2. to suspend or renew the Card Transaction Authorisation;

21.11.3. to increase the daily Card Transaction Limit or the Available Balance;

21.11.4. 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).

21.12. Apart from the provisions of Clause 21.11 herein, the following Orders by phone are also allowed, if given by using the Identification and the Authorisation Tools and for the following purposes:

21.12.1. 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);

21.12.2. to close the Card Account (on condition that the balance is credited to the Current Account or the Client's Card Account);

21.12.3. to transfer cash funds between the accounts of the same Client.

21.13. 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.

21.14. 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 Card 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). The Cardholder who was not given the Identification and Authorisation Tools, when issuing the Card, for connecting the services to the Card Transactions in the Internet, when making the first Card Transaction shall promptly contact the Bank for an activation of the above service. After such activation the Cardholder for carrying out an additional authentication of the Card Transaction (3D Security) will receive a five-digit code to the phone number notified to the Bank.

21.15. The Client is obligated to control the use of the cash funds on the Card Account and monitor their balance on a regular basis (not less than 1 (Once) in 2 (Two) weeks). 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.

21.16. As from the time of sending the M-Bank message, it is presumed that the Client and/or the Cardholder is informed about the Card Transactions.

21.17. 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.

21.18. Upon the Card 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 and the Cardholder. 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, Visa Inc. and MasterCard Worldwide.

21.19. A possibility exists that, when making the Card Transactions, transactions not authorised by the Bank may occur. 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.

21.20. 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.

21.21. The Client is obliged 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.

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

21.23. 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.

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

21.24.1. there are suspicions about the fraudulent use of the Card;

21.24.2. there are suspicions about the unauthorized use of the Card;

21.24.3. 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 means of communication, 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 the cases stipulated in the legislation.

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

21.25.1. the Client has not met his/her obligations to the Bank;

21.25.2. 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;

21.25.3. 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 for using the Card.

21.26. 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 Client and/or the Cardholder has to replace it.

21.27. The Cardholder and/or the Client is obligated to immediately notify the Bank about the loss and/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 Card Transaction Authorisation and takes actions needed to prevent any further Card Transactions.

21.28. 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 21.15 herein are met and the Cardholder has not acted negligently or illegally.

21.29. 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 21.15 herein, or the Client/the Cardholder has acted carelessly or maliciously.

21.30. The Card can be closed on the initiative of the Bank or upon the receipt of the Order after the Bank has subtracted 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.

21.31. 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.

21.32. If the Client fails to fulfil his/her liabilities, the Bank, without a prior notice and approval of the Client, and the court interference, is entitled to transfer to the Card Account an amount necessary for writing off the Overlimit Debit Balance, Credit Limit and/or Overdraft, if such were provided to the Client, from any of the Client's cash funds that are placed on any account of the Client with the Bank and/or use other cash funds of the Client under the Bank's management and/or storage with the Bank, and close the Card and the Card Account immediately.

21.33. 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 specified term, this fact serves as a proof for the Card Transactions made by the Client.

21.34. Considering the claims on the Card Transactions, the terms defined in regulations of the international payment card organizations Visa Europe, Visa Inc. or MasterCard Worldwide are

taken into account, and they may amount 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 the organizations Visa Europe, Visa Inc. or MasterCard Worldwide.

### **Automatic Replenishment**

21.35. 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 automatic replenishment of the Card Account.

21.36. The first new or modified Order for the constant 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.

21.37. 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).

21.38. 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.

21.39. 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.

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

- once a month – an 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 – an automatic replenishment is made every Friday;
- once a day – an automatic replenishment is made every day.

If at the time of automatic replenishment there are not sufficient cash funds on the Current Account for executing the payment in the specified amount, the Bank writes off an amount available on the Current Account at the time of automatic replenishment. Automatic replenishment of the Card Account is carried out from the cash funds credited to the Current Account, starting from the first day specified in the Order until the moment when the sum amounts to the payment amount or until the beginning of the following period.

21.41. 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.

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

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

21.43. 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 closing of Payment Card and Card Account.

### **Security Deposit**

21.44. To receive the Card or the 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 (for the purposes 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.

21.45. 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.

21.46. 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.

21.47. 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.

21.48. 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.

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

21.50. 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, or if no account was specified in the Order – to the Current Account or the Card Account of the Client. 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/consents 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,

the Bank is entitled to 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 the security deposit currency differs from the currency of paying the obligations of the Client, 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**

21.51. 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 Terms and Conditions. The Client shall repay the Bank an 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.

21.52. 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 for granting the smaller Credit Limit amount or not granting the Credit Limit.

21.53. 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:

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

21.53.2. security stated in Clause 20.59 herein is filed in favour of the Bank.

21.54. 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.

21.55. 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 Card Transaction or payment from Card Account within the Credit Limit and/or Overdraft above the Positive Balance on the Card Account.

21.56. 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.

21.57. 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 free 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 are discharged. 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.

21.58. 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:

21.58.1. to pay off the interest on overdue payments in case such has been calculated;

21.58.2. to pay off the interest on the Overlimit Debit Balance in case such has been calculated;

21.58.3. to pay off the Interest on the Overdraft use;

21.58.4. to pay off the Interest on the Credit Limit use;

- 21.58.5. to redeem the Overlimit Debit Balance if such has occurred;
- 21.58.6. to pay the amount of the used Overdraft;
- 21.58.7. to pay the amount of the used Credit Limit.

21.59. 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:

- 21.59.1. security deposit;
- 21.59.2. the Client's Deposit with the Bank;
- 21.59.3. the third party's Deposit with the Bank;
- 21.59.4. the third party's authorisation filed according to the Bank's demands on the Client's liabilities stemming from the the Order for gaining and servicing of the Credit Limit;
- 21.59.5. any other security stated in the respective Order.

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

- 21.60.1. 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;
- 21.60.2. 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 on the Card Account are not sufficient 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;
- 21.60.3. for the purpose of calculation of the Interest on Use of Credit Limit and/or Overdraft, it is assumed that there are 360 (Three hundred and sixty) days in a year, and the actual number of days in a month.

21.61. The Client guarantees and acknowledges that all information he/she has submitted to the Bank regarding the Credit Limit and/or the Overdraft 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, and that all information submitted in the future will be complete and true. By signing the Order for gaining and servicing of the Credit Limit and/or the Overdraft, the Client confirms that on the date of signature thereof there are no circumstances due to which performance of the obligations could be considered as impossible or difficult, and that no claims have been lodged and no legal proceedings have been initiated against the Client.

21.62. The Client is obliged to:

- 21.62.1. repay the used Credit Limit and/or Overdraft amount in full within the terms specified in the Bank's request;
- 21.62.2. 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;
- 21.62.3. 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;

21.62.4. 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;

21.62.5. 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;

21.62.6. fully discharge the liabilities in compliance with Clause 21.57 herein on the last day of providing the Credit Limit and/or Overdraft.

21.63. 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 signing 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.

21.64. If the Client exercises the cancellation rights under Clause 21.63 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 21.57 herein.

21.65. 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 to repay the Overlimit Debit Balance in full.

21.66. 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.

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

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

21.69. Calculating the annual interest rate, the Bank complies with the Regulations of the Cabinet of Ministers on Consumer Credit No. 1219 (*Noteikumi par patērētāja kredītēšanu*) 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.

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

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

21.70.2. a day when the Client informed the Bank about the withdrawal from the Credit Limit and/or Overdraft and discharged his/her liabilities in accordance with Clause 21.57 herein;

21.70.3. a day stated in the Bank's notification on the termination of the Credit Limit and/or Overdraft services and the fulfilment of the Client's obligations towards the Bank.



21.71. 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/her personal data.

21.72. 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, the granted Credit Limit and/or Overdraft in the Card Account statement, available to the Client via the Internet Bank or provided by the Bank to the Client according to the procedure stipulated by the 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, and shows transactions with cash funds held on the Card Account.

21.73. In case of changing the security provided by the Client to the Bank in accordance with Clause 21.59 herein, the Bank is entitled to unilaterally change the special Interest on Use of Credit Limit and/or Overdraft specified in the respective Order to the standard Interest on Use of Credit Limit and/or Overdraft in accordance with the Tariffs without informing the Client about it.

21.74. The Bank is entitled to unilaterally change the Interest on Use of Credit Limit and/or Overdraft. The Bank publishes information on changes in the Interest on Use of Credit Limit and/or Overdraft on the Bank's website [www.rietumu.com](http://www.rietumu.com), as well as notifies the Client about the changes via the Internet Bank and/or Home-Banking. The Interest changes come in force on the 30<sup>th</sup> (Thirtieth) day after publishing the respective information on the Bank's website and sending the respective notification to the Client.

21.75. 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](http://www.rietumu.com), and also notifying the Client via the Internet Bank and/or Home-Banking.

21.76. If the Client fails to notify the Bank that he/she disagrees with the changes stated in Clauses 21.74 and 21.75 herein before these changes take effect, it is considered that the Client absolutely agrees with the corresponding changes.

21.77. In case the Client does not agree with the changes stated in Clauses 21.74 and 21.75 herein and informs the Bank thereof, it is considered that the Client has expressed his/her willingness to refuse from the Credit Limit and/or Overdraft, and before the day the respective changes take effect he/she has to fulfil own liabilities in accordance with Clause 21.57 herein.

### **Special Provisions on Overdraft**

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

21.79. If the Client is willing 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 the moment of signing the Order in the Internet Bank.

21.80. If the Client is willing 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.

21.81. 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 the day of the Overdraft decrease it was not used up in full, or annul the Overdraft informing the Client about it via the Internet Bank.

### **Special Provisions on Credit Limit of MasterCard World Elite**

21.82. 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:

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

21.82.2. security stated in Clause 21.59 herein is filed in favour of the Bank.

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

21.84. On the last day of validity term of the MasterCard World Elite the Client is obliged to fulfil all liabilities to the full extent in accordance with Clause 21.57 herein.

21.85. The Client can close the Card and the Card Account on its own initiative, upon fulfilment of liabilities in full in accordance with Clause 21.57 herein, and submitting to the Bank an Order for closing the Card and the card Account.

21.86. The Bank can close the Card and the Card Account on its own initiative at the term specified by the Bank informing the Client thereof via the Internet Bank, Home-Banking 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 obliged to fulfil all liabilities to the full extent in accordance with Clause 21.57 herein.

21.87. If the Client does not agree with changes stated in Clauses 21.74 and 21.75 herein, in such cases, except for consequences stated in Clause 21.77 herein, it is considered that the Client also expressed the wish to close the MasterCard World Elite.

## **22. 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** – an actual writing on the back of a Business Cheque, which testifies a transfer of the Business Cheque to another person by 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 pays 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**

22.1. 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.

22.2. 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.

22.3. 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.

22.4. 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.

22.5. If the Paying Bank or another institution which provides the Cheque payment services requests 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.

22.6. 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.

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

### **Business Cheques**

22.8. 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:

22.8.1. 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;

22.8.2. the sum indicated on the Business Cheque in figures complies with the sum written in words.

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

22.9.1. the Business Cheque fails to comply with requirements of the organisation which has issued the Business Cheque;

22.9.2. there are suspicions that the Business Cheque is forged;

22.9.3. there are corrections, other Endorsements or inscriptions on the Business Cheque;

- 22.9.4. the Business Cheque has already been returned unpaid;
- 22.9.5. the validity term of the Business Cheque has expired;
- 22.9.6. all necessary details are not complete on the Business Cheque for its collection;
- 22.9.7. the Bank implements its authority according to anti-money laundering and terrorist financing regulations or on the basis of Clause 22.7 herein.

### **Travellers Cheques**

22.10. The Client has to sign the Travellers Cheque in the presence of the employee 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.

22.11. 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.

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

- 22.12.1. there are suspicions about the authenticity of the Travellers Cheque;
- 22.12.2. the signatures of the bearer of the Travellers Cheque do not comply;
- 22.12.3. no authorization code from the issuer of the Travellers Cheque is received;
- 22.12.4. the Travellers Cheque has been damaged, or in any other case at the discretion of the Bank.

## **23. Lending and Trade Finance Transactions**

**Documentary Collection** – an intermediary banking transaction where cash funds are transferred by a payer to a beneficiary via the Bank against commercial and/or financial documents by 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 default interest, 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 and other related requirements in accordance with the provisions of the respective agreement.

23.1. Entrusting the Bank to issue 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.

23.2. 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 beneficiary(ies) of the Letter of Credit/Letter of Guarantee according to conditions of the Letter of Credit/Letter of Guarantee issued by the Bank.

23.3. 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.

23.4. 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.

23.5. 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.

23.6. Repayment of the Loan and payment of interest for using the Loan is carried out in accordance with the schedule set in the respective agreement, unless the provisions of the respective agreement stipulate otherwise. Schedule – a schedule for repayment of the Loan and payment of the interest for using the Loan (drawn up by the Bank in the manner specified in the respective agreement) which precisely specifies the terms, frequency and amount of the repaid Loan and payment of interest for the use of the Loan.

23.6.1. Annuity schedule – a Loan repayment schedule setting out payments of equal periodic sums paid at regular intervals before the final repayment date of the Loan (except for the last payment, the amount of which may differ from the previous payments due to: (1) rounding off the payments within the validity period of the schedule and/or (2) a different number of days in the first and the last payment periods; (3) untimely payments made by the Client and/or (4) differences between the annuity period and the final Loan repayment date.

23.6.2. The schedule is illustrative. The amounts of payments shown in the schedule and the contents of these payments (the amount of payment for the principal of the Loan and interest

payment), and the Loan balance may actually differ from the one indicated in the schedule, based on the actual Loan repayment data, as well as changes in the interest base rate.

23.6.3. In case the Client and the Bank agrees in writing on the change of interest rate, the date of change of the rate, unless otherwise stipulated in the provisions of the respective agreement between the Client and the Bank, always coincides with the date of next interest payment of the Loan.

23.7. The place of dispute resolution of the Bank's services specified in Section 23 hereof is determined in the respective documents which the Client signs when receives the Bank's services. When resolving the disputes of the Bank's services specified in Section 23 hereof, the provisions of this Clause of the Terms and Conditions shall prevail over the provisions of the Section 14 hereof.

## **24. Transactions with Investment Gold**

**Gold** – investment gold with the hallmark of “995” or higher in a physical form of ingots, the manufacturer of which is certified by the London Bullion Market Association or coins minted by the certified mints commissioned by the central banks.

**Order** – for the purposes of this Section an Order for purchase of the Gold and/or an Order for transfer/receipt of Gold to the custody thereof.

24.1. This Section applies to the Bank's services and the Client's transactions with Gold. This Section does not apply to Gold purchase transactions that the Client enters into with the Bank while in the Bank's operating room in accordance with the document "Investment Gold Bars Purchase Confirmation".

24.2. The Bank within the framework of the Terms and Conditions provides to the Clients the following services with Gold:

24.2.1. purchase of Gold to the Client in accordance with Order;

24.2.2. custody of Gold owned by the Client.

24.3. In order to purchase the Gold the Client submits with the Bank an Order for purchase of the Gold.

24.4. The Bank has the right not to accept for execution the Order for purchase of the Gold or to execute it partly, in case of any circumstances that make the execution of this Order for purchase of the Gold impossible or burdensome. The Bank executes the Order for purchase of the Gold under its own name, but at the expense and on behalf of the Client.

24.5. In the event that the Gold specifications (such as quantity, nominal value, weight of the ingot, manufacturer etc) specified in the Order for purchase of the Gold do not correspond to the offers by the Counterparties available at the time of submission of the Order, the Bank notifies the Client thereof, and since then the Order submitted by the Client is cancelled without receiving an additional notice from the Client.

24.6. The Client, when purchasing the Gold, understands, agrees and approves the following:

24.6.1. in respect of specifics of the transactions with Gold, the time period from the acceptance for execution of the Order for purchase of the Gold until the delivery of the Gold to the Client, may differ in each specific case. The Bank does not guarantee the compliance with the terms specified by the Client in the Order for purchase of the Gold and is not liable for this non-compliance with the terms specified in the Order;

24.6.2. the Bank is entitled to make the prepayment for the Gold to be acquired by the Client to the Counterparty, while the Client assumes all financial and legal risks arising out of such prepayment;

24.6.3. when the Bank executes the Order for purchase of the Gold fully or partly and upon receipt of the Gold from the Counterparty, the Gold is delivered and placed in the Bank's custody until the physical receipt of the Gold by the Client, or until the Gold is transferred to the custody of the Bank in accordance with Clause 24.7 hereof. The fact of delivery of the Gold to the Client is recorded by an act signed between the Bank and the Client. Before signing this act the Client undertakes to check the Gold and make sure of its quality, quantity and whether it meets other parameters and specifications indicated in the Order. After signing the act by the Client, the Client no longer has the right to raise any claims to the Bank regarding the quality, quantity or other shortcomings and defects in the Client's opinion of the Gold delivered to the Client, including not to raise any claims in respect of the above specified hidden defects;

24.6.4. the Bank collects the Remuneration for the Bank's custody of the Gold specified in the Tariffs, in the event the Client failed to physically receive the Gold delivered to him based on his Order within the term specified by the Bank;

24.6.5. when the Gold is received from the Counterparty, through which the Order for purchase of the Gold is executed, the Bank is not obliged to check the authenticity and quality of the Gold, including, but not limited to: make an expertise, check hallmark. The Bank is not responsible for the quality, parameters and specification of the Gold. The Client agrees with and assumes all the risks, as well as waives any claims against the Bank in respect of the quality, authenticity, parameters and specifications of the Gold;

24.6.6. the Client assumes all risks, expenses and losses arising in connection with transportation of the Gold, upon execution by the Bank of the Order for purchase of the Gold;

24.6.7. the Bank has the right at its own disposal to refuse to execute the Order for purchase of the Gold, if the procedure for filling or submission of the Order, its contents or form fails to comply with the requirements of the internal regulations of the Bank and/or the legislation of the Republic of Latvia, or the Client's accounts in the Bank do not have sufficient cash funds for payment of the Gold to be acquired and payment of the Bank's Remuneration.

24.7. The Client, by submitting an Order for transferring the Gold to the Bank's custody, transfers to the custody of the Bank the Gold specified in the Order. Only the precious metal which meets the definition "Gold" of this Section of the Terms and Conditions is accepted to the Bank's custody.

24.8. To execute the Order for transferring of the Gold to custody, the Client accepts the Gold to the Bank's custody. Upon transferring of the Gold, the respective transfer-acceptance act is drawn up.

24.9. From the moment of transferring the Gold to custody, the Client is entitled to receive a confirmation from the Bank about the Bank's custody of the Gold upon a separate written request.

24.10. Upon receipt of an Order for transferring the Gold to the Bank's custody, the Bank is entitled to request from the Client and the Client undertakes to timely notify the information and documents confirming the origin of the Gold. The Bank accepts the Gold to custody only upon receipt from the Client of the respective documents and conducting a necessary analysis. When accepting the Client's Gold to custody, the Bank is entitled to carry out an analysis and examination of the quality and authenticity of the Gold. The Bank has the right at its own discretion to refuse to execute the Order of the Client and accept the Gold into custody, without specifying the reasons, whereof the Client is notified in oral and/or written form.

24.11. The Client, when transferring the Gold to the Bank's custody, as well as within the entire custody period of the Gold in the Bank, assures, agrees, guarantees and confirms the following:

24.11.1. cash funds or other property used for the acquisition of the Gold is of legal origin;

24.11.2. the Client is a sole and legitimate owner of the Gold and is entitled to freely dispose of it;

24.11.3. The Gold, neither as a whole, nor its individual parts, is not pledged, nor alienated in favour of third parties, it is not subject to prohibition or arrest, no burdens, restrictions are imposed thereon;

24.11.4. there are no disputes concerning the Gold;

24.11.5. the Client undertakes to immediately notify the Bank in writing on all rights and/or claims of third parties in respect of the Gold.

24.12. Return of Gold:

24.12.1. the Client has the right to take away his/her Gold transferred to the Bank's custody, by submitting to the Bank an Order for withdrawing the Gold from the custody. The Gold shall be handed over to the Client upon expiry of 3 (Three) Working Days from the date of receipt of the Order by the Bank;

24.12.2. the Bank has the right unilaterally, without the Client's consent and without explaining to the Client the reasons, to terminate the custody of the Client's Gold, by notifying the Client thereof in writing or via the Remote Banking Systems. The Client undertakes to receive the Gold owned by him/her at the central office of the Bank in Riga within 5 (Five) Working Days from the date of sending such notice by the Bank;

The fact of physical receipt of the Gold by the Client is approved by drawing up a transfer-acceptance act.

24.13. The Gold transferred to the custody of the Bank as collateral ensures the potential claims of the Bank against the Client and the Client's obligations to the Bank, including, but not limited to the claims arising from the Gold custody services against a payment of the Remuneration for custody. The Bank shall be entitled to withhold such collateral until the Client's obligations towards the Bank are fully discharged, and to enforce such collection by selling the Gold at a current market price to the Counterparty in the amount necessary to cover the debt and other Client's obligations to the Bank, and the Bank's expenses for the alienation of the Gold.

24.14. For the performance of the transactions with the Gold, including for the purchasing and custody of the Gold, the Client pays to the Bank the Remuneration in accordance with the Tariffs and the procedure established in Section 5 hereof. The Commission for the Bank's custody of the Gold specified in the Tariffs shall be accrued starting from the actual receipt of the Client's Gold by the Bank until the actual return of the Client's Gold.

24.15. The Client is aware that the value of the Gold in monetary terms may change as a result of changes in the market value of the respective precious metal. The Bank shall not be liable for any losses or any additional expenses incurred by the Client as a result of the changes in market value of the precious metal.

24.16. The Bank is liable for accidental damage, destruction or loss of the Client's Gold when it is kept in custody of the Bank, unless this is a direct result of gross negligence or malicious intent by the Bank. The Bank is not liable for the actions of third parties and actions caused by force majeure events. The Bank under no circumstances shall be liable for damage or destruction of the Gold packaging.



24.17. The Bank is not liable for any losses or additional costs incurred by the Client arising from the fact that the Bank exercises its right for any reason to refuse to execute the Order for conducting transactions with the Gold.

24.18. The Client undertakes to cover all Bank's Losses, expenses, penalties and any other payments incurred by the Bank when executing the Orders for conducting transactions with the Gold.

24.19. The Client assumes all tax liabilities arising from the transactions with the Gold, bears full responsibility for paying taxes in the country where he/she is a tax resident, as well as undertakes to reimburse for the Bank's tax costs that arise or may arise when executing the Order for conducting transactions with the Gold.

24.20. The sale of Gold to the Bank and/or through the Bank is executed by a separate written agreement(s) between the Bank and the Client.

### **Section III. Investment Services**

#### **25. Basic Definitions**

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

**Base Currency** – a 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 for execution of a retail client's Order when the service is related to non-complex Financial Instruments and the Bank is entitled not to request from the Client information about his/her knowledge and experience in transactions with the Financial Instruments; the Client is informed that by providing the service the Bank does not evaluate the conformity of the product/service and thus the Client loses a certain protection; the Client assumes all risks and insists on the completion of the transaction; the Bank meets the requirements for preventing the conflicts of interest.

**FCCM** – the Financial and Capital Market Commission of the Republic of Latvia ([www.fctk.lv](http://www.fctk.lv)).

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

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

**Initial Margin** – an 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 Platform 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** – an amount of money granted by the Bank in accordance with the Order for purchase of the Financial Instruments, against the Investment Assets Financial Collateral and/or acquired Financial Instruments.

**Metals** – precious metals in non-cash forms, including, but not limited to XAU, XAG, XPT.

**Multilateral Trading Facility** – a 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 declared by the Client in the Bank as Nominal Accounts and are used 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** – an 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.

**Specific Instructions** – an 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.

**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.

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

## **26. Procedure for Providing Investment Services**

26.1. 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.

26.2. If the Bank has not (individually) 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**

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

26.4. The Bank is entitled not to assess the conformity 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 EU member state or on the foreign market; to money market instruments, bonds or any other types of debt securities (except for debt securities that are embedded in 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 the process of providing the service the Bank has not assessed the conformity 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.

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

- the Client has carried out significant transactions on the Financial Instruments market – at least 10 such transactions per quarter during four previous consecutive quarters while the volume of each transaction is significant and is estimated by the Bank;
- 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 (for example: financial market analyst, broker, dealer, trader, portfolio or investment fund manager, investment strategist, investment advisor, expert in supervision of investment services in the regulator of the country).

26.6. 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. 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) is guaranteed to every client.

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.

26.7. Investor protection is not applied if the Client has suffered loss due to changes in the prices of the Financial Instruments or if the 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 webpage of the FCMC:

[http://www.fktk.lv/texts\\_files/Investor\\_Protection\\_law.doc](http://www.fktk.lv/texts_files/Investor_Protection_law.doc)

### **Professional Client**

26.8. 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.

26.9. A professional client is:

26.9.1. 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.

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

- shareholders' equity of at least 2 million EUR;
- net turnover of at least 40 million EUR;
- balance sheet total of at least 20 million EUR.

26.9.3. A commercial company whose principal activity is investing in the Financial Instruments which carries out such investments in large volumes. 1 000 000 EUR (One million Euro) per year, i.e. 250 000 EUR (Two hundred fifty thousand Euro) per quarter and the portfolio value of

the Financial Instruments which includes the Financial Instruments and cash funds exceeding 500 000 EUR (Five hundred Euro) at the time of granting the status.

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

26.10. Upon granting the category of a professional client, the Client loses certain level of regulatory protection which is guaranteed to retail clients. In particular, with regard to a professional client:

26.10.1. 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;

26.10.2. the Bank is not required to analyse the conformity of the products/services received by the Client from the Bank and compliance thereof with the Client's interests; or inform on possible risks related to a particular service or Financial Instrument, since 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**

26.11. 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.

26.12. Upon granting the category of an eligible counterparty, the Client loses certain 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:

26.12.1. the Bank is not required to comply with conditions of achieving the best result for the Client when executing an Order;

26.12.2. 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;

26.12.3. the Bank is not required to analyse the conformity of investment products/services and compliance thereof with the Client's interests.

### **Excerpt from the Order Execution Policy**

26.13. Objectives and tasks:

26.13.1. 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.

26.14. Order submission and execution procedure:

26.14.1. the Orders are provided to the Bank and executed in the manner prescribed in the Terms and Conditions;

26.14.2. the Client may submit Orders for Transactions with Financial Instruments in writing to the Bank's office at 7, Vesetas Street, Riga, by phone or via the Remote Banking Systems or the other means of communication specified in the Terms for submitting the Orders;

26.14.3. the Bank executes the Orders timely, effectively and fairly, 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;

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

26.15. Aggregation of Client Orders:

26.15.1. 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;

26.15.2. prior to aggregation of the Orders, the Bank shall inform every Client whose Order is aggregated on that such aggregation may result in a loss;

26.15.3. 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;

26.15.4. 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.

26.16. Best execution for the Client:

26.16.1. 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 the following situations:

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

26.16.2. carrying out the Order, the Bank acts with an aim to deliver the best execution for the Client taking into account the following factors: the speed of the Order execution, the possibility of the Order execution, the settlement of 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.

26.16.3. 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;
- additionally taking into account the Order execution venue (the Regulated Market, Multilateral Trading Facility, Systematic Internaliser or any other venue where execution of the respective Order is possible).

26.16.4. 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 Platform fee and transaction fee, as well as other fees set by the persons related to execution of the Order.

26.16.5. 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 deal, a type and value of the Order, influence on the market and other factors considered to be important by the Bank, are less significant than a total cost of the service.

26.16.6. if on the Client's initiative an Order for Transaction with non-complex Financial Instruments was filed, the Bank warns the retail client if the Bank has no information on the Client's knowledge and experience on the Financial Instruments Markets set forth in Clause 26.14.2 herein, which is necessary to assess the product or service conformity with 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.

26.16.7. 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.

26.16.8. the Bank, when executing the Order of a professional client on the performance of Transactions with Financial Instruments, for the best execution first of all assesses the speed and accuracy of the Order execution, moreover the price is not the priority factor.

26.16.9. 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.

26.16.10. 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 the need to comply with the best execution delivery principle for the Client.

26.16.11. if the Client sends the Bank the Order without the Specific Instructions, and there is more than one Trading Platform 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 Platform, where the best execution for the Client is more likely, taking into account the speed of execution and expenses associated with the Order execution, including the commission to potential Trading Platforms.

26.16.11.1. for the purpose of the best execution for the Client, 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 Platforms for different prices without violation of basic conditions of the Order. The Bank submits the retail client an approval of making a transaction on the average value and indicated that the detailed information on the actual time and place of execution of each part of the Order can be provided upon request of the Client.

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

24.16.13. if the Bank hands the Client's Order for execution to the third party, the Bank shall take all reasonable steps to comply with the principle of the best execution, taking into account the execution factors, but does not guarantee the best execution for each thus executed Order. By transferring the Order for execution to third party, the Bank cannot control the entire execution process, as well as the principles and conditions for execution which are specified in the Order Execution Policy, however, the Bank respects the conditions for selection of third party specified in the Order Execution Policy.

26.17. Regulation on Trading Platforms:

26.17.1. 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 is published on the Bank's website [www.rietumu.com](http://www.rietumu.com).

26.17.1.1. 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 26.16.2 herein or when the specific nature of the Client Order requests to do so.

26.17.2. 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 party to the deal.

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

26.18. Responsibility and control:

26.18.1. the Board of the Bank shall revise the Order Execution Policy on a regular basis (at least once a year) or if significant changes occur that may affect the Bank's ability to continue to provide the best result in respect of the Order execution. Changes are published on the Bank's website [www.rietumu.com](http://www.rietumu.com) under section Documents&Forms/Account Opening and Maintenance/Terms and Conditions of "Rietumu Banka" and Client Agreement.

26.18.2. the Board of the Bank is responsible for approval and revision (at least once a year) of the List of Trading Venues and Counterparties for Deals with Financial Instruments. Changes are published on the Bank's website [www.rietumu.com](http://www.rietumu.com) under Section Documents&Forms/Financial Instruments Account Applications.

### **Information on Safekeeping of Financial Instruments and Cash Funds**

26.19. 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 cash funds.

#### Safekeeping of Financial Instruments

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

26.21. The Bank is entitled to use services of the Counterparties for safekeeping of the Clients' 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.

26.22. 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:

26.22.1. 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;
- 26.22.3. if the Clients' Financial Instruments are not identified separately from the Financial Instruments belonging to the Counterparty;
- 26.22.4. 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;
- 26.22.5. 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;
- 26.22.6. 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.

26.23. 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 Order to the Bank demanding such holding in a certain country.

26.24. 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.

26.25. 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

26.26. The Bank keeps its Clients' funds together with its own funds, in particular, on the balance sheet 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 the Clients' funds.

26.27. 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.

26.28. 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.

26.29. The Bank is entitled to transfer the Clients' cash funds to the custody of the Counterparty which is not regulated by laws on 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.

26.30. 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 cash 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.

26.31. 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*) 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 webpage of the FCMC: [http://www.fktk.lv/en/law/credit\\_institutions/laws/deposit\\_guarantee\\_law/](http://www.fktk.lv/en/law/credit_institutions/laws/deposit_guarantee_law/)

### **Excerpt from Policy on Conflicts of Interest**

26.32. 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.

26.33. 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 relatives or business partners.

26.34. 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.

26.35. 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.

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

- 26.36.1. to identify, document and eliminate a situation of the conflict of interest;
- 26.36.2. to ensure the independence of the structural units among which the conflict of interest may arise (different subordination, restrictions on information flow);
- 26.36.3. to ensure the clarity, accuracy and authenticity of the information provided to the Clients;
- 26.36.4. 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;
- 26.36.5. 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;
- 26.36.6. 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;
- 26.36.7. to ensure that all employees follow the rules and provisions of the Policy on Conflicts of Interest;
- 26.36.8. 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.

26.37. The Bank takes all possible measures to identify and prevent the situations of conflict of interest which may arise when providing the investment services or in other circumstances:

26.37.1. providing advice on investing in Financial Instruments. The purpose of the consultation is to provide advice in the best interests of a particular Client. When providing advice to a particular Client, the following situations of the conflict of interest may arise:

- 26.37.1.1. between the Client and the Clients who issue or purchase financial instruments;
- 26.37.1.2. between the Client and the Bank upon the Bank's managing of own positions;
- 26.37.1.3. between the Client and the Bank/persons associated with the Bank upon selling of Financial Instruments issued by the Bank/persons associated with the Bank on more favourable terms.

26.37.2. Execution of the Client's Order for Transactions with Financial Instruments at the Client's expense. Upon the execution of the Client's Order the following situations of conflict of interest may arise:

- 26.37.2.1. between the Client and other Clients of the Bank, in case other Clients carry out Transactions with the same Financial Instruments as the Client and at the same time receive investment services of the Bank;
- 26.37.2.2. between the Client and the Bank, in case the Bank carries out a transaction for purchasing of the Financial Instrument in favour of the Client, while being the seller/distributor of this Financial Instrument, and receives the commission for such distribution;
- 26.37.2.3. between the Client and the Bank, in case the Bank carries out a transaction for purchasing of the Financial Instrument in favor of the Client, while being an issuer of the Financial Instrument;
- 26.37.2.4. between the Client and an employee of the Bank, in case the employee of the Bank carries out a private transaction with the Client, while being a seller/purchaser of the Financial Instrument or a related party of the seller/purchaser of the Financial Instrument.

26.37.3. Acquisition of the Financial Instruments at own expense. The Bank acquires the Financial Instruments at its own expense with the aim to increase its own funds which may result in a conflict of interests between the Client and the Bank.

26.37.4. Private deals. Employees of the Bank may carry out private deals with the Financial Instruments, in which case the personal interests of the employee may conflict with the interests of the Client and the Bank.

26.37.5. Organization of issuance of debt securities. The purpose of the issuance of debt securities is to provide advice to the Client and support in the implementation of the issuance of its own Financial Instrument which may have a negative impact on:

26.37.5.1. the interests of other Clients who are interested in acquisition of the Financial Instrument;

26.37.5.2. the Bank is interested in managing own positions;

26.37.5.3. employees of the Bank are interested in private deals.

26.38. The Bank ensures the independence of structural units which accept and execute the Client's Orders for Transactions with Financial Instruments:

26.38.1. an employee does not take decisions on issues in which the employee or a person associated with the employee has an interest that conflicts with the interests of the Client or the Bank;

26.38.2. employees of the structural unit who accept and execute the Client's Order for Transactions with Financial Instruments do not exchange information with the employees of other structural units, if such exchange of information may damage the interests of the Client;

26.38.3. those employees of the Bank who accept and execute the Orders of the Client for execution of the Transactions with Financial Instruments and whose interests may conflict with the interests of the Bank are especially controlled;

26.38.4. remuneration for employees of the structural units who accept and execute the Orders of the Client for carrying out Transactions with Financial Instruments do not depend on the remuneration for other employees, if a conflict of interest may arise in respect of these actions.

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

26.39.1. to make a personal transaction:

- on the basis of internal information which is available to employees, when they perform their official and 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 the Clients;

26.39.2. to advise a 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 an exception, if the transaction is suggested when performing professional duties;

26.39.3. to disclose information to a 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.

26.40. The Bank is entitled to state that the Bank's authorisation is needed to make a personal transaction by the Clients who are the Bank's officials/employees or persons associated with the Bank.

26.41. The associated persons inform the Bank about personal transactions they have concluded.

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

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

26.44. 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.

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

26.45.1. 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 official or professional duties;

26.45.2. 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;

26.45.3. 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.

26.46. 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.

26.47. 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.

## **27. General Provisions on Maintenance of Investment Accounts**

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

27.2. The Bank holds and services the Financial Instruments, cash funds and accounting and servicing of transactions with the Metals on the Investment Accounts.

27.3. The Client who has the Investment Accounts is entitled to submit the Orders for the Transactions with Financial Instruments and other Assets stipulated in the Terms and Conditions.

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

27.4.1. the Client (private individual) has to name Rietumu ID and an OTP of the Client;

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

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

27.5. 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 Trading Platform.

27.6. The Orders for cash funds transfer from the Cash Account and/or conversion on 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 27.5 herein and received by the Bank via the Remote Banking Systems and by fax, phone or e-mail (electronic document and/or electronic copy of a paper document) 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.

27.7. 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.

27.8. The validity term of the Order for transactions with the Investment Accounts and Transactions with Financial Instruments is 10 (Ten) days unless the Parties fail to agree on another term. This validity term does not refer to the Orders for opening Investment Accounts.

27.8.1. 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.

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

27.10. The Bank conducts the Transactions with Financial Instruments with the Short Position Opening if it is prescribed by the conditions of the Trading Platform or the Counterparty. The Short Position Opening possesses 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.

27.11. 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.

27.11.1. The Bank accepts for execution only the Orders which are accepted for the execution by the respective Regulated Market and/or Counterparty which the Bank has chosen for the execution of the Client's Order. The Bank shall be entitled to accept for execution non-standard Orders, but in this case the Bank does not guarantee their execution. In this situation the Client understands and accepts all risks that may arise in connection with the execution (or non-execution) of such Orders.

27.12. 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.

27.13. 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 prior authorisation; however, it cannot exceed 0.3% (Point three percent) of the overdraft per day.

27.14. 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.

27.15. 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.

27.16. For any delayed 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.

27.17. 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 a prior approval by the Client, at the current currency exchange rate of the Bank. The Client covers all costs related to the conversion.

27.18. 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 9.1 herein. The Bank provides a confirmation of the execution of the Orders for Transactions with the Assets to the Client categorised as a retail client or a professional client in the meaning of the Law on Financial Instruments Market of the Republic of Latvia (*Finanšu instrumentu tirgus likums*) in the following terms:

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

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

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

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

27.19.2. if the balance of the Investment Accounts has been zero or the overall balance of the Investment Accounts within a year 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. In these circumstances, the Bank transfers the remaining balance to the Current Account;

27.19.3. 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;

27.19.4. in other cases stipulated by the Terms and Conditions and the rules of law of the Republic of Latvia.

27.20. The Client has the right to transfer cash funds to the Cash Account only from the Current Account. The Bank does not comply with the Order for the transfer of cash funds to the Cash Account, in case such transfer is made from the Client's account opened with the Counterparty.

27.21. Due to changes in the procedure for servicing by the Counterparty and/or in other cases related to the servicing of the Investment Accounts the Bank is entitled to unilaterally change the amount of the Remuneration, by notifying the Client 1 (One) Working Day before entering into force of the new Remuneration, unless another period is provided for by the legislation of the Republic of Latvia.

27.22. Due to changes in the procedure for servicing by the Counterparty and/or in other cases related to the servicing of the Investment Accounts the Bank is entitled to terminate the provision of investment services to the Client, by notifying the Client 1 (One) Working Day before the date of terminating the provision of service, unless another period is provided for by the Terms and Conditions or the legislation of the Republic of Latvia.

27.23. In the event the Bank closes the position of the Client forcibly in accordance with the Terms and Conditions, the Bank withholds from the Client the Remuneration for the execution of the Order in accordance with the Tariffs.

## **28. Transactions with Financial Instruments**

28.1. The Bank performs holding in custody of the Client's Financial Instruments on the Bank's accounts with the Counterparties chosen by the Bank for such holding in custody. With regard to the Financial Instruments and cash funds kept on the Bank's accounts with the Counterparties, the rules of law 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 in custody of Financial Instruments.

28.2. 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.

28.3. The Client is entitled to request the Bank to open accounts for holding in custody of the Client's Financial Instruments and/or cash funds with any third party chosen by the Client himself/herself. 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.

28.4. Due to certain specific conditions applied to the holding in custody 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.

28.5. 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 specified 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.

28.6. 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.

28.7. 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 issuance 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. Furthermore, the Bank is not liable for consequences of the inaction of the Bank, if the Client does not provide the instructions or the Bank was unable to contact the Client to obtain such instructions.

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

## **29. Transactions with Derivative Financial Instruments**

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

29.2. 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.

29.3. 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, and such changes come into effect immediately. The Client has to keep track of changes on the Regulated Market individually.

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

29.5. 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.

29.6. 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. The Client undertakes to agree with the Bank on activities specified in this Clause of the Terms and Conditions.

29.7. 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:

29.7.1. 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 the Bank's Losses and the Penalty, if such were calculated by the Bank or

29.7.2. 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.

29.8. 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.

29.9. 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 risks related thereto. No circumstances, including force majeure, cancel, can cancel or suspend these Client's obligations.

29.10. For the purpose of the fulfilment of the EMIR requirements the obligation of residents of the European Economic Area to provide Reports to TR lies on both parties of the transactions. The Client is solely liable for the fulfilment of the EMIR requirements, and for possible Bank's Losses and/or adverse effects to the Bank that may be caused in case he/she fails to fulfil the requirements. The Bank does not carry out an exchange of variation margin in accordance with the EU Regulation 2016/2251 on derivative Financial Instrument transactions with the Clients which are not the financial institutions. The procedure established by this clause in respect of the fulfilment of EMIR requirements applies to all services specified in the III Part "Investment Services" and IV of the Part "Trading Platforms" of the Terms and Conditions, within the framework that EMIR should comply with.

29.11. 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.

29.12. In the event the Client performs the transactions with options or other analogous derivative Financial Instruments (incl. stock options, ETF options, futures options), the Client undertakes to liquidate (close) any long and/or short position of such Financial Instrument before the last day of trading this instrument before its expiration, if there are insufficient cash funds on the Investment Accounts or other Assets approved by the Bank to ensure the delivery/discharge in case of expiry of this Financial Instrument of the Client. If the Client fails to liquidate (close) such position before the last day of trading this Financial Instrument before its expiry and the Bank unilaterally at its own discretion determines that the Client fails to have a sufficient amount of the Assets on the Investment Accounts to ensure the delivery/discharge of such Financial Instrument, and the Bank is entitled, but not obliged to unilaterally without prior authorisation, to take any or all of the following actions:

29.12.1. forcibly partially or fully sell the Client's Financial Instruments before expiry thereof;

29.12.2. allow full or partial execution of the Client's Financial Instruments and then partially or fully sell the Assets received from the execution;

29.12.3. allow partial or full expiry (termination) of the rights arising out of the Client's Financial Instruments,

furthermore, the Bank shall not bear any liability towards the Client in this respect. If the Client violates his/her obligations specified in this Clause, the Client is obliged to remunerate the Bank's Losses, if any.

29.13. In the event the Client performs transactions with options for goods and raw materials, except for the contracts that are settled exclusively in cash, the Client acknowledges his/her consent that such Financial Instruments are not enforceable and shall be settled by the Client by offsetting claims. If the Client has failed to discharge any Financial Instrument by offsetting claims before the last day of trading this Financial Instrument before the date of settlement, the Bank is entitled, but not obliged to unilaterally without prior authorisation, to take any or all of the following actions:

29.13.1. forcibly sell such Financial Instrument by offsetting claims;

29.13.2. forcibly sell the Financial Instruments acquired as a result of expiry of the derived Financial Instrument,

furthermore, the Bank shall not bear any liability towards the Client in this respect. If the Client violates his/her obligations specified in this Clause, the Client is obliged to remunerate the Bank's Losses, if any.

29.14. In the event that the Client performs transactions with futures contracts, except for the contracts the payments under which are made exclusively in cash (but not by physical delivery of currency), the Client confirms his/her agreement that no delivery of the underlying goods under this contract is made. The Client undertakes to postpone/replace the previously opened position by a new position with a longer deadline for execution or to liquidate the position by offsetting claims, no later than 2 (Two) Working Days before sending of the first notice of intention to deliver under the futures contract in accordance with one or the other stock exchange in the event of long position or before the last day of trading this instrument on one or another stock exchange in case of a short position. If the Client fails to carry out such actions with derivative Financial Instruments within the specified period, the Bank is entitled, but not obliged to unilaterally without a prior authorization to forcibly liquidate (close) this position, however, the Bank shall bear no responsibility towards the Client in this respect. If the Client violates his/her

obligations specified in this Clause, the Client is obliged to reimburse for the Bank's Losses, if any.

### **30. Precious metals in a non-cash form**

30.1. The Section applies to the Client's transactions with Metals within the framework of the Bank's investment services to the Client.

30.2. As a part of receipt of the Bank's services for the acquisition, transfer or sale of the Metals, and for the accounting and holding on the Investment Accounts of the Client with the Bank, the Client understands, agrees and approves the following:

30.2.1. available types of Metals, the minimum quantity of the Metals for carrying out of deals, an amount of the Remuneration for execution of deals and transactions with the Metals, and other relevant conditions specified in the Bank's Tariffs;

30.2.2. Metals which belong to the Client are accounted for on the correspondent account(s) of the Bank which is opened with the Counterparty. The quantity of Metals accounted for such an account neither gives the Bank the right to request from the Counterparty a certain amount of physical metal, nor evidence on the right of ownership of a certain quantity of physical metal, but only evidence on the legal right of claim as an unsecured creditor to the Counterparty. Metals which belong to the Client are accounted for on the Bank's account with the Counterparty together with the Metals which belong to other Clients;

30.2.3. Metals that have been purchased under the Client's Order, or credited from outside in his/her favour, are accounted on the Bank's account with the Counterparty, and all changes in the balance of this account respectively are reflected on the Client's accounts;

30.2.4. the Client is not entitled to a certain amount of physical metal which amount corresponds to the Metal accounted for on his/her Investment Accounts, and the Bank has no obligation to deliver to the Client a certain amount of physical metal, unless separately agreed by the Parties;

30.2.5. the Client independently assumes all risks and consequences related to the activity and ability of the Counterparty, where the Bank holds in custody the Metals, to perform his/her obligations;

30.2.6. for the performance of deals and transactions with the Metals, the Client pays to the Bank the Remuneration in accordance with the Tariffs and in the manner established in Section 5 hereof;

30.2.7. the Client is aware that the value of Metals in monetary terms may change as a result of changes in market value of the respective precious metal. The Bank shall bear no liability for the loss or any additional expenses of the Client arising from the changes in the market value of such precious metal;

30.2.8. the Client releases the Bank from the liability and waives all potential claims to the Bank which may arise in connection with:

30.2.8.1. non-performance or unduly performance of liabilities of the Counterparty, the legality of its establishment and functioning, solvency, financial position and good faith;

30.2.8.2. full or partial loss of Metals, and the funds invested therein;

30.2.8.3. potential claims by third parties;

30.2.8.4. possible loss of the Client, unless these are direct damages maliciously inflicted on the Bank by the Client.

### **31. Margin Loans**

31.1. This Section is applied, if the Client has expressed his/her willingness to receive the Margin Loan with the Bank against the Financial Collateral of the Investment Assets.

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

31.3. 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 drawn up Order.

31.4. Standard margin criteria, namely, i.e. 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](http://www.rietumu.com). If the Bank approves the individual margin criteria to the Client, the Bank personally informs the Client about such individual criteria in respect of whom such parameters are set.

31.5. 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 in accordance with Clause 3.1.6 hereof.

31.6. If the Bank discontinues the provision of the Margin Loan or alters 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 expiry date of the Margin Loan or 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.

31.7. 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.

31.8. The Bank is entitled but not obliged 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 the event of the Margin Call situation to receive the Bank's instructions:

31.8.1. 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;

31.8.2. 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 approval by 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;

31.8.3. the Client undertakes to agree with the Client the actions specified in Clauses 31.8.1 and 31.8.2 hereof.

31.9. If the Client fails to contact the Bank within the same day when 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 approval by 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.

31.10. 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.

31.11. 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, if such was calculated by the Bank, to cover interest and to repay the principal amount of the Margin Loan.

31.12. The Bank is entitled independently, without prior approval by 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).

31.13. 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.

31.14. 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.

31.15. 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.

31.16. 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 by the Client.

31.17. 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 risks related thereto. No circumstances, including force majeure, cancels, can cancel or suspend these Client's obligations.

### **Automatic Financing**

31.18. 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.

31.19. 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.

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

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

31.22. 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 the Automatic Financing or the Bank's overdraft to the Client.

31.23. If current market value of the Client's Financial Instruments is less than the Initial Margin, the Bank unilaterally, without prior 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 prior authorisation is entitled to grant overdraft to the Client.

31.24. If within the 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.

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

31.26. If at the time of providing the Automatic Financing the Margin Loan is granted to the Client in a currency in which the Client is willing to get financing, the Client in the Order for Automatic Financing requests the Bank to close the current Margin Loan and grant the new Margin Loan providing the Automatic Financing, taking into account the amount of the Margin Loan and interest accrued on the date of granting the new Margin Loan with the provision of the Automatic Financing.

## **Section IV Trading Platforms**

### **32. Basic Definitions**

**TP Provider** – a third party that provides the Trading Platform to the Bank or the Bank's Client, or ensures the functionality thereof.

**Trading Platform** – a computer program, mobile application, electronic interface or other software, and related systems and programs (including, but not limited to the system for routing Orders) that collectively or individually provide the Client with an access to the places of execution of the Orders for independent performance of deals and ensure the acceptance and fulfilment of thus submitted Orders

### **33. Provision of Services via Trading Platforms**

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

#### **Procedure for Using the Trading Platform**

33.2. The Bank and/or the TP Provider provide the Trading Platform 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. The provisions of this Section do not replace, but only supplement the provisions of the licence agreement entered into between the Client and the TP Provider. The Trading Platform may contain additional restrictions and rules of use which are agreed by the Client, when installing the Trading Platform.

33.3. The Client is aware that the Bank and/or the TP Provider or their related parties are the owners of the Trading Platform, the rights to the Trading Platform, its applications and content. These rights include the right to use the Trading Platform and any of its applications, and other intellectual property rights (whether registered or not). The fact of installing the Trading Platform or working with it is the Client's agreement to the rules of using the Trading Platform.

33.4. The Client undertakes not to violate the rules of using the Trading Platform, licenced agreements and requirements of the intellectual property rights.

33.5. Information available to the Client on the Trading Platform (including, but not limited to prices, quotations, any market data, information on Financial Instruments, analytical data) is intended only for the Client's own deals via the Trading Platform. The Client is not entitled to distribute information available on the Trading Platform to third parties.

33.6. At the Bank's request the Client is obliged to provide the Bank with any information and/or documents necessary for the provision and/or use of the Trading Platform.

33.7. The Bank and/or the TP Provider at their own discretion have the right to provide the Client with materials, user manuals, instructions regarding the use of the Trading Platform. This information is provided and intended for use only for informative purposes, and the Bank and/or the TP Provider are not responsible for the contents of this information. The Bank and the TP Provider do not provide training to the Client on the use of the Trading Platform, and the Client undertakes to independently examine all available information and materials before using the Trading Platform. The Client shall independently provide all necessary equipment and services necessary for the access to the Trading Platform and use thereof. Some significant information on the Trading Platform may be in English. The Bank does not provide translation services.

33.8. The Client undertakes to update the Trading Platform on a regular basis, and make sure for each use of the Trading Platform that the Client uses the current version of the Trading Platform.

33.9. All information provided to or collected by the Bank and/or TP Provider via or in connection with the Trading Platform as it is available to the Bank and/or TP Provider via the Trading Platform will be the property of the Bank and/or TP Provider respectively. The Bank or the TP Provider are entitled to freely use such information at their discretion based on their business practice contrary to the confidentiality provisions specified in the Terms and Conditions. The Bank and the TP Provider are entitled to use such information in the event that it is combined with other data or processed in a way that it cannot be attributed or connected with the Client.



33.10. The Bank and the TP Provider, their authorized persons and representatives are entitled to supervise the use of the Trading Platform by the Client, and also record telephone conversations with the Trading Platform. The Bank has the right at its own initiative or on the request of the TP Provider to conduct an audit of the Trading Platform of the Client.

33.11. The Bank and the TP Provider are not obliged to keep the Trading Platform in a condition free from errors or computer viruses, and provide a continuous access thereto. The Bank and/or the TP Provider are entitled to terminate the production or updating of the Trading Platform, or to stop providing quotations. At the same time the Bank and the TP Provider shall not be liable for any consequences.

33.12. Due to the fact that the Trading Platforms are subject to a significant risk of technical and technological failures and errors, the Client undertakes to ensure and have alternative channels for performing the Transactions with Financial Instruments and hereby waives the claims to the Bank in the event that it is impossible to perform the Transactions with Financial Instruments via the Trading Platform.

### **Submission of Orders**

33.13. The Trading Platform is intended for submission of the trading Orders, using only a special interface of the Trading Platform. The Bank transfers the trading Orders to the Counterparty in the form that they were received from the Client. The Orders the submission of which are not provided on the Trading Platform will be rejected by the Bank. The Bank relies on the submitted Order without an additional confirmation by the Client. The Order is binding on the Client irrespective of who has submitted it. Any trading Order is an irrevocable instruction to the Bank to perform the Transactions with Financial Instruments on behalf of the Client. The Client also has the right to send a free-format message to the Bank. The function of correspondence on the Trading Platform is intended only to provide general support to the users and is not used for submitting the trading Orders.

33.14. If the Order violates the provisions of the Terms and Conditions, the Bank is entitled, but not obliged to execute it. In this case the Client is not liable for the settlements and the Bank's Losses, and any third party claims.

33.15. The Bank does not check and does not take into account any expectations of the Client about the result of the Order and its impact on the trading positions. The Bank does not take into account any comments of the Client accompanying the Order. The Client independently monitors the positions and submissions of the Orders.

33.16. The Client understands and agrees that placing of the Orders on the Trading Platform does not indicate on that the Order is accepted for execution. The Order may not be executed due to peculiarities of the Transactions on the Trading Platforms.

33.17. In the event that the Counterparty through which the Order is executed makes it impossible to execute such Order or restricts its execution, the Bank has the right to unilaterally without a prior consent and without giving reasons to restrict the number of open positions of the Client on a particular Trading Platform, and/or to close at any time the open position of the Client.

33.18. Before submission of the trading Order, the Client checks the specifications and parameters of transactions available for entering into via the Trading Platform on the website of the Bank [www.rietumu.com](http://www.rietumu.com). The Client confirms that he/she has a continuous access to the

source of information. At the same time the Bank is entitled at any time to change without a notice any specifications and parameters of the transactions available for entering into via the Trading Platform, including, but not limited to the size of the shoulder, trading lot, rounding rules, margin requirements. Such changes may affect the already opened positions of the Client.

33.19. The Bank has the right to establish working hours during which the trading Orders are accepted for execution. However, this time may differ and be less than working hours of other similar Trading Platforms or the Counterparties involved in the execution of the trading Orders.

33.20. When entering into transactions with the Trading Platform, the Client is solely responsible for the control of positions and shall independently ensure the timely submission of the Orders regarding their positions. If debit balance on the Trading Platform Account arises, the Bank shall equate such balance with overdraft, and accrue and write off without an authorization interest accrued at the overdraft rate for the benefit of the Bank, but no more than 0.1% (Point one tenth of the percent) per day from the amount of debit balance on the Trading Platform Account.

### **Reports**

33.21. The Client shall immediately, but no later than within 48 (Forty eight) hours from the moment when the Trading Platform or the Bank makes available the report on the carried out transactions and/or an account statement of the Trading Platform Account, examine them and notify the Bank about the errors established in these documents. At the end of this period the report/account statement is regarded as approved by the Client and the Bank does not accept the Client's claims.

33.22. Taking into account that the Bank, when providing to the Client services specified in Section IV "Trading Platforms" hereof, in certain cases fails to enter into any transactions and/or to make any payments, the Bank does not provide the Client with any statements, reports and/or other documents about the Transactions with Financial Instruments, except for the cases, when the Bank is a party to a transaction entered into between the Bank and the Client in accordance with the Terms and Conditions. In the event that the Bank is a party to a transaction, the Bank will at its own discretion provide the Client with statements, reports and/or documents in respect of the transactions concluded. These documents are provided for informative purposes only and their contents will be incomplete and limited compared to the documents available to the Client via the Trading Platform. The Client, using the Trading Platform, has an independent access to the receipt of statements, reports and/or other documents in respect of the Transactions with Financial Instruments performed by him/her and shall be liable for storing of this information. The Bank is not responsible for the correctness and reliability of information contained in such extracts/reports and/or other documents, and shall not be responsible for the preservation and/or restoration of data about the Transactions with Financial Instruments, after closing of the Investment Accounts and/or blocking the Client's access to the Trading Platform. Some information on the statements may be in English, the Bank does not provide translation services.

33.23. The Bank is entitled to unilaterally without prior authorisation correct and reverse the errors and incorrect entries in respect of the Trading Platform Account arising out of the introduction of incorrect data or for any other reason.

### **Suspending of Access**

33.24. The Bank and/or the TP Provider shall have the right to terminate the provision of the Trading Platform to the Client or to block the Client's access to the Trading Platform at any time, without a prior notice and without explaining the reasons for the termination of the Trading

Platform or blocking access to the Trading Platforms. The Bank and/or the TP Provider are not responsible for the consequences of termination of the provision of the Trading Platforms or blocking of the access to the Trading Platforms. Changing, delaying or termination of the provision of the Trading Platforms or blocking of access to the Trading Platforms do not affect or cancel obligations in respect of transactions entered into by the Client prior to the termination of the provision of the Trading Platforms or blocking of access to the Trading Platforms. Restoration of the provision of the Trading Platforms and the Client's access to the Transactions with Financial Instruments on the Trading Platforms is performed solely at the discretion of the Bank and/or TP Provider. The Bank is not liable for losses the Client may incur as a result of the suspension of such access.

33.25. The Client undertakes to ensure the safety of the Trading Platform and not to provide the Trading Platform to third parties, and that the means of access to the Trading Platform (including, but not limited to the name of user, password and keys) are kept securely and may not be accessed by third parties. The Client is responsible and assumes the liability for any actions of other persons (authorized or unauthorized users of the Trading Platforms, and the persons who have acquired illegal access to the Trading Platforms) that have been granted an access or who have acquired access to the Trading Platforms as for their own actions.

33.26. The Bank bears no responsibility for the consequences of the loss of Identification and Authorisation Tools by the Client. The Client is obliged to immediately notify the Bank, if third parties have gained access to the Trading Platform or access details to the Trading Platform, or they have been lost. In this case the Bank is entitled, but is not obliged to block the Client's access to the Trading Platforms. The Bank is not responsible for the refusal or inability to block the access to the Trading Platform.

Furthermore, the Bank is entitled, but is not obliged to block the Client's access to the Trading Platform on its own initiative with no responsibility to the Client, if the Bank has information or suspicions about an unauthorised access to the Trading Platform.

## **Responsibility**

33.27. The Client is responsible to the Bank for covering the Bank's Losses, including incidental losses resulting from force majeure circumstances related to the provision of services specified in Section IV "Trading Platforms" hereof to the Client, and assumes all risks associated therewith. No circumstances, including force majeure circumstances, do not cancel, cannot cancel or suspend the fulfilment of the Client's obligations arising in accordance with Section IV "Trading Platforms" hereof.

33.28. The Client undertakes not to submit any claims to the Bank and the TP Provider in respect of the provision of services specified in Section IV "Trading Platforms" hereof to the Client. The Client guarantees to the Bank and the TP Provider a full compensation for any damage and protection from the occurrence of various types of obligations and claims of third parties (including, but not limited to public authorities) that may arise directly and indirectly to the Bank and/or the TP Provider due to:

33.28.1. the Client's inability to fulfil his/her obligations in accordance with the provisions hereof, including the Client's obligations under any transaction entered into via the Trading Platform;

33.28.2. violation of intellectual property rights or rules for the Client's use of the Trading Platform;

33.28.3. other reasons related to the Client's use of the Trading Platform.

The Client's obligations to reimburse, guarantee compensation and protection apply to all actions by any parties irrespective of: whether they are authorized or not, who have been granted with or who have access to the Trading Platform.

The Bank has the right to write-off all expenses and Losses of the Bank, if any, from the Client's cash funds held on any Client's accounts with the Bank.

33.29. The Client assumes all risks related to the transfer of the Orders via the Trading Platform. All Orders transmitted via the Trading Platform shall be accurate, complete, non-conflicting and correctly executed. The Bank is not obliged for and will not examine the correctness of the Orders. Furthermore, the Client undertakes to ensure that the cash funds necessary for the execution of the Orders on the Trading Platforms are available on the Trading Platform Account.

33.30. If the Client unfairly uses or attempts to use in his/her favour various technical errors that have arisen when using the Trading Platform, the Bank has the right to withhold from the Client's accounts the cash funds in amount of the Client's income received as a result of using such error, as well as implement the actions specified in Clause 33.24 hereof and collect the Bank's Losses. A technical error, among other things, is so called "*bad ticks*" and "*off-market prices*" – prices that do not correspond to market prices or prices on the Trading Platform. The Bank unilaterally determines technical errors.

33.31. In addition to other provisions hereof about the limitation of the Bank's responsibility, the Bank and the TP Provider are not liable, including, but not limited to:

33.31.1. for the Client's inability to use the Trading Platform for any reason, including, but not limited to, for the blocking of the Client's access, interruption of communication channels, absence of the internet connection for the Client, the Bank, the Counterparties or other parties;

33.31.2. for the consequences of any technological and/or technical features, failures or errors in any systems, devices or programs involved in the provision of service specified in Section IV "Trading Platforms";

33.31.3. for the consequences caused by abuse, forgery, fraud or other unlawful actions by third parties or the Client;

33.31.4. for the consequences of unauthorized access to the Trading Platforms;

33.31.5. for the loss of the Client's data;

33.31.6. for the actions or failure to act by third parties or the Counterparties, and for the consequences associated with their financial position and the quality of services rendered by them;

33.31.7. for non-fulfilment of the Bank's instructions by the Counterparty or third party in respect of which the Transactions with Financial Instruments did not occur in due order;

33.31.8. for the Client's obligations to third parties or the obligations of third parties to the Client;

33.31.9. for the consequences of the Transactions with Financial Instruments, including, but not limited to: for making payments for the conducted Transactions with Financial Instruments;

33.31.10. for completeness and reliability of information received by the Client on the Trading Platforms;

33.31.11. for technical features of the implementation of the Transactions with Financial Instruments via the Trading Platforms;

33.31.11. for changing the provisions for the implementation of the Transactions with Financial Instruments;

33.31.13. for the consequences of the Client's or third parties interference in the operation of the Trading Platforms, and the consequences of installing any addons or additional functionality on the Trading Platforms;

33.31.14. for indirect losses, any lost profit, consequences of gross or mild negligence;

33.31.15. for any other damage caused by the use of the Trading Platform or associated with the provision or use and/or inability to use the Trading Platform.

33.32. The Bank shall not be liable for any obligations of third parties (including, but not limited to – TP Provider, Counterparties) to the Client which may arise when the Client uses the services specified in Section IV “Trading Platforms” hereof. Also the Bank and the TP Provider are not liable to the third parties.

#### **34. Specific Features of Transactions on FOREX Market via the Trading Platform Rietumu FX**

34.1. This Sub-section of the Terms and Conditions, and namely Clauses 34.1 – 34.21, refers solely to the performance of transactions via the Trading Platform Rietumu FX. In addition to other applicable terms specified in the Sub-sections 1 “Basic Definitions”, 25 “Definitions” and 33 “Definitions” of these Terms and Conditions, to perform the transactions via the Trading Platform Rietumu FX (Clauses 34.1 – 34.21 hereof) the following specific terms are applied. These terms do not have a unique meaning assigned to them in other Sub-sections of the Terms and Conditions.

**Cash Funds** – a balance of cash funds on the Trading Platform Account taking into account the current profit and loss for all open Positions.

**FOREX Market** – an electronic OTC market for transactions with currency, precious metals, goods and other Financial Instruments with or without a shoulder. Transactions on such market are executed by the Counterparties – liquidity providers. Types of possible transactions are determined by the Bank. FOREX Market is a trading platform which uses the Trading Platform Rietumu FX.

**Free Margin** – an amount of cash funds on the Trading Platform Account available for the opening of new Positions which is the remainder of the subtraction of the Cash Funds and Margin.

**Level** – a total Margin adequacy ratio taking into account all open Positions which is a separate division of Cash Funds indicator by the Margin indicator and is represented as a percentage.

**Margin** – cash funds that cover the Margin Requirements of all open Positions and serves as a Financial Collateral to cover possible losses due to revaluation of the open Positions.

**Margin Requirements** – a minimum amount of cash funds necessary to open and maintain the Positions. The corresponding minimum amounts are set by the Bank and are published on the Bank’s website [www.rietumu.com](http://www.rietumu.com).

**Position** – a record of the transaction on the Trading Platform Account for the purchase or sale of the Financial Instruments.

**Stop out** – a percentage of the Level at which the Bank at any reasonable price closes an open Position (or several Positions) with the highest loss rate of the Client in monetary terms. The Level at which the Stop out sets in is published on the Bank’s website [www.rietumu.com](http://www.rietumu.com).

34.2. Within the framework of the Trading Platform Rietumu FX only the following types of the trading Orders are allowed:

- Open – open the Position;
- Close – close the Position;

- add, remove or change the orders *Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop, Trailing Stop*.

34.3. In the context of Transactions with Financial Instruments the Bank is not a party to the transaction with the Client, but only grants the Client an access to the FOREX Market in the manner established in the agreement between the Bank and the Counterparties. The Bank redirects all trading Orders to its Counterparties who act as liquidity providers and ensure the execution of trading Orders. The Counterparty may forward the trading Order for execution to other third parties. The Bank is not a party to the transaction with the Client.

34.4. All open spot Positions will be rolled over to the next working day of the week at the close of the day.

34.5. Confirmed open and closed Positions cannot be cancelled. Deferred trading Orders (*Stop Loss, Take Profit, Limit Orders*) cannot be cancelled, if the price has reached the specified Level.

34.6. Trading Orders may be submitted or changed, or cancelled only during working (trading) hours. The time of all tradings and exceptions is set by the Bank.

34.7. The trading Order is valid subject to its type and expiry date. If the validity period of the trading Order is not specified, it is valid for an unlimited period.

34.8. Under certain conditions (including, but not limited to, due to technical failures, disruption in quotations, and for other reasons) it may not be possible to transfer the trading Orders (*Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell limit, Sell Stop*) for execution to the Counterparty at the price specified in the trading Order. In this case the Bank is entitled to transfer the trading Order for execution to the Counterparty at the first available price on the FOREX Market. In particular, in this case the trading Order *Stop Loss* may not limit the Client's losses in the planned amount.

34.9. Prices on the FOREX Market transmitted on the Trading Platform are indicative. Trading Orders *Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop* are sent for execution to the Counterparty when the price of the specified level is first reached. The price specified, when submitting the trading Order, does not confirm that the transaction will be executed exactly on the basis of such price. The trading Orders are executed at a price and in amount which is approved to the Bank by the Counterparty (the Bank's liquidity provider), taking into account the Remuneration. The price for the execution of the trading Order confirmed by the Counterparty is decisive for payments with the Client.

34.9.1. In the event of deferred trading Orders (*Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell limit, Sell Stop*) this may lead to the fact that the trading Order will not be executed fully or partially, even if the price (condition) specified in the trading Order was get in the interface of the Trading Platform.

34.9.2. The Bank is not responsible for price slippage. Taking into account the delay in transferring data from the Client to the Bank or the Counterparty, the trading Order may be executed at a price that may materially differ from the price which the Client saw on the Trading Platform at the time of submission of the trading Order. The Bank shall not be liable for any consequences related to the delay in the execution of the trading Order.

34.9.3. The Bank reserves the right not to transfer the trading Orders for execution and not to change the price for inaccurately executed trading Orders, if it is caused by any technical errors or failures.

34.10. When the Order is executed for opening or closing the Position “on the market”, one of the determining factors of the price for actual execution of the Order is the amount of the transaction specified in the Order. For large volume transactions the price for execution “on the market” can be significantly worse than for the transactions of lower volume.

34.11. The Bank carries out all payments with the Client based on the results of the payments between the Bank and the Counterparty. In the event the Counterparty fails to pay to the Bank for any Transactions with Financial Instruments, the Bank accordingly fails to make payments to the Client until the settlement of payments with the Counterparty. The Client assumes the risk of insolvency of the Counterparty until the Counterparty settles the payments with the Bank.

34.12. There is a high probability of execution of the transaction at a price that significantly differs from the market price, in particular at night time or during low liquidity hours. The Bank shall not be liable to the Client for the execution of the transaction at such a price and shall not be obliged to reimburse the Client for any losses or expenses in respect of the execution of transaction at such a price.

34.13. FOREX Market is not centralised and essentially depends on liquidity providers, while the formation of prices is carried out outside the regulated market. Liquidity providers (Counterparties) of the Bank may significantly expand the market unilaterally without prior notice, what affects the FOREX Market. The Client is obliged to individually via the Trading Platform follow and take into account the current market spread.

34.14. Before submitting a trading Order, the Client himself/herself specifies the amount of the Margin Requirements. The amount of the Margin Requirements may be changed by the Bank unilaterally without prior authorization at any time without a prior notice to the Client. A change in the Margin Requirements entails a recalculation of already open Positions. At the same time the Bank may increase the Margin level correspondingly to maintain an already open Position. If compliance with new Margin Requirements is impossible due to the absence of the Free Margin, the Bank is entitled to close the Position (or several Positions) with the highest loss rate of the Client in monetary terms. The Client undertakes to independently monitor and comply with the current Margin Requirements. The Client assumes the risk of reaching the *Stop Out level*.

34.15. The Bank is entitled at its own discretion to determine whether extraordinary circumstances or an exceptional situation exists on FOREX Market or other financial markets. Such extraordinary circumstances, including, but not limited to, contain suspension of trading on any market, an imposition of restrictions or a suspension of free conversion of any currency, failure of any system or factor, on which are based the price quotations or short-term strong price movements exceeding the value of corresponding Margin Requirements within a day. In this case the Bank has the right:

- to immediately increase the Margin Requirements;
- to reduce the Client’s exposure to the Financial Instruments;
- to forcefully close any Positions;
- to suspend an acceptance of trading Orders and execution of the Transactions with Financial Instruments;
- to take other actions at their discretion.

34.16. The Bank is entitled at its own discretion to determine the level of the Client’s significant exposure to one or several Financial Instruments, at which the Bank is entitled to unilaterally without prior authorisation to change the amount of the Margin Requirements and/or forcefully close the Position, and suspend the Client’s ability to increase the Position.

34.17. The Bank is entitled at its own discretion to determine the total amount of cash funds on the Trading Platform Account, at which the Bank is entitled unilaterally without prior authorisation to reduce the amount of trading shoulder, which is applied to the Client's transactions. In this case there will be a recalculation of already open Positions.

34.18. FOREX Market is OCT market, in this respect no references of the Client on the prices or trading conditions available on other similar trading platforms do not justify any arguments of the Client about trading on the FOREX Market.

34.19. For rolling over of the Positions the Client pays the Remuneration in the form of swap rates. The Bank changes the Remuneration for rolling over the Positions depending on the interest rate level. In the event of changes in interest rates the Bank is entitled to increase the amount of the Remuneration for rolling over the Positions. The Bank is entitled to write off the accrued Remuneration for rolling over of the Positions once a month.

34.20. When converting the amount of Remuneration into the currency of the Trading Platform Account, the current prices of the currencies on the FOREX Market are used.

34.21. When the Stop out level is reached, the Bank closes the open Position with the highest loss rate of the Client in monetary terms. At the same time the Bank writes off the Client's losses from the amount of the Margin which serves as a direct Financial Collateral to cover possible losses due to revaluation of open Positions and reaching the Stop out level. This provisions does not limit the Bank's right to recover the Bank's Losses in full.

### **35. Specific Features of Transactions via the Trading Platform RB Trader Station**

35.1. The Order for the opening of the Trading Platform Account RB Trader Station submitted to the Bank by the Client serves as a basis for the opening by the Client of individual Investment Accounts providing payments for transactions concluded on the Trading Platform, to which the Trading Platform Account will be tied for execution of transactions via the Trading Platform RB Trader Station.

35.2. The Counterparty that carries out the execution of the Client's Order is entitled to independently without approval by the Client to determine the place of execution for such Order.

35.3. The Bank ensures the crediting of the Financial Instruments and cash funds on the Trading Platform Account of the Client, if the transfer is made as a result of transactions entered into by the Client, using the Trading Platform and a respective approval of the transaction from the Counterparty has been received, and provided that the transactions previously entered into by the Client were set off.

35.4. The Bank is entitled to unilaterally without a prior authorization to correct and reverse the errors and incorrect entries in respect of the Trading Platform Account of the Client arising out of the introduction of incorrect data or for any other reason, and the Client undertakes to promptly notify and return to the Bank the Assets credited to the Client as a result of such error.

35.5. When executing the Transactions with Financial Instruments via the Trading Platform RB Trader Station, the Bank will not notify the Client about the Margin Call situations, and about any inconsistency of the Client's Positions to the Margin Requirements. The Bank is entitled to unilaterally without prior authorization close any Client's Positions on the Trading Platform Account for satisfying the Margin Requirements.



35.6. The Bank is not a party to transactions which the Client entered into via the Trading Platform RB Trader Station, except for the provision of the Margin Loan. The Bank grants the Client access to the Trading Platform in accordance with the procedure established in the agreement entered into between the Bank, relevant TP Provider and/or Counterparty.

35.7. The Client is informed that in some cases the Order submitted by the Client cannot be cancelled or changed. Any attempt to cancel or change the Order is only the Client's request for change or cancellation. The Bank, TP Provider and the Counterparty are not responsible for inability to cancel or change the Order.

35.8. The Margin Loan on the Trading Platform RB Trader Station – is an amount of money issued by the Bank in accordance with the Order for purchasing of Financial Instruments under the Financial Collateral of Investment Assets and/or acquired Financial Instruments placed on the Trading Platform Account. In order to cover the Bank's Losses the Bank has the right to address collection to any other Assets of the Client on other accounts of the Client in the Bank. In the event the Client has not marked an option "Using of the provided financing" in the Order for opening of the Account of the Trading Platform RB Trader Station, any debit balance for the Client on the Trading Platform Account is equivalent to overdraft granted by the Bank. The Margin Loan is reflected as a debit balance of cash funds in a specific currency on the Trading Platform Account at the end of the day, and namely at 0.00 Latvian time, after settlement of the deals and other transactions. The Margin Loan is issued automatically upon execution of the Order for purchasing of the Financial Instrument in an amount of the missing sum and in respective currency of the Order as of the settlement date of the transaction.

35.8.1. In case of occurrence of high concentration risk when the Client purchases a specific Financial Instrument or occurrence of high concentration risk in relation to the Client's Financial Instruments portfolio as a whole, the Bank has the right to limit further increase of the Client's exposure by allowing the Client to close only the existing Positions on the Trading Platform. The Bank does not disclose to the Client information on internal limits and methods for calculating of high concentration risk.

35.9. Before submission of the Order, the Client independently specifies an amount of Margin Requirements. The current Margin Requirements for Transactions with Financial Instruments are specified on the Trading Platform RB Trader Station just before entering into the Transactions with Financial Instruments. Outside the time frame of the normal trading hours of the relevant stock exchange on which the Order was executed, the Margin Requirements may be increased. The Client must independently monitor the sufficiency of funds necessary to comply with the Margin Requirements both within a day (designation on the Trading Platform - "Current Maintenance Margin") and overnight. As regards night time the Client must ensure that the highest of two Margin Requirements specified on the Trading Platform RB Trader Station as "Reg T" and "Projected Overnight Margin" is met.

The balance of the SMA account (on the platform "Special Memorandum Account") at 0.00 Latvian time should not be negative. SMA – is a special account maintained under the Federal Regulation T.

35.10. The Bank has the right to change the Margin Requirements unilaterally without prior authorization at any time without a prior notice to the Client. Change of the Margin Requirements entails a recalculation of already opened Positions. If new Margin Requirements cannot be complied with due to insufficient funds on the Trading Platform Account, the Bank is entitled to close any trading Position (or several Positions) of the Client. The Client undertakes to independently monitor and comply with the current Margin Requirements. The Margin Requirements may differ from those that are applicable to one or another stock exchange.

35.11. If the Client uses borrowed funds, when conducting the Transactions with Financial Instruments, the Bank shall withhold interest from the Trading Platform Account in an amount indicated on the Bank's website [www.rietumu.com](http://www.rietumu.com). Interest is accrued on the debit balance on the Trading Platform Account at any currency at the end of the day, namely at 0.00 Latvian time. Accrued interest is written off on the 3 (Third) Working Day of each month for the Margin Loan/Overdraft granted in the previous month on the Trading Platform Account.

35.11.1. An excerpt from the Trading Platform Account of RB Trader Station is available via the "Account Management" portal on the Bank's website [www.rietumu.com](http://www.rietumu.com) and in the Internet Bank. Due to different methods of assessing the Financial Instruments of the Counterparty and the Bank, the estimated value of the Financial Instruments may differ. In the event of any disagreements/disputes in respect of the value of the Financial Instruments, the Parties recognise the value of the Financial Instruments specified in the excerpt from the Trading Platform Account of RB Trader Station available in the correct and finalised form via the "Account Management" portal.

35.12. The TP Provider and/or the Counterparty may provide the Client via the Trading Platform with different information, including, but not limited to, quotations, market information, news and market reviews, while the Client, upon receipt of such information, undertakes to pay for it according to the tariffs and commissions of the TP Provider and/or the Counterparty and/or the Bank. The Client is aware that such information is intended to be used exclusively for information purposes and it cannot be considered a recommendation to purchase, hold in custody or sell the Financial Instruments specified therein, and to carry out other transactions on financial markets. The Bank and/or the TP Provider and/or the Counterparty do not bear any responsibility towards the Client or other third parties (including for direct or indirect loss, unearned profits and penalties) for the content and for potential use of such information. Such information is the property of the TP Provider and/or third parties and such information is subject to prohibitions and restrictions defined by the intellectual property right.

35.13. The Counterparty has the right to charge an extra commission on a high concentration risk – "Exposure Fee" and "Overnight Position Fee". The Counterparty independently calculates the commission for risk and uses its own methods (can be changed without notifying the Client) for risk calculation. In this case the Client, among other things, is obliged via the Trading Platform to familiarize himself/herself with the commission "Exposure Fee", which will be written off from the Trading Account Platform.

35.14. In the event the Client performs the transactions with options or other analogous derivative Financial Instruments (incl. stock options, ETF options, futures options), the Client undertakes to liquidate (close) any long and/or short Position of such Financial Instrument until the last trading day of this instrument before its expiry, if there are insufficient cash funds on the Trading Platform Account and/or other Assets approved by the Bank to ensure the delivery/discharge in case of expiry of this Financial Instrument of the Client. If the Client fails to liquidate (close) such Position until the last trading day of this Financial Instrument before its expiry and the Bank unilaterally at its own discretion determines that the Client fails to have a sufficient amount of the Assets on the Trading Platform Account to ensure the delivery (discharge) of such Financial Instrument, and the Bank is entitled, but not obliged to unilaterally without prior authorisation, to take any or all of the following actions:

35.14.1. forcibly partially or fully sell the Client's Financial Instruments before expiry thereof;

35.14.2. allow full or partial execution of the Client's Financial Instruments and then partially or fully sell the Assets received from the execution;

35.14.3. allow partial or full expiry (termination) of the rights arising out of the Client's Financial Instruments,

furthermore, the Bank shall not bear any liability towards the Client in this respect. If the Client violates his/her obligations specified in this Clause, the Client is obliged to remunerate the Bank's Losses, if any.

35.15. Options and futures for goods and raw materials providing for a physical supply of the Assets must be closed by the Client no later than 2 (Two) Working Days before the First Position Date set by the stock exchange in case of a long Position or 2 (Two) Working Days before the Last Trading Date set by the stock exchange in case of a short Position. If the Client does not perform such actions with derivative Financial Instruments within the specified period, the Bank is entitled, but is not obliged unilaterally without a prior authorization to forcibly liquidate (close) this Position, however, the Bank does not bear any responsibility towards the Client in this respect. If the Client violates his/her obligations under this Clause, the Client is obliged to reimburse the Bank's Losses, if any.

### **36. Specific Features of Transactions via the Trading Platform CTS T4**

36.1. By signing and delivering to the Bank the Order for opening the account of the Trading Platform CTS T4, the Client confirms that in addition to the Terms and Conditions the Client has individually read the provisions for using of the Trading Platform CTS T4 "END USER AGREEMENT" (hereinafter in Clauses 36.1 – 36.3 hereof – CTS Provisions) available on the internet <https://t4login.com/disclaimers/license.htm>. The Trading Platform CTS T4, CTS Provisions and all related materials and documents are available only in English. The Client confirms that he/she has sufficient knowledge of English (and, if necessary, he/she has access to translation services) in order to make full use of the Trading Platform CTS T4, and familiarize himself/herself thoroughly with all materials and CTS Provisions.

36.2. The Client confirms that:

36.2.1. he/she is aware of all CTS Provisions and undertakes to observe them;

36.2.2. before every use of the Trading Platform CTS T4 the Client undertakes to independently track the amendments to the CTS Provisions (check the wording of CTS Provisions at <https://t4login.com/disclaimers/license.htm> and on the website: <http://www.ctsfutures.com>, and also directly in the Trading Platform CTS T4 and other official sources);

36.2.3. the fact of using the Trading Platform CTS T4 evidences of that the Client agrees with then effective version of the CTS Provisions;

36.2.4. the Client will immediately stop using the Trading Platform CTS T4, if he/she will not agree with the CTS Provisions or they will be confusing;

36.2.5. the Client agrees with the disclosure of any information about him/her and the Client's Representative to any parties in respect of the Trading Platform CTS T4 used by the Client;

36.2.6. the Client and the Client's Representative agrees to any processing of the personal data by the Bank and the TP Provider and related parties, including the fact that personal data will be transferred outside the European Union;

36.2.7. the Client waives any claims against the Bank or the TP Provider in respect of using the Trading Platform CTS T4.

36.3. The Bank is not responsible for any actions by the Provider of the Trading Platform CTS T4 and related parties, including, but not limited to further disclosure, use, storage or transferring of information about the Client. The Client agrees that after the information about the Client or personal data of the Client and/or Client's Representative are transferred to the TP Provider or related parties, the Bank will not control the use of such information by anybody. Among other things, the Client is liable towards the Bank for any violation of the CTS Provisions. The Client undertakes to hold the Bank harmless from any claims of third parties and guarantees full recovery of the Bank's Losses arising in respect of the Client's use of the Trading Platform CTS

T4. In particular, the Client will hold the Bank harmless from any claims of the TP Provider and will also reimburse all related expenses and the Bank's Losses.