

General Conditions of the Opening and Maintenance of Financial Instruments Account (hereinafter the "Conditions") regulate the order of the opening and maintenance of Financial Instruments Account and Cash Account, as well as the provision of services in the market of financial instruments.

### BASIC TERMS AND DEFINITIONS

All terms, meanings of which are not defined by the Conditions have meanings, given to them by the corresponding norms of law of the Republic of Latvia.

Except where provided otherwise by the Conditions, the terms within the section "Basic Terms and Definitions" that are defined in singular have the same meanings in plural, as well as the terms defined in plural have the same meanings in singular.

**Accounts** - Cash Account and Financial Instruments Account.

**Assets** - Cash and Financial Instruments held in custody on the Accounts.

**Authorized Representative** - A person duly authorized to dispose of the Assets, and/or submit Orders on behalf of the Client.

**Base currency** - the currency which was chosen by the Client in the "Statement of Acceptance of General Conditions of the Opening and Maintenance of Financial Instruments Account".

**Bank** - Joint Stock Company "Rietumu Banka", registered in the Register of Enterprises of the Republic of Latvia on May 14, 1992, entered in the Commercial Register of the Republic of Latvia on November 11, 2004 with the United Registration Number 40003074497, registered address: 7 Vesetas Street, Rīga, LV-1013, Republic of Latvia. The licence for credit institution activity has been re-registered on 22 April 2008 by the Financial and Capital Market Commission. Licences Register No.06.01.04.018/245.

**Bank's Losses** - for the purposes of these Conditions any uncovered expenditures, losses and commitments to third persons, Penalties and fees, unenforceable obligations of third persons, as well as lost profits and damage to the Bank's reputation.

**Cash Account** - a special investment cash account opened by the Bank for the custody and accounting of the Client's cash funds for the purposes of Transactions with Financial Instruments.

**Client** - a legal entity or private individual or an association of such entities or individuals, to whom the Bank provides services in the financial instruments market under and in line with the Conditions.

**Client Identification** - verification of facts and requisites within an Order, that allows to ascertain that the Order has been submitted by the Client or the Authorized Representative.

**Counterparty** - a third person through whose mediation the Bank executes the Orders and/or provides the custody of Financial Instruments and/or cash funds.

**Current Account** - a cash account opened by the Bank for the custody and accounting of the Client's cash funds, or Client's correspondent account with the Bank.

**Financial Collateral** - cash funds and/or Financial Instruments used to secure fulfillment of the Client's obligations to the Bank that arise or may arise under the Conditions. Provisions on the Financial Collateral are regulated by the provisions of the "Financial Collateral Law" (Finanšu nodrošinājuma likums) of the Republic of Latvia.

**Financial Instrument** - financial instruments in the interpretation of the "Law on Financial Instruments Market" (Finanšu instrumentu tirgus likums) of the Republic of Latvia, agreements concurrently creating financial assets for one person, and financial liabilities and capital securities for another; as well as documents certifying the issuer's obligations to the holder, including, but not limited to: stocks, bonds, debt warrants, bills of exchange, shares in mutual funds, any other claims on assets; as well as their related or derivative instruments or contracts, i.e. options, futures contracts and forward deals.

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

**FOREX** - international currency market, where exchange transactions of freely convertible currencies take place.

**Initial Margin** - the size of initial margin requirement for a deal with the Financial Instrument (futures contract, option etc.), paid by the Client to the Financial Instruments Account and/or the Cash Account and/or the Trading Venue Account and blocked on these accounts as a collateral intended to cover possible loss resulting from the change of the price of the corresponding Financial Instrument.

**Maintenance Margin Requirement** - the minimum Initial Margin amount where the Margin Call situation emerges.

**Margin Call** - the Bank's request to the Client to bring up the level of Initial Margin against a Financial Instrument to meet the Initial Margin requirement, or the request to restore the balance between the volume of the Margin Loan issued by the Bank and the market value of the collateral.

**Margin Loan** - an amount of cash, issued by the Bank in accordance with the Order for the purpose of purchase of Financial Instruments or their derivatives, or for other purposes, against the Financial Collateral of the Assets and/or Financial Instruments being purchased.

**Nominal Account** - Accounts which the Client uses exclusively for custody and accounting of Financial Instruments and cash funds of third persons.

**Order** - the Client's order duly completed and submitted to the Bank in accordance with the Conditions, which serves as a basis for execution of transactions with the Assets; the Client's order submitted to the Bank or the Counterparty by means of the Software, as well as any other Client's order in accordance with the Conditions.

**Party/Parties** - the Client and the Bank referred to in the Conditions either separately or collectively.

**Penalty** - penalty provided for by article 1716 of the Civil Law of the Republic of Latvia.

**Regulated Market** - the set of organizational, legal and technical measures, which provides for a possibility to enter into transactions with Financial Instruments in an open and regular manner.

**Set of Tools of Client Identification and Asset Management:**

- Rietumu ID - Client's identifier;
- DigiPass - Calculator of one-time digital passwords;
- TCT - individual Test Code Table;
- OTP - one-time digital password that is acquired by means of DigiPass;
- Test Key - a digital code that is calculated by a certain algorithm with use of TCT;
- Voice Password - a password, that is used as one of the Client Identification methods when submitting Orders by phone, and which is indicated in Preferred Communication Method Form.

**Software** - software and/or access passwords and/or keys provided by the Bank and/or the Software Provider which

jointly or separately allow the Client to access the Trading Venue for entering into transactions independently.

**Software Provider** - a third party which has legal relationship with the Bank and provides the Client with the Software.

**Stop-loss** - a volume of Initial Margin set by the Bank, by reaching which the Bank is entitled to close a position on the Financial Instrument, which was bought by using the Initial Margin.

**Trading Venue** - the place, where the Bank executes the Orders and/or the place where the Client acts by himself, by carrying out the Transactions with the Client's Financial Instruments and/or cash funds.

**Trading Venue Account** - a special account, opened for the custody and accounting of the Client's assets on the Trading Venue, for the purpose of entering into Transactions with Financial Instruments on own account.

**Transactions with Financial Instruments** - transactions and other actions including, but not limited to, transfer, blocking, deregistration, redemption, depositing, discounting, the object of which are Financial Instruments, which are carried out by the Bank on its own behalf in accordance with the Order, and/or those, that the Client carries out by himself, using the Software.

**Working Day** - a day when credit institutions operate in Riga, Latvia.

**Working Hours** - the hours during which the Bank accepts the Orders for execution.

## 1. RIGHTS AND OBLIGATIONS OF THE BANK

### 1.1. Acting in accordance with the Conditions, the Bank undertakes:

1.1.1. to provide multiple services to the Client when carrying out Transactions with Financial Instruments under and in line with the Conditions, as well as the legal norms of the Republic of Latvia and the countries of placement of the Client's Financial Instruments and/or cash funds;

1.1.2. to open Financial Instruments Account and Cash Account for the Client and to carry out the maintenance of the Accounts;

1.1.3. to keep accounting of the Assets;

1.1.4. at the request of the Client to provide Account statements for the period specified by the Client;

1.1.5. to accept for execution and execute duly completed Orders;

1.1.6. to provide the Client with information about Transactions with Financial Instruments carried out in accordance with the Order, as well as with any other information related to the Client's investment activity and containing, in the Bank's opinion, no commercial secrets;

1.1.7. to secure the confidentiality of the Orders and non-disclosure of information about the completed Transactions with Financial Instruments, to provide information only to the

Client and the Client's authorized persons and Authorized Representatives, as well as in the cases provided for by the legal norms of the Republic of Latvia and/or the countries of placement of the Client's Financial Instruments and/or cash funds, and/or by the Conditions;

1.1.8. not to use Assets for any other purposes or operations not under and not in line with the Conditions. The Bank may not legally use Assets to meet its own liabilities, except for the cases provided for by the Conditions.

### 1.2. Acting in accordance with the Conditions, the Bank has a right to:

1.2.1. request the submission of other documents specified in the legal norms of the Republic of Latvia and/or countries of placement of Client's Financial Instruments and/or cash funds when opening Accounts;

1.2.2. to close the Accounts in the following cases:

1.2.2.1. if the Client has sent in a notice of rejection of the Bank's services and closing of Accounts;

1.2.2.2. if the balance of the Accounts has been zero, or the overall balance of Accounts has amounted to less than 100 EUR (one hundred euro) or an equivalent in another currency, for one year, and no Transactions with Financial Instruments have been carried out on the Accounts within a year. The Bank transfers the remaining balance to the Current Account;

1.2.2.3. if the Current Account is being closed at the initiative of the Bank, the Client is being notified 10 (ten) days prior to the closing of the Accounts;

1.2.2.4. in other cases provided for by the legal norms of the Republic of Latvia.

1.2.3. to become a depositor of another holder of Financial Instruments and/or cash funds on the basis of a concluded agreement and to transfer the Financial Instruments and/or cash funds for custody to this deposit holder;

1.2.4. to write off the Client's cash funds and/or sell at the current market price the Client's Financial Instruments placed on the Financial Instruments Account, in the amount and quantities sufficient to cover the Client's obligations to the Bank;

1.2.5. to refrain from executing the Orders in case one of the following conditions has been stated:

1.2.5.1. the Order has been out of compliance with the Conditions;

1.2.5.2. the text of the Order or the Test Key is illegible and/or incorrect;

1.2.5.3. the Order does not contain all the information necessary for the execution of a Transaction with Financial Instruments;

1.2.5.4. the Client has a debt to the Bank as a result of non-fulfillment and/or improper fulfillment of the Client's obligations under the Conditions, and/or other documents regulating legal relationships between the Client and the Bank;

1.2.5.5. the account specified in the Order does not contain Financial Instruments and/or cash funds sufficient for the execution of the Order;

1.2.5.6. in case of circumstances beyond the Bank's control that complicate the execution of the Order or render it infeasible;

1.2.5.7. the Order does not meet current market conditions and/or is technically non-executable;

1.2.5.8. the execution of the Order may result in the Bank's Losses;

1.2.5.9. the Order contradicts the legal norms of the Republic of Latvia, and/or the countries of placement of the Client's Financial Instruments and/or cash funds, and/or the provisions of the Conditions;

1.2.5.10. in other cases specified in the Conditions and/or the legal norms of the Republic of Latvia.

1.2.6. to attract the Counterparties for the execution of the Orders without coordination with the Client;

1.2.7. to execute the Order in part if it cannot be executed in full;

1.2.8. to suspend the execution of the Orders concerning the Financial Instruments held as Financial Collateral, until the fulfillment by the Client of all obligations covered by such Financial Collateral;

1.2.9. when executing the Order, to purchase or sell to the Client Financial Instruments in or from the Bank's own portfolio, thus acting as a Party under the transaction;

1.2.10. to withhold, use and realize the Financial Collateral as provided for by the Conditions;

1.2.11. to receive remuneration for the maintenance of the Accounts and execution of the Orders in line with the Bank's fees and charges and in the order specified in the Conditions;

1.2.12. to deduct the Bank's remuneration without acceptance, in accordance with the Bank's fees and charges, from the Current Account or the Cash Account;

1.2.13. to amend the Bank's fees and charges without acceptance and at own discretion;

1.2.14. to delegate powers under the Conditions to third parties, notifying the Client 10 (ten) days prior to the moment of such delegation;

1.2.15. in accordance with the rules of the Credit Register of the Bank of Latvia to transfer the information about the Client's credit obligations and their execution process to the Credit Register of the Bank of Latvia;

1.2.16. to exercise other rights under the Conditions.

## 2. RIGHTS AND OBLIGATIONS OF THE CLIENT

### 2.1. Acting in accordance with the Conditions, the Client undertakes:

2.1.1. to acknowledge all the actions of the Bank performed under and in line with the Conditions, and to pay the Bank's remuneration for the fulfilled obligations in the amount and order specified in the Conditions and Bank's fees and charges;

2.1.2. to open the Current Account before opening Accounts;

2.1.3. to provide the Bank with precise, clear and consistent Orders, formulating and completing them in accordance with the Conditions. The Order must contain, but not limited to, the following information:

- type and name of the Assets;
- type of the transaction (purchase, sale, transfer, deregistration, conversion, pledge, etc.);

- quantity of the Financial Instruments;
- price and, in case if it is important information, the mechanism of its estimation (market price, acceptable range, accrued coupon, etc.);
- execution time of the Order, in case it is an important condition;
- details required for the Client Identification, depending on the Order submission method.

The Bank has the right to request any other additional information from the Client, if the Bank deems such information necessary for the execution of the Order;

2.1.4. to pay in due time for the services rendered to the Client by the Bank under the Conditions;

2.1.5. to compensate in full for the Bank's Losses pertaining to

the process of execution of the Orders, in case the Bank's Losses result from improper fulfillment and/or non-fulfillment by the Client of his obligations under the Conditions;

2.1.6. to transfer and ensure the availability of sufficient cash funds and Financial Instruments on the Accounts, necessary for the Transactions with Financial Instruments, as well as for the payment of the Bank's fees, other fees and expenses pertaining to the Transactions with Financial Instruments;

2.1.7. to inform the Bank about any changes in the Client's status, powers of Authorized Representatives, and changes of details specified in the documents submitted when opening the Accounts, on the day following the introduction or approval of such changes by the appropriate institution;

2.1.8. to provide the Bank with all the necessary documents if the provisions of such documents are obligatory under the legal norms of the Republic of Latvia and/or the countries of placement of the Client's Financial Instruments and/or cash funds.

## **2.2. Acting in accordance with the Conditions, the Client has a right to:**

2.2.1. submit Orders personally, or through the mediation of Authorized Representatives;

2.2.2. receive information about the executed Transactions with the Financial Instruments, as well as about the status of the Accounts, in accordance with the Conditions;

2.2.3. reject Bank's services, having fully discharged all obligations to the Bank, in case the Client disagrees with the changes in the Bank's fees and charges. In this case, the Client must indicate the holder of the Financial Instruments and cash account, to which the Client's Financial Instruments and/or cash funds will be transferred at the Client's expense;

2.2.4. exercise other rights under the Conditions.

## **3. RIGHTS TO FINANCIAL COLLATERAL, USE AND REALIZATION OF FINANCIAL COLLATERAL**

3.1. As a guarantee and security of fulfillment of the Client's obligations to the Bank that may arise in relation to the provision of services to the Client under the Conditions, the Client provides the assets, which are specified in the Clause 3.2. of the Conditions, as the Financial Collateral to the Bank (as defined in the Financial Collateral Law of the Republic of Latvia (Finanšu nodrošinājuma likums)). The Bank has a right to withhold the Financial Collateral until the Client's obligations to the Bank have been fully discharged, as well as to write off or alienate the Financial Collateral to the benefit of the Bank or third parties in case of non-fulfillment or improper fulfillment of the Client's obligations to the Bank.

3.2. The Financial Collateral shall include:

3.2.1. the Assets;

3.2.2. cash funds, held on the Current Account;

3.2.3. cash funds, held on the Trading Venue Account;

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

3.2.5. improvements, increments and civil fruits of the Financial Collateral that have been produced and obtained during the period of relationship between the Bank and the Client, in accordance with the Conditions;

3.2.6. cash funds and Financial instruments in any other accounts of the Client with the Bank.

3.3. The Financial Collateral secures the Client's obligations to the Bank in full as estimated by the moment of the actual satisfaction of the Bank's claims, including interest and the Penalty, expenses pertaining to the realization of the Financial Collateral, as well as all other losses, including indirect losses, resulting from the breach by the Client of his obligations to the Bank.

3.4. In case of non-fulfillment by the Client of obligations

under the Conditions, the Bank is entitled to levy execution upon the Financial Collateral, unilaterally and without notice. In this case, the Bank is entitled to deduct cash funds from the Cash Account and/or Current Account to the benefit of the Bank in discharge of the Client's obligations, and, if the available amount of cash funds is insufficient, to sell the Financial Instruments held as the Financial Collateral, at the current market price, and use the proceeds to discharge the Client's obligations to the Bank. If the Client's obligations are still not discharged even after the Financial instruments which served as the Financial Collateral were sold, the Bank may at its own discretion levy execution on funds on any other Client's account with the Bank.

3.5. If the amount of proceeds from alienation of the Financial Collateral is insufficient for the complete satisfaction of the Bank's claims, the Bank is entitled to levy execution on other property of the Client.

3.6. In case the Client has outstanding obligations to the Bank, the Client may not legally change the contents and natural form of the object of the Financial Collateral without the Bank's permission, nor can the Client alienate the Financial Collateral (rights for financial collateral) to third parties (to the benefit of third parties). The Client may not legally pledge the Financial Collateral, transfer the Financial Collateral to third parties for management (ownership), or encumber the Financial Collateral with any encumbrance. Should any of such actions have been committed, they shall be deemed invalid. The Client is responsible for the notification of third parties about the existence of the Financial Collateral to the benefit of the Bank. The Client undertakes not to commit any actions that would reduce the value of the Financial Collateral and not to conduct reorganization or liquidation of the Client.

3.7. In case of outstanding obligations on the part of the Client to the Bank, the Bank is entitled to use the Assets held as the Financial Collateral in transactions that the Bank performs on own account, as well as on account of other Clients of the Bank, including, but not limited to: pledge, re-pledge, sale, purchase, or lend to third parties.

## **4. ORDERS AND IDENTIFICATION PROCEDURES**

4.1. The Client is entitled to submit Orders to the Bank in person or by phone, fax, e-mail, post, via the Internet, Bloomberg, SWIFT.

4.2. Only the following types of the Orders may be submitted by phone: the Orders to buy or sell the Financial Instruments, Orders to transfer cash funds from the Cash Account to the

Current Account, Margin Loan closing Orders, currency exchange Orders on the Cash Account. If it is necessary for the Client to perform actions with the Software, including, but not limited to, to conclude a deal, but it is impossible for the Client to do it by himself, the Client may authorize the Bank to perform such actions by submitting an appropriate Order by phone. Other Orders shall be submitted in writing (by fax, by post, in person, via Bloomberg, SWIFT, etc.).

4.3. Any Order must have a clearly formulated subject of transaction; corrections, confirmations or repetitions must be duly marked.

4.4. Orders must be duly formulated and completed in accordance with the Clause 2.1.3. of the Conditions and contain all the requisites necessary for the identification under the Conditions.

4.5. The Client submits the Orders during the Bank's Working Hours. The Parties may agree upon a different acceptance time of the Order.

4.6. When executing the Orders the Bank is not responsible for any costs, errors, misinterpretations, etc., that may arise as a result of unclear, incomplete or imprecise Orders, as well as due to distortions in the text of the Orders, transmitted via communication facilities or as a result of other reasons beyond the control of the Bank. The Bank is not responsible for errors or inaccuracies on the part of the Client or Authorized Representatives in details of the Orders.

4.7. The Bank is not responsible for any liabilities or losses incurred by the Client as a result of incorrectly and/or imprecisely submitted Order or incorrectly processed documents. The Bank is not responsible for a complete or partial failure to execute the Order, if such failure has been caused by the conditions of the market or other objective circumstances.

4.8. The specific channels and methods to be used for the submission of the Orders to the Bank, as well as methods and degrees of the Client Identification for each communication facility, which are established under the Bank's regulations and procedures, are specified by the Client in the Preferred Communication Method Form.

4.9. The Bank is not responsible for possible losses caused to the Client due to misuse, forgery or fraud by third parties, if all Client Identification procedures have been complied with by the Bank in accordance with the Client's instructions and Bank's regulations.

4.10. In case of changes in the Bank's identification regulations the Bank shall notify the Client in due time. As of this moment the Bank is entitled to refuse to execute any Orders submitted by the Client in breach of the new regulations and procedures.

4.11. After receiving an Order the Bank is entitled to request a confirmation from the Client by any other communication facility at the Client's expense.

4.12. The Bank is entitled to reject a submitted Order if the Bank has reasons to doubt the authenticity or genuineness of the

Order, in which case the Bank notifies the Client. The Bank is not responsible for any losses that may be suffered by the Client as a result of such non-execution.

4.13. The Client is entitled to cancel an Order, if the latter has not yet been executed by the Bank, with the exception of Orders for Transactions with Financial Instruments at current market price or other Orders whose cancellation is technically impossible or Orders that have already been executed.

4.14. The Client and the Bank hereby agree that all actions taken by the Bank under and in line with the Conditions and/or during the execution of the Orders are binding on the Client.

4.15. The Bank is entitled to record the Orders submitted by phone, which will constitute a legal proof for the execution of the Transactions with Financial Instruments in the same way as Bloomberg, SWIFT, fax or e-mail printouts. Orders submitted by phone do not require any other documentary proof (with the exception of the Orders specified in Clause 4.2. hereof). However, the Bank at its own discretion may refuse to accept the Order by phone or require a written confirmation.

4.16. The Client is responsible for the actions of the persons who have access to Bloomberg or SWIFT as for his own actions and accepts the actions of such persons as binding on the Client. Orders transmitted via the communication facilities specified in the present Clause do not require the Client Identification.

4.17. The Client uses the Set of Tools of Client Identification and Asset Management when submitting the Order and acts in the following way:

4.17.1. the Client has to indicate the Rietumu ID and the Test Key in the Order when submitting the Order by fax, email or in writing by post;

4.17.2. the Client has to indicate either the Rietumu ID and the OTP, or Voice Password when submitting the Order by phone. In case the Order is submitted by phone with use of the Voice Password, the Client must also indicate the Client's name and surname (if the Client is a natural person) or the name of the Client (if the Client is a legal entity).

4.18. Responsibility for any losses arising as a result of incorrect identification of the signature of the Authorized Representative or the Client, or undiscovered forgery, lies on the Client, unless there has been a grave error on the part of the Bank.

4.19. The Bank is not responsible for the consequences of any possible forgery of documents or their incomplete, incorrect or inaccurate formulation and/or translation.

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

4.21. When executing the Order for the Transactions with Financial Instruments the Bank acts under the

"JSC "Rietumu Banka" Client Order Execution Policy in Financial Markets."

## 5. BANK'S REMUNERATION AND SETTLEMENTS

5.1. The Client remunerates the Bank in accordance with the Bank's fees and charges for the opening, maintenance and closing of Accounts, execution of the Orders and other services. The Parties have agreed that any additional benefit received (or saved) as a result of the execution by the Bank of the Transactions with Financial Instruments on more favourable terms than specified in the Order is retained by the Bank as additional remuneration.

5.2. The Bank's fees and charges, as well as payment procedures may be unilaterally amended by the Bank without acceptance. The Bank shall notify the Client of such changes 5 (five) Working Days in advance.

5.3. When performing operations under the Conditions the Bank deducts the respective fees and charges from the Cash Account or Current Account without acceptance.

5.4. Remuneration for the custody of Financial Instruments is deducted in the Base currency by the Bank from the Client's Cash Account on a monthly basis.

5.5. If on a payment due date the Client does not have the necessary amount of cash funds to cover the Bank's remuneration the Bank is entitled to do the following at its own discretion:

5.5.1. to debit the Bank's remuneration from the Current Account;

5.5.2. to sell a part of the Client's Financial Instruments and to use the proceeds to settle the Client's debt;

5.5.3. to debit the Bank's remuneration when cash funds are credited to the Cash Account, in which case the Bank may charge its remuneration for any period in the past.

5.6. Remuneration for the execution of the Order to sell the Financial Instruments is charged by the Bank in line with the Bank's effective fees and charges from the proceeds received from the sale of the Client's Financial Instruments.

5.7. When submitting the Order for the Transactions with Financial Instruments the Client must ensure the availability of the Financial Instruments and cash funds on the Accounts required for the execution of the Order. The amount of cash required for the execution of the Order includes the following:

- funds required for the acquisition of the Financial Instruments;
- funds required to cover the costs of re-registration of the Financial Instruments where re-registration requires additional payment;
- funds required to cover any applicable taxes, if the Transaction with Financial Instrument is subject to taxation;
- funds required to cover other costs related to the acquisition of the Financial Instruments;
- funds required to cover the Bank's remuneration.

If the amount of available Financial Instruments is insufficient, the Bank is entitled to refrain from the execution of the Order or to partially execute it; if the amount of cash funds is insufficient, the Bank is entitled to refrain from the execution of the Order or to partially execute such Order, or else to debit the necessary amount of cash funds from the Current Account without a prior coordination of its action with the Client.

5.8. In case the Client does not have sufficient cash funds to execute a submitted Order, the Bank is entitled but not required to execute the respective Order by providing an overdraft equal to the lacking amount. The interest rate on such overdraft is unilaterally established by the Bank without acceptance and cannot exceed 0.1% (point one percent) of the overdraft per day.

5.9. For any delays on the part of the Client to settle payments or other obligations under the Conditions the Client pays a Penalty of 0.2% (point two percent) of the overdue amount for each day of delay. The payment of Penalty does not release the Client from his obligations covered by the Conditions.

5.10. If the Client submits the Order to buy 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 to convert the Base currency 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 payment of the Client's debt without a prior coordination, at the current currency exchange rate of the Bank, and all costs related to the conversion are covered by the Client.

5.11. The Order for the Transactions with Financial Instruments is also a payment document and constitutes a basis for the debiting by the Bank of the respective amount of cash funds required to execute the Order from the Cash Account and/or the Current Account, or for the crediting of funds received as a result of the execution of the Order.

5.12. In case of transfers, the Assets are not credited to the Accounts of the Client, if the following details are missing or incorrect: account number, account name, other necessary details.

5.13. Financial wires executed by the Bank by its mistake may be annulled by ordinary reversal (i.e. by restoring the initial state).

5.14. The rate of remuneration due to the Bank for a specific Transaction with Financial Instruments may be agreed upon by the Parties under special rates which is reflected in the Order and accepted by the Bank at the execution of the Order.

5.15. The Bank at its own discretion has the right to unilaterally and without acceptance to reduce the remuneration amount for the services of the Bank in respect to the Client.

## 6. CLIENT'S AUTHORIZED REPRESENTATIVES

6.1. The Client submits a completed "Signature and Seal Specimen Card" (legal entities) or "Signature Specimen Card" (natural persons) to the Bank, where the Client and all individuals authorized to submit the Orders for Transactions with the Financial Instruments to the Bank on behalf of the Client are specified. Authorized Representatives may also be specified in a separate written application-authorization, which the Client submits to the Bank.

6.2. Any actions of the Authorized Representatives are binding upon the Client in the same way as the Client's own actions. The Bank bears no responsibility for any losses caused to the Client by the Authorized Representatives. The Client is fully responsible for the actions of the Authorized Representatives vis-à-vis the Bank.

6.3. The signature specimens of the Authorized Representatives must be certified:

6.3.1. if the Client is a legal entity - by the management of the company in line with the statutory documents;

6.3.2. if the Client is a natural person - by a notary or an authorized officer of the Bank.

6.4. If the Bank receives an authorization or a "Signature and Seal Specimen Card" (for legal entities) or a "Signature Specimen Card" (for natural person), where the signatures of the Authorized Representatives are not certified or are

improperly certified, the Bank is entitled to refuse to accept an Order for execution.

6.5. The signatures of Authorized Representatives are legally valid until the Bank has received a written notice of withdrawal of the powers of such Authorized Representatives from the Client.

6.6. If the Client issues a new authorization to an individual who has not been registered as the Authorized Representative theretofore, the Client must specify in the same document whether the individual previously specified by the Client as the Authorized Representative preserves the respective powers or whether that individual is no longer authorized to act on behalf of the Client.

6.7. The Client hereby undertakes to notify the Bank in writing of any changes related to the Client's status, authorizations of the Authorized Representatives or documents submitted to the Bank at or after the opening of the Current Account and/or the Accounts with the Bank not later than on the day following the day when such changes took place. The Client is fully responsible for any losses that may be caused to the Parties as a result of non-fulfillment of this provision.

6.8. The Client is responsible for any losses arising out of the legal incapacity of the Client, the Client's authorized person or Authorized Representative, unless the Bank has been notified of the fact in writing and in due time.

## 7. CUSTODY AND MAINTENANCE OF FINANCIAL INSTRUMENTS

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

7.2. The Client assumes and accepts all risks of encumbrance, blocking or forced alienation related to the activity of the Counterparties or to non-fulfillment by the Counterparties of their obligations. If the Client has own accounts of the Financial Instruments in the countries, in which the Financial Instruments and/or cash funds are placed, the custody may be done on these accounts, in which case the Client undertakes to issue an authorization to the Bank with regard to these accounts to enable the Bank to fulfill obligations under the Conditions.

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

7.4. Due to certain specific conditions applied to the custody of the Financial Instruments by third parties in some markets, it is possible that the Client may not be able to participate in corporate actions of the issuers, whose Financial Instruments are held by the Client, including, but not limited to the

meetings of shareholders and exercise other related rights. The Client hereby confirms that the Bank cannot be required to provide and ensure the ability of the Client to exercise the right to participate in the meetings of shareholders, to vote and to take part in other corporate actions of the issuers whose Financial Instruments are held by the Client. The Bank is entitled but not required to inform the Client about such actions. The Bank undertakes not to use the Client's inability to exercise the Client's rights as an owner of the Financial Instruments of any of issuers to own benefit; the Bank is not responsible for the consequences of inaction of the Bank.

7.5. The Bank transfers the amounts due to the Client as a result of the sale of the Financial Instruments or receipt of income (coupons, dividends, etc.) from the Financial Instruments to the Cash Account not later than within 2 (two) Working Days as of the moment the cash funds have become available to the Bank, if not explicitly agreed otherwise by the Parties. If, due to any reason, the Bank does not receive from its Counterparties the income from the Financial Instruments owned by the Client and calculated by the issuer or proceeds from the sale of the Financial Instruments, the Bank is not required to transfer such amounts to the Current Account before such income has been made available to the Bank for free disposition. The Client assumes and accepts the risk of losses from non-receipt of income as a result of action and/or inaction of the issuer and/or third parties.

7.6. When the Client submits the Order to transfer the Assets to other accounts of the Client or third parties, such Order is executed by the Bank not later than on the next Working Day from receipt of the Order where cash funds are concerned.

The Order to transfer the Financial Instruments is executed by the Bank if 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, which will be agreed upon by the Client and the Bank. Alternatively, the Bank will transfer the Financial Instruments within the time limits corresponding to international market practice with regard to the transfer of such Financial Instruments.

7.7. Actions related to the Financial Instruments, including but not limited to the following: redemption of debt Financial Instruments, alteration of nominal value, aggregation or division

of issue of the Financial Instruments, are serviced by the Bank in line with conditions established by the issuer or depositary of the respective Financial Instrument in each specific case, or according to international market practices with regard to the respective action related to the Financial Instruments. In certain cases the Bank will require the Client's instructions to perform certain actions related to corporate actions with Financial Instruments owned by the Client, in which case the Bank will not act until such instructions are received from the Client. The Bank is not responsible for the consequences of inaction of the Bank, if the Client will not provide instructions or the Bank will not be able to contact the Client to obtain such instructions.

## 8. REPORTING PROCEDURES

8.1. Upon receipt of a written request from the Client the Bank undertakes to provide a confirmation of the execution of the Order within one Working Day from the execution of the respective Order, as well as a report on the Transactions with Financial Instruments for a time period specified by the Client.

8.2. Upon the Client's written request the Bank will, within 1 (one) Working Day, provide full information about the state of the Accounts for a time period specified by the Client.

8.3. The Client undertakes to reimburse the Bank for expenses, if any, resulting from the transfer of information to the Client.

8.4. Reports and other information, including information about changes in service conditions or fees and charges of the Bank, which is provided by the Bank to the Client under the Conditions, is transmitted via the means of communication chosen by the Client for such transmission in the "Preferred Communication Method Form". If such information is not individual and/or confidential it is published on the Bank's website [www.rietumu.com](http://www.rietumu.com) or in the official gazette "Latvijas Vēstnesis".

8.5. The Bank only discloses information about the Transactions with Financial Instruments, information about the state of the Accounts and any other information related to the Client's investment activities directly to the Client or to the Client's authorized persons or Authorized Representatives. Such information may only be disclosed to third parties in cases explicitly provided for by the legal norms of the Republic of Latvia, regulations and other regulatory documents of depositaries and/or stock exchange where the Client operates or of the country of the issuer of the Financial Instruments in cases and according to the procedures provided for by such laws and regulations.

8.6. The Client undertakes to treat as confidential any information learned about the Bank, the Counterparties or the Software Provider, their technology, intellectual property, and any other commercial and business information, received in connection with the provision of the services by the Bank to the Client. The Client shall not disclose the corresponding information to any third party, if it is not allowed by the Conditions, legal norms 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, unauthorized or inadvertent disclosure, or loss of the corresponding information.

8.7. The Bank discloses information about the Transactions with Financial Instruments, about the Client, the Client's authorized persons and Authorized Representatives upon official request of duly authorized public authorities or the Counterparties. The Client hereby authorizes the Bank to do so and confirms the Client's consent to the disclosure of information specified herein.

8.8. The date of receipt of information from the Bank by the Client, subject to the means of communication used in each case, is:

8.8.1. the date that such information is sent by fax or e-mail;

8.8.2. the fourteenth day, including the date of posting specified in post office receipt, if such information is sent by mail;

8.8.3. the date of publication of the information on the Bank's website [www.rietumu.com](http://www.rietumu.com);

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

## 9. LIABILITY OF THE PARTIES

9.1. The Bank shall fully compensate losses caused to the Client as a result of non-fulfillment/improper fulfillment of obligations by the Bank under the Conditions.

9.2. By providing the services under the Conditions the Bank does not act as a tax, legal or investment adviser; the Bank is not required to provide the Client with information and/or analytical materials pertaining to financial markets and if such information and/or analytical materials have been provided to the Client, any investment decisions taken by the Client on the basis of such information and/or analytical materials are taken as

the Client's own decisions, at the Client's risk and are not based on any assertions, guarantees or recommendations of the Bank.

9.3. The Bank is not responsible for actions or omissions of the Client and/or third parties, including the Counterparties, as well as for any consequences related to the financial standing of the aforementioned individuals and entities.

9.4. Client shall reimburse the Bank for any losses that may be incurred during or in connection with the Orders under the Conditions.

9.5. In case of the Client's insolvency, reorganization, liquidation/death all obligations of the Client to the Bank are transferred to the Client's legal successors, heirs and have priority over other obligations of the Client to third parties.

9.6. The Client is liable to the Bank for the repayment of the

Margin Loan and/or losses arising out of the provision of the Margin Loan and/or the Transactions with Financial Instruments.

9.7. The Bank may not be held liable for any obligations of the Client to third parties.

## 10. TRANSACTIONS WITH DERIVATIVE FINANCIAL INSTRUMENTS

10.1. This Section is applied if the Client has expressed a wish to perform transactions related to derivative Financial Instruments, such as: options, futures contracts, forward contracts and other derivative Financial Instruments, using the Bank's services. Where the subject governed by this Section is concerned the provisions of this Section have precedence over all other provisions of the Conditions.

10.2. When carrying out transactions with derivative Financial Instruments, the Client undertakes to ensure the availability of the amount of the Initial Margin and the amount of the Bank's remuneration on the Cash Account. The amount of the Initial Margin and the Maintenance Margin Requirement is defined by the Bank and made known to the Client before acquisition of a derivative Financial Instrument.

10.3. The Bank may unilaterally alter the amount of the Initial Margin and the Maintenance Margin Requirement by notifying the Client thereof 1 (one) day before the new conditions come into effect. If the amount of Initial Margin and the Maintenance Margin Requirement changes in relation to corresponding changes in a particular Regulated Market, the Bank is not obliged to report it to the Client; the Client independently monitors changes in the Regulated Market.

10.4. The Bank reserves the right to refuse to perform transactions with derivative Financial Instruments for the Client without assigning the reasons for such refusal.

10.5. If due to change of the market price of the derivative Financial Instrument contract, the absolute value of the Client's current losses pertaining to the respective contract is equal to or exceeds the difference between the Initial Margin and the Maintenance Margin Requirement the Margin Call situation emerges, as well as, if the market price of the Assets, that serve as the Financial Collateral for the transaction with derivative Financial Instruments

decreases below the level set by the Bank in accordance with the Bank's loan-to-collateral ratio, the Client receives the Margin Call.

10.6. It is not the Bank's obligation to inform the Client about the Margin Call situations. The Client must keep track of the market situation and contact the Bank in case of a Margin Call to receive the Bank's instructions: either to deposit additional cash funds to meet the Initial Margin or to sell the Financial Instrument, thus closing the position.

10.7. If the Client fails to contact the Bank during the day that the Margin Call situation is registered or fails to fulfil the Bank's instructions by 12.00 CET (twelve o'clock Central European Time) of the day following the day of the Margin Call the Bank is entitled but not required to do the following without further authorization:

10.7.1. to close the position of the derivative Financial Instruments contract without further notice and to use the proceeds first and foremost to cover its losses and the Penalty;

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

10.8. In case the absolute value of current losses is equal to or exceeds 50% (fifty percent) of the amount of the Initial Margin, the Bank is entitled to close the position at any time without notice to the Client.

10.9. The Client is liable for repayment of any losses, including accidental losses, resulting from force majeure circumstances related to the Client's transactions with derivative Financial Instruments. The Client assumes and accepts all related risks. Nothing, including force-majeure, cancels, can cancel or suspend these obligations of the Client.

## 11. TRANSACTIONS WITH INVESTMENT GOLD

11.1. This Section applies to transactions with the investment gold, if the Client has expressed a wish to conduct such transactions by using the Bank's services. Where the subject governed by this Section is concerned the provisions of this Section have precedence over all other provisions of the Conditions.

11.2. The Parties have determined that within the meaning of the Conditions the investment gold is a Financial Instrument.

11.3. In order to conduct a transaction with the investment gold, the Client submits an "Order for a transaction with the investment gold" to the Bank.

11.4. The Bank is entitled to refuse to accept the Order for execution, not to execute the Order or to execute the order partially, if the circumstances that have occurred make the

execution of the given Order impossible or difficult. The Bank executes the Orders in its own name, but on the Client's account and under the Client's instruction.

11.5. In case the amount of the investment gold specified in the Order is not consistent with available denominations of gold bars, the Bank informs the Client about it and the Client undertakes to amend the Order in such manner as to make it executable.

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

11.6.1. Due to the particularity of the investment gold the time period between the moment of the acceptance of the Order for execution and the moment of the delivery of the investment gold to the Bank's vault and its corresponding reflection in the Financial Instruments Account may differ in

every particular case. The Bank does not guarantee the compliance with the time line the Client has indicated in the Order and is not responsible for it;

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

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

11.6.4. When the Bank receives the investment gold from a Counterparty who mediates in the execution of the Order, the Bank is not obliged to check the authenticity and the quality of the investment gold including but not limited to an examination or a purity check. The Bank is not responsible for the quality, parameters and specifications of the investment gold, the Client agrees with all risks related to it and undertakes them as well as waives any claims or objections to the Bank in this matter;

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

11.6.6. The Bank pays the amount received from the sale of the investment gold in accordance with the Order to the Client only when the Bank has in fact received such an amount from the Counterparty.

11.7. The Client is entitled to physically obtain the investment gold which belongs to him by giving the Bank a 3 (Three) Working Days prior written notice in advance. The moment when the Client in fact obtains the investment gold serves as a condition for the Bank to delete the entry in the Financial Instruments Account concerning the right to title over the investment gold.

11.8. The Client undertakes all tax risks which occur in connection with transactions with the investment gold and is fully responsible for the payment of taxes in the country where he is resident for tax purposes. The Client is obliged to compensate the Bank's tax expenditures which occur or may occur when executing the Order.

## 12. PROVISION OF MARGIN LOAN

12.1. This Section is applied if the Client has expressed a wish to receive the Margin Loan with the Bank against the Financial Collateral of the Assets. Where the subject governed by this Section is concerned the provisions of this Section have precedence over all other provisions of the Conditions.

12.2. Based on the Client's application the Bank may but is not required to provide the Margin Loan to the Client against the Financial Collateral of the Assets.

12.3. The period, amount and interest rate applicable to the Margin Loan, as well as other conditions pertaining to the Margin Loan are reflected in the duly formulated and completed application submitted by the Client.

12.4. The Bank may unilaterally alter the conditions of the issued Margin Loan by notifying the Client 1 (one) Working Day before the new conditions come into effect. The Bank may refuse to continue the provision of the Margin Loan to the Client at own discretion and to demand the repayment at any time.

12.5. If the Bank discontinues the provision of the Margin Loan or alters the conditions of a loan so that the Client is required to fully or partially cover the amount of the Margin Loan, the Bank notifies the Client hereof at least 1 (one) Working Day before the new conditions come into effect. The Client must cover the required amount of the Margin Loan and all interest payable not later than by the end of the day of expiry of the Margin Loan.

12.6. If the market value of the Assets included in the Financial Collateral decreases and is insufficient to meet the level defined by the Bank in line with the Bank's established loan-to-collateral ratios, the Margin Call situation emerges.

12.7. The Bank is entitled but not required to inform the Client about the Margin Call situations. The Client must keep track of the market prices of the Financial Instruments used as the Financial Collateral for the Margin Loan and must contact the

Bank in case of the Margin Call to receive the Bank's instructions:

12.7.1. to deposit additional cash funds in the 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;

12.7.2. to buy or to transfer to the Financial Instruments Account additional Financial Instruments thus bringing the Financial Collateral to the required level.

The decision about the measures to be taken in order to eliminate the Margin Call situation is taken by the Bank unilaterally without additional coordination of its actions with the Client. The Client must fulfil the Bank's instruction by 12.00 CET (twelve o'clock Central European time) of the day following the day of Margin Call.

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

12.9. 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, and the level of losses is equal to or exceeds 50% (fifty percent) of the amount of cash provided by the Client for the purchase of Financial Instruments under the

Margin Loan or of the amount of the issued Margin Loan, the Bank is entitled but not required to sell the Client's Financial Instruments used as the Financial Collateral for the Margin Loan.

12.10. When calculating the Margin Call's accrued interest on the respective Margin Loan is taken into account. At repayment of the Margin Loan the available cash funds are used in the following order: to cover the Penalty, to cover interest, to repay the principal amount of the Margin Loan.

12.11. Accrued interest on the Margin Loan is paid by the Client when requested by 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 acceptance.

12.12. The Client pays a Penalty of 0.1% (point one percent) of the total amount payable in case of the Margin Call per day. The payment of the Penalty does not release the Client from the obligation to dissolve 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.

12.13. In case the Client submits an 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 the time period of 3 (three) Working Days from the moment of repayment of the Margin Loan by the Client.

12.14. In case the Client takes the Margin Loan without indication of the date of its repayment, the Bank re-pledges Client's Financial Instruments, which serve as the Financial Collateral, in accordance with Clause 3.7. of the Conditions, the Bank may return pledged Financial Instruments to the Client within the time period of 3 (three) Working Days from the moment of repayment of the Margin Loan.

12.15. 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. The Client assumes and accepts all related risks. Nothing, including force majeure, cancels, can cancel or suspend these obligations of the Client.

### 13. PROVISION OF SERVICES ON FINANCIAL MARKETS BY MEANS OF THE SOFTWARE

13.1. This Section applies to Transactions with Financial Instruments entered into by the Client on own account by means of the Software. Where the subject governed by this Section is concerned the provisions of this Section have precedence over all other provisions of the Conditions.

13.2. For the purposes of this Section the term "Trading Venue" is also applicable to the Bank, if the Bank is a party to the transaction concluded by the Client by means of the Software.

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

13.4. The Client acknowledges that the Bank and/or the Software Provider or their affiliates are the owners of the Software, the rights to the Software, its applications and content. These rights include the right to use the Software and any of its applications, as well as other intellectual property rights (whether registered or not).

13.5. The Client undertakes to use security procedures and systems necessary to prevent violations of applicable laws and unauthorized access and/or use of the Software, including but not limited to intentionally or unintentionally introduce or admit to introduce computer viruses, worms and other malicious codes and programs.

13.6. The Client undertakes not to take the following actions:

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

13.6.2. copy, modify, transform, as well as decompile the Software for the purpose of extracting the source code;

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

13.6.4. access information or applications on the Trading Venue and/or Software, that the Client has not been authorized to use, and, if the Client receives such access, he shall immediately notify the Bank.

13.7. The Client is responsible for all actions made through the Software. The Client transmits Orders through the Software at his own risk. All Orders made through the Software must be precise, completed, consistent and duly formulated. The Bank is not required to and will not verify the accuracy of the Orders. The Client undertakes to ensure the availability of cash funds in the Cash Account, required for the execution of the Orders on the Trading Venue.

13.8. The Bank and/or the Software Provider are entitled to discontinue the provision of the Software to the Client or to block the Client's access to the Trading Venues at any time without prior notice and without specifying the reasons for such discontinuance or access denial. The Bank and/or the Software Provider may not be held liable for any consequences of such discontinuance or access denial. No modification, termination or suspension of Client's access to the Trading Venues or/and provision of the Software shall invalidate or affect any transaction entered into before any of the aforementioned actions became effective. The provision of the Software and the Client's access to the Trading Venues may be restored solely upon discretion of the Bank and/or Software Provider.

13.9. For transactions in the FOREX market the minimum ratio of the Client's equity to the market value of the assets purchased at Trading Venues is 1:100 (one percent), if the Parties have not agreed otherwise. The Client accepts the risk that if the aforementioned ratio falls below this level the Trading Venue system automatically sells the assets purchased by the Client.

The margin requirement may be altered at any time subject to changes in the conditions of transactions in the FOREX market, and the Client undertakes to ensure the availability on the Client's Cash Account of the amount of money sufficient to cover the established margin requirement within the time limits specified by the Bank.

13.10. When carrying out transactions in the FOREX market the Client is solely liable for the control of the Client's positions and must ensure that the Orders pertaining to such positions are submitted in due time.

13.11. The Client undertakes to ensure the safety of the Software and not to provide the Software to third parties. The Client is responsible for and accepts as binding any actions of any persons (authorized or unauthorized users of the Software, as well as persons illegally gained access to the Software) who have been given or have gained access to the Software, as for the Client's own actions.

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

13.13. At the Bank's request the Client undertakes to provide the Bank with any additional documents and/or information that may be required for the provision and/or use of the Software.

13.14. When using the Bank's services specified in Clause 13.3. of the Conditions the Client is entitled to receive the Software, as well as to receive information about the technical parameters of the Software that are necessary for operations at the Trading Venues. The Bank and/or the Software Provider may in their sole discretion provide to the Client materials, user manuals and guidance notes, which relate to the use of Software, and these are provided "as is" and for information purposes only, and the Bank and/or Software Provider are not liable for their content. It is sole responsibility of the Client to provide all necessary equipment and service needed to access and use the Software.

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

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

13.17. All activities of the Client related to the Software and to Transactions with Financial Instruments at Trading Venues must be legal and consistent with legal norms governing the activity of the Client, the Bank, the Software Provider and the Trading Venues. The Client shall not use the Software to post or transmit inappropriate or illegal information or material.

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

13.18.1. Client's failure to fulfil obligations under the Conditions, including the Client's obligations under any transaction performed by the Client by means of the Software;

13.18.2. intellectual property infringements by the Client.

The Client's obligation to indemnify and protect against various liabilities applies to all actions of any person, (regardless of the person's authorization) who have been given or have gained access to the Software.

13.19. In case of any claims by third parties or public authorities addressed to the Bank and/or the Software Provider pertaining to the Client's Transactions with Financial Instruments at the Trading Venues the Client undertakes to cover all costs and losses of the Bank and/or the Software Provider related to such claims. The Bank is entitled to deduct all costs and Bank's Losses, if any, without further authorization from the Client's funds in the Client's Accounts and/or the Client's Current Account and/or Client's Trading Venue Account.

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

13.21. The Bank may only be held liable for direct losses caused by it to the Client; indirect losses, including loss of profit, as well as any losses resulting from the technological and/or technical features or errors related to the provision of the services specified in Clause 13.3. of the Conditions are not compensated by the Bank.

13.22. Software Provider shall not be liable to the Client or any third party, including but not limited to, for any lost profit, data loss, consequential damages or any other damages caused by or related to provision of the Software, use and/or inability to use the Software. The Software Provider has the right to directly demand fulfilment of obligations by the Client under this Section of the Conditions.

13.23. The Bank may not be held liable for any obligations of third parties to the Client that may emerge in the course of use by the Client services specified in Clause 13.3. of the Conditions.

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

13.25. All information submitted to or collected by the Bank

and/or the Software Provider through or in connection with the Software, as is available to the Bank and/or the Software Provider through the Software, will be the property of the Bank and/or the Software Provider accordingly, and the Bank or the Software Provider will be free to use it in accordance with its business practices notwithstanding the confidentiality provisions stipulated by the Conditions. The Bank and the Software Provider are entitled to use such information if it is aggregated with other data or otherwise processed such that it cannot be attributed to or associated with the Client.

13.26. The Bank and the Software Provider, their designees and representatives are entitled to monitor the Client's use of the Software and record telephone conversations with the Client concerning the Software. The Bank reserves the right to audit the Client's use of the Software, in its sole discretion or upon the Software Provider's request.

13.27. Given that by providing the services specified in Clause 13.3. of the Conditions to the Client the Bank does not conclude any transaction for the Client and/or does not perform any settlements, the Bank does not provide any statements, reports and/or other documents pertaining to the Transactions with Financial Instruments, unless the Bank is a party to a relevant transaction entered by and between the Bank and the Client in accordance with the Conditions. In a case when the Bank is a party to a relevant transaction, the Bank in its sole discretion will provide the Client with statements, reports and/or other documents, pertaining to the entered transaction. These Statements are provided in

informational purposes only and their content will be limited and partial comparing with the documents which are available to the Client through the Software. When using the Software the Client has independent access to statements, reports and/or other documents pertaining to the Transactions with Financial Instruments and the Client is responsible for the storage of such information. The Bank may not be held liable for the accuracy and authenticity of the data included in such statements, reports and/or other documents, nor is the Bank responsible for the safety, preservation and/or recovery of data pertaining to the Transactions with Financial Instruments after the Client's Accounts with the Bank are closed and/or after the Client's access to the Trading Venues is blocked. No data about Transactions with Financial Instruments will be provided to the Client upon the expiry of 1 (one) year from the moment that the Client's Accounts were closed and/or the Client's access to the Trading Venues was blocked.

13.28. Upon termination of the Client's access, use or provision of the Software, the Client shall cease to use it and any software or documentation related to it. The Client shall return to the Bank and/or the Software Provider all copies of said materials in his possession, custody or control.

13.29. The Client is liable to cover any losses of the Bank, including accidental losses resulting from force majeure circumstances related to the provision of the services specified in Clause 13.3. of the Conditions. The Client assumes and accepts all related risks. Nothing, including force majeure, cancels, can cancel or suspend the Client's obligations under this Section of the Conditions.

## 14. FORCE MAJEURE

14.1. If not specified otherwise in the Conditions, the Parties are released from liability for complete or partial failure to discharge obligations of agreements, concluded under the Conditions, if such failure is caused by force majeure:

14.1.1. extraordinary and unavoidable circumstances of insuperable force, including but not limited to: fire, flood, earthquake, warfare, terror acts, riots, strikes;

14.1.2. establishment by a normative act of the country of registration of any of the Parties of the delay to fulfill their obligations (moratorium);

14.1.3. suspension of a normative act of the country of registration of any of the Parties affecting the fulfillment of the obligations under the Conditions;

14.2. The decisions of tax authorities, preventing one of the Parties to act in line with the Conditions, are not grounds to release the Party from the obligations under the Conditions.

14.3 The Party in force majeure circumstances must promptly notify the other Party of the beginning and termination of such circumstances.

14.4. Evidence for the occurrence and duration of the circumstances, specified in the Clause 14.1. of the Conditions, will be a written evidence issued by the competent authorities of the country of registration of the Party.

14.5. After the termination of the force majeure the Parties must continue to fulfill their obligations under the Conditions, unless otherwise provided for by the Conditions.

## 15. FINAL PROVISIONS

15.1. The Conditions come into effect for the Client as of the moment the Client signs the "Statement of Acceptance of General Conditions of the Opening and Maintenance of Financial Instruments Account". The Conditions come into effect for the Bank as of the moment of issuance of "Account Confirmation" to the Client.

15.2. The Bank is entitled to unilaterally amend any provision of the Conditions, notifying the Client thereof 30 (thirty) days before the new provisions come into effect. If the Client does not accept the respective changes, the Client is entitled to reject the services of the Bank.

15.3. If any of the provisions of the Conditions becomes invalid or void, it will not affect the validity of other provisions of the Conditions.

15.4. Either Party may terminate the relationship by notifying the other Party 30 (thirty) days before the expected date of termination, unless specified otherwise in the Conditions. The Conditions remain in force until the Parties have fully fulfilled their obligations under the Conditions.

15.5. The Conditions are governed by the legal norms of the Republic of Latvia.

15.6. Any disputes or disagreements related to the Conditions are resolved by negotiation between the Parties. Any disputes or disagreements which the Parties fail to settle by negotiation are referred, at the plaintiff's choice, to the court of law of the Republic of Latvia or to the Court of Arbitration of the Association of Latvian Commercial Banks.

15.7. If a dispute is referred to the Court of Arbitration of the Association of Latvian Commercial Banks, the Articles and Regulations and Costs Regulations of the Court of Arbitration of the Association of Latvian Commercial Banks are applied. The provisions of the aforementioned documents will be regarded

as incorporated into this Clause. The arbitrator's decision is final i.e., no appeal is allowed and is binding on the Parties. The number of arbitrators - 1 (one). The Parties hereby authorize the Chairman of the Court of Arbitration of the Association of Latvian Commercial Banks to appoint the arbitrator. The language of dispute settlement is Latvian.

15.8. The Client is solely responsible for the payment of all applicable taxes in the territory of the country of the Client's tax residency.

15.9. The following Appendices are integral parts of the Conditions:

- 1** 15.9.1. Declaration of Understanding of Risks Involved in Transactions in Financial Markets;
- 2** 15.9.2. Preferred Communication Method Form;
- 3** 15.9.3. Signature and Seal Specimen Card (legal entities) and Signature Specimen Card (natural persons);
- 4** 15.9.4. Procedure for Out-of-court Settlement of Client Complaints and Claims;
- 5** 15.9.5. Transaction Order;
- 6** 15.9.6. Margin Loan Provision/Repayment application;
- 7** 15.9.7. Trading Venue Account application, Contracts for Difference (CFD);
- 8** 15.9.8. Trading Venue Account application, US Stocks and Options;
- 9** 15.9.9. Trading Venue Account application, Rietumu FX;
- 10** 15.9.10. Cash funds Transfer Order to/from the Trading Venue Account;
- 11** 15.9.11. Order in Free Form;
- 12** 15.9.12. Order for a transaction with investment gold;
- 13** 15.9.13. Trading Venue Account Application (Futures Contracts, Options on Futures Contracts and Indexes).