

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

Approved by the Executive Board of JSC "Rietumu Banka", Minutes No. 69, 26.09.2024

---

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 from the Bank and constitute an integral part of JSC "Rietumu Banka" and Client Agreement (hereinafter – the Agreement). If another regulatory order of their legal relations is stipulated by other contracts and/or agreements concluded by the Bank and the Client, the provisions of these contracts and/or 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", unless otherwise is provided in the Sections II, III and IV of the Terms and Conditions.

### **Section I. General Provisions**

#### **1. Basic Definitions**

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 Definitions" 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 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 who is an owner of a Client-corporate entity or legal arrangement or who controls the Client or on behalf of whom, for whose benefit or in whose interest a business relationship is established, or an occasional transaction is made and who is at least: a) in the case of corporate entities – a private individual who directly or indirectly owns more than 25 percent of the share capital or voting rights of a corporate entity or who directly or indirectly exercises control over it; b) in the case of legal arrangements – a private individual who owns or in whose interest a legal arrangement is established or operates or who directly or indirectly exercise control over it, who, in particular, is a founder, a trustee or a supervisor (a manager) of such an arrangement.

**Client** – a private individual or a corporate entity, or a legal arrangement, or an association of such individuals/entities/arrangements 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. For the purposes of the Terms and Conditions the Client (if the Client is a private individual) may be the Client's Representative in respect of accounts opened with the Bank on behalf of the Client.

**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 as follows:

- 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, the United Kingdom of Great Britain and Northern Ireland (except for its overseas territories) or the Swiss Confederation (hereinafter – Exception countries);
- documents need to be certified with "Apostille" if they are issued in the signatory countries of the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents (except the Exception countries);
- documents have to be legalized in accordance with the procedure established by the laws and regulations of countries if they are issued in the countries that are not signatories of the Hague Convention, or in the countries that are not Exception countries.

**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 handwritten (physical) signature.

**Electronic Signature Agreement** – an agreement in the wording approved by the Bank about the provision of electronic signature services by the Bank to the Client, the integral part whereof form the Terms and Conditions of Electronic Signature Agreement.

**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*), including, but not limited to: transferable securities (capital securities, debt securities and other), money market instruments, investment fund certificates or alternative investment fund certificates; and options, futures contracts, forward transactions, swap transactions, contracts for difference and other instruments.

**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 Orders in the Internet Bank.

**Internet Bank** – a Remote Banking System for management of Assets and for receipt of the Bank's services via the Internet with the following functionality:

- 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 Internet Bank system.

**LVRTC eParaksts** – qualified electronic signature, that is created, maintained and provided to natural person by VAS Latvijas Valsts radio un televīzijas centrs. Document, that is signed with this signature has the same legal force, as the document, that is signed with handwritten (physical) signature.

**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 address.

**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, 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 Representative/the User assigned by the Bank.

**Tariffs** – a pricelist of services and Remuneration 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 based on the algorithm set by the Bank.

**Transactions with Assets** – any activity with Assets under the Terms and Conditions.

**User** – a private individual who has entered into an Electronic Signature Agreement with the Bank, whereupon the Bank issued/assigned him/her Rietumu ID and/or the Identification and Authorisation Tools in order to create and use the Electronic Signature.

**Working Day** – an official business day of the Bank in Riga, the Republic of 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 laws and regulations of the Republic of Latvia, the European Union 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, the European Union and/or the countries of the placement of the Client's Financial Instruments, cash funds or other Assets;

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

2.2.3 to provide to the Bank 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 Owner(-s) of Assets;

2.2.4. to submit to the Bank documents approving the identity of the Client and/or Client's Representative(-s), and/or Client's Beneficial Owner(-s), if new documents are issued. New personal identity documents are submitted before the expiry of the term of the earlier submitted documents.

2.3. If the Client fails to fulfil his/her obligations regarding the submission of information and/or documents to the Bank, the Bank is entitled to debit the Remuneration from the Client's account according to the Tariffs and/or 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. If the Client infringes these provisions of the Terms and Conditions, the Bank in addition to its other rights stipulated in these Terms and Conditions is entitled to restrict and/or suspend the execution of the Client's Orders and/or Transactions with Assets until the Client has eliminated such infringements and duly fulfil his obligations towards the Bank.

2.4. The Bank states the adequacy level of the requested and provided information according to the laws and regulations of the Republic of Latvia, the European Union and the internal documents of the Bank. The Client is liable for the completeness and accuracy of the information provided to the Bank. The Bank sets the term for reviewing and analysing of the information provided by the Client.

2.5. The Bank uses the information provided by the Client to the extent and within limits stipulated in the laws and regulations of the Republic of Latvia and/or the European Union.

2.6. In order to verify and/or obtain additional information on the Client/the Client's Representative/the Client's Beneficial Owner and third parties, the Bank is entitled to use private and/or public registers without prior authorisation by the Client or other persons.

### **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. The Client acknowledges all activities that the Client's Representative performs, performed or will perform, including, but not limited to, the use of the Remote Banking Systems, Identification and Authorisation Tools and/or Electronic Signature, and assumes all legal consequences of such activities.

3.4. Documents approving the rights and authorisation of the Client's Representatives have to be Duly Certified according to the laws and regulations of the Republic of Latvia, the European Union and the internal documents of the Bank.

3.5. The Client submits to the Bank sample signatures of the Client's Representatives in one of the following ways:

3.5.1. if the Client's Representative is not a User, on the forms of the Bank that are Duly Certified by a competent public official or certified by an employee of the Bank. 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.

3.5.2. if the Client's Representative is a User, the Bank as a sample of handwritten signature of the Client's Representative uses the signature image on the Client Representative's identity document the copy of which is at the Bank's disposal. If the Bank holds copies of several identity documents of the Client's Representative bearing a signature image, the Bank is entitled to use any of them at its own discretion.

3.6. 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 or other information sources.

3.7. The Client undertakes 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 non-compliance with the conditions of this Section of the Terms and Conditions.

3.8. When the composition and/or the extent of powers of the Client's Representatives change, the Bank is entitled to contact the Client and request additional information and documents from the Client. Until the receipt of the requested information and documents, the Bank is entitled not to execute Orders of the Client's Representatives. If contradictory or suspicious information or documents are received, the Bank is entitled, for the purposes of protection of its interests and prevention of the Bank's Losses, in addition to its other rights stipulated in the Terms and Conditions, to suspend the Transactions with Assets, not to execute Orders and restrict and/or limit the Client Representative's access to the Remote Banking Systems, until the final clarification of the circumstances. The Bank is not liable for consequences of the abovementioned suspension of transactions and access restrictions.

3.9. The Client is liable for any losses and other consequences incurred due to the incapacity of the Client/the Client's Representative, if the Bank has not been notified about this incapacity in due time in writing.

3.10. When the composition and/or powers of the Client's Representative change and/or when Identification and Authorisation Tools are issued/replaced to the Client's Representative, the Client undertakes to ensure that all Client's Representatives become Users and have entered into the Electronic Signature Agreement with the Bank according to the procedure and wording set by the Bank. Exemptions from this requirement are only permitted upon a prior agreement with the Bank.

3.11. The Client's Representative manages the Client's accounts with the Bank in accordance with the documents approving the rights and authorisation of the respective Client's Representative.

3.12. The rights and obligations of the Client/the Client's Representative under these Terms and Conditions supplement the provisions of the Electronic Signature Agreement.

3.13. The Bank is entitled to determine a special list of the Bank's services, as well as a special procedure and conditions for receipt thereof, if the Client/the Client's Representative has signed the Agreement with the Electronic Signature. In this case the procedure and conditions may considerably differ from the procedure and conditions when the Agreement is signed by a handwritten (physical) signature.

3.14. The Bank unilaterally determines the available types of the Orders and the Transactions with Assets, conditions and limits for the Transactions with Assets in the Bank, as well as a special procedure for the receipt of financial services with the Bank, if the Client/Client's Representative has not undergone a face-to-face identification in the Bank.

3.15. The Bank is entitled unilaterally and without explaining reasons to request the Client/the Client's Representative/the Client's Beneficial Owner to undergo a face-to-face identification in the office of the Bank in presence, and determine the term for undergoing the identification. The

Bank is not liable towards the Client/the Client's Representative/the Client's Beneficial Owner for expenses incurred in respect of undergoing of the face-to-face identification in the Bank. If the Client/the Client's Representative/the Beneficial Owner did not undergo the face-to-face identification in presence in the term specified by the Bank, the Bank in addition to its other rights specified in the Terms and Conditions is entitled to restrict and/or terminate the use by the Client/the Client's Representative of the Identification and Authorisation Tools and/or the Remote Banking Systems and/or the Electronic Signature.

3.16. If the Electronic Signature Agreement entered into between the Bank and the Client's Representative is terminated, irrespective of the reason of termination the Bank is entitled in addition to its other rights under the Terms and Conditions to suspend the acceptance and use of the Orders received from this Client/Client's Representative, use of the Identification and Authorisation Tools, and/or Remote Banking Systems, and/or the Electronic Signature by this Client/Client's Representative.

3.17. Until the moment of concluding the Electronic Signature Agreement with the Bank, the Client/Client's Representative for creation of Electronic Signature shall use Rietumu ID and Identification and Authorisation Tools that were issued/assigned to him/her by the Bank based on the Terms and Conditions.

3.18. After conclusion of the Electronic Signature Agreement with the Bank, the Client/Client's Representative for creation of Electronic Signature shall use Rietumu ID and Identification and Authorisation Tools that were issued/assigned to him/her by the Bank based on the Electronic Signature Agreement.

3.19. After assigning to the Client/Client's Representative a new Rietumu ID (or keeping one of the previous Rietumu ID numbers) based on Electronic Signature Agreement, the Bank blocks all other Rietumu ID's and associated Identification and Authorisation Tools that were issued/assigned earlier to the Client/Client's Representative based on the Terms and Conditions. Until the moment of their actual blocking by the Bank, Client and Client's Representative are liable for actions of any third parties which have received or may receive access to other Rietumu IDs and/or Identification and Authorisation Tools, as for their own and take their actions as binding on themselves.

3.20. The conclusion of the Electronic Signature Agreement between the Bank and the Client and/or Client's Representative does not cancel and does not affect the authority of Client's Representative to represent Client in the legal relations with the Bank. Client's Representative keeps all previous scope of authority to act on behalf of the Client (or several Clients), that was available to him/her in the Bank within the Terms and Conditions. However, the Bank is entitled at its own discretion to unilaterally cancel certain types of powers of the Client's Representative and ask the Client to update the supporting authorization documents. Possible expenses of updating the documents are borne by the Client.

#### **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 is entitled to submit to the Bank documents and/or Orders in Latvian, English or Russian. The Client is entitled to submit 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 laws and regulations of the Republic of Latvia;
- 4.2.2. to pay for services provided by the Bank and/or in cases specified in the Tariffs;
- 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 Assets 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. Clients (private individuals and/or corporate entities) according to the Deposit Guarantee Law of the Republic of Latvia are entitled to the guaranteed compensation for all types of deposits in all currencies up to 100 000 EUR (One thousand euros) on all accounts together, if there are several accounts. Amount of guaranteed compensation by the state applies to all deposits, current account balances, salaries accounts, savings accounts, cash funds accounts and other accounts. The Bank is a party to the Deposit Guarantee Fund. Additional information on the protection of the state-guaranteed deposits, including on the client category to whom the protection of the state-guaranteed deposits does not apply, is placed on the website of the Bank [www.rietumu.com](http://www.rietumu.com) and the website of the Bank of Latvia.

4.5. The Bank is entitled not to execute the Order without giving the reason, and also without rendering any information to the Client in the cases stipulated in the laws and regulations of the Republic of Latvia.

#### **Identification and Authorisation Tools**

4.6. The Bank provides Rietumu ID and the Identification and Authorisation Tools to every Client's Representative for the execution of transactions planned by the Client. Identification and Authorisation Tools are paid by the Client and/or the Client's Representative according to the Tariffs. The Client's Representative signs the Orders for the issue/change/receipt of the Identification and Authorisation Tools.

4.7. Several Identification and Authorisation Tools of one type cannot be attached to one Rietumu ID, except for a Mobile DigiPass.

4.8. If the Client's Representative is authorised to act on behalf of several Clients, then for submitting Orders on behalf of several Clients he/she uses the same Identification and Authorisation Tools that are available to him/her, unless otherwise agreed between the Parties in writing.

4.9. 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 Internet Bank system, is automatically provided with an access to all Clients and their accounts in the Internet Bank system within the framework of his/her authorisation.

4.10. A DC is valid for 60 (Sixty) months from the moment of generation of the DC. Upon expiration of the period of use – DC is invalid.

#### **Remote Banking Systems**

4.11. The Bank unilaterally determines the permitted types of Orders and Transactions with Assets, conditions and limits for carrying out the Transactions with Assets in the Bank, as well as a special procedure for receiving financial services in the Bank depending on the type and form of the Remote Banking System used by the Client.

4.12. On the basis of the Order, the Bank entitles the Client to use the Internet Bank in a full-access mode, and connects the Client to M-Bank, Enterprise Link and/or Enterprise Link PRO.

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

4.14. The Client has to submit a new *Order for Connection to Remote Banking Systems*, if 6 (Six) months have passed since the date when the Bank had accepted the previous *Order for Connection to Remote Banking Systems*, however, the Client has not been connected to the Remote Banking Systems yet for reasons beyond the control of the Bank.

4.15. 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).

4.16. The following limits are set for the Client in the Internet Bank:

4.16.1. the limit of one transaction – the maximum amount of one transaction made from any of the Client's accounts via the Internet Bank;

4.16.2. the daily limit – the maximum grand total of all transactions made from any of the Client's accounts via the Internet Bank within one calendar day.  
The Bank is entitled to set up individual 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.

4.17. Amounts of the Internet Bank limits are set in Euro (EUR).

4.18. The limits of transactions in the Internet Bank are set according to the Order. Where required, the limits for transactions in the Internet Bank in a full-access mode may be changed according to the separate Order.

4.19. M-Bank services are available to the Client, if telephone devices and mobile network operators used by the Client provide the short message service via the Internet.

4.20. The Bank is entitled to terminate M-Bank services without any prior notice to the Client in the following cases:

4.20.1. the cooperation between the Bank and the relevant mobile network operator is terminated;

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

4.20.3. the Client's e-mail address is changed.

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

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

4.21.2. the Client/the Client's Representative fails to update the used software;

4.21.3. the Client/the Client's Representative has failed to receive or fails to renew the Identification and Authorisation Tools;

4.21.4. the Client/the Client's Representative has failed to pay for using the Remote Banking Systems in accordance with the Tariffs;

4.21.5. in other cases, stipulated in these Terms and Conditions, the Electronic Signature Agreement and the terms and conditions thereof.

### **Submitting Orders**

4.22. The Client is entitled to submit the Orders/documents related to the Order: in person, via the Internet Bank, Enterprise Link PRO, by phone, fax, e-mail (an electronic document and/or electronic copy of a paper document), by post, meeting the Bank's identification requirements specified in Clauses 4.26–4.27 of the Terms and Conditions.

4.23. The Bank sets requirements for completion of the Orders.

4.24. 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 Transactions with Assets and/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 4.26 hereof.

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 supporting 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.

4.25. Upon acceptance of the Order, the Bank identifies the Client/the Client's Representative according to Clause 4.26 hereof. The Client is entitled to submit the Order confirming it according to Clause 4.27 hereof.

4.26. Upon contacting the Bank, the Client/Client's Representative is identified, by specifying:



- 4.26.1. in person – full company name/name and surname of the Client, and presents an identity document;
- 4.26.2. via Internet Bank – Rietumu ID and an OTP;
- 4.26.3. via fax, e-mail (electronic document and/or electronic copy of a paper document) – full company name/name, surname of the Client, Rietumu ID and the Test Key;
- 4.26.4. by phone – Rietumu ID and the OTP;
- 4.26.5. by post – full company name/name and surname of the Client, Rietumu ID and the Test Key;
- 4.26.6. via Enterprise Link – Rietumu ID and Ticket;
- 4.26.7. via Enterprise Link PRO – Rietumu ID, Ticket and DC.

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

- 4.27.1. if given in person – a signature and the seal imprint, if such is provided in the *Specimen Seal Imprint Card* or the *Specimen Signature and Seal Card*;
- 4.27.2. if given via the Remote Banking Systems, by fax, e-mail, phone – Rietumu ID and the Electronic Signature;
- 4.27.3. if given by post – Rietumu ID and the Test Key or the Duly Certified signature and the seal imprint, if such is provided in the *Specimen Seal Imprint Card* or the *Specimen Signature and Seal Card*.

The Order submitted by the Client according to the procedure established in Clause 4.27 hereof is considered to be the Order authorised by the Client.

4.28. The Electronic Signature under Clause 4.27.2 hereof shall be deemed to be:

- 4.28.1. 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;
- 4.28.2. for other payment Orders – the DC or the Test Key.
- 4.28.3. for entering into various contracts, agreements and acts between the Bank and the Client – the DC or the Test Key.

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

4.29. The Client/the Client's Representative is entitled to configurate Mobile DigiPass installed on a compatible mobile device to operate in the "Push Notifications" mode. Operating in this mode, the mobile device with Mobile DigiPass installed on it can automatically receive requests to confirm identification of the Client's Representative when entering the Internet Bank, as well as requests for authorization of Orders submitted via the Internet Bank. The Client's Representative can confirm or reject a request to the mobile device by selecting the appropriate option in the Mobile DigiPass interface. Upon successful confirmation of the request, the Mobile DigiPass automatically generates and sends to the Bank the OTP or the Test Key necessary for entering the Internet Bank or authorization of the Orders.

4.30. The Bank is entitled to take additional measures for the identification of the Client/Client's Representative and/or authorisation of the Orders in addition to what's stated in this Section of the Terms and Conditions.

4.31. After its generation, the OTP or 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.

4.32. 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 phone.

4.32.1. The Client is entitled to request an audio record of the Order submitted to the Bank by phone according to the provisions of Section III "Investment Services" of the Terms and Conditions within the period stipulated by the laws and regulations of the Republic of Latvia and/or the European Union.

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

4.34. The Bank is entitled not to accept the Client's Orders by phone, if according to the documents at the Bank's disposal the Orders are valid only if they bear signatures of 2 (Two) or more Client's Representatives.

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

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

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

4.36.2. wrong interpretation of the Order;

4.36.3. unclear, incomplete or inaccurate Orders;

4.36.4. incorrectly filled in documents;

4.36.5. text distortion of the Orders 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.

4.37. 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 identification procedures of the Client's Representative/the Client in accordance with the procedure accepted by the Bank.

4.38. 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.

4.39. 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.

4.40. 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, 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.

4.41. The Client is liable for actions of the persons having access to the Remote Banking Systems, LVRTC eParaksts 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.

4.42. The Client/the Client's Representative is liable for keeping any Identification and Authorisation Tools, passwords, keys, codes, identifiers, LVRTC eParaksts creation tools, and carriers of the above-mentioned data and tools safe and secret. If third parties gain access to information and tools specified in this Clause, the Client/the Client's Representative is obliged to notify the Bank in writing without delay.

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

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

4.43.2. the text of the Order is illegible and/or incorrect;

4.43.3. the Order does not contain all the information necessary for the execution of the Transaction with Assets;

4.43.4. 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;

4.43.5. the account specified in the Order does not have sufficient Assets for the execution of the Order;

4.43.6. 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;

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

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

4.43.9. 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;  
4.43.10. the Bank doubts the validity or authenticity of the Order or the information submitted to the Bank or the documents supporting this Order;  
4.43.11. in other cases under the Terms and Conditions and/or the Electronic Signature Agreement, 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.

4.44. 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:

4.44.1. the cash funds, the Financial Instruments and/or other Assets required for the Transaction with Assets;  
4.44.2. the cash funds required to cover the costs of the Transaction with Assets;  
4.44.3. the cash funds required to pay taxes or duties, if the Transaction with Assets is subject to taxation;  
4.44.4. the cash funds required to pay the Remuneration and to cover other costs of the Bank related to the execution of the Order.

4.45. If the amount of Assets is insufficient, the Bank is entitled at its disposal:

4.45.1. to refrain from the execution of the Order;  
4.45.2. to execute the Order partly;  
4.45.3. for execution of the Order 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 on these activities with the Client beforehand.

4.46. The Bank is entitled not to execute the Order without giving a reason insofar as it is stipulated by the laws and regulations of the Republic of Latvia, internal regulations of the Bank and/or the Terms and Conditions, including:

4.46.1. 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;  
4.46.2. 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 the Clients.

4.47. The Bank suspends the Transactions with Assets if the Client's activities fail to comply with the laws and regulations of the Republic of Latvia, the European Union, the Terms and Conditions. The Transactions with Assets are restored after the Client has eliminated these non-compliances.

4.48. 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.

4.49. 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, and no documents certifying the permissibility of transfer are submitted to the Bank.

4.50. The Bank may cancel financial postings which are wrongly executed due to error of the Bank, by an ordinary reversal (i.e., by restoring the initial state) without a prior agreement with the Client.

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

4.52. The currency of cash funds held in the Client's accounts with the Bank and currency of all operations is Euro (EUR). The Bank, at its own discretion, is entitled to, but is not obliged to, execute Transfers, pay out cash, credit and hold cash funds on the Client's accounts in a currency other than Euro (EUR). The list of acceptable currencies that can be accepted for Transfers, paid out in cash, credited and held on the accounts of the Client is available on the

Bank's website [www.rietumu.com](http://www.rietumu.com). This list is for information purposes only and is not legally binding for the Bank, the list can be amended by the Bank unilaterally and without prior notice to the Client. Nevertheless, the Bank is entitled to unilaterally, at its own discretion, to permit to serve accounts, to execute Transfers, to pay out cash, to credit and hold cash funds on the Client's accounts in a currency, which is not provided in this list.

4.53. Considering the Clause 4.52 of the Terms and Conditions:

4.53.1. in case of paying out cash funds to the Client, the Bank has a right to pay out cash funds to the Client in Euro (EUR) currency. The Bank is entitled to unilaterally and without warning the Client convert cash funds on the account of the Client into the Euro (EUR) currency in accordance with the exchange rate set by the Bank at the time of the conversion in the amount necessary for making the payment;

4.53.2. in case the Client is making a Transfer regardless of the currency stated in the Order, the Bank has a right to make the Transfer in Euro (EUR) currency. The Bank has a right to, unilaterally and without warning the Client, convert cash funds on the account of the Client into the Euro (EUR) currency in accordance with the exchange rate set by the Bank at the moment of the conversion in the amount, necessary for making the Transfer. The Client is obliged to provide payment details in Euro (EUR) currency to the Bank. The Bank is entitled not to execute the Transfer, until the Client has provided the payment details in Euro (EUR) currency;

4.53.3. in case of crediting an incoming payment to the account of the Client in currency other than Euro (EUR), the Bank is entitled to unilaterally refuse to credit the account, or unilaterally and without warning the Client, convert the incoming cash funds into Euro (EUR) currency in accordance with exchange rate set by the Bank at the moment of the conversion;

4.53.4. in case of holding cash funds denominated in a currency other than Euro (EUR) on the accounts of the Client, the Bank has a right to, unilaterally and without warning the Client, at any time convert all or part of cash funds on the account of the Client into the Euro (EUR) currency in accordance with the exchange rate set by the Bank at the moment of the conversion.

4.54. When acting in accordance with Clauses 4.52–4.53 of the Terms and Conditions, the Bank shall not reimburse the Client for any expenses, damages or lost profit of the Client arising from and/or connected with currency conversion, delays in execution of the Transactions with Assets or the change of their conditions and terms.

4.55. The Client is obliged to independently control and follow the status of execution and/or acceptance for execution of the Orders.

4.56. The Client is entitled to send to the Bank an electronic document and/or electronic copy of a paper document via the Internet Bank. An electronic document and/or electronic copy of a paper document received via the Internet Bank 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 laws and regulations of the Republic of Latvia and/or internal regulations of the Bank. The Bank is entitled at its disposal to request the Client to approve the electronic document and/or electronic copy of the paper document in another way in addition to the Electronic Signature and/or additionally impose a handwritten signature of the Client and/or the Client's Representative.

4.57. In addition to the procedure of signing of documents and submitting of Orders, mentioned in this Sub-section of the Terms of Conditions, in cases when the Bank does not require the Client to sign the documents in person in the presence of the Bank's employee, the Client is entitled to sign the documents with LVRTC eParaksts and submit them to the Bank in electronic form.

## **5. Remuneration for Services of the Bank**

5.1. The Client remunerates the Bank for opening, maintenance and closing of accounts, execution of the Orders, identification services, issuance, servicing and change of Rietumu ID and/or Identification and Authorisation Tools, use of the Remote Banking Systems and the Electronic Signature, 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 laws and regulations of the Republic of Latvia stipulate 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, except for the cases stipulated in a separate agreement between the Parties. In such cases the Bank debits the Remuneration from the Client's accounts holding the Client's own Assets.

5.6. The Bank is entitled to debit the Remuneration due to the Bank at the time 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 a rounding according to standard mathematic rules. The Bank rounds off all currencies except for JPY (Japanese yens) to two decimal places. 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.

5.14. When granting a loan or a 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 type is 1 (One) day, the Bank calculates, charges and writes off interest for the provided financing on the day of its provision.

## **6. Financial Collateral**

6.1. The Client provides the Bank with the property specified in Clause 6.2 hereof 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/products 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 is entitled 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 from the Client the Remuneration 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 cover the Bank's claims, 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/or 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 in respect of the Client the Bank is entitled to put a lien on the Client's Financial Collateral and not to execute the 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, sell, 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 such 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 and regulations. 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 and nature of the accounts.

## **7. Confidentiality**

7.1. The Bank complies with the confidentiality requirements in accordance with the laws and regulations of the Republic of Latvia and/or the European Union. The Bank discloses information about the Client, the Transactions with Assets, information about the accounts and any other information related to the Client's activities only directly to the Client and/or the Client's

Representatives via the Client's contact information specified in the Agreement and in the corresponding Orders. Such information may only be disclosed to third parties with the Client's consent or without the Client's consent in cases explicitly provided for and/or permitted by the rules of law of the Republic of Latvia and/or the European Union, regulations and other regulatory documents of depositaries and/or stock exchanges, the Counterparties or the country of issue of the Financial Instruments.

7.2. In addition to Clause 7.1 of the Terms and Conditions, the Bank discloses information about the Transactions with Assets, the Client, the Client's Representatives, the Client's Beneficial Owners, Users upon official request of authorised public authorities or the Counterparties, as well as in the cases stipulated in Sub-section 8 of the Terms and Conditions.

7.3. The Client is obligated to treat any information learned about the Bank, the Counterparties, their technology, intellectual property, 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), the Client's Representatives and other private individuals related to the Client in accordance with the legislation of the Republic of Latvia and/or the European Union. The Bank is entitled to, including, but not limited to, use and pass the information specified in this Clause to the companies which are related to the Bank within the framework of the Client's cooperation with these companies.

7.5. When transferring to the Bank any personal data of or any information about private individuals the Client approves the following:

7.5.1. the Client is entitled to transfer to the Bank all personal data to be transferred by the Client and complies with the requirements of the laws and regulations on the protection of personal data applicable to the Client;

7.5.2. the Client has duly notified and obtained all necessary consents of private individuals, including Clients' underlying clients and partners, for the transferring of their personal data to the Bank and further processing of these personal data by the Bank for the purposes related to the servicing of the Client on the grounds of the Terms and Conditions, the fulfilment by the Bank of its lawful obligations and the legitimate interests of the Bank in respect of rendering services to the Client. Such further processing of personal data includes, but is not limited to, the transferring of information regarding private individuals outside the European Union to the countries which do not provide a level of personal data protection equivalent to the Republic of Latvia which may complicate or make impossible the exercising of the right of private individual related to the processing of personal data;

7.5.3. the Client undertakes upon request of the Bank to promptly provide documentary evidence of the collected consents or other legal grounds for the transferring of personal data to the Bank and further processing thereof in the Bank in accordance with the Clause 7.5.2 hereof;

7.5.4. the Client and all Client's Representatives have read and agree with the current wording of "Client Personal Data Processing Notice", which is published on the website of the Bank [www.rietumu.com](http://www.rietumu.com). The Client has notified all private individuals whose personal data he/she has transferred to the Bank about "Client's Personal Data Processing Notice" and guarantees that they agree with this document. The Bank is entitled unilaterally without notice to change the wording of this document;

7.5.5. the Client is liable to the Bank for any violation of Clauses 7.5.1–7.5.4 hereof, and for any related consequences, including, but not limited to, claims of private individuals and/or the supervisory institutions to the Bank. The Client will provide full assistance to the Bank in order to confirm the legitimacy of processing of personal data, which were transferred by the Client to the Bank. The Client will protect the Bank from any claims of private individuals related to the Client regarding the processing of personal data, and guarantees full compensation of the Bank's Losses arising from claims of this kind.

7.6. The Bank is not liable for any actions of third parties, including, but not limited to, further disclosure, use, storage or transferring of information, to whom during the provision of services to the Client within the Terms and Conditions or within the fulfilment by the Bank of its lawful

obligations and the Bank's legitimate interests the Bank has disclosed personal data of the Client and/or other private individuals related to the Client.

7.7. The Bank, including, but not limited to, exchanges (receives and sends) information about credit liabilities, their discharge, indebtedness and other related information about the Client with the Credit Register of the Bank of Latvia under the regulations of the Credit Register of the Bank of Latvia, and Credit information bureau in accordance with regulatory requirements.

7.8. The Client confirms that when any information related to the Client is being transmitted to third parties, including the Counterparties, the Client's Representatives and/or the Client itself, the Bank is entitled to use communication channels, including, but not limited to, the Remote Banking Systems, post, e-mail, telephone and fax. The Bank is not liable for damages resulting from the possible unauthorized access and/or illegal use of this information by third parties contrary to 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, the Client's Representatives, the Client's Beneficial Owners, 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 about the Client with 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 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 Representatives, Client's Beneficial Owners, their identities, 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/or 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 Internet Bank. The Client shall on a regular basis, but at least once a week check the section of notifications and messages of the Internet Bank, 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.

Furthermore, the 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 within 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/or 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, the Client's Beneficial Owner, 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, the Client's Beneficial Owner, 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 Internet Bank;



8.2.7. acting in accordance with Sub-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 Sub-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 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 Sub-section 8 hereof, the Client undertakes to reimburse the Bank for all Bank's 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 personal 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/or 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 the 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 and 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 and/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 laws and regulations 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 laws and regulations of the country of the Client's residency.

10.10. In addition to other provisions of the Terms and Conditions, if any of the following events has occurred:

- 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 (corporate entity) occurs or is declared;
- the Client is not able to fulfil any of his/her obligations and/or becomes insolvent within the meaning of laws and regulations applicable to the Client;
- the Client has provided false information to the Bank,
- the Client does not comply with the requirements of all laws and regulations applicable to the Bank and/or the Client, and to their activities, including, but not limited to, the Client has committed a violation or an attempt to violate the laws and regulations of the Republic of Latvia and/or the European Union;
- the Client has committed a violation of national and/or international sanctions or an attempt to violate and/or circumvent the sanctions applied in the territory of the Republic of Latvia;
- the Client fails to provide information and/or documents requested by the Bank in the specified term, and/or the Client has submitted information and documents which do not meet the Bank's requirements;

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 unfulfilled in respect to all contracts, transactions or other agreements.

10.11. In any case specified in Clause 10.10 hereof, the Bank is entitled to unilaterally, at its own discretion and without prior notice to the Client, 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 direct them to discharge any of the Client's obligations to the Bank;
- to offset the obligations with the Client;
- to immediately terminate provision of any service;
- not to execute or terminate execution of own obligations under the Terms and Conditions or any transaction, contract 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 the Bank;
- 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;
- to immediately terminate all contracts and agreements between the Client and the Bank, including termination of the Agreement in accordance with Clause 15.4 hereof;
- to perform any other actions with the Assets which are necessary to carry out the actions specified in Clause 10.11 hereof.

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

10.13. The Client undertakes, throughout the cooperation with the Bank, to comply with requirements of all laws and regulations that are applicable to the operations of the Client carried out in the Bank. The Client confirms that his/her activities in the Bank will be lawful. The Client undertakes not to perform actions and not to submit Orders that violate the laws and regulations applicable to the Client and the Bank, and namely the laws and regulations of the country of registration and/or residence of the Client, the Republic of Latvia and/or the European Union, international laws.

10.14. The Bank is entitled to withhold the Remuneration in accordance with the Tariffs in the following situations:

10.14.1. the Client submits with the Bank an Order which causes reasonable suspicion to the Bank about the violation by the Client of the requirements specified in Clause 10.13 hereof (violation in the area of prevention of money laundering and the financing of terrorism and proliferation, national and/or international sanctions, market manipulations, unlawful use of internal information and other areas);

10.14.2. the Client does not respond to the request by the Bank specified herein for the provision of information and/or documents, or does not provide such information and/or documents in the specified term, or the information and/or documents provided fail to comply with the requirements indicated by the Bank to the Client.

10.15. Payment of the Remuneration, interest or Penalty by the Client does not release the Client from the performance of obligations specified by the Terms and Conditions and applicable legislation, including, but not limited to, the obligation to fully remunerate for all Losses of the Bank.

10.16. If the Terms and Conditions provide for the obligations of the Client and/or the Client's Representative towards the Bank, the Client and the Client's Representative shall be jointly liable to the Bank for the fulfilment of such obligations.

## **11. Force Majeure**

11.1. Unless the Terms and Conditions stipulate otherwise, the Bank is fully released from liability for a complete or partial failure to discharge obligations for operations and deals concluded under the Terms and Conditions if such a failure is caused by force majeure events:

11.1.1. extraordinary and unavoidable circumstances of acts of God, including but not limited to natural disasters, 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. technical failures, delays, malfunctions, failure of computers and/or communications systems, and/or hardware, and/or software; power supply malfunctions, utilities emergencies;

11.1.4. decisions and/or activities of local and/or foreign public authorities, and/or international organizations, and/or Counterparties;

11.1.5. financial/money market collapse, distortions, serious constraints, closure and/or suspension of operations thereon, and/or industry crisis;

11.1.6. entry into force and/or amendments, and/or 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 provided 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 or the Agreement notifying the Client thereof 10 (Ten) days before the new wording come into effect, unless another provision of the Terms and Conditions or the laws and regulations of the Republic of Latvia and/or the European Union stipulate another time limit. If the Client does not agree with the amendments, he/she is entitled to refuse from the services of the Bank before the new/amended provisions come into effect. Otherwise, it is considered that the Client has agreed to such amendments.

12.3. The Bank is entitled to change a separate Section of the Terms and Conditions meeting the deadline specified in Clause 12.2 hereof. The consolidated version and amended particular 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 to the Bank.

13.2. In case of the Client's (corporate 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 the Duly Certified relevant documents.

13.3. In case of absence of an heir or successor of the Client's rights and obligations, the Bank administers the Client's funds as stipulated by the laws and regulations 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 laws and regulations 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 laws and regulations 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. Procedure of dispute resolution is available on the Bank's website [www.rietumu.com](http://www.rietumu.com).

14.1.1. If an application or a complaint is received from the Client, in respect of whom a lawful restriction of communication or correspondence in the territory of the Republic of Latvia and/or beyond its borders is imposed, the application or the complaint must be sent in accordance with the established procedure, and the application or the complaint must contain all necessary

requisites. Otherwise, the Bank is entitled not to register the application or the complaint, and not to respond to it.

14.1.2. In addition to the abovementioned, the Bank is entitled to not register the application or complaint and not provide an answer, if the application or complaint is received from a person, that is not a Client, Client`s Representative or User, or if the application or complaint is anonymous, is not signed, it`s content is clearly insulting or provocative, text is not readable or understandable, or the answer has already been given before.

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 and/or the Agreement by means of negotiation. If the Parties fail to reach an agreement, the dispute is referred to a court of general jurisdiction or the Economic Court of the Republic of Latvia in accordance with case allocation and jurisdiction. The dispute is resolved in accordance with the laws of the Republic of Latvia without regard to its conflict of laws provisions.

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

14.5. Clause 14.3 of the Terms and Conditions shall not prejudice the Bank`s rights to bring actions, file complaints and claims in respect of the Client in its country of residence/country of location, as well as otherwise protect its rights in the Client`s country of residence or business activity.

## **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 10 (Ten) days before the termination date of the service, unless the Terms and Conditions or the laws and regulations of the Republic of Latvia stipulate otherwise.

15.2. Unless the Terms and Conditions, the Agreement and/or the laws and regulations 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.

The Bank is entitled not to specify to the Client the reason for termination of the Agreement or termination of the provision of a separate service to the Client.

15.3. When terminating the Agreement or terminating the provision of services of the Bank, the Client is obligated to specify an account number, 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 hereof, the Bank is entitled to unilaterally terminate transactions on the accounts of the Client and/or relations with the Client (to terminate the 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 laws and regulations of the Republic of Latvia, the European Union, the internal policies of the Bank, the Agreement and/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 is entitled to unilaterally without prior agreement with the Client make such decision and the Bank

is not obliged to explain to the Client the reasons and grounds for such decision. At the same time the Bank is entitled to unilaterally without a prior agreement with the Client take a decision on the procedure and time period in which the Client is obliged to Transfer and/or withdraw his/her Assets from the Bank (unless the Transfer of Assets is prohibited or restricted by the Terms and Conditions and/or the laws and regulations 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 pursuant to provisions of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing of the Republic of Latvia (*Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma un proliferācijas finansēšanas novēršanas likums*), the Bank immediately suspends transactions on the Client's accounts and further use of the Client's Assets takes place in accordance with restrictions and/or requirements stipulated by the laws and regulations 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 is entitled to unilaterally without a prior agreement with the Client take a decision on the time limit and procedure for transferring the Assets (unless the transfer of Assets is prohibited or restricted by the Terms and Conditions and/or the laws and regulations of the Republic of Latvia).

15.7. If at the time of termination/suspension of the Agreement or upon termination/suspension thereof the Client has outstanding liabilities towards the Bank (including, but not limited to the Bank's right to the Financial Collateral, compensation of the Bank's Losses and receipt of Remuneration), the Client's obligations and/or the Bank's claims shall not expire, but continue to exist and until their full execution and/or fulfilment the Parties shall be guided by the provisions of the Terms and Conditions. In this case all Client's obligations towards the Bank shall be fulfilled prior to the other Client's obligations towards the third parties.

15.8. The Bank does not return documents submitted by the Client to the Bank during their cooperation and does not provide copies of such documents.

15.9. Upon termination/suspension of the Agreement, or suspension/termination of operations in a certain account, the Client's Assets are kept on special accounts with the Bank. The Bank does not pay interest to the Client for the Assets, and the Bank is entitled to withhold Remuneration and expenses of the Bank for their custody. If the Client did not transfer Assets from the accounts with the Bank, the Client agrees to pay Remuneration for their custody until the moment of transfer of Assets. Further use of the Client's Assets takes place in accordance with restrictions and/or requirements stipulated by the laws and regulations of the Republic of Latvia. This Clause of the Terms and Conditions applies to all cases of termination of the Agreement and/or suspension/termination of operations, that are described in the Clauses 15.1. – 15.7. of the Terms and Conditions.

## **Section II. Delivery of Basic Services of the Bank**

Provisions provided in the Clauses 4.52–4.54 of the Terms and Conditions are prevailing over the provisions of Section II "Delivery of Basic Services to the Bank" of the Terms and Conditions.

### **16. Current Account**

**Current Account** – an account of cash funds (taking into account Clause 4.52 of the Terms and Conditions), opened by the Bank for carrying out operations with the Client's cash funds.

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

**Servicing of Current Account** – a service provided by the Bank to the Client within which the Client may use the Current Account for carrying out operations with cash funds.

**Group Relationship Balance** – a Relationship Balance of the Clients with a common Beneficial Owner(-s).

16.1. The Bank opens the Current Account for the Client and provides the Servicing of Current Account; cash funds are credited and kept on this Current Account in accordance with the Clauses 4.52 and 4.53 of the Terms and Conditions.

16.2. The Client undertakes 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.

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

16.4. The Bank establishes in Tariffs the requirements for minimum amount of the Relationship Balance and Group Relationship Balance.

16.5. In case of failure to fulfil requirements of Clause 16.4 hereof, the Bank without a further authorization deducts from the Client's accounts a Remuneration in amount stated in the Tariffs.

16.6. The Bank may calculate 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 on cash funds is not calculated for the month of closing of the Current Account.

16.7 The Current Account is closed 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 and the Terms and Conditions. If the Client has any outstanding obligation to the Bank, the Bank is entitled to refuse to close the Current Account and to Transfer/pay out the cash funds.

16.8. 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**

**Regular Payment** – regular Transfers according to the provisions which the Client has specified in the *Regular Payment Order*.

**Transfer** – a non-cash payment, a money transfer from one account to another within one or several financial 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 and/or Mastercard) within one or several financial 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 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 bank 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 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 outside the Working Hours is accepted for execution on the next Working Day.

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

17.9. The Transfer Orders received in the Bank from the Client in person are valid for 35 (Thirty-five) Working 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 35 (Thirty-five) Working Days from the day the Bank has received the above-mentioned Orders unless the Remote Banking Systems stipulate another time limit. The Bank is entitled to further extend the validity term of the Transfer Order by informing the Client.

17.10. When executing the Transfer Order which includes currency exchange, the Bank applies exchange rate set by the Bank 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 and to cover the Remuneration, the Order is executed when such cash funds are credited to the respective account and complying with 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 unilaterally 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 the Bank's free disposal or that the Bank has not executed the Transfer Order to be cancelled.

17.17. The Bank provides the service of Regular Payments according to the payment terms, an amount and periodicity the Client has stated in the *Regular Payment Order*. Upon the execution of the *Regular Payment Order*, the Bank automatically withdraws cash funds from the Current Account provided 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 4.25 hereof 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 laws and regulations 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 change 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.

17.22. If the Client uses the technical solution for importation of documents from the accounting software to the Internet Bank and Transfer Orders series signature, the Client prior to the submission and signing of the imported Transfer Orders independently verifies the correctness, completeness and compliance of all parts of the Order. The Bank is not liable in respect of the Client and third parties for any technical risks, disorders, malfunctions, format inconsistency and software incompatibility, if the Client uses technical solution for importation of payment documents to the Internet Bank.

## **18. Cash Transactions**

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 4.25 hereof.

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

18.4.1. Orders for withdrawal 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 is entitled to deposit cash funds solely in his/her own name or legal person's name which he/she is entitled to represent.

18.6. When receiving a cash contribution, the Bank examines the 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 funds from the Client's account on the basis of the Order provided that Clause 4.25 hereof is fulfilled.

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

18.11. The Bank is entitled to refuse to withdraw cash funds 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 cash funds in the presence of the officer 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.

## 19. Foreign Exchange Transactions

**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.

**Order** – an Order either to buy from the Bank or to sell to the Bank currency at a predetermined rate, which is executed by the Bank when the exchange rate available to the Bank on the foreign exchange market reaches the level of currency exchange rate predetermined and specified to the Client.

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 exchange rate set by 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 at the time when:

19.4.1. the Bank receives the Order, if the Foreign Exchange Transaction is made according to the exchange rate set by the Bank; or

19.4.2. the Parties agree on the essential conditions set in Clause 19.3 hereof.

19.5. If after giving an Order for a Foreign Exchange Transaction the Client does not have sufficient cash funds to execute the respective Order, the Bank is entitled to write off/Transfer the exchange differences from the Client's any account. The exchange difference 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 Transfer is made in the Bank. Thus the Foreign Exchange Transaction is considered closed.

19.6. The Client is entitled to submit the Order to the Bank for an automatic (regular) Foreign Exchange Transaction. Until the cancellation or expiration of the term of this Order, operations mentioned in the Order take place at the exchange rate of the currency pair at the moment the Foreign Exchange Transaction is executed in the Bank.

19.7. 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 non-executed Foreign Exchange Order by submitting the corresponding Order.

19.8. The Client confirms that he/she understands, accepts and assesses all risks related to the Foreign Exchange Transactions and Orders, and fully understands and agrees with that the entering into the Foreign Exchange Transactions and Orders is related to the use of electronic means of transferring information, telecommunications and software, and that due to a failure or interruption in the operation of the above-mentioned means of communication, the execution of the Foreign Exchange Transaction and/or Order may become impossible and that the Bank is not liable for such non-execution.

## 20. Deposits

**Deposit** – the cash funds which the Client deposits in the Bank for a definite period of time with the Client's right of claim to get back the deposited cash funds in accordance with the terms and

conditions of the Deposit, and the interest thereon according to the Tariffs or a separate written agreement of the Parties.

**Orphan's Court** – an institution for guardianship and curatorship of minors established according to the laws and regulations 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* and/or in the agreement entered into between the Client and the Bank.

20.2. The conditions of the Deposits provided in Clause 20.1 hereof specified in the *Deposit Order* may be changed unilaterally by the Bank, which is notified by the Bank to the Client 5 (Five) Working Days before the entry into force of new conditions of the Deposits, unless another period is stipulated by the laws and regulations of the Republic of Latvia.

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

20.4. The Bank is entitled to execute Deposit Order within 35 (Thirty-five) Working Days from the moment, when the Client has submitted it to the Bank. Bank is entitled to further extend the Deposit Order validity term by informing the Client. Upon the execution of the Deposit Order, the Bank unilaterally Transfers the amount specified in the Order from the account specified by the Client to the Deposit account.

20.5. The Bank starts to calculate the interest on the Deposit from the day when cash funds are actually 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.

20.6. 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.

20.7. 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.

20.8. The Bank, without prior approval by the Client, withholds taxes on interest in accordance with the laws and regulations of the Republic of Latvia.

20.9. If the Deposit interest has been overpaid at the time when the Deposit is terminated, the Bank withholds this overpaid interest amount from the principal amount of the Deposit.

20.10. The Client may terminate the Deposit before its maturity by submitting the relevant Order to the Bank according to the procedure and within the term specified in the *Deposit Order* and/or an agreement to be entered into between the Client and the Bank. Furthermore, the Client is not entitled to request the early termination of the Deposit, if it is not provided in the *Deposit Order* and/or an agreement to be entered into between the Client and the Bank. In the event of early termination the cash funds are transferred to the account specified by the Client in the *Deposit Order* at the moment of placing the Deposit and/or an agreement entered into between the Client and the Bank.

20.11. 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 placing the Deposit and/or in an agreement entered into between the Client and the Bank. Furthermore, the calculation of interest on the Deposit is terminated.

20.12. As regards the Deposit, the Client owns the right of claim towards the Bank for returning of the principal amount of the Deposit, and paying out of the interest according to the terms and conditions of the Deposit.

20.13. In case of the Client's death, both the validity of the Deposit and interest accrual is terminated at the date of the Client's death. In these circumstances, the Bank pays out the Deposit and the accrued interest on the Deposit to the Client's heirs when Duly Certified and processed inheritance documents are submitted to the Bank.

20.14. In case of the assignment of rights and obligations of the Client (corporate entity), the Deposit shall remain valid and according to the laws and regulations of the Republic of Latvia and the internal regulatory documents of the Bank this Deposit may be assigned to the Client's successors when they submit to the Bank Duly Certified and processed documents.

### **Deposits' Service Conditions for Minor Clients**

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

20.16. The Deposit 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.

20.17. 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 interest rate are paid first and foremost.

20.18. 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.

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

20.19.1. the Orphan's Court made the respective decision; the Bank pays out 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;

20.19.2. according to Clause 20.13 hereof.

## **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 the Client's funds on the Card Account by subtracting the Card Transaction 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, which is handed over by the Bank to the Cardholder in accordance with the Order on Issue of the Card and which is attached to the Client's Card Account. The Cardholder is entitled to 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 three-digit security code on the back of the Card for the Card Transactions in the Internet. For Cards of the Visa payment system, the code is CVV2.

**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 (an hour, a day, week or month), set by the Bank. The Parties may agree to set another Card Transaction Limit in accordance with the Order, which does not exceed the maximum Card Transaction Limit set by Bank.

**Cardholder** – a private individual 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 Balance on Card Account** – an amount of cash funds on the Card Account without the Credit Limit and any amounts reserved for the Card Transactions already made but not yet written off from the Card Account.

**Credit Card Service** – a service of using the Card whose account has been assigned a Credit Limit.

**Credit Limit** – the maximum financial credit amount set in the Order that the Client can borrow from the Bank for making Card Transactions over the Credit Balance on Card Account. The Credit Limit is attached to the Card Account and cannot be used for making Card Transactions from another account of the Client.

**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 write-off of each Card Transaction. The Debit Balance is shown with a (–) sign in the Card Account statement.

**Interest on Use of Credit Limit** – the Remuneration in percentage to be paid by the Client for use of the Credit Limit which is calculated from the amount of the Debit Balance on the Card Account and does not exceed the Credit Limit at the end of a particular day.

**Overlimit Debit Balance:**

- for the Card Account, which was granted the Credit Limit, it is the Debit Balance exceeding the Credit Limit of the Card Account at the end of a particular day;
- for the Card Account, which was not granted the Credit Limit, 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.

**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 organisation Visa.

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, provided that he/she has entered into the Agreement and the Electronic Signature Agreement which are valid, and is the User of the Electronic Signature and has full access to the Internet Bank.

21.2.1. The Client undertakes to ensure that all Cardholders are the Users of the Electronic Signature which enter into the Electronic Signature Agreement with the Bank according to the procedure and in the wording set by the Bank. Exemptions from this requirement are only permitted upon a prior agreement with the Bank.

21.3. To receive a new Card, the Client submits the Order for issue of the Card. The Bank reviews the Order for the issue of Card and makes a decision on the issue of the Card and in the event of a positive decision opens the Card Account within 10 (Ten) Working days. In the Order

for issue of the Card the Client specifies the way of receiving the Card: either to receive the Card and the PIN Code in the Bank or with delivery (by post or other delivery service at the Bank`s choice). Irrespective of the method of receipt, any Card is issued to the Client/the Cardholder/a person authorised by the Client 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. Likewise, the Client may activate the Card independently at the Internet Bank.

21.4. The Card is valid until the last day of the month and the year written on the Card. The Bank is entitled to automatically renew the Card within the term of 2 (Two) months before or after the end of Card`s validity period, by issuing a Card attached to the Card Account with a new validity period. The Client is entitled to cancel the automatic renewal of the Card by informing the Bank in writing at least 2 (Two) months before the end of Card`s validity period. The Bank provides storage of the automatically renewed Card until the Client agrees with the Bank the order of receipt of the renewed Card. The Bank is entitled not to renew the Card as well as to refuse to execute the *Order on Card Replacement/Renewal and Change of Card Data*, if the Available Balance of the Card Account is less than the annual Card fee. The Card is closed after the Card expiry date. The expiry of the Card validity period does not withdraw the Client`s obligations during the validity period of the Card, nor upon expiry of the term, as well as does not cause the closure of the Client`s Card Account.

21.5. The Client is entitled to replace or renew the Card. The Bank reviews the *Order on Card Replacement/Renewal and Change of Card Data* within 10 (Ten) Working days from the day the Bank receives this Order.

21.6. No Card and PIN Code duplicates are issued. If the Client submits the *Order on Card Replacement/Renewal and Change of Card Data* via the Internet Bank, specifying the option "Individual PIN code", only the new Card is issued to the Client. When the card is replaced/renewed, using an individual PIN code, the individual PIN code is saved upon default, if no other orders from the Client are received. 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. The Client/the Cardholder is prohibited to hand the Card over to third parties and disclose any Card data, the Card Code, the Card Password and/or PIN Code to third parties.

21.8. The Client agrees and approves 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 an additional or a 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 blocking/unblocking of the Card;

21.9.4. receive information about incoming payments to the Card Account via M-Bank.

21.10. The Cardholder of the corporate Card apart from the stipulated in Clause 21.9 hereof is entitled also to receive a respective Card Account statement and/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 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 block and/or unblock the Card;

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

21.11.4. to renew the Card;

21.11.5. 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);

21.11.6. to close the Card Account (on condition that the cash funds balance is credited to the Current Account or the Client`s Card Account);

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

21.12. The Orders are allowed to be submitted by phone using the Card Password only for the

following purposes:

21.12.1. to activate the Card;

21.12.2. to block the Card;

21.12.3. to renew the Card. In this case 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;

21.12.4. to receive information on the unlawful/unauthorised Card Transactions in the amount set by the Bank;

21.12.5. the Bank is entitled to request the Card Password for performance of other operations with the Card permitted by the Bank.

21.13. No Card may be used for any illegal action, including, but not limited to, the payment for the goods and/or services acquisition of which are unlawful or that according to the laws and regulations of the Republic of Latvia requires 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 forbidden to sign any Card Transaction document, enter the PIN code or otherwise approve the Card Transaction, 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 Secure), in this case the Cardholder is obliged to use Rietumu ID and Identification and Authorisation Tools, that were issued by the Bank in accordance with the Terms and Conditions and/or Electronic Signature Agreement. 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.

21.14.1. In addition to Clause 21.14 hereof, if the Card supports contactless payment function, the Cardholder approves the Card Transaction by connecting or holding the Card close to the POS terminal reader. Limits, restrictions and provisions of the Card Transactions with the Card supporting contactless payment function are set by 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) a week). The Client has to immediately inform the Bank about the incorrectly made Card Transactions. The failure to provide information on incorrectly made Card Transactions serves as a proof that the Client accepts the status of the Card Account.

21.16. As from the time of sending the message via M-Bank system, 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 transfer of cash funds 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 exchange rate set by the Bank on the moment of the crediting of cash funds.

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 14 (Fourteen) 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 respective regulations of the international payment system Visa.

21.19. A possibility exists that, when making the Card Transactions, which did not pass the Card Transaction Authorisation 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 sets aside an amount by carrying out the currency exchange, applying currency exchange rate of the

international payment system Visa on the date of the actual Card Transaction. On the date of writing off the Card Transaction the Bank withholds the amount, that was set aside, in the Card Account currency and currency exchange mark-up. As a result, a difference might arise for all types of Cards between the sum that was set aside on the Card Account and the sum of written-off Card Transaction; besides, the Overlimit Debit Balance might occur.

21.21. The Clients are obliged to keep track of their own operations 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/or Card Transaction Limits, as well as to design the Cards.

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

21.24.1. there are suspicions about the illegal use of the Card, including for fraudulent purposes;

21.24.2. there are suspicions about the unauthorized use of the Card, including that the Card data are copied by third parties and are used for unlawful purposes;

21.24.3. the Credit Limit is granted to the Card Account and the risk that the Client may not be able to meet the obligations has significantly increased;

21.24.4. in the event of termination of the Parties relationship on the Bank's initiative according to Clause 15.4 and 15.6 hereof.

The Bank is entitled to inform the Client about the fact of blocking 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 laws and regulations of the Republic of Latvia.

21.25. The Bank is entitled to unilaterally 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 fulfilled 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/the Cardholder has not used the Card for over 3 (Three) months and there are not enough cash funds on the Card Account for withholding of the annual fee for using the Card.

21.25.4. In the event of termination of the Parties relationship on the Bank's initiative according to Clause 15.4 and 15.6 hereof.

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) times. If at the moment of making payments to a seller the Cardholder enters in a POS terminal the PIN Code incorrectly 3 (Three) times, the Card chip is blocked automatically, thus, no further use of this Card in the POS terminals which are intended for entering the PIN Code is possible. Further use of the Card with a blocked chip in the POS terminals intended for entering the PIN Code, is possible only upon the replacement of the Card.

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 Code and/or the Card Code and/or the Card Password, or other Card data became known to any third party. The Client undertakes all risks and consequences arisen out of the failure to timely notify the Bank. After receiving a notification about the loss or theft of the Card from the Client or the Cardholder, the Bank blocks the Card 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 replenish any debited amount, if the Card has been used illegally and the Card Transaction has not been approved by the PIN Code, the Card Code, the Cardholder's signature, or any other tool of authorisation and approval of the Card Transaction. The Client is entitled to request the remuneration only if requirements of Clauses 4.42 and 21.15 hereof are met and/or the Client/the Cardholder has not acted negligently or illegally.



21.29. The Bank does not repay disputed cash funds to the Client, if the Cardholder when executing the respective operation has been identified according to the procedure stipulated in the Terms and Conditions and/or the Client/the Cardholder has not complied with the requirements of Clauses 4.42 and 21.15 hereof, and/or the Client/the Cardholder has acted negligently or maliciously.

21.30. The Card can be closed on the initiative of the Bank or upon the receipt of the Client's Order after the Bank has withheld the Remuneration. The Bank within 5 (Five) Working days reviews and takes a decision on the execution/non-execution of the *Order on Payment Card and Card Account Closure*. The Card Account is closed within 14 (Fourteen) days after the Card closure, if the Card Account balance is equal to zero. Upon closure of the Card Account, the security deposit, if such was placed, is transferred to the Client's Current Account with the Bank. If the Card Account has the Debit Balance at the moment of closure, the Bank is entitled to unilaterally repay the Debit Balance by writing off cash funds from any Client's account with the Bank. If there is a Credit Balance on Card Account at the moment of closure, the Bank Transfers these cash funds to:

21.30.1. the Current Account unless the Client has specified in his/her Order another way of receipt permitted by the Bank;

21.30.2. the account specified in Clause 15.9 hereof, if the Client does not have the Current Account and the Client has failed to specify another way of receipt permitted by the Bank.

21.31. The Remuneration for the Card Account services of the Bank is paid from the Card Account. If cash funds available on the Card Account are insufficient to pay the Remuneration, the Bank is entitled to withhold the Remuneration from the Client's any account in the Bank. If cash funds available on the Card Account are insufficient to pay the Remuneration, as a result of withholding the Remuneration the Overlimit Debit Balance occurs 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 or other form of collection, is entitled to transfer to the Card Account an amount of cash funds necessary for writing off the Overlimit Debit Balance, Credit Limit, if such was provided to the Client, from any of the Client's cash funds that are placed on any other 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/or 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 term specified in this Clause, it is considered that the Client has agreed and approved all Card Transactions that are reflected on his/her Card Account.

21.34. Considering the claims on the Card Transactions, the terms defined in regulations of the international payment card system Visa 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.

### **Automatic Replenishment**

21.35. The Bank ensures a possibility of the regular Card Account replenishment with the cash funds 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 Regular Replenishment of the Card Account*.

21.36. The Bank reviews and takes a decision on the execution/non-execution of the *Order for the Regular Replenishment of the Card Account* within 5 (Five) Working Days after the receipt of the Order by the Bank.

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 full repayment of the Debit Balance;
- 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 Credit Balance on Card Account or the Available Balance; either taking or not taking into account the Credit Limit 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 in order to make an automatic replenishment.

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, the Bank is entitled not to make the Card Account automatic replenishment or to make it in the amount of the Available Balance of the cash funds on the Current Account.

21.40. Depending on the option specified by the Client in the *Card Account Regular Replenishment Order*, payments of automatic replenishment of the Card Account are made in the following sequence:

- once a month – an automatic replenishment is made on the first or the last day every month according to the Order;
- 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 no sufficient cash funds on the Current Account for executing the payment in sufficient 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 sum specified in the Order, or until the beginning of the following period.

21.41. The Client is obligated to timely inform the Bank in writing about all changes of the information provided in the *Card Account Regular Replenishment Order* no later than 5 (Five) days before the next payment by submitting the new *Card Account Regular Replenishment Order*.

21.42. The Bank terminates the execution of the *Card Account Regular Replenishment Order* if:

- the Client cancels the *Card Account Regular Replenishment Order*, by submitting the respective Order to the Bank;
- the Card Account or the Current Account are closed;
- the incoming payments for the Card Account are blocked;
- the outgoing payments of the Current Account are blocked.

21.43. The Bank reviews and takes a decision on the execution/non-execution of the Client's Order for the Regular Card Account Replenishment cancellation within 5 (Five) Working Days after the Bank has received the respective Order or within 5 (Five) Working Days after the Bank receives and accepts for execution the *Order on the Payment Card and Card Account Closure*.

### **Security Deposit**

21.44. To receive the Card and/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 14 (Fourteen) days. If after the expiry of the Credit Limit the Card is renewed or the Client prolongs the term of the Credit Limit, the term 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 Bank returns the security deposit after 14 (Fourteen) days after such a decision is taken by the Bank.

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

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

21.49. After the expiry of the security deposit, the Bank transfers the amount of the security deposit to the Current Account or on the basis of the Client's Order to any other Card Account of the Client. Before transferring the security deposit, 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 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 serving as Financial Collateral in the order stipulated by the Terms and Conditions and transfer the received cash funds to cover the Client's obligations towards the Bank. In case the security deposit currency differs from the currency of discharging the obligations of the Client towards the Bank, the Bank performs the currency exchange of the cash funds in accordance with the Bank's currency exchange rate on the date of discharge of the Client's obligations.

### **Provisions of Credit Limit**

21.50. The Bank provides the Client with an opportunity to obtain the Credit Limit for making the Card Transactions in accordance with the Terms and Conditions. The Client shall repay the Bank an amount of the used Credit Limit and pays the Remuneration of the Bank in the order stipulated by the Terms and Conditions and the Tariffs.

21.51. The Bank grants the Credit Limit unilaterally at its own discretion, in the amount specified in the respective Client's Order. Furthermore, the Bank is entitled to fix the smaller Credit Limit amount or refuse the Credit Limit granting. The Bank is not obliged to explain to the Client the reasons for granting the smaller Credit Limit amount or not granting the Credit Limit.

21.52. The Bank provides the Client with an opportunity to start using the Credit Limit within 5 (Five) Working Days starting from the date when the following preconditions have been met:

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

21.52.2. the security stated in Clause 21.58 hereof is filed in favour of the Bank.

21.53. The Credit Limit is deemed to be granted to the Client starting from the date when the Bank has increased the Available Balance by the amount of the Credit Limit.

21.54. It is considered that the Client starts to use the Credit Limit at the moment when funds are used for making the Card Transaction or payment from Card Account within the Credit Limit above the Credit Balance on Card Account.

21.55. If there is no sufficient Credit Balance on Card Account to make the Card Transaction, the Credit Limit is used to make the Card Transaction if such has been granted for the Card Account.

21.56. The Client's liabilities on the Credit Limit are deemed to be discharged in full as of the moment when the used Credit Limit amount is fully repaid (paid or transferred on the Card Account, and is at free disposal of the Bank), and all other Client's liabilities, including, but not limited to, repayment of the Interest on Use of Credit Limit and discharge of the Overlimit Debit Balance have been fulfilled. If the Client's liabilities on the Credit Limit are discharged in full, there is no Debit Balance on the Card Account.

21.57. Any amounts of cash funds transferred to the Card Account are first of all used for discharging the liabilities related to the use of the Credit Limit in the following order:

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

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

21.57.3. to discharge the Overlimit Debit Balance if such has occurred;

21.57.4. to pay the amount of the used Credit Limit.

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

- 21.58.1. the security deposit;
- 21.58.2. the Client's Deposit with the Bank;
- 21.58.3. the third party's Deposit with the Bank;
- 21.58.4. any other security stated in the respective Order.

21.59. The Interest on Use of Credit Limit is calculated taking into account the following:

21.59.1. The Interest on Use of Credit Limit is calculated starting from the date when the Client starts to use the Credit Limit until the date when the used Credit Limit amount is repaid to the Bank in full. The Interest is calculated each day from the used and unpaid Credit Limit amount in accordance with the Card Account balance at the end of a particular day;

21.59.2. the Bank debits the calculated Interest on Use of Credit Limit 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 Interest, the Bank reduces the available amount of the Credit Limit by the amount of the Interest due at the moment of the payment. If the Credit Limit is used in full, the Bank creates/increases the Overlimit Debit Balance for an amount of the Interest;

21.59.3. for the purpose of calculation of the Interest on Use of Credit Limit, it is assumed that there are 360 (Three hundred and sixty) days in a year, and the actual number of days in a month.

21.60. The Client at the time of granting of the Credit Limit and throughout the whole period guarantees and acknowledges that all information he/she has submitted to the Bank regarding the granting of the Credit Limit is true, complete and accurate, the Client has not concealed and will not keep secret any circumstances that can/could negatively impact the Bank's decision regarding the granting of Credit Limit to the Client, and that all information submitted in the future will be complete and true. By signing the *Order on Credit Limit Granting and Service*, the Client confirms that on the date of signature thereof and during the validity period of this Order there are no circumstances due to which performance of the obligations of the Client could be considered as impossible or difficult, and that no claims have been lodged and no legal proceedings have been initiated against the Client, no enforcement action has been brought against the Client's property, as well as no events specified in Clause 10.10 of the Terms and Conditions have occurred in respect of the Client.

21.61. The Client is obliged to:

21.61.1. repay the used Credit Limit amount in full within the term specified by the Bank;

21.61.2. pay the Bank the interest on the overdue payment if the Client has not repaid the Credit Limit amount within the term specified by the Bank or on the last day of providing the Credit Limit service;

21.61.3. in the term and order stipulated by the Terms and Conditions and/or the Order, repay the Credit Limit, pay the Interest on Use of Credit Limit, interest on the Overlimit Debit Balance, as well as any other payments according to the Tariffs, the Order and the Terms and Conditions;

21.61.4. notify the Bank of any changes in the information provided in the respective Order and deliver respective documents on change of the information to the Bank within 5 (Five) Working days in writing, including via the Internet Bank;

21.61.5. regularly provide transfer of monthly income of the Client to the Card Account if the Credit Limit has been granted taking into account income of the Client, i.e. his/her salary, without filing any other collateral;

21.61.6. fully discharge the liabilities in compliance with Clause 21.56 hereof on the last day of providing the Credit Limit service.

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

21.63. If the Client exercises the cancellation rights under Clause 21.62 hereof the Client is obliged immediately to repay the Bank the used Credit Limit, as well as fulfil other liabilities in accordance with Clause 21.56 hereof.

21.64. The Bank is entitled at any time within the term specified by the Bank to request the Client the repayment of the Credit Limit, including the accrued Interest on the use of the Credit Limit, to repay the Overlimit Debit Balance in full, if any, including to repay the calculated interest on the Overlimit Debit Balance.

21.65. The Client is entitled to use the Credit Limit in the volume granted by the Bank repeatedly in a period of using the Credit Limit and paying the Credit Limit.

21.66. The Client is entitled to execute his/her obligations to the Bank regarding the Credit Limit at any time. Furthermore, the Client shall notify the Bank about the early fulfilment of the obligations in advance in writing, and the Bank does not charge the commission fee for the fulfilment of obligations.

21.67. Payment of interest for the Overlimit Debit Balance does not release the Client from fulfilment of the other overdue liabilities.

21.68. When calculating the annual interest rate, the Bank complies with the Regulations Regarding Consumer Credit No. 691 (*Noteikumi par patērētāja kredītēšanu*) of the Cabinet of Ministers as of October 25, 2016.

21.69. The last day of providing the Credit Limit service is deemed to be:

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

21.69.2. a day when the Client informed the Bank about the withdrawal from the Credit Limit and discharged his/her liabilities in accordance with Clause 21.56 hereof;

21.69.3. a day stated in the Bank's notification on the termination of the Credit Limit service and the complete fulfilment of the Client's obligations towards the Bank.

21.70. The Client agrees that the Bank gives the Client's information and personal data to third parties if it is necessary for rendering the Credit Limit service.

21.71. The Bank shows the flow of cash funds on the Card Account during a particular period, including the Card Transactions, the Card Account balance at the beginning and at the end of this period, the granted Credit Limit in the Card Account statement, available to the Client via the Internet Bank or other Remote Banking System. The Card Account statement serves as a proof of the Credit Limit use, existing obligations of the Client towards the Bank, and shows transactions with cash funds held on the Card Account.

21.72. In case of changing the security provided by the Client to the Bank in accordance with Clause 21.58 hereof, the Bank is entitled to unilaterally change the individually set Interest on Use of Credit Limit specified in the respective Order to the standard Interest on Use of Credit Limit in accordance with the Tariffs without informing the Client about it in advance.

21.73. The Bank is entitled to unilaterally change the Interest on Use of Credit Limit. The Bank publishes information on changes in the Interest on Use of Credit Limit according to the procedure prescribed in the Terms and Conditions. The changes of the Interest on Use of Credit Limit come in force on the 30<sup>th</sup> (Thirtieth) day after publishing the respective information.

21.74. The Bank is entitled to amend the Terms and Conditions and the Tariffs regulating the Credit Limit service. The Bank informs the Client who uses the Credit Limit service about these amendments at least 2 (Two) months before the amendments take effect by notifying the Client about such amendments according to the procedure prescribed in the Terms and Conditions.

21.75. If the Bank has not received from the Client a notification that he/she disagrees with the changes stated in Clauses 21.73 and 21.74 hereof before these changes take effect, it is considered that the Client fully agrees with the respective changes.

21.76. In case the Client does not agree with the changes stated in Clauses 21.73 and 21.74 hereof and informs the Bank thereof in writing, it is considered that the Client has expressed his/her willingness to refuse from the Credit Limit, and before the day the respective changes take effect he/she has to fully fulfil own liabilities in accordance with Clause 21.56 hereof.

21.77. After evaluation of financial indices of the Client and turnover of the Client's Accounts with the Bank, the Bank is entitled to unilaterally immediately reduce the granted Credit Limit to the amount of the used Credit Limit or the defined Credit Limit, if on the day when the Credit Limit is reduced it is not fully used up, or to annul the Credit Limit, by notifying on it the Client in the Internet Bank.

## **Special Provisions on Credit Limit of Visa Infinite**

21.78. The Bank provides the Client an opportunity to start using the Credit Limit within 5 (Five) Working Days starting from the date when the following preconditions have been met:

21.78.1. the Client has provided the Order on Issue of Payment Card Visa Infinite to the Bank and the Bank has made a decision to issue the Card;

21.78.2. the security stated in Clause 21.58 hereof is filed in favour of the Bank.

21.79. The Bank is entitled to refuse the Client in issuing the Card, opening the Card Account and, respectively, in granting the Credit Limit without explaining the reason.

21.80. On the last day of validity term of the Visa Infinite the Client is obliged to fulfil all his/her liabilities towards the Bank to the full extent in accordance with Clause 21.56 hereof.

21.81. The Client is entitled to close the Card and the Card Account on its own initiative, upon fulfilment of his/her liabilities towards the Bank in full in accordance with Clause 21.56 hereof, and submitting to the Bank an Order on Card and Card Account closure.

21.82. The Bank is entitled to unilaterally 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 or at its own discretion choosing other means of communication according to the contact information specified by the Client to the Bank in writing according to the procedure established by the Bank. In this case, the Client is obligated to fulfil all liabilities towards the Bank to the full extent in accordance with Clause 21.56 hereof.

21.83. If the Client does not agree with changes stated in Clauses 21.73 and 21.74 hereof, in such cases, in addition to consequences stated in Clause 21.76 hereof, it is considered that the Client also expressed the wish to close the Card Visa Infinite and the Card must be closed by the Bank.

## **22. 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 for the benefit of 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 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 in 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, etc.)** – the cash funds the Bank grants to the Client under a respective agreement (a loan agreement, a credit line 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) signed between the Bank and the Client, and to pay to the Bank 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.

22.1. 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.

22.2. The Client authorises the Bank to write off the payable amounts of cash funds from any account of the Client. The Order to issue the Letter of Credit/Letter 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/the 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 agreement with the Client in favour of the beneficiary(-ies) of the Letter of Credit/the Letter of Guarantee according to conditions of the Letter of Credit/the Letter of Guarantee issued by the Bank.

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

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

22.5. As a part of agreements signed between the Client and the Bank, the Client is entitled to submit the Orders for the receipt/repayment of Loans or parts of Loans, and Orders for issue/amendments to provisions of the Letter of Guarantee by submitting these Orders via the Remote Banking Systems and using the Electronic Signature. By using the Remote Banking Systems, and via 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.

22.6. 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.

22.6.1. 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.

22.6.2. 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.

22.6.3. 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.

22.7. The place of dispute resolution of the Bank's services specified in Sub-section 22 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 Sub-section 22 hereof, the provisions of this Clause of the Terms and Conditions shall prevail over the provisions of the Sub-section 14 hereof.

### 23. 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 Sub-section an *Order for Purchase of the Gold* and/or an *Order for Transfer of Gold to the Custody / Receipt of Gold from the Custody*.

23.1. This Sub-section applies to the Bank’s services and the Client’s transactions with Gold. This Sub-section does not apply to Gold purchase transactions that the Client enters into with the Bank in the Bank’s Customer Service Hall in accordance with the *Investment Gold Bars Purchase Confirmation*.

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

23.2.1. purchase of Gold for the Client in accordance with the Order;

23.2.2. custody of Gold owned by the Client.

23.3. In order to purchase the Gold, the Client submits with the Bank an *Order for Purchase of the Gold*.

23.4. The Bank is entitled 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.

23.5. 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.

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

23.6.1. 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;

23.6.2. 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;

23.6.3. 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 23.7 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 is entitled 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;

23.6.4. 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;

23.6.5. 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;

23.6.6. 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*;



23.6.7. the Bank is entitled to, at its own disposal, 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.

23.7. The Client, by submitting an Order for Transfer of Gold to the 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 Sub-section of the Terms and Conditions is accepted to the Bank's custody.

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

23.9. 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.

23.10. Upon receipt of an Order for Transfer of Gold to the custody of the Bank, the Bank is entitled to request from the Client and the Client undertakes to timely provide 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 is entitled, 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.

23.11. 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:

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

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

23.11.3. the Gold, either as a whole, or its individual parts, is not pledged, or alienated in favour of third parties, it is not subject to prohibition or arrest, no burdens, restrictions are imposed thereupon;

23.11.4. there are no disputes concerning the Gold;

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

23.12. Return of Gold:

23.12.1. the Client is entitled to take away his/her Gold transferred to the Bank's custody, by submitting to the Bank an Order for receipt of 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;

23.12.2. the Bank is entitled 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 head 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.

23.13. The Gold transferred to the custody of the Bank as a 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, 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.

23.14. For the performance of the transactions with the Gold, including for the purchase and custody of the Gold, the Client pays to the Bank the Remuneration in accordance with the Tariffs and the procedure established in Sub-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 Gold to the Client.

23.15. 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.

23.16. The Bank is liable for accidental damage, destruction or loss of the Client's Gold when it is kept in custody of the Bank, if 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.

23.17. 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.

23.18. 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.

23.19. 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.

23.20. 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**

Provisions provided in the Clauses 4.52–4.54 of the Terms and Conditions are prevailing over the provisions of Section III "Investment Services" of the Terms and Conditions.

#### **24. Basic Definitions**

**Associated Account** – Trading Platform Account and/or Initial Margin Account, that is associated with Investment Account.

**Brokerage Accounts** – the Cash Account and the Financial Instruments Account, regardless of whether they have Investment Account status or not.

**Cash Account** – a special brokerage account opened by the Bank for holding and accounting of the Client's cash funds for the purpose of the Transactions with Financial Instruments, regardless of whether it has Investment Account status or not.

**Derivative Exchange Transaction** – the Transaction with Financial Instruments, including a forward Foreign Exchange Transaction with a specific fulfilment day in future, which is normally not earlier than the 3 (third) Working Day after the transaction is concluded, at the rate established by the Parties at the moment the transaction is concluded, or a swap transaction consisting of two opposite Foreign Exchange Transactions on the same amount but with different settlement dates of these Foreign Exchange Transactions, at rates agreed by the Parties at the moment the swap transaction is concluded.

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

**Financial Instruments Account** – an account opened by the Bank for holding and accounting of the Client's Financial Instruments, regardless of whether it has Investment Account status or not.

**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, Derivative Exchange Transaction etc.) paid by the Client to the Financial Instruments Account and/or Cash Account and/or Trading Platform Account and/or Initial Margin 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.

**Initial Margin Account** – an account of cash funds which the Bank opens to place the Client's Initial Margin for the purpose of entering into the Derivative Exchange Transaction, regardless of whether it has Associated Account status or not.

**Investment Account** – the combination of Cash Account and Financial Instruments Account, that has Investment Account status in accordance with the Law On Personal Income Tax of the Republic of Latvia (*Par iedzīvotāju ienākuma nodokli*).

**Investment Assets** – the Assets accounted on the Investment Accounts.

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

**Margin Call** – the Bank's claim to the Client for replenishment of 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.

**Nominal Accounts** – the Brokerage 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.

**Order Execution Policy** – *JSC "Rietumu Banka" Client Categorisation, Appropriateness Assessment and Order Execution Policy*.

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

**Report to TR** – reports on completed transactions with Financial Instruments provided to the trade repository in order to fulfil the requirements of the EMIR and/or SFTR.

**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 allows 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 instructions regarding 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.

**SFTR** (Securities Financing Transactions Regulation) – Regulation (EU) No 2015/2365 of the European Parliament and of the Council of November 25, 2015.

**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, regardless of whether it has Associated Account status or not.

**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.

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

25.1. 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.

25.2. 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.

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

25.3. To ensure the compliance with the Law on the Financial Instruments Market of the Republic of Latvia (*Finanšu instrumentu tirgus likums*), the Bank provides information on how the Bank ensures safekeeping of Financial Instruments and cash funds of the Client.

#### Safekeeping of Financial Instruments

25.4. 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.

25.5. 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 laws and regulations of the Counterparty's country of incorporation in relation to safekeeping of the Clients' Financial Instruments.

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

25.6.1. the Counterparty's insolvency;

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

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

25.6.4. if the laws and regulations of other countries are 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 laws and regulations of the Republic of Latvia;

25.6.5. 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 laws and regulations, namely, the agreement may be applied in unpredictable way;

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

25.7. The Bank is safekeeping the Client's Financial Instruments with the Counterparty that is regulated and acts in compliance with the laws and regulations on separate storage 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 on the holding of Financial Instruments in a certain country.

25.8. The Bank is entitled to transfer the Clients' Financial Instruments for safekeeping to the Counterparty, which is not regulated by the laws and regulations on safekeeping in favour of the Clients (separate storage is not provided). Such safekeeping may create additional risks to the Client and the Client may incur losses.

25.9. 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 imposed on the 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

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

25.11. Any Client of Latvian banks and savings companies – either a 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 Bank of Latvia 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 the laws and regulations of the Republic of Latvia.

The Deposit Guarantee Law of the Republic of Latvia (*Noguldījumu garantiju likums*) is available on: <https://likumi.lv/doc.php?id=274737>.

25.12. In case if the Bank would change the order of safekeeping of Client's cash funds and would decide to hold Client's cash funds outside the Bank's balance sheet, then the safekeeping of cash funds with the Counterparty would create risks of a total or partial loss of the Assets to the Client, which arises from, including, but not limited to, the following:

- the Counterparty's insolvency;
- if laws and regulations of other countries are applicable to the Clients, and thus the Client's rights referring to such cash funds may differ from the rights under the laws and regulations 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 laws and regulations, 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 laws and regulations, decisions of tax authorities that may affect the Client's rights to the cash funds.

The Bank informs the Client about the change of the order of safekeeping of cash funds, mentioned in Clause 25.12 of the Terms and Conditions, and the affected Client's cash funds in accordance with Clauses 9.4 – 9.6 of the Terms and Conditions.

## **26. General Provisions on Servicing of Brokerage Accounts**

26.1. The Bank opens Brokerage Accounts for the Client on the basis of his/her Order.

26.2. The Bank holds and services the Financial Instruments and cash funds on the Brokerage Accounts.

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

26.3.1. If the Client is a corporate entity or a legal arrangement, then for carrying out of the Transactions with Financial Instruments the Client is obliged timely until the Order is submitted with the Bank to draw up and receive a legal entity identification code (LEI code) and inform the

Bank in writing on the LEI code assigned to the Client. The Client is obliged to timely ensure regular renewal of LEI code.

26.3.2. If the Bank lacks information on the LEI code assigned to the Client, and/or, in response to the Bank's request, the Client fails to inform the Bank on the LEI code assigned to him, or on its renewal, hereby the Client authorises the Bank and approves its rights to order, draw up and assign to the Client the LEI code unilaterally under compulsion, as well as to ensure its regular renewal as long as the Client stores the Investment Assets in the Bank. In this case all expenses and costs on the drawing up and renewal of the Client's LEI code are unilaterally without further authorisation written off by the Bank from the Client's accounts in the Bank. The Bank is entitled not to use the authority mentioned in this Clause and restrict the Transactions with Financial Instruments on Client's accounts.

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

26.4.1. the Client (a private individual) is obliged to name Rietumu ID and an OTP of the Client;

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

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

26.5. 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 Client's 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.

26.6. The Orders in relation to Brokerage Accounts have the following validity terms:

26.6.1. Orders for cash funds transfer from/to the Cash Account are valid for 35 (Thirty-five) Working Days from the day the Client has submitted this Order to the Bank. The Bank is entitled to further extend the validity term of such Order by informing the Client.

26.6.2. Orders to buy/sell Financial Instruments are valid until the end of the Working Day in which the Bank has received this Order, or until the end of the Counterparty's trading session on that day, unless the Parties have agreed on another term.

26.6.3. The validity term of Orders for other transactions on the Brokerage Accounts or other Transactions with Financial Instruments is 10 (Ten) days unless the Parties agree on another term. This validity term does not refer to the Orders for opening Brokerage Accounts.

26.7. 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.

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

26.9. 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.

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

26.10.1. The Bank accepts for execution only the Orders which are accepted for the execution by the respective regulated market and/or the 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.

26.11. 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 to debit the required cash funds from the Client's any account without a prior agreement of its actions with the Client.

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

26.13. 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.

26.14. The Bank withholds the Remuneration for the holding of Financial Instruments from the Client's Cash Account on a monthly basis in accordance with the Tariffs.

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

26.16. If the Client submits the Order to buy the Financial Instruments or if the Client owes an amount to the Bank in the currency other than the currency available on the Cash Account or the Current Account, the Bank is entitled but not required to convert the currency 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.

26.17. The Bank provides the Client with information about the condition of the accounts, as well as information and reports on the Transactions with Assets according to Clause 9.1 hereof. 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:

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

26.17.2. 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.

26.18. The Bank is entitled to close the Brokerage Accounts in the following cases:

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

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

26.18.3. 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 Brokerage Accounts;

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

26.19. The Client is entitled 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.

26.20. Due to changes in the procedure for servicing by the Counterparty and/or in other cases related to the servicing of the Brokerage 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 laws and regulations of the Republic of Latvia.

26.21. Due to changes in the procedure for servicing by the Counterparty and/or in other cases related to the servicing of the Brokerage 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 laws and regulations of the Republic of Latvia.

26.22. 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.

26.23. Current excerpts from the Order Execution Policy and Policy on Conflicts of Interest are published on the Bank`s webpage [www.rietumu.com](http://www.rietumu.com). Bank is entitled to make changes in these policies. By submitting Orders for Transactions with Financial Instruments, the Client confirms, that he/she has read with the current version of the abovementioned excerpts.

## **27. Transactions with Financial Instruments**

27.1. 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 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 the Financial Instruments.

27.2. 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.

27.3. The Client is entitled to request the Bank to open accounts for holding in custody of the Client`s Financial Instruments 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.

27.4. Bank informs the Client about corporate actions of the issuers of the Financial Instruments only in cases, when such obligation is directly prescribed for the Bank in accordance with legal acts of the Republic of Latvia and the European Union, and the Bank has received the corresponding information about the corporate action from the Counterparty. In other cases the Bank is not obliged to provide information about corporate actions to the Client 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. 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 Bank is not liable for consequences of the inaction of the Bank.

27.5. The Bank transfers the cash funds 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 in accordance with value date set in the external bookkeeping statement, but not later than on the next Working Day 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 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 related to the failure to receive income as a result of the action and/or inaction of the issuer and/or third parties.



27.6. 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.

27.7. 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.

27.8. Acting under the Terms and Conditions, the Bank is entitled to become a depository 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.

27.9. For the purpose of the fulfilment of the EMIR and/or SFTR requirements the obligation to provide Reports to TR lies on both parties of the transactions. The Client is solely liable for the fulfilment of the EMIR and/or SFTR requirements that apply to the Client, 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.

27.10. 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 that are not financial institutions.

27.11. The Client is obliged to provide to the Bank all information, that is necessary to the Bank for fulfilment of EMIR and/or SFTR, as well as cooperate with the Bank and take actions required from the Client.

27.12. Client that is not a financial institution shall immediately inform the Bank if:

27.12.1. the activity of the Client on the OTC derivative Financial Instruments market has reached the clearing thresholds set by EMIR, or the Client is obliged to carry out clearing in accordance with EMIR for other reason, or the Client has obtained a licence for provision of financial services as a financial institution;

27.12.2. the Client meets two out of three following criteria: a) total balance sum equals or is above EUR 20 000 000; b) net turnover equals or is above EUR 40 000 000; c) average number of employees in financial year equals or is above 250.

27.13. The Bank provides information on the Transactions with Financial Instruments and/or Derivative Exchange Transactions to trade repositories and other persons in accordance with requirements of the EMIR and/or SFTR.

27.14. In cases when it is prescribed by EMIR and/or SFTR, the Bank is entitled to provide Reports to TR on behalf of both sides of transactions to a trade repository at the Bank's choice. The Bank is not liable towards the Client for fulfilment of requirements of EMIR and SFTR, the accuracy and timeliness of submission of Reports to TR. The Bank is not obliged to provide to the Client any reports, related to the fulfilment of EMIR and/or SFTR.

27.15. The procedure established by Clauses 27.9 – 27.15 of the Terms and Conditions in respect of the fulfilment of EMIR and SFTR requirements applies to all services specified in Section III "Investment Services" and Section IV "Trading Platforms" of the Terms and Conditions, which require compliance with EMIR and/or SFTR.

27.16. If a transaction with Financial Instrument is subject to legislative requirements of any country (except for laws and regulations of the Republic of Latvia or European Union, that are directly applicable to the Bank), which, including, but not limited to, require notification of a trade repository or another organisation about the concluded transaction with Financial Instrument or provide its special execution order, the Client is obligated to individually ensure compliance with these legislative requirements. If these laws and regulations require any Bank's actions, the Client is obligated to explain legislative requirements to the Bank before submitting the Order on transactions with the Financial Instrument. Furthermore, the Bank is entitled not to execute the Order on transactions with the Financial Instrument. If the Client violates obligations under this Clause, the Client is obligated to cover the Bank's Losses, if any.

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

28.1. This Sub-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.

28.2. 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 inquire 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 approved for the Client in 2 (Two) Working Days from the moment of concluding the corresponding deal.

28.3. The Bank is entitled 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.

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

28.5. 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.

28.6. 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.

28.7. 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 additional notifying the Client thereof:

28.7.1. to close the position of the derivative Financial Instrument by a complete 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

28.7.2. 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.

28.8. In case of the Margin Call situation and if the Client fails to fulfil his/her obligations, the Bank is entitled to close the position at any time without notifying the Client. The Bank is entitled, at its discretion and without prior approval by the Client, to decide which of the Financial Instruments and in which order should be sold.

28.9. The Client is liable to the Bank for the repayment of any losses, 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 obligations of the Client.

28.10. 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 Brokerage 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 Brokerage 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:

- 28.10.1. forcibly partially or fully sell the Client's Financial Instruments before expiry thereof;
- 28.10.2. allow full or partial execution of the Client's Financial Instruments and then partially or fully sell the Assets received from the execution;
- 28.10.3. 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.

28.11. In the event the Client performs transactions with options for goods and raw materials, except for the contracts that are settled exclusively in cash funds, the Client acknowledges his/her consent that such Financial Instruments are not deliverable and shall be settled by the Client by offsetting claims. If the Client has failed to discharge such 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:

- 28.11.1. forcibly sell such Financial Instrument by offsetting claims;
- 28.11.2. 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.

28.12. In the event that the Client performs transactions with futures contracts, except for the contracts the payments under which are made exclusively in cash funds (but not by physical delivery of currency), the Client confirms his/her consent 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 5 (Five) 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 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.

28.13. In order to enter into the Derivative Exchange Transaction the Client undertakes to ensure the Initial Margin on the Initial Margin Account in the amount specified by the Bank.

28.14. Minimal amount of the Derivative Exchange Transaction is 100 000,00 EUR (One hundred thousand Euro) or an equivalent amount in other currency.

28.15. If market value of the Derivative Exchange Transaction is changed in a way that absolute value of the current loss is equal to or greater than the difference between the Initial Margin and the Maintenance Margin Requirement, the Bank notifies the Client about the Margin Call situation. Notification of the Client about the changes in a market value of the Derivative Exchange

Transaction is the right and not the obligation of the Bank. The Client undertakes to independently monitor the market value of the Derivative Exchange Transaction. In case of the reduction of market value of the Derivative Exchange Transaction to the level of the Margin Call situation, the Client is obliged to replenish the Initial Margin Account to the level of the Initial Margin.

28.16. In the event of the occurrence of current losses, the absolute value of which amounts to 70% (Seventy percent) or more of the Initial Margin, the Bank is entitled to close the position of Derivative Exchange Transaction without notifying the Client.

28.16.1. If the amount of funds received from the sale of Derivative Exchange Transaction and the balance on the Initial Margin Account do not allow to cover the Bank's Losses, the Bank is entitled to cover the Bank's Losses by writing off other Assets.

28.17. The Bank confirms that the OTC Derivative Exchange Transaction is concluded by the Client via the Internet Bank. If the Client, having received the confirmation of the OTC Derivative Exchange Transaction within 1 (One) Working day from the date of receipt of the confirmation by the Bank failed to submit his/her objections, it is considered that the Client has agreed to the confirmation and conditions of the transaction sent by the Bank.

28.17.1. The Bank assigns a unique transaction identifier (UTI) and informs the Client in the confirmation that the OTC Derivative Exchange Transaction is concluded.

28.17.2. The Client is not entitled to refuse from the Derivative Exchange Transaction, if the Client has submitted an Order for the Derivative Exchange Transaction and the Bank has accepted it for execution.

28.18. The Bank provides to the Client information on the evaluation of outstanding OTC Derivative Exchange Transactions in accordance with requirements of EMIR. Failure by the Client to submit any objections within 5 (Five) days in respect of the information received is considered that the Client has approved and confirmed the evaluation sent by the Bank.

## **29. Margin Loans**

29.1. This Sub-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.

29.2. 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.

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

29.4. Standard margin criteria, namely, the ratio of the loan and the collateral, as well as the value at which the Margin Call or Stop Loss occurs, are reported to the Client on the website of the Bank [www.rietumu.com](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.

29.5. The Bank is entitled to unilaterally alter conditions including margin criteria of the Margin Loan by notifying the Client 1 (One) Working Day before the new conditions come into effect. The Bank at its own discretion is entitled to refuse to continue the provision of the Margin Loan to the Client and to demand the repayment at any time in accordance with Clause 29.6 hereof.

29.6. 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.

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

29.8. The Bank is entitled but not 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:

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

29.8.2. to buy additional Financial Instruments or transfer them to the Financial Instruments Account to provide the Financial Collateral. The Bank takes a decision about the measures to be taken to eliminate the Margin Call situation unilaterally, without additional 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;

29.8.3. the Client undertakes to agree with the Bank the actions specified in Clauses 29.8.1 and 29.8.2 hereof.

29.9. 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 in full by selling the Client's Financial Instruments used as the Financial Collateral for the Margin Loan.

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

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

29.12. The Bank is entitled at its own discretion, 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).

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

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

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

29.16. If the Client takes the Margin Loan without the indication of its repayment date and the Bank repledges Client's Financial Instruments which serve as the Financial Collateral, according

to Clause 6.8 hereof, 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. This Clause of the Terms and Conditions does not apply to Clients who were assigned private client status in accordance with the Law on Financial Instruments Market of the Republic of Latvia (*Finanšu instrumentu tirgus likums*).

29.17. The Client is liable to the Bank to repay the Margin Loan 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, cancel, can cancel or suspend these Client's obligations.

### **30. Servicing of Investment Account**

30.1. This Sub-section regulates the procedure of use of the Investment Account and Associated Accounts in accordance with the Law On Personal Income Tax of the Republic of Latvia (*Par iedzīvotāju ienākuma nodokli*) and legal acts related thereto.

30.2. Investment Account status is assigned to the combination of Cash Account and related Financial Instruments Account based on the Terms and Conditions, if the Client – natural person, taxpayer of the Republic of Latvia, submits to the Bank a relevant Order. The Bank reports the provision of Investment Account status to the State Revenue Service of the Republic of Latvia in accordance with the Account Register Law of the Republic of Latvia (*Kontu reģistra likums*).

30.3. To use cash funds on the Investment Account for Transactions with Financial Instruments, Trading Platform Account and Initial Margin Account can be associated with Investment Account. Investment Account can be used for settlement only for Financial Instruments, that are held on the Investment Account or Associated Accounts.

30.4. Bank is entitled to set restrictions for actions with assets on Investment Account and Associated Accounts, that are aimed at fulfilment of requirements of the Law On Personal Income Tax of the Republic of Latvia (*Par iedzīvotāju ienākuma nodokli*). However, the Bank is not liable in any case for Client's losses and expenses that occurred because the Client was not able to pay tax for income from Investment Account. Client is personally liable for compliance with all restrictions and requirements of the Law On Personal Income Tax of the Republic of Latvia (*Par iedzīvotāju ienākuma nodokli*).

30.5. Client is permitted to do only the following operations on the Investment Account and/or Associated Accounts:

30.5.1. transactions with Financial Instruments where the Bank is the other party to the transaction, and also the Financial Instrument transactions on the regulated market, multilateral trading facility, organised trading facility or other trading place, the Financial Instrument transactions with a systematic internaliser or Financial Instrument transactions which are entered into outside regulated market with a financial institution or are entered into within the framework of initial placement or auctions of financial instruments where the Bank ensures execution or transfer for execution of the Order of the Client on the Financial Instrument transactions;

30.5.2. transfers of cash funds or Financial Instruments for the provision of financial collateral if the collateral is provided for ensuring such obligations of the Client which are arising from the transactions entered into and services received within the framework of the Investment Account and Associated Accounts, and the collateral taker is the Bank;

30.5.3. currency exchange transactions;

30.5.4. cash funds transfers between Investment Account and Associated Accounts;

30.5.5. receive Margin Loan;

30.5.6. receive and carry out other cash funds and Financial Instrument transfers according to the requirements of the Law On Personal Income Tax of the Republic of Latvia (*Par iedzīvotāju ienākuma nodokli*) regarding the Investment Account, excluding cash funds transfers from/to Client accounts with other investment service provider.

30.6. To carry out transfers of Financial Instruments from/to Investment Account, the Client submits an Order. In the Order the Client identifies precise information about the parameters the amount of the Financial Instruments, own account and bank, from/to which the Financial Instruments will be transferred. Client is responsible for determination of the correct and lawful value of the Financial Instrument and stating it in the Order. The Bank is entitled to refuse the interbank Financial Instruments transfers from/to Investment Account.

30.7. Upon Client`s request the Bank prepares Investment Account statement in accordance with the Law On Personal Income Tax of the Republic of Latvia (*Par iedzīvotāju ienākuma nodokli*) and legal enactments related thereto. The statement is prepared for the previous calendar year.

30.8. The Client is fully responsible for the provision of correct information to the State Revenue Service of the Republic of Latvia and correct calculation and payment of taxes throughout the whole period of use of the Investment Account and Associated Accounts. The same applies to cases when Investment Account and Associated Accounts are closed regardless of the reason of closing.

30.9. The Bank is not liable for any consequences that are related to the closing of the Investment Account and/or Associated Accounts at the Bank`s initiative. Investment Account and/or Associated Accounts can be closed on the same terms as the Cash Account, Financial Instruments Account, Trading Platform Account and/or Initial Margin Account, that do not have such status.

30.10. The status of Investment Account does not prevent the Bank from unilaterally making any transfers between Investment Account, Associated Accounts, and other accounts of the Client with the Bank. If there are not enough cash funds on the Investment Account or Associated Accounts to fulfil Client`s obligations towards the Bank, the Bank is entitled to credit the Investment Account or Associated Accounts with cash funds from other Client`s accounts with the Bank.

30.11. In all other matters, that are not mentioned in the Sub-section 30 of the Terms and Conditions, Investment Account and Associated Accounts are subject to the requirements of the Terms and Conditions, that apply to the Cash Account, Financial Instruments Account, Trading Platform Account and/or Initial Margin Account.

#### **Section IV Trading Platforms**

Provisions provided in the Clauses 4.52–4.54 of the Terms and Conditions are prevailing over the provisions of Section IV “Trading Platforms” of the Terms and Conditions.

#### **31. Basic Definitions**

**TP Provider** – a third party that provides the Trading Platform to the Bank or the Bank`s Clients, 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 or ensure the acceptance and fulfilment of thus submitted Orders.

#### **32. Provision of Services via Trading Platform**

32.1. This Sub-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**

32.2. 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 Sub-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.

32.3. 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.

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

32.5. 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.

32.6. 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.

32.7. 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.

32.8. 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.

32.9. 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.

32.10. 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 Client associated with the use of the Trading Platform. The Bank is entitled at its own initiative or on the request of the TP Provider to conduct an audit of use of the Trading Platform by the Client.

32.11. 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.

32.12. 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**

32.13. 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 is entitled 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.



32.14. 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 liable for the settlements and the Bank's Losses, and any third-party claims.

32.15. 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.

32.16. 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.

32.17. 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 is entitled 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.

32.18. 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.

32.19. The Bank is entitled 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.

32.20. When entering into transactions via the Trading Platform, the Client is solely responsible for the control of positions and shall independently ensure the timely submission of the Orders regarding its positions. If debit balance on the Trading Platform Account arises, the Bank will 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% (Zero point one percent) per day from the amount of debit balance on the Trading Platform Account.

## **Reports**

32.21. 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.

32.22. Taking into account that the Bank, when providing to the Client services specified in Section IV "Trading Platforms" hereof, in certain cases does not enter into any transactions and/or 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 Brokerage 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.

32.23. 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 entering of incorrect data or for any other reason.

### **Suspending of Access**

32.24. 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.

32.25. 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.

32.26. 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**

32.27. 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.

32.28. 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:

32.28.1. 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;

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

32.28.3. 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 gained access to the Trading Platform.

The Bank is entitled without further authorisation to write-off all expenses and Bank's Losses, if any, from the Client's cash funds held on Client's any accounts with the Bank.

32.29. 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 to 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.

32.30. 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 is entitled 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 32.24 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.

32.31. 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:

32.31.1. 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;

32.31.2. 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";

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

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

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

32.31.6. 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;

32.31.7. 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;

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

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

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

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

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

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

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

32.31.15. 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.

32.32. 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. Furthermore, the Bank and the TP Provider are not liable to the third parties.

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

33.1. This Sub-section of the Terms and Conditions, and namely Clauses 33.1–33.21, 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”, 24 “Basic Definitions” and 30 “Basic Definitions” of these Terms and Conditions, to perform the transactions via the Trading Platform Rietumu FX (Clauses 33.1–33.21 hereof) the following specific terms are applied. The unique meaning assigned to these specific terms in this Sub-section is for the interpretation of this Sub-section only and does not affect 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 the Margin.

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

**Margin** – cash funds that cover the Margin Requirements of all open Positions and serve 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).

32.2. 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*.

33.3. 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.

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

33.5. 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.

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

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

33.8. 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.

33.9. 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.

33.9.1. 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.

33.9.2. 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.

33.9.3. 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.

33.10. 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.

33.11. 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 Transaction 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.

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

33.13. FOREX Market is not centralised and essentially depends on Counterparties (liquidity providers), while the formation of prices is carried out outside the regulated market. Counterparties (liquidity providers) 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.

33.14. Before submitting a trading Order, the Client himself/herself checks 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 opened Positions. At the same time the Bank may increase the Margin level correspondingly to maintain an already opened 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.

33.15. 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 is entitled:

- 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 its own discretion.

33.16. 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.

33.17. 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.

33.18. FOREX Market is OTC 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.

33.19. 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.

33.20. 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.

33.21. 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 provision does not limit the Bank's right to recover the Bank's Losses in full.