

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

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. The Terms and Conditions constitute an integral part of JSC "Rietumu Banka" and Client Agreement. If another agreement concluded between the Bank and the Client provide for a different procedure, the provisions of such agreement shall prevail over the Terms and Conditions.

Provisions of Section II "Basic Services of the Bank" and Section III "Investment Services" prevail over provisions of Section I "General Provisions", unless otherwise is provided in the Sections II and III of the Terms and Conditions.

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## Section I General Provisions

### 1. Terms

All terms not defined by the Terms and Conditions have the meaning given them by the rules of law of the Republic of Latvia. The terms defined in the "Terms" Section in singular and plural shall be interpreted equally.

**Active Non-financial Legal Entity** - (1) an active non-financial legal entity is any non-financial entity (hereinafter - an organization) with or without legal entity status that meets at least one of the following criteria: (1-8): 1) less than 50 percent of the revenue of the non-financial legal entity in the previous calendar year or another corresponding reporting period are the passive revenue referred to the second part of this term and less than 50 percent of the assets held by the non-financial legal entity in the previous calendar year or another corresponding reporting period are assets which are held for the creation of the passive revenue referred to in the second part of this term; 2) stocks of the non-financial legal entity are regularly traded in a generally recognised securities market or the non-financial legal entity is such related legal entity of a legal entity the stocks of which are traded in a generally recognised securities market; 3) the non-financial legal entity is a governmental entity, international organisation, central bank, or a legal entity that belongs to one of the abovementioned structures; 4) the activity of the non-financial legal entity is related to the holding (wholly or partly) of stocks issued by one or more commercial companies related to such entity which perform trading or other commercial activity that is not the activities of a financial institution, and also to the provision of financing and other services to such related commercial companies. A legal entity may not be deemed an active non-financial legal entity if it operates (or declares itself as such) as an investment fund, for example, private capital investment fund, risk capital fund, fund performing investment transactions, except for the resources in loan, or an investment instrument the purpose of which is to purchase or finance commercial companies and thus acquire participation in such commercial companies, holding capital assets for the purpose of investment; 5) the non-financial legal entity does not perform and also has not previously performed economic activity, but it performs capital investment in assets for the purpose of performing economic activity which is not economic activity of a financial institution, provided that the non-financial legal entity does not conform to such status of exception, if at least 24 months have elapsed since its initial date of establishment/foundation; 6) the non-financial legal entity has not been a financial institution for the last 5 years and is under liquidation or reorganisation proceedings of assets of a legal entity for the purpose of continuing or resuming such economic activity that is not economic activity of a financial institution; 7) the non-financial legal entity mostly carries out financing and risk limitation activities with related legal entities which are not financial institutions, or under assignment of such legal entities, and does not provide financing or risk limitation services to an organisation which is not a related legal entity, provided that a group of such related legal entities is mainly involved in economic activity that is not economic activity of a financial institution; 8) the non-financial legal entity conforms to all of the following requirements: a) it has been established and is operating solely for the purposes related to religion, charity, science, art, culture, sports, or education, or also has been established and is operating in its state or another state or residence and is a professional organisation, business union, commercial chamber, work organisation, agricultural or horticultural organisation, union or organisation of citizens which is operating only for promotion of collective welfare of the society; b) it has been exempted from the income/profit tax in its residence country; c) it has no stakeholders or shareholders which hold property rights or are interested in reaping benefit in relation to its income or assets; d) in accordance with the legal acts applicable in the participating jurisdiction of the non-financial legal entity or other state of residence or documents of incorporation of the non-financial legal entity income and assets of the non-financial legal entity may not be divided or used for the benefit of a natural person or legal entity which is not a charity institution, or such division or use is not related to the charity activities carried out by the non-financial legal entity. Such division or use that is not related to the charity activities carried out by the non-financial legal entity, is only possible upon performing a corresponding payment of compensation for services received or payment which is in the true market value of the property purchased; e) in accordance with the legal acts applicable in the country of establishment of the non-financial legal entity or the state of residence of such legal entity or documents of incorporation of the non-financial legal entity, in case of liquidation or reorganisation of such non-financial legal entity, all assets of the legal entity are transferred to the governmental entity or other non-profit legal entity. (2) such part of revenue shall be deemed passive revenue of the non-financial legal entity which is formed by: 1) dividends; 2) interest payments and payments equivalent thereto;

3) rental, lease payments and payments of author's fees (except rental, lease payments and payments of author's fees obtained within the scope of principal commercial activity of the legal entity); 4) revenue from annuity contracts; 5) revenue obtained as a result of such alienation transactions of financial assets which generate the revenue referred to in the above Clause 1, 2, 3, or 4 (except for revenue obtained as a result of principal activity of a broker/dealer); 6) revenue obtained in transactions (including futures, transactions with options, and similar transactions) with financial assets (except for revenue obtained as a result of principal activity of a broker /dealer); 7) revenue from currency exchange transactions (except for revenue obtained as a result of principal activity of a broker/dealer); 8) revenue generated as a result of swaps (except for revenue obtained as a result of principal activity of a broker/dealer); 9) amounts obtained from cash value insurance contracts; 10) other revenue which by their economic nature are equivalent to the revenue referred to in above Clause 1, 2, 3, 4, 5, 6, 7, 8, or 9.

**Agreement** – the JSC “Rietumu Banka” and Client Agreement.

**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”, registration No. 40003074497, the legal address: 7 Vesetas Street, Riga, LV-1013, the Republic of Latvia, website: [www.rietumu.com](http://www.rietumu.com); e-mail address: [info@rietumu.lv](mailto:info@rietumu.lv)

**Bank’s Losses** – any expenses, debts, losses of the Bank, Penalties, unenforceable liabilities of third parties, and lost profits and damage to the Bank’s reputation.

**Beneficial Owner (BO)** – 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 exercises control over it, who, in particular, is a founder, a trustee (a manager), a supervisor (if any) or a beneficiary of such an arrangement, or, where the private individuals appearing to be the beneficiaries are not identified yet, a group of persons in the interests of which a legal arrangement is established or operates, as well as other private individual who directly or indirectly exercises control over a legal 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.

**Client’s Representative** – a person who is entitled to represent the Client in legal relations with the Bank within the scope of the authorisation granted to him/her.

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

**Depository Institution** - is any legal entity which attracts deposits and other repayable resources in performing the economic activity of a credit institution, savings and loan association, payment institution, electronic money institution or similar economic activity.

**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 has the same legal force as a handwritten (physical) signature.

**Electronic Signature Agreement** – an agreement on the provision of electronic signature services having the Terms and Conditions of Electronic Signature Agreement as its integral part.

**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.

**Family Member of a Politically Exposed Person** - a person who is the following for a Politically exposed person: a) a spouse or a person equivalent to a spouse. A person shall be considered a person equivalent to a spouse only if he or she is given such a status in accordance with the legislation of the relevant country; b) a child or a child of a spouse or a person equivalent to a spouse of a politically exposed person, his or her spouse or a person equivalent to a spouse; c) a parent; d) a brother or a sister.

**Financial Collateral** – collateral for the Bank's claims against the Client arising from the Terms and Conditions and the Agreement. Cash funds, Financial Instruments and other resources held in or upcoming funds arriving to all Client's accounts with the Bank are serving as collateral. 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 Institution** - is a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

**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.

**Custodial Institution** - is any legal entity which holds financial assets upon assignment of clients, if such activity forms a significant part of its economic activity.

**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** – the remote account management system used by the Client:

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

**Investment Entity** - is any legal entity: 1) which primarily conducts as economic activity one or more of the following activities or transactions for or on behalf of a client: a) trade in money market instruments (e.g. cheques, bills of exchange, certificates of deposit, derivative instruments), foreign currency, currency exchange, interest rate and index instruments, transferable securities or commodity futures contracts; b) management of individual financial assets of an investor or of collective financial assets of investors on the basis of an authorisation by investors; c) otherwise investing, administering, or managing financial assets, money, or reportable crypto-assets for or on behalf of a client; 2) the revenue of which is primarily

attributable to investing, reinvesting, or trading in financial assets or reportable crypto-assets if the legal entity is managed by or one of them managing it is another legal entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity referred to in to the first Clause of this term.

**M-Bank** – an information system which enables the Client to receive the Bank’s messages to his/her phone or e-mail.

**Order** – an order given by the Client which under the Terms and Conditions serves as a basis for the execution of Transactions with Assets or the performance of other activities.

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

**Party/Parties** – the Client and the Bank either severally or jointly.

**Passive Non-financial Legal Entity** - is a non-financial legal entity which does not conform to the signs of the active non-financial legal entity or the Investment Entity which is established in a jurisdiction that does not participate in the Standard for Automatic Exchange of Financial Account Information in Tax Matters.

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

**Person Closely Related to a Politically Exposed Person** - a natural person regarding whom it is known that he or she has business or other close relations with a politically exposed person or he or she is a stockholder or shareholder in the same commercial company with the politically exposed person, and also a natural person who is the only owner of a legal arrangement regarding whom it is known that it has been actually established in the favour of the politically exposed person.

**Politically Exposed Person (PEP)** - a person who in the Republic of Latvia, other Member State or third country holds or has held a significant public office, including a higher official of the public authority, a head of the state administrative unit (local government), the Prime Minister, the Minister (the Deputy Minister or the Deputy of the Deputy Minister if there is such an office in the relevant country), the State Secretary or another official of high level in the government or state administrative unit (local government), a Member of Parliament or a member of similar legislation entity, a member of the management entity (executive board) of the political party, a judge of the Constitutional Court, the Supreme Court or a court of another level (a member of the court authority), a member of the council or executive board of the supreme audit institution, a member of the council or executive board of the central bank, an ambassador, a chargé d'affaires, a high-ranking officer of the armed forces, a member of the supervisory or executive board of a state capital company, a head (a director, a deputy director) and a member of the executive of an international organisation, or a person who holds equal position in such organisation.

**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 assigned by the Bank.

**Specified Insurance Company** - is an insurance company (or the holding company of an insurance company) which issues, or is obligated to make payments with respect to, a cash value insurance contract or an annuity contract.

**Tariffs** – a list of Remunerations published on the website of the Bank [www.rietumu.com](http://www.rietumu.com).

**Terms and Conditions** – the Terms and Conditions of the JSC “Rietumu Banka” and Client Agreement.

**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 the Assets.

**User** – a private individual who has entered into an Electronic Signature Agreement with the Bank.

**VAT – Value Added Tax.**

**Working Day** – The working hours specified by the Bank on a day other than Saturday, Sunday or a public holiday specified in the legal acts of the Republic of Latvia.

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

If 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*) establishes other criteria for determining the Beneficial Owner, Politically Exposed Person, a Person Closely Related to a Politically Exposed Person, a Family Member of a Politically Exposed Person, then the requirements of this law shall apply.

If the Law on Taxes and Fees of the Republic of Latvia (*Par nodokļiem un nodevām*) establishes other criteria for determining the Active Non-Financial Legal Entity, Financial Institution, Investment Entity, Depository Institution, Passive Non-Financial Legal Entity, Specified Insurance Company, Holding Institution, then the requirements of this law shall apply.

## 2. Client 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. The Client is obligated to provide the Bank with the following information and documents:

2.2.1. those mandatory to be submitted under the rules of law of the Republic of Latvia, the European Union and/or the countries of the placement of the Assets;

2.2.2. those regarding the Client, Client's Representatives, Beneficial Owners, their identity, place of business and residential address, nature of operations, country of tax residence, taxpayer identification number, sources and purposes of the Assets, transactions performed, and other data;

2.2.3. those evidencing the identity of the Client, Client's Representatives, and Beneficial Owners. The Client must monitor the validity of the submitted identity documents. The Client must submit new identity documents before previously submitted ones expire.

2.3. The Client must immediately inform the Bank in writing about any changes to the following:

2.3.1. status, scope of authorization and capacity to act of the Client/Client's Representatives/Beneficial Owners;

2.3.2. changes in the membership of the Client's executive bodies, Client's Representatives and Beneficial Owners. The Client must provide such information no later than on the Working Day following the introduction or approval of the changes by the appropriate institution;

2.3.3 country of tax residence, taxpayer identification number of the Client/Beneficial Owner;

2.3.4. any documents and information previously submitted to the Bank.

2.4. If the Client fails to fulfil his/her obligations regarding the submission of information or documents to the Bank, the Bank is entitled:

2.4.1. to debit the Remuneration from the Client's accounts;

2.4.2. to obtain information from public and private registers and cover the related expenses from the Client's funds;

2.4.3. to restrict the execution of the Transactions with Assets until the Client's obligations are fulfilled.

2.5. 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 the information provided by the Client as well as determines whether the information provided by the Client is sufficient.

2.6. In order to verify and/or obtain additional information, the Bank is entitled to single-handedly use private and/or public registers, to request information from the Credit Register of the Latvijas Banka and from credit bureau in accordance with the requirements of the laws and regulations.

### **3. Client's Representatives**

3.1. The Client enters into legal relations with the Bank directly 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 in accordance with the granted authorization.

3.3. The Client incurs full liability for activities of the Client's Representatives within relations with the Bank, all legal consequences thereof. The Bank is not liable for losses inflicted on the Client by the Client's Representatives.

3.4. The authorisation documents 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 Bank uses the signature reproduced in the identity document or signature specimen card as the signature specimen of the Client or Client's Representative. If several documents are submitted, the Bank is entitled to use any of them.

3.6. The authorisation of the Client's Representatives is valid until the Bank is informed about the cancellation of the authorisation in writing. The Client ensures receipt of such notification by the Bank. The Bank has a right, but is not obliged, to check the validity of the authorisation in public registers and other information sources.

3.7. The Client shall promptly inform the Bank in writing about changes in the authorisation or capacity to act of the Client's Representatives and is liable for losses incurred as a result of failure to fulfil this obligation

3.8. The Bank is entitled to request additional information and documents in case of changes to the Client's Representatives or their scope of authorisation. and not to execute the Orders until they are received. If contradictory or suspicious information or documents are received, the Bank is entitled to suspend the execution of the Orders and limit the access of the Client's Representatives to the Remote Banking Systems, until the final clarification of the circumstances. The Bank is not liable for consequences of the suspension of transactions and access restrictions.

3.9. The Client is liable for any consequences and losses incurred due to the incapacity of the Client or the Client's Representative or due to lack of authorization.

3.10. The Client ensures that all the Client's Representatives enter into the Electronic Signature Agreement with the Bank, unless the Bank determines otherwise. The Bank may limit access to the Remote Banking Systems and abstain from the Order execution in case of termination of the Electronic Signature Agreement.

3.11. The provisions of the Electronic Signature Agreement and terms thereof supplement the rights and obligations under these Terms and Conditions.

3.12. The Bank is entitled to determine a special procedure and restrictions on the provision of services if the Client or the Client's Representative:

- 3.12.1. has signed the Agreement with the Electronic Signature;
- 3.12.2. has not undergone a face-to-face identification in the Bank.

3.13. The Bank is entitled to request the Client, the Client's Representative or the Beneficial Owner to undergo a face-to-face identification in the Bank within the specified term. The Bank is entitled to restrict access to the Remote Banking Systems and abstain from the Order execution until face-to-face identification is performed. The expenses incurred in respect of undergoing the face-to-face identification are covered by the Client.

3.14. Until the moment of concluding the Electronic Signature Agreement with the Bank, the Client/Client's Representative shall generate the Electronic Signature using Rietumu ID and Identification and Authorisation Tools assigned to him/her by the Bank pursuant to the Terms and Conditions.

3.15. After conclusion of the Electronic Signature Agreement with the Bank, the Client or Client's Representative shall generate the Electronic Signature using Rietumu ID and Identification and Authorisation Tools assigned within the framework of the Electronic Signature Agreement by the Bank.

3.16. After the Electronic Signature Agreement is made, the Bank shall assign new or keep one of the previous Rietumu ID numbers, blocking all other Rietumu ID's previously assigned. The Client or Client's Representative shall preclude access of third parties to these tools until those are actually blocked.

3.17. The conclusion of the Electronic Signature Agreement does not affect the scope of authority of the Client's Representative. The Bank is entitled to request the Client to update the authorization documents or to cancel certain types of powers. The expenses of updating the documents are borne by the Client.

#### **4. General Procedure for Providing Services of the Bank**

4.1. The Bank provides services according to the Orders. The Bank has the right to refuse to accept Orders and documents from the Client that are not drawn up in Latvian language and to request a translation from the Client.

4.2. The Bank is entitled to debit Assets unilaterally:

- 4.2.1. in cases stipulated by the laws and regulations of the Republic of Latvia, the European Union, or other countries;
- 4.2.2. to pay for the Bank services;
- 4.2.3. for the fulfilment the Client's liabilities towards the Bank;
- 4.2.4. to reimburse the Bank's Losses;
- 4.2.5. for the correction of incorrectly credited Assets
- 4.2.6. in other cases, specified in the Terms and Conditions.

4.3. The Bank begins providing the services to the Client after the Bank receives and approves a relevant Order.

4.4. The Bank is a party to the Deposit Guarantee Fund. The Client represents that they have read the Basic Information on the Protection of the Deposits, available at the website of the Bank [www.rietumu.com](http://www.rietumu.com).

4.5. The Bank is entitled not to execute the Order without providing additional explanation 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. The Client's Representative signs the Orders for the issue, change, and 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. The Client's Representative shall use one Rietumu ID even if the same is authorised to act on behalf of several Clients unless the Bank determines otherwise.

4.9. The Client's Representative may access the accounts of the Clients he/she represents.

4.10. A DC is valid for 60 calendar months from the moment of generation of the DC.

#### Remote Banking Systems

4.11. The Bank determines the permitted types of Transactions with Assets depending on Remote Banking System used by the Client.

4.12. The Bank provides access to the Internet Bank, M-Bank and Enterprise Link / Enterprise Link PRO in accordance with the Order.

4.13. If the Client's Representative loses his/her rights to submit Orders on behalf of one Client, that shall not affect the right of the Client's Representative to submit the Orders on behalf of another Client using the same Rietumu ID.

4.14. The Bank sets 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).

4.15. The following limits are set in the Internet Bank:

4.15.1. the limit of one transaction – the maximum amount of one payment from any account via the Internet Bank;

4.15.2. the daily limit – the maximum grand total of all payments from any account via the Internet Bank within one calendar day.

4.16. Amounts of the Internet Bank limits are set in euro.

4.17. The limits of individual transactions in the Internet Bank are set according to the Order.

4.18. The Client can use M-Bank services if telephone device and communications service provider of the Client enable the short message service via the Internet.

4.19. Messages in the M-Bank system are sent via public communication channels. The text contained in messages can be accessible by the communications service providers.

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

4.20.1. the cooperation between the Bank and the relevant communications service provider is terminated;

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

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

#### Submitting Orders

4.22. The Client submits the Orders and documents:

4.22.1. in person;

4.22.2. via the Internet Bank;

4.22.3. via Enterprise Link PRO;

4.22.4. by phone;

4.22.5. via e-mail;

4.22.6. by post.

The Bank is entitled to request the Order confirmation or any other information from the Client via any other communication channel. The Bank may abstain from the Order execution until such confirmation or requested information are supplied.

4.23. The Bank sets requirements for completion of the Orders. The Client submits the Orders that are precise, clear and consistent.

4.24. Depending on the type of a transaction and service provided by the Bank, the Order may contain the following information, including, without limitation:

- 4.24.1. the type, name, and quantity of the Assets;
- 4.24.2. the subject of the Transactions with Assets or the services;
- 4.24.3. the execution time of the Order if it is an essential requirement;
- 4.24.4. the essential details required for the Client's identification.

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 the Bank. Depending on the way of contact, the Client shall provide:

- 4.26.1. in person – full company name/name and surname of the Client, and present an identity document;
- 4.26.2. via Internet Bank – Rietumu ID and an OTP;
- 4.26.3. via e-mail – full company name/name, surname of the Client;
- 4.26.4. by phone – Rietumu ID and the OTP;
- 4.26.5. by post – full company name/name and surname of the Client;
- 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;
  - 4.27.2. if given via the Remote Banking Systems, e-mail, phone – Rietumu ID and the Electronic Signature;
  - 4.27.3. if given by post – Rietumu ID, signature and the Test Key or the Duly Certified signature.
- 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 can enable 'Push Notifications' mode in the Mobile DigiPass. Then notifications requesting confirmation of the actions performed by the Client/the Client's Representative in the Internet Bank will be delivered to the mobile device automatically. 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 impose additional requirements for the identification of the Client/Client's Representative or authorisation of the Orders besides those stated in the Terms and Conditions.

4.31. After its generation, the OTP or the Test Key becomes valid for a limited time period. To check 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 may submit Orders to the Bank by phone, 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 by phone where the same is given in relation to investment services. The audio record can be obtained within the period stipulated by the laws and regulations of the Republic of Latvia and the European Union.

4.33. The Bank determines types of the Orders that can be submitted by phone.

4.34. The Bank is entitled not to accept the Client's Orders by phone if the Client's Representatives are authorized to act jointly.

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 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;

4.36.6. 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 is caused by the market conditions or other objective circumstances.

4.37. The Bank is not liable for the losses the Client might incur due to misuse, forgery or fraud of third parties.

4.38. The Bank is entitled to change the identification and authorisation procedures. The Bank is entitled not to execute any Orders which do not comply with the procedures set by the Bank.

4.39. The Client is entitled to cancel the Order until the moment of its execution by the Bank, except for the Orders that cannot be cancelled.

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 printout of an e-mail, the Internet Bank, Enterprise Link or Enterprise Link PRO. The Bank is entitled, at its own discretion, to refuse to accept the Order by phone and may require an additional written confirmation of the Order.

4.41. The Client is liable access to systems and confidentiality of security features.

4.42. The Client is liable for keeping the Identification and Authorisation Tools, passwords, codes, identifiers safe and secret. If third parties gain access to information and tools specified in this Clause, the Client 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 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 of the Client's obligations under the Terms and Conditions or other documents;

4.43.5. no sufficient funds or other Assets for the execution of the Order are available in the Client's account;

4.43.6. the circumstances beyond the control of the Bank have occurred that hinder the execution of the Order;

4.43.7. the Order does not meet the current market conditions 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 or other countries or the provisions of the Terms and Conditions;

4.43.10. the Bank doubts the validity of the Order or the related information and documents;

4.43.11. in other cases under the Terms and Conditions, the Electronic Signature Agreement, 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 non-execution of the Order.

4.44. The Assets sufficient for execution of the Order must be available in the Client's account. 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 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;

4.44.4. the cash funds required to pay the Remuneration and to cover other costs of the Bank.

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. to execute the Order by debiting the additional cash funds from any accounts of the Client.

The Bank is not obligated to agree on these activities with the Client.

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 or the Terms and Conditions. This also applies to the Orders or Transactions with Assets that involve the following:

4.46.1. the country or the person subject to sanctions;

4.46.2. restrictions set by the Counterparty.

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, or the Terms and Conditions. The Transactions with Assets are restored after the Client has eliminated these non-compliances.

4.48. The Order is also a payment document and serves as a basis for the Bank to debit the amount of the cash funds required to execute the Order or to transfer the cash funds.

4.49. The Assets received by the Bank are not credited to accounts of the Client on the following instances:

4.49.1. the account number or the account name or other details necessary for transfers are missing or incorrect;

4.49.2. 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 Bank, when executing the payment Order, 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 and the performed operations is euro. The Bank, at its own discretion, is entitled to, but is not obliged to, transfer, credit, pay out cash, and hold cash funds on the Client's accounts in a currency other than euro. The list of currencies that can be accepted for transfers, credited, paid out in cash, and held on the accounts of the Client is available on the Bank's website [www.rietumu.com](http://www.rietumu.com). This list of currencies 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. The Bank is entitled, at its own discretion, to allow the cash funds on the Client's accounts to be transferred, credited, paid out, and held in a currency not provided in this list.

4.53. Considering the Clause 4.52 of the Terms and Conditions, the Bank is entitled:

4.53.1. to pay out cash funds in euro, regardless the currency of the funds held in the Client's account;

4.53.2. to make the Payment in euro, regardless the currency stated in the Order. The Client is obliged to supply the Bank with the payment details to perform the Payment in euro. The Bank is entitled not to make the Payment until the Client has provided the payment details in euro;

4.53.3. not to credit an incoming payment to the account of the Client in currency other than euro or unilaterally and without warning the Client to convert the incoming cash funds into euro and credit those to the Client's account;

4.53.4. unilaterally and without warning the Client, at any time convert all or part of cash funds on the account of the Client into euro;

4.53.5. unilaterally and without warning the Client, convert the Client's funds into euro for the sake of performing the actions stated in Clause 4.53. of the Terms and Conditions, applying 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 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 or acceptance for execution of the Orders.

4.56. The Client is entitled to send to the Bank an electronic document or electronic copy of a paper document via the Internet Bank. An electronic document or electronic copy of a paper document sent via the Internet Bank is equivalent to the original document. The Bank is entitled:

4.56.1. to refuse accepting the electronic document or electronic copy of paper document without giving reasons;

4.56.2. to request the Client to approve the electronic document or electronic copy of the paper document in another way.

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

5.1. The Client pays to the Bank a Remuneration for opening, maintenance and closing of accounts, execution of the Orders, identification services, issuance, servicing and change of Rietumu ID and Identification and Authorisation Tools, use of the Remote Banking Systems and the Electronic Signature, and other services in accordance with the Tariffs. The Client shall get 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, the Remuneration and their payment procedure. The Bank shall notify the Client of these changes 5 Working Days before the Amendments 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. The Bank shall without the Client's separate consent, without further authorisation debit the Remuneration from any Client's account with the Bank. The Bank is entitled to exchange cash funds on the Client's accounts at the exchange rate set by the Bank, if the Client's accounts do not contain 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 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 from the Client's accounts at the time when the Assets are credited to it. The Bank may charge the Remuneration for any past period.

5.7. The Parties may agree on a special price and Remuneration of the specific Transaction with Assets, by concluding a separate agreement.

5.8. The Bank is entitled, at its own discretion, to unilaterally set or cancel an individual amount of the Remuneration to the Client.

5.9. The Remuneration is withheld from the Client until Client's liabilities to the Bank are fully fulfilled.

5.10. The Bank calculates interest on the Client's outstanding payments due to the Bank assuming that there are 360 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 according to the Terms and Conditions in all currencies except for Russian roubles assuming that there are 360 days in a year. When calculating interest in Russian roubles, the Bank assumes that there are 365 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 generally accepted mathematic rules. The Bank rounds off all currencies except for Japanese yens to two decimal places. The Bank rounds off Japanese yens to a whole number.

5.13. The Bank calculates, charges and writes off interest on an overdraft every Working Day.

5.14. When granting a loan or a credit line according to the Terms and Conditions 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 is 1 day, the Bank calculates, charges and writes off interest on the day of the financing provision.

5.16. The Bank is entitled to accept and withhold from the Client's owner, board member, relative or spouse a Remuneration payment for the evaluation of the Client's documents upon commencing cooperation with the Bank.

## **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 of the Client are considered as a collateral for the fulfilment of the Client's liabilities to the Bank that may arise as result of the provision of services to the Client under the Terms and Conditions. The Financial Collateral remains in force until the Client's obligations to the Bank have been fully discharged. In the event of default, the Bank is entitled to freely, without any additional procedures, exercise the pledge rights: in relation to financial assets - to use the financial assets to reduce the amount of the Client's obligations; in relation to financial instruments - to alienate them to a third party or in its own favor, respectively, reducing the amount of the Client's obligations by the amount received.

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 during the period of legal relations between the Parties under the Terms and Conditions.

6.3. The Financial Collateral secures fulfilment of all Client obligations 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, and all losses, incurred by the Bank and possible losses in the future, including indirect losses.

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 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 Parties.

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. Client who has outstanding obligations to the Bank, is not entitled to change the contents, form or legal status of the object of the Financial Collateral without the Bank's written permission, as well as to alienate the Financial Collateral or rights thereto. The Client may not pledge the Financial Collateral, transfer the Financial Collateral to management (ownership) of third parties or encumber the Financial Collateral. Such actions, if performed without the Bank's consent, are invalid in relation to the Bank. The Client undertakes not to impair the value of the Financial Collateral and to inform third parties about the Bank's rights to the Financial Collateral. The Client shall not commit any actions that would reduce the value of the Financial Collateral and shall not 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, provided that the Client ensures the segregation of own Assets from the Assets of its clients in accordance with applicable laws and regulations. The Bank shall not be liable for any 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 the European Union. The Bank shall communicate with the Client and the Client's Representatives using the contact information specified in the Agreement and in the corresponding Orders.

7.2. The Bank discloses information about the Transactions with Assets, the Client, the Client's Representatives, the Beneficial Owners, and other confidential information:

7.2.1. to the Client and the Client's Representatives;

7.2.2. to state institutions, courts, and other competent authorities and officials;

7.2.3. to the Counterparties, correspondent banks, depositories, stock exchanges, issuers of the Financial Instruments and the representatives of those issuers, as well as the persons involved in the Transactions with Assets;

7.2.4. outsourcers and auditors and inspectors;

7.2.5. to persons related to the Bank;

7.2.6. other third parties.

The Bank shall disclose the information if such disclosure is required pursuant to the Terms and Conditions, laws and regulations of the Republic of Latvia, the European Union or other countries, the regulations of the Counterparties, correspondent banks, depositories, stock exchanges, issuers of the Financial Instruments or other third parties.

7.3. The Client is obligated to ensure confidentiality of any information obtained from the Bank. This applies to information about the Bank, the Counterparties, their technology, intellectual property, planned cooperation, and individual transaction conditions. The Client undertakes not to disclose the above-mentioned information to any third party, if it is not allowed by the Terms and Conditions or the laws and regulations. The Client undertakes to maintain security precautions to prevent unauthorized disclosure, use or loss of information.

7.4. The Bank processes the personal details of the Client, the Client's Representatives, Beneficial Owner, and other private individuals. The information about data processing is provided in the Client Personal Data Processing Notice (available at [www.rietumu.com](http://www.rietumu.com)). The Bank is entitled to amend the said notice unilaterally without providing a notification on the same;

7.5. The Client confirms the following:

7.5.1. the Client will comply with the requirements of the laws and regulations on the personal data protection;

7.5.2. all persons whose data is provided by the Client to the Bank have read the Client Personal Data Processing Notice (available at [www.rietumu.com](http://www.rietumu.com)) and agree to provision of their data to the Bank;

7.5.3. immediately upon the Bank's request, the Client will supply the documents evidencing the lawfulness of providing the personal data;

7.5.4. the Client will reimburse the Bank's Losses related to violation of Clause 7.5. of the Terms and Conditions.

7.6. The Bank is not liable for any actions of third parties with the information of the Client or related natural persons, including its further disclosure, use, storage or transferring of the information.

7.7. The Bank exchanges the information about the Client's liabilities with the Credit Register of the Latvijas Banka and credit information bureau in accordance with regulatory requirements.

7.8. The Bank is entitled to use post, e-mail, telephone and other communication channels for sending the information related to the Client. The Bank is not liable for damages resulting from the unauthorized access by third parties to the information sent.

## **8. Exchange of Information**

8.1. The Bank provides information on the Clients, the Client's Representatives, Beneficial Owners, Assets and Transactions with Assets to the State Revenue Service of the Republic of Latvia pursuant to the requirements of the laws and regulations. The State Revenue Service sends the information to the Client's country of tax residence if required according to the laws and regulations on exchange of tax information.

8.2. The Bank is entitled to make an independent decision on the following without agreeing upon the same with the Client:

8.2.1. changing the status of tax residence of the Client and the Beneficial Owner;

8.2.2. changing other statuses of the Client within the exchange of tax information.

8.3. The Bank shall have no obligation to inform the Client about the tax residence status of the Client and the Beneficial Owner and other statuses and data to be stated in the Bank's reports. The Bank makes decision on disclosure of such information to the Client at its own discretion.

8.4. The Bank shall not be liable for losses and expenses incurred by the Client and third parties under exchange of tax information.

8.5. Client understands and agrees that within the information exchange between the Bank and the Counterparty the latter 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.

## **9. Provision of Information and Reports**

9.1. The Bank provides the following information to the Client at the Client's request:

9.1.1. about the Client's accounts for a period specified by the Client;

9.1.2. about the executed Transactions with Assets.

9.2. The Client shall cover the Bank's actual expenses resulting from the preparing or transfer of information to the Client, unless other Remuneration is specified in the Tariffs.

9.3. Information and reports provided by the Bank may be sent to the Client via open electronic communication channels.

9.4. Information that is not individually addressed to the Client may be published on the Bank's website [www.rietumu.com](http://www.rietumu.com) or in the official gazette "Latvijas Vēstnesis".

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

9.6. The following is deemed by the Parties to be the day when the Client receives information from the Bank:

9.6.1. the day on which the Bank sends the information via the Remote Banking Systems, e-mail or provides the same by phone;

9.6.2. the 14th day after the date of dispatch recorded on the post office receipt or in the supporting document;

9.6.3. the day on which the information is provided on the website of the Bank or published in the official gazette "Latvijas Vēstnesis".

9.7. The Client is obligated:

9.7.1. regularly, at least once a week to check the information on the website of the Bank [www.rietumu.com](http://www.rietumu.com) and the Remote Banking Systems;

9.7.2. to get acquainted with the amendments to the Terms and Conditions, the Tariffs or the Agreement.

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

10.1. The Bank is liable only for losses directly caused to the Client as a result of the Bank's intentional breach.

10.2. The Bank does not cover indirect damages, including unearned profit.

10.3. The Bank is not liable for losses incurred as a result of the actions or failures to act of third parties, including Counterparties, correspondent banks, depositories, exchanges, payment system operators or other market infrastructure participants, as well as for their financial standing or the availability and quality of the services provided.

10.4. The Bank is not liable for the losses or default if:

10.4.1. the Transaction with Assets has not been executed or has been delayed due to reasons beyond the control of the Bank, including the operation of third parties, systems or infrastructure

10.4.2. blocking, freezing of the Assets specified in the payment Order or impossibility to recover those as a result of activities of the Counterparties, including the correspondent banks;

10.4.3. losses have occurred as a result of force majeure, market disruptions, technical failures, cyberattacks or other circumstances beyond the control of the Bank.

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

10.6. The Client reimburses the Bank's all Losses incurred as a result of the execution of Orders or the Client's failure to fulfil its obligations.

10.7. The Bank does not provide financial, tax, legal or investment advice. Any market or analytical information provided by the Bank is for informational purposes only, and the Client assumes full responsibility for his/her own investment decisions and the risks associated with them.

10.8. The Client is liable for the for fulfilling tax obligations in own country of tax residence. 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 the country of the Client's tax residency. Should the Client withhold tax from the payments due to the Bank, 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.

10.9. The Client is liable for the declaration of the Client's accounts and Assets according to all applicable laws and regulations, including the laws of the country of the Client's residency.

10.10. Events of Default. The Bank considers any of the following circumstances to be an event of default:

10.10.1. the Client breaches any provision of the Agreement, the Terms and Conditions or any other contract or agreement;

10.10.2. the Client's insolvency, bankruptcy, legal protection, reorganization, liquidation or other similar process entailing termination of operations, transfer, suspension or termination of the Client's obligations or alienation of the Client's property is initiated;

10.10.3. the Client has lost any licence or permission or the right to carry out economic or professional activities or significant restrictions on the Client's operations have been imposed;

10.10.4. disability or death of the Client;

10.10.5. the Client is not able to fulfil any of his/her obligations, becomes effectively insolvent or there is reasonable suspicion of the occurrence of such circumstances;

10.10.6. the Client has provided false, incomplete or misleading information or documents to the Bank;

10.10.7. the Client fails to provide requested information or documents in the term specified by the Bank;

10.10.8. the Client violates or fails to comply with the laws and regulations applicable to the Bank or the Client, or attempts to circumvent those;

10.10.9. the Client has committed a violation of national or international sanctions or an attempt to circumvent those;

10.10.10. the Client has not submitted to the Bank confirmation of the extension of the LEI code validity period;

10.10.11. any other circumstance occurs which, in the reasonable opinion of the Bank, may negatively affect the Client's ability to fulfil its obligations to the Bank or create a reputational, legal, financial or sanction risk for the Bank.

10.11. If any of the Events of Default listed in Clause 10.10 above occur, the Bank is entitled to unilaterally and without prior notice take any of the following actions:

10.11.1. not to execute, refuse, stop or cancel any Order or Transaction with Assets;

10.11.2. to block, alienate, sell or otherwise use the Client's Assets to cover the Client's obligations;

10.11.3. to offset the mutual claims and obligations of the Parties;

10.11.4. to immediately stop or terminate provision of any service;

10.11.5. not to execute the obligations under any transaction, contract or agreement concluded between the Parties;

10.11.6. to take any necessary action in respect of the Client to protect interests of the Bank and prevent the Bank's Losses;

10.11.7. to demand the immediate fulfilment of the Client's obligations, including repayment of loans;

10.11.8. to sell the Client's Financial Instruments and to close the Client's positions and transactions on the financial and currency markets;

10.11.9. to immediately terminate the Agreement and other contracts and agreements between the Parties;

10.11.10. to perform other actions that the Bank deems necessary to protect its rights and interests or to prevent losses.

10.12. Acting in accordance with Clause 10.11 hereof, the Bank is not liable for any losses or expenses of the Client and third parties. The provisions of Clause 10.11 hereof do not limit, and supplement other rights of the Bank provided for in laws and regulations, the Agreement or the Terms and Conditions.

10.13. The Client undertakes to comply with all laws and regulations that are applicable to the Client and the Bank. The Client confirms that his/her activities in the Bank will be lawful. The Client shall not perform actions and not submit Orders that violate the laws and regulations applicable to the Client and the Bank, including the laws and regulations of the Republic of Latvia,

the European Union, and international laws, as well as the laws of the country of registration, establishment or residence of the Client.

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

10.14.1. the Client submits to the Bank an Order which causes reasonable suspicion to the Bank about the violation by the Client of the requirements of the laws and regulations or the Terms and Conditions;

10.14.2. the Client does not respond to the Bank's request within the term specified by the Bank, or does not provide the information or documents, or submitted information or documents fail to comply with the Bank's requirements.

10.15. Payment of the Remuneration, interest or Penalty by the Client does not release the Client from the obligation to fulfil obligations towards the Bank and to compensate the Bank's Losses.

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

10.17. If the Bank does not exercise its rights stipulated in the Terms and Conditions, or exercises them partially or late, it shall not be deemed a waiver of those rights and shall not limit their further exercise by the Bank.

## **11. Force Majeure**

11.1. The Bank shall not be liable for a full or partial failure to discharge obligations, improper fulfilment or delay in fulfilment of obligations caused by force majeure events, including, but not limited to:

11.1.1. natural disasters, fire, flood, an earthquake, epidemic, pandemic, warfare, terror acts, mass riots and strikes or other extraordinary and unavoidable circumstances;

11.1.2. moratorium, sanctions, restrictions or other measures imposed by government authorities, courts, central banks, international organizations or Counterparties;

11.1.3. malfunctions of computers, communications systems, hardware, payment, settlement or other systems, technical failures, cyber-attacks or software failures;

11.1.4. power supply, data transmission or other utilities malfunctions or emergencies;

11.1.5. decisions or activities of public authorities, international organizations, or Counterparties;

11.1.6. financial market collapse, distortions, serious constraints, closure, or industry crisis;

11.1.7. amendments to the laws and regulations affecting the fulfilment of obligations by the Bank.

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

12.1. The text of Terms and Conditions approved by the Bank in Latvian language has prevailing force. The current version of the Agreement and the Terms and Conditions are available 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 days before the new wording comes 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 until the date the amendments come into effect. If the Client does not terminate the relationship with the Bank or continues to use the Bank's services until the date the amendments come into force 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.

12.5. The Terms and Conditions shall take effect upon the following:

12.5.1. the Parties sign the Agreement;

12.5.2. the Client is provided the Bank's service that is rendered by the Bank without entering into the Agreement.

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

13.1. The Bank continues providing the financial services until a document evidencing the Client's death is submitted to the Bank. The following shall be deemed such a document:

13.1.1. a death certificate;

13.1.2. a request from a public authority or official regarding the Client's death, or a court decision.

13.2. The Bank withholds the Remuneration for keeping and holding the Assets of the deceased Client throughout the period of holding the Assets with the Bank. The Bank withholds such Remuneration from the funds and other Assets held in the Client's accounts. The Bank is entitled to sell the Assets and apply the proceeds towards payment of the Remuneration.

13.3. The Remuneration for consideration of the inheritance documents and disbursement of inheritance can be withheld by the Bank from the funds and other Assets held in the Client's accounts.

13.4. If the balance of the Client's accounts upon the Client's death is equal to zero, the Bank is entitled to close the Client's accounts without prior notice and without an Order.

13.5. If the Bank becomes aware of the Client's death, the Bank is entitled to block the accounts and the Assets held in the accounts, to restrict and/or cease actions regarding the Assets, and/or abstain from accepting the Orders for execution.

13.6. In case of the Client's death, his/her rights and obligations are assigned to his/her heir. The heir shall submit the document evidencing the right to inheritance to the Bank. The Bank sets the time limit for consideration and analysis of the information provided by the heir and decides whether the information provided by the heir is sufficient.

13.7. In case of the Client's (corporate entity's) liquidation or reorganisation, its rights and obligations are assigned to its legal successor. The successor shall submit the documents evidencing the assignment of the rights and obligations to the Bank.

13.8. If there is no 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.

13.9. The Client's liabilities to the Bank shall be discharged by the Client's legal successors or heirs in priority to other Client's obligations to third parties.

13.10. The Bank is entitled to delegate its rights to third parties.

### **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 days from the day of receipt of this application or complaint. If the Client is regarded as a consumer under the laws and regulations of the Republic of Latvia, the reply is provided within 15 days. The Bank is entitled to extend the time of providing the reply, notifying the Client of the same in writing. Procedure of dispute resolution is available on the Bank's website [www.rietumu.com](http://www.rietumu.com).

14.2. If a lawful restriction of communication or correspondence is imposed on the Client in the Republic of Latvia or abroad, the application or the complaint:

14.2.1. must be sent in accordance with the imposed restrictions and the established procedure;

14.2.2. must contain all necessary details.

14.3. The Bank is entitled not to register the application or the complaint, and not to respond to it if the same:

14.3.1. is received from a person, that is not a Client, Client`s Representative or User;

14.3.2. is anonymous or is not signed;

14.3.3. has content that is clearly insulting or provocative, text is not readable or understandable, or the answer has already been given before;

14.3.4. does not meet the requirements of Clause 14.2. hereof.

14.4. All documents and information provided by the Client to the Bank may be used by the Bank as evidence for resolving the disputes.

14.5. The legal relations between the Parties shall be governed by the legal regulations of the Republic of Latvia.

14.5.1. Any dispute between the Parties arising out of the Agreement or the Terms and Conditions and/or any claim arising out of or in connection with the Agreement or the Terms and Conditions and/or its performance, infringement, termination and/or validity shall be settled at the discretion of the plaintiff by a respective court of the Republic of Latvia according to the jurisdiction (if the Client is not a resident of the Republic of Latvia – Riga city court) or by the Baltic International Arbitration Court, in Riga, registration No. 40003759437.

14.5.2. In case the dispute is referred for arbitration to the Baltic International Arbitration Court in Riga, it shall be conducted and settled in accordance with the Rules of the Baltic International Arbitration Court. Provisions of the Rules of the Baltic International Arbitration Court are deemed to be included in the Agreement and Terms and Conditions. The Arbitration Court award is mandatory for the Parties and shall be executed before the due dates specified therein. The Arbitration Court shall consist of 1 (one) Arbitrator. The Arbitrator shall be appointed in accordance with the Rules of the Baltic International Arbitration Court. The dispute referred to the Baltic International Arbitration Court shall be considered in the Latvian language.

14.6. The Bank is entitled to protect its rights and interests in the countries of the Client`s residence or place of business. Clause 14.5. of the Terms and Conditions shall not prejudice the Bank`s rights:

14.6.1. to bring actions, file complaints in respect of the Client in any country;

14.6.2. to otherwise protect its rights and interests abroad.

## **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 days in advance, unless the Terms and Conditions or the laws and regulations of the Republic of Latvia stipulate otherwise.

15.2. Unless the Terms and Conditions or the laws and regulations of the Republic of Latvia stipulate another time limit, the Agreement is considered to be terminated upon lapse of the following:

15.2.1. 30 days after the Bank has received the Order to close all the Client`s accounts serviced under the Terms and Conditions;

15.2.2. 2 months after the Bank has notified the Client about closing of all Client`s accounts serviced under the Terms and Conditions on the Bank`s initiative.

15.3. When terminating the Agreement or terminating the provision of a particular service of the Bank, the Client is obligated to specify an account number to which the Assets shall be transferred. The Bank transfers the Assets at the Client`s expense.

15.4. The Bank is entitled to unilaterally terminate transactions on the accounts of the Client or terminate the Agreement immediately if the Bank has information or suspicion about the following:

15.4.1. the Client`s activities fail to comply with the laws and regulations of the Republic of Latvia, the European Union, the internal documents of the Bank, the Agreement or the Terms and Conditions;

15.4.2. at least one of the events of default; specified in Clause 10.10 hereof has occurred;

15.4.3. the Client commits legally punishable, dishonest or unethical act towards the Bank or third parties;

15.4.4. further cooperation with the Client will harm the Bank`s reputation or will result in the

Bank's Losses.

15.5. The Bank sets the procedure and time period for the Client to transfer or withdraw the Assets from the Bank. The Bank takes into account the restrictions on dealing with Assets set forth in the Terms and Conditions and the laws and regulations of the Republic of Latvia. The form and details for the withdrawal of the Assets shall be previously agreed upon with the Bank.

15.6. The Bank immediately suspends the transactions in the Client's accounts if the Agreement is terminated pursuant to 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*). This being the case, further dealing with the Assets will be subject to provisions of the laws and regulations of the Republic of Latvia.

15.7. Termination or suspension of the Agreement will not relieve the Client from liabilities and obligations towards the Bank. All the Client's obligations and liabilities to the Bank continue to exist until their complete fulfilment. Until the moment of such fulfilment, the Parties are guided by the provisions of the Terms and Conditions and the Agreement. The Client's liabilities and obligations towards the Bank shall be fulfilled prior to the fulfilment of other Client's obligations towards the third parties.

15.8. Neither the documents received by the Bank during the cooperation nor copies of such documents are supplied by the Bank to the Client.

15.9. Upon termination or suspension of the Agreement, or suspension or termination of operations in the Client's account, the Bank will keep the Assets on special accounts. The Bank does not pay interest for the Assets to the Client. The Bank is entitled to withhold from the Assets the Remuneration and compensation of the Bank's expenses due to their custody. The Client shall pay the Remuneration for custody of the Assets until the moment of transfer of Assets.

15.10. The decisions mentioned in Section 15 of the Terms and Conditions are made by the Bank independently and without agreeing upon those with the Client. The Bank is entitled not to provide the reasons for termination or suspension of the Agreement or service.

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

### **16. Current Account**

**Current Account** – an account 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.

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

16.1. The Bank opens and services the Current Account.

16.2. The Client undertakes to deposit cash funds into the Current Account during a period of 90 days from the day of opening the Current Account.

16.3. The Bank is entitled to close the Current Account and terminate the Agreement if the Client fails to comply with Clause 16.2 of the of the Terms and Conditions.

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

16.5. The Bank is entitled to deduct from the Client's accounts a Remuneration for failure to meet the minimum requirements of the Relationship Balance and Group Relationship Balance.

16.6. If provided in the Tariffs, 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. When closing the Current Account 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 Bank specifies the types of services for which the Current Account is required. The Client may not close the Current Account as long as the Client uses those specific services of the Bank. The Bank is entitled to refuse to close the Current Account and to transfer or pay out the cash funds if the Client has outstanding obligations to the Bank.

16.8. The Bank is entitled to close the Current Account if no transactions have been performed in the Current Account for the last 12 months, and the cash balance on the Current Account does not exceed the Client's obligations to the Bank.

## **17. Non-Cash Payments**

**Payment** – a money transfer from the Client's account with the Bank to another account.

**Payment to the Payment Card** – a money transfer from the Client's Account with the Bank to a third party's payment card (Visa or Mastercard).

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

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

17.1. The Client shall specify in the Payment Order the information on a payer and a recipient, the purpose of the payment, as well as other details.

17.2. The Client may execute a Payment to the Payment Card only via the Internet Bank. The Bank is entitled, at its discretion, to refuse execution of the Payment 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. The Bank is entitled to make a special investigation concerning the incoming payment if the provided details are incomplete or inconsistent with information available to the Bank. The Bank withholds the Remuneration from the Client's account for such investigation. The Bank is entitled to return the cash funds to a sender if these details are not clarified within 4 weeks. In that case, the Bank withholds the Remuneration from the payment amount.

17.5. Cash funds are credited to the Client's account on the day when a respective notice has been received via the payment system or from the Counterparty, including the correspondent bank.

17.6. The Payment Order is considered received at the moment it is actually received by the Bank.

17.7. The Payment Order is executed on the day when it has been received in the Bank unless the Order specifies another Value Date. The Payment Order that the Bank received outside the Working Hours is accepted for execution on the next Working Day.

17.8. Conditions of the Payment Order execution are determined in the Tariffs.

17.9. The Payment Order is valid for 35 Working Days from the date of receipt by the Bank. If submitted by the Client via the Remote Banking Systems, the Order's validity term may differ. The Bank is entitled to further extend the validity term of the Payment Order, informing the Client accordingly. The Bank may refuse to execute an expired Payment Order.

17.10. When executing the Payment Order which includes currency exchange, the Bank applies exchange rate set by the Bank at the time of the conversion.

17.11. If the Client submits several Payment Orders and the overall sum exceeds the amount of

cash funds available on the Client's account, the Bank executes these Payment Orders at its sole discretion.

17.12. The Order is executed when cash funds required for execution of the same are credited to the respective account in compliance with the validity term set in the Payment Order. The Bank is not liable for any losses the Client may incur due to the non-execution of the Payment Order.

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

17.14. The Bank accepts the Payment Orders for execution in the name or on behalf of third parties provided that the Client has supplied sufficient relevant information for the execution of this Payment Order.

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

17.16. The Client is entitled to request the Bank in writing to change necessary details of the Payment Order or cancel the Payment 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 if the Bank has not yet executed the Payment.

17.17. The Bank executes The Regular Payment Order, provided that the cash funds in payment currency are sufficient on the Current Account.

17.18. The Client is entitled to submit the Payment Order by phone according to the payment details, previously submitted by the Client to the Bank for this purpose in writing. The Bank executes this Payment Order within the limits set by telephone instructions.

17.19. The Bank informs the Client about the refusal to execute the Payment Order and reasons of non-execution if permitted by the laws and regulations of the Republic of Latvia.

17.20. The Client is obligated to inform the Bank about the execution of an incorrect payment. The Client informs the Bank immediately after the execution of the Payment, but in any case no later than 6 months from the day of the execution of the Payment. Otherwise, the possibility to return the payment or change the payment will be refused to the Client.

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

17.22. The Client independently verifies the correctness, completeness and compliance of all parts of the Order prior to the signing and submission to the Bank. This obligation also applies if the Client uses the technical solution for importation of documents from the accounting software to the Internet Bank and Payment Orders series signature. The Bank is not liable for any technical risks, malfunctions, format inconsistency and software incompatibility if the Client uses technical solution for importation of payment documents to the Internet Bank.

17.23. The Bank executes a Payment Order submitted by the Client in person at the Bank's office as a SEPA payment, not as an instant payment.

17.24. The Client agrees that the Bank does not verify the recipient's name, surname or the company name if the Client submits the Payment Order in person at the Bank's office.

## **18. Cash Transactions**

18.1. The Bank determines the types of currencies in which cash transactions may be conducted.

18.2. The Bank is entitled to refrain from transactions with cash funds if they have signs of suspicious transactions.

18.3. Performing the cash transactions, the Bank identifies a payer and/or recipient of cash funds.

18.4. The Bank deposits cash to an account of the recipient according to the payer's Order. Orders for withdrawal of the cash funds sent via the Remote Banking Systems are valid for 7 days from the date of receipt of the Order by the Bank.

18.5. An individual is entitled to deposit cash funds to the recipient's account:

18.5.1. in his/her own name;

18.5.2. in the name of the legal person which he/she is entitled to represent.

18.6. The Bank examines the compliance of the banknotes and coins submitted by the payer with the cash in circulation. The Bank withdraws the money from circulation and hands it over to law enforcement bodies if the Bank has suspicions that these banknotes or coins are counterfeited.

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.

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 to immediately check the amount of the received cash funds in the presence of the officer of the Bank who serviced the Client. 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.

**FX 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:

19.1.1. the exchange rate set by the Bank, valid at the moment the Bank receives the Order;

19.1.2. the exchange rate agreed with the Client.

19.2. The Client may execute the Foreign Exchange Transactions at the agreed exchange rate during the Working Hours. Outside those, the Foreign Exchange Transactions are executed by the Bank according to the exchange rate set by the Bank.

19.3. The Foreign Exchange Transaction has the following essential conditions:

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 transaction is made according to the exchange rate set by the Bank;

19.4.2. the Parties have agreed on the essential conditions set in Clause 19.3 of the Terms and Conditions if the transaction is conducted at the exchange rate agreed by the Parties.

19.5. The Bank is entitled to write off/transfer the exchange differences from the Client's any account if after giving an Order for a Foreign Exchange Transaction the Client does not have sufficient cash funds to execute the Order. 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.

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 an FX Order. The Bank withholds the Remuneration and blocks the amount needed for the execution of the FX Order. When the exchange rate on the currency market reaches the one specified in the FX Order, the FX Order is executed automatically. The Client is entitled to cancel the non-executed FX 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 FX Orders. The Client fully understands that the entering into the Foreign Exchange Transactions and FX Orders is related to the use of electronic means of transferring information, telecommunications and software. Due to a failure or interruption in the operation of the above-mentioned means of communication, the execution of the Foreign Exchange Transaction or FX Order may become impossible. The Bank is not liable for such non-execution of the Foreign Exchange Transaction or FX Order.

## 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 and the interest.

**Orphan's Court** – an institution for the protection of the rights of minors governed by the laws and regulations of the Republic of Latvia, in case of a non-resident – a relevant foreign institution.

20.1. The Bank sets and records the following in the *Deposit Order* or in the agreement entered into between the Parties:

20.1.1. the types, maturities, currencies of Deposits;

20.1.2. the minimum placement and replenishment amounts, minimum exchange amounts,

20.1.3. the annual interest rates, interest payment frequency;

20.1.4. termination provisions of the Deposits.

20.2. The conditions of the Deposits specified in the *Deposit Order* or the agreement entered into between the Parties may be changed unilaterally by the Bank. The Bank notifies the Client 5 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 Deposits offered by the Bank. The Client is obligated to open the Current Account to process the Deposit.

20.4. The Bank is entitled to execute the *Deposit Order* within 35 Working Days from the moment the Client has submitted it to the Bank. The Bank is entitled to further extend the *Deposit Order* validity term, informing the Client accordingly. To execute the *Deposit Order*, the Bank 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, but not including the Deposit end date. The Bank calculates

interest on the Deposit assuming that there are 360 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. For certain types of the Deposits, capitalisation of the interest may apply. In such cases capitalisation of the interest is performed every month on the date when the Deposit was opened.

20.8. The Bank 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. When withholding previously paid Deposit interest, the Bank shall not refund any taxes withheld therefrom.

20.10. The Client may terminate the Deposit before its maturity. In such a case, the Client submits the relevant Order to the Bank according to the procedure and term specified in the *Deposit Order* or the agreement between the Parties. The Client is not entitled to request the early termination of the Deposit if it is not provided in the *Deposit Order* or an agreement between the Parties.

20.11. At the maturity of the Deposit, both the Deposit principal and interest are transferred to the Client's account with the Bank specified in the *Deposit Order* or in an agreement entered into between the Parties. The calculation of interest on the Deposit is terminated.

20.12. 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. Both the validity of the Deposit and interest accrual shall not be terminated at the date of the Client's death. The Bank pays out the Deposit and the accrued interest on the Deposit to the Client's heirs when the inheritance documents are submitted to the Bank. The heir shall have the right to terminate the Deposit before its maturity in accordance with the procedures set out in the *Deposit Order* or in the agreement entered into between the Bank and the Client.

20.14. In case of the assignment of rights and obligations of the Client (corporate entity), the Deposit shall remain valid. This Deposit may be assigned to the Client's successors when they submit to the Bank duly executed documents evidencing the transfer of rights. The Bank determines the procedure for the assignment of the Deposit, according to the laws and regulations of the Republic of Latvia and the internal regulatory documents of the Bank.

#### Deposits for Minor Clients

20.15. The Bank opens the Deposit on the name of the minor Client according to the Order submitted by the Client's parent 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 by the Bank at the moment of opening and replenishing the Deposit. The Bank takes into account the Client's actual age when determining the Deposit conditions.

20.17. Until the Client reaches the age of 18, a permit of the Orphan's Court is needed to convert currencies and withdraw cash funds from the Deposit. 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, the interest is no longer accrued. The Client acquires full rights to manage the cash funds at his/her own discretion.

20.19. The Deposit opened on the name of the minor Client 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 days after both the Orphan's Court's 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. This amount consists of the available Credit Limit and the Client's funds on the Card Account less the Card Transactions already made but not yet written off from the Card Account.

**Card** – an international Visa payment card handed over by the Bank to the Cardholder and which is attached to the Client's Card Account.

**Card Account** – the Client's account with the Bank for the custody and accounting of cash funds that may 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 the purposes of the Client or the Cardholder identification by phone.

**Card Transaction** – a payment with the Card for goods and services, cash withdrawals, payments from the Card Account, Remuneration payments and other activities decreasing the Available Balance.

**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 this, the Card Transaction is authorised or declined.

**Card Transaction Limit** – the maximum number or total amount of the Card Transactions within a definite period of time set by the 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.

**Click to Pay** – Visa's online payment process which does not require the Cardholder to enter the Card details manually.

**Credit Balance on Card Account** – an amount of cash funds on the Card Account. It does not include 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 Card service 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 over the Credit Balance on Card Account.

**Debit Balance** – a Card Account balance, which equals 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 shown with a (-) sign in the Card Account statement.

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

**Merchant** – a person that accepts payments by Card for goods and services.

**Overlimit Debit Balance** – Debit Balance that at the end of a particular day exceeds:

- the Credit Limit of the Card Account if the Credit Limit is granted for the Card Account;
- the Available Balance if no Credit Limit is granted for the Card Account.

**Passkeys** – certain authentication capabilities that may be made available to Cardholders on their personal devices such as fingerprints, face authentication and/or Cardholder’s device passcode.

**Personalisation** – printing of data of the Card and the Cardholder on a blank Card and data recording into the magnetic stripe and the chip of the Card.

**PIN Code** – a personal identification number of the Card used to identify the Cardholder electronically.

**POS Terminal** – an electronic device through which a Merchant accepts Card Transactions.

**Visa Parties** – Visa Europe Limited and its affiliates, and each of their respective officers, directors, customers, members, employees or authorized agents.

21.1. The use of the Card is subject to the Terms and Conditions and regulations of international payment organisation Visa.

21.2. The Client may open the Card Account if Client has a Current Account. The Client (a private individual) may open the Card Account without opening the Current Account if he/she has entered into the Agreement, the Electronic Signature Agreement and has full access to the Internet Bank. The Client ensures that all Cardholders enter into the Electronic Signature Agreement. Exemptions from this requirement are only permitted upon a prior agreement with the Bank.

21.3. 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. In the event of a positive decision, the Bank opens the Card Account within 10 Working Days. Any Card is issued in an inactive form. To activate the Card, the Client or the Cardholder has to contact the Bank and use the Identification and Authorisation Tools or his/her Card Password. The Client may also activate the Card 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 produce the Card with a new validity period within the term of 2 months before or after the end of the Card’s validity period. The Client may cancel the automatic renewal of the Card by informing the Bank in writing at least 2 months before the end of the Card’s validity period. The Bank stores the 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 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 and 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 Working Days from the day of receipt of 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 or renewed, using an individual PIN code, the individual PIN code is saved if no other orders from the Client are received.

21.7. The Card is the property of the Bank. The Cardholder has sole authority to make the Card Transactions. The Client and the Cardholder is prohibited to hand the Card over to third parties and disclose any Card data, the Card Code, the Card Password and 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 about the Card Account balance and his/her Card Transactions;  
21.9.3. submit the Order for blocking or 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 is entitled to receive a Card Account statement and to increase the daily Card Transaction Limit.

21.11. The Orders in relation to the Card are allowed to be submitted by phone only for the following purposes:

21.11.1. to receive information about the Card, Card Account balance, Card Transactions, and to receive a Card Account statement;  
21.11.2. to block or unblock the Card;  
21.11.3. to increase the daily Card Transaction Limit;  
21.11.4. to renew the Card;  
21.11.5. to replace the Card;  
21.11.6. to close the Card Account if the cash funds balance is credited to the Current Account or other 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:

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 only in the Bank, in a representative office of the Bank or from an officer of the Bank;  
21.12.4. to receive information on the unauthorised Card Transactions in the amount set by the Bank. The Bank is entitled to request the Card Password for performance of other operations with the Card.

21.13. The Card may not be used for illegal actions and for payment for the goods and services acquisition of which are unlawful.

21.14. The Cardholder is entitled to make Card Transactions at Visa acceptance points. To make a Card Transaction, the Cardholder should:

21.14.1. insert the Card into the POS terminal and enter the PIN code or sign the confirmation document;  
21.14.2. hold the Card near the POS terminal to make a contactless payment;  
21.14.3. enter the information indicated on the Card and use Rietumu ID and Identification and Authorisation Tools upon request.

The Cardholder is prohibited from confirming a Card Transaction if the payment amount is not indicated in the payment document or is indicated incorrectly. The Merchant has the right to request that the Cardholder present an identification document.

21.15. The Client is obligated to control the use of the cash funds on the Card Account and monitor their balance not less than once a week. The Client has to immediately inform the Bank about the incorrectly made Card Transactions.

21.16. the Client or the Cardholder is entitled to use the M-Bank system to receive information about the Card Transactions

21.17. The Card Account is opened in one 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 to execute the Card Transaction. 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 the period specified in the Visa regulations after the Card Transaction, the reserved cash funds become available to the Client and the Cardholder. After the actual Card Transaction settlement, the Bank is entitled

to subtract cash funds from the Client's accounts within the term specified in the regulations of the international payment system Visa. The Debit Balance changes after each debiting of the Card Transaction.

21.19. When making the Card Transactions, it is possible that payments which did not pass the Card Transaction Authorisation by the Bank occur. Such unauthorised Card Transactions are subtracted from 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 of money required for the currency exchange, applying currency exchange rate of the international payment system Visa on the date of the actual Card Transaction. The Bank withholds the currency exchange mark-up in accordance with the Tariffs. On the date of writing off the Card Transaction the Bank withholds the amount that was set aside and currency exchange mark-up if the mark-up was not included in the set aside amount. As a result, the following might arise:

21.20.1. a difference between the sum that was set aside on the Card Account and the sum of written-off Card Transaction;

21.20.2. the Overlimit Debit Balance might occur.

21.21. The Client must prevent the Overlimit Debit Balance. The Client shall immediately repay the Overlimit Debit Balance. The Client pays the Bank interest on the Overlimit Debit Balance for the existing Overlimit Debit Balance. 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 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, Card Transaction Limits, as well as to design the Cards. By mutual agreement of the Parties, another Card Transaction Limit may be set, which does not exceed the maximum Card Transaction Limit set by the Bank.

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. a Credit Limit has been assigned to the Card Account, and the risk that the Client will not be able to meet their obligations has increased;

21.24.3. the Agreement is terminated or operations in the Client's accounts are suspended.

The Bank is entitled to inform the Client about the fact of blocking after blocking the Card. The Bank is entitled not to inform the Client about 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 close the Card and the Card Account, without any prior notice, if:

21.25.1. the Client or the Cardholder within 4 months after the Card expiry date has not renewed the Card or has not received the issued Card;

21.25.2. the Card is not used for over 3 months and the Available Balance is less than the annual fee for using the Card;

21.25.3. the Agreement is terminated or operations in the Client's accounts are suspended.

21.26. If the Cardholder enters the PIN Code incorrectly 3 times:

21.26.1. the Card may be detained in an ATM;

21.26.2. the Card chip may be blocked. No further use of this Card in the POS terminals which are intended for entering the PIN Code is possible.

21.27. The Client undertakes all risks and consequences arisen out if the Card or Card data becomes available to third parties. The Cardholder and the Client is obligated to immediately notify the Bank about:

21.27.1. the loss or theft of the Card;

21.27.2. in case of suspicion that the PIN Code, the Card Code, the Card Password, or other Card data became known to any third party.

21.28. The Client is entitled to ask the Bank to replenish any debited amount if the Card has been used illegally and the Cardholder has not approved the Card Transaction by the PIN Code,

the Card Code, the Cardholder's signature, or any other tool of authorisation. The Client is entitled to ask the remuneration only if:

21.28.1. the requirements of Clauses 4.42., 21.1., 21.15., 21.27. and other clauses of the Terms and Conditions are met by the Client and the Cardholder;

21.28.2. the Client and the Cardholder has not acted negligently or illegally.

21.29. The Bank repays cash funds to the Client in accordance with Clause 21.28. of the Terms and Conditions only if the Bank incorrectly authorized the Card Transaction.

21.30. The Card can be closed on the initiative of the Bank or upon the receipt of the Order. The Bank within 5 Working Days reviews and takes a decision on the execution of the Order on payment Card and Card Account closure. The Card Account is closed no earlier than on the 10th day after the Card closure if the Card Account balance is equal to zero. The Card Account is closed no earlier than on the 30th day after the Card is closed if the Card Account contains funds reserved as a result of the Card Transaction authorization, for which, according to Visa regulations, a longer transaction confirmation period is provided. Upon closure of the Card Account, the remaining security deposit (if any) is transferred to the Current Account by the Bank. The Bank is entitled to repay the Debit Balance by writing off cash funds from any Client's account with the Bank. The Bank transfers the Credit Balance on the Card Account to:

21.30.1. the Current Account;

21.30.2. the account specified in Clause 15.9. hereof if the Client does not have the Current Account;

21.30.3. other Account that has been agreed by the Bank.

21.31. The Bank withholds the Remuneration for the Card Account and related services from the Card Account. The Bank is entitled to withhold the Remuneration from any Client's any account in the Bank if cash funds available on the Card Account are insufficient to pay the Remuneration. If as a result of withholding the Remuneration the Overlimit Debit Balance occurs, the Client is obligated to cover it according to the Terms and Conditions.

21.32. To cover the Overlimit Debit Balance or Credit Limit, the Bank is entitled to unilaterally, without a prior notice and approval of the Client:

21.32.1. transfer to the Card Account an amount of cash funds from any other Client's account;

21.32.2. withhold Assets from any Client's account.

21.33. The Client is entitled to file his/her claim with the Bank regarding the Card Transactions within 8 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 of the Terms and Conditions, it is considered that the Client has agreed all Card Transactions.

21.34. Considering the claims on the Card Transactions, the terms defined in regulations of the international payment system Visa are taken into account by the Parties, and they may amount to 180 days. The disputed sums of the Card Transactions are refunded to the Client only after receiving a respective decision from the Visa institution.

#### 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 Order for the regular replenishment of the Card Account.

21.36. The Bank reviews and takes a decision on the execution of the Order for the regular replenishment of the Card Account within 5 Working Days after the receipt of the Order.

21.37. When calculating the payment amount, the type of the Card Account automatic replenishment specified in the Order is considered:

21.37.1. up to the full repayment of the Debit Balance;

21.37.2. 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);

21.37.3. 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. The Bank does not convert other currencies on the Current Account in order to make an automatic replenishment.

21.39. If on the moment 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:

21.39.1. not to make the Card Account automatic replenishment;

21.39.2. to make it in the amount of the Available Balance of the cash funds on the Current Account. In such a case, the Bank shall continue to transfer funds from the Current Account to the Card Account until:

21.39.2.1. the amount reaches the intended automatic replenishment payment amount;

21.39.2.2. the beginning of the next automatic replenishment period.

21.40. The Client specifies the frequency of automatic replenishment of the Card Account in the Card Account regular replenishment Order:

21.40.1. once a month, then an automatic replenishment is made on the first or the last day every month;

21.40.2. once a week, then an automatic replenishment is made every Friday;

21.40.3. once a day.

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 days before the next payment. In this case the Client submits the new Card Account regular replenishment Order.

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

21.42.1. the Client cancels the Card Account regular replenishment Order, by submitting the respective Order;

21.42.2. the Card Account or the Current Account are closed;

21.42.3. the incoming payments for the Card Account are blocked;

21.42.4. the outgoing payments of the Current Account are blocked.

21.43. The Bank takes a decision on the execution of the Client's Order for the Regular Card Account Replenishment cancellation within 5 Working Days after the Bank receives:

21.43.1. the respective Order on cancellation;

21.43.2. Order on the Card and Card Account closure.

#### Security Deposit

21.44. The Bank stipulates the cases when the Client has to provide a security deposit to receive the Card and/or the Credit Limit. The security deposit secures the fulfilment of the Bank's claims to the Client. The Client hands it 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 are 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 10 days. The term of the security deposit is prolonged automatically in any of the following cases:

21.45.1. after the expiry of the Credit Limit the Card is renewed;

21.45.2. the Client prolongs the term of the Credit Limit.

21.46. The Bank returns the security deposit no earlier than after 10 days if the Bank makes a decision to change the collateral for the Card or the Credit Limit by cancelling the security deposit.

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 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. The Client may ask the Bank to transfer the security deposit to any other Card Account. Before transferring the security deposit, the Bank withholds from the Client's accounts the sum of cash funds necessary for covering the Client's obligations towards the Bank. The Bank is entitled to fully or partially cover the Client's obligations towards the Bank unilaterally without informing the Client and without taking any further steps 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 and transfer the received cash funds to cover the Client's obligations 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 in case the security deposit currency differs from the currency of discharging the obligations of the Client towards the Bank.

#### Provisions of Credit Limit

21.50. The Bank provides the Client with an opportunity to obtain the Credit Limit for making the Card Transactions. The Client shall repay the Bank an amount of the used Credit Limit and pays the Remuneration 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 Order. The Bank is entitled to fix the smaller Credit Limit amount or refuse the Credit Limit granting. The Bank is not obliged to explain the reasons for its decision to the Client.

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

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

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 starting from the date when the Bank has increased the Available Balance by the amount of the Credit Limit. The Credit Limit is linked to the Card Account and cannot be used on another account.

21.54. 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. The Client uses the Credit Limit to make the Card Transaction if there is no sufficient Credit Balance on Card Account to make the Card Transaction.

21.56. The Client's liabilities on the Credit Limit are deemed to be discharged in full as of the moment when:

21.56.1. the used Credit Limit amount is paid or transferred on the Card Account, and is at free disposal of the Bank;

21.56.2. 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.

21.57. 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. The liabilities are discharged 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 specified in the Order secures fulfilment of the Client's obligations towards the Bank within the granted Credit Limit. The security can be the following:

- 21.58.1. the security deposit;
- 21.58.2. the Client's Deposit;
- 21.58.3. the third party's Deposit;
- 21.58.4. any other security stated in the 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 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 days in a year, and the actual number of days in a month.

21.60. The Client acknowledges that:

- 21.60.1. all information he/she has submitted regarding the granting of the Credit Limit is true, complete and accurate;
- 21.60.2. the Client has not concealed any circumstances that could negatively impact the Bank's decision regarding the granting of Credit Limit;
- 21.60.3. on the date of signature of the Order on Credit Limit granting and service and during the validity period or this Order there are no circumstances due to which performance of the obligations of the Client could be considered as impossible or difficult;
- 21.60.4. no claims have been lodged and no legal proceedings have been initiated against the Client;
- 21.60.5. no enforcement action has been brought against the Client's property;
- 21.60.6. no events specified in Clause 10.10 of the Terms and Conditions have occurred.

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 1 Working Day in writing;
- 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 calendar days from the date of the receiving the Credit Limit, is entitled to exercise the cancellation rights and withdraw from the Credit Limit. The Client informs the Bank about exercising such cancellation rights in writing.

21.63. If the Client exercises the cancellation rights under Clause 21.62 of the Terms and Conditions, the Client is obliged to perform all of the following actions:

- 21.63.1. immediately to repay the Bank the used Credit Limit;
- 21.63.2. to fulfil other liabilities in accordance with Clause 21.56 of the Terms and Conditions.

21.64. The Bank is entitled to request at any time that the Client repays the Credit Limit, pays the accrued Interest on the use of the Credit Limit, repays the Overlimit Debit Balance and the interest on it within the time limit set by the Bank.

21.65. The Client is entitled to use the Credit Limit repeatedly during its validity period if the Credit Limit is repaid after it was used.

21.66. The Client is entitled to execute his/her obligations to the Bank regarding the Credit Limit at any time. The Client shall notify the Bank about the early fulfilment of the obligations in advance in writing. 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.

21.70. The Bank is entitled to use private or public registers, request information from the Credit Register of the Latvijas Banka, as well as the credit information bureau in accordance with the requirements of regulatory enactments.

21.71. The Bank shows in the Card Account statement the flow of cash funds on the Card Account, Card Transactions, the Card Account balance and the granted Credit Limit. The Client can view the Card Account statement via the Internet Bank. The Card Account statement serves as a proof of the Credit Limit use and existing obligations of the Client towards the Bank.

21.72. The Bank is entitled to 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. The Bank is entitled to make this change in case of changing the security provided to the Bank in accordance with Clause 21.58 of the Terms and Conditions. The Bank makes this change unilaterally and 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> day after publishing the respective information.

21.74. The Bank is entitled to amend the terms of the Credit Limit. The Bank informs the Client about these amendments 2 months before the amendments take effect.

21.75. The Client has fully agreed to the amendments if the Bank has not received from the Client a written notification that he/she disagrees with the changes stated in Clauses 21.73 and 21.74 hereof before these changes take effect.

21.76. In case the Client does not agree with the changes stated in Clauses 21.73 and 21.74 hereof, it is considered that the Client has expressed his/her willingness to refuse from the Credit Limit service. In such case, before the day the respective changes take effect, he/she has to fully fulfil own liabilities towards the Bank 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 perform any of the following actions:

21.77.1. reduce the granted Credit Limit to the amount of the used Credit Limit or the Bank's defined Credit Limit;

21.77.2. annul the Credit Limit, by notifying on it in the Internet Bank.

### Special Provisions on Credit Limit of Visa Infinite

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

21.78.1. the Client has provided the Order on Issue of Visa Infinite payment card 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 Card, 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. In that case the Client fulfils his/her liabilities towards the Bank in full in accordance with Clause 21.56 hereof and submits 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. 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 the provisions of Clause 21.76 hereof, it is considered that the Client also expressed the wish to close the Visa Infinite Card. In this case the Visa Infinite Card is closed by the Bank.

### Use of Click to Pay

21.84. Cardholder may use Click to Pay after completing the application form in the Internet Bank. Client and Cardholder is responsible for correctness of data in the Click to Pay application form.

21.85. While Click to Pay facilitates the transaction between Cardholder and Merchant, Visa is not a party to the transaction. The payment to or from a Merchant in connection with use of Click to Pay is solely between Cardholder and the Merchant. This includes the purchase or return of goods or services.

21.86. After the Cardholder has registered for use of Click to Pay in the Internet Bank, Cardholder cannot register for Click to Pay directly with Visa. Cardholder's attempt to register with Visa-offered Click to Pay and acceptance of the terms of use of Visa-offered Click to Pay (whether through the Visa destination site or at a Merchant checkout) shall not constitute an agreement between Cardholder and Visa. Visa may share any information that Cardholder provides while attempting to register for Visa-offered Click to Pay with the Bank.

21.87. Visa, Merchants and other third parties may use and share Cardholder data and information about a transaction, including (without limitation) to complete the transaction, to determine whether the Cardholder is eligible for Card benefits or features (such as reward points or instalment options), or other purposes.

21.88. Click to Pay is only available to Cardholders.

21.89. Passkeys may be made available to Cardholders on their personal devices in connection with Click to Pay. Cardholder shall take into account:

21.89.1. the use of Passkeys is governed by the agreement between Cardholder and its device manufacturer;

21.89.2. Cardholder's fingerprints, face authentication data and/or device passcode does not leave the device;

21.89.3. Cardholder may choose whether to authorise Visa use Passkeys with any payment transaction. Cardholder may disable their use of Passkeys in connection with Click to Pay by:

21.89.3.1. unlinking the Card from the Click to Pay;

21.89.3.2. removing Cardholder's device at <https://secure.checkout.visa.com>

21.90. Cardholder will comply with all applicable laws, rules and regulations and other legal requirements that relate to its use of Click to Pay. Cardholder agrees:

21.90.1. to use Click to Pay only as permitted by law;

21.90.2. not to disrupt or interfere with the security or operation of, or otherwise abuse, Click to Pay or any part of Click to Pay;

21.90.3. not to attempt to obtain unauthorized access to Click to Pay or portions of Click to Pay that are restricted from general access;

21.90.4. not to use Click to Pay in any manner that could be deemed false or defamatory, abusive, vulgar, hateful, harassing, obscene, profane, threatening, invasive of a person's privacy, or in violation of any third-party rights;

21.90.5. not to reproduce Click to Pay in any form, or store or incorporate Click to Pay into any information retrieval system, electronic, mechanical or otherwise;

21.90.6. not to copy, emulate, clone, rent, lease, sell, commercially exploit, modify, decompile, disassemble, distribute, reverse engineer or transfer Click to Pay or any portion thereof;

21.90.7. not to use any device, software or routine to interfere or attempt to interfere with the proper working of Click to Pay;

21.90.8. not take any action that imposes an unreasonable or disproportionately large burden on the Click to Pay system, as determined by Visa in its sole discretion;

21.91. A Cardholder's continued use of Click to Pay after any changes, modifications or improvements have been made to any or all aspects of Click to Pay will be construed to be their acceptance of such changes, modifications or improvements. All terms related to Click to Pay apply to all such changes, modifications or improvements.

21.92. Cardholder must not use Click to Pay if a Cardholder does not agree to terms related to Click to Pay or any updates thereto. Cardholder may terminate or opt-out of Click to Pay at any time.

21.93. In no event and under no cause of action, including negligence, shall Visa Parties be liable for any damages, claims or losses incurred (including compensatory, incidental, indirect, special, consequential, punitive or exemplary damages), however caused and under any theory of liability, arising from or in connection with Click to Pay, even if a Visa Party is advised of the possibility of such damages, claims or losses.

21.94. Notwithstanding anything to the contrary contained in this section of the Terms and Conditions, the Visa Parties' cumulative liability to any Cardholder arising from any cause of action will at all times be limited to the lesser of (a) Cardholder's actual loss or (b) 100 USD (or equivalent in local currency).

21.95. Where a jurisdiction does not allow the disclaimer, exclusion or limitation of certain warranties, liabilities and damages, such that the above exclusions and limitations do not apply to Cardholders, then Visa's liability to each Cardholder will be limited to the fullest extent permitted by applicable law. Nothing in these terms excludes Visa's liability to each Cardholder for:

21.95.1. death or personal injury caused by its negligence;

21.95.2. fraud or fraudulent misrepresentation;

21.95.3. any matter which it would be illegal for Visa to exclude or limit or attempt to exclude or limit liability.

#### Terms and Conditions of Card use in a digital wallet

21.96. The Cardholder may add the Card to the digital wallet and make Card Transactions via the digital wallet. The Card Transaction data may be available to the digital wallet service provider. The Cardholder has independently read and undertakes to comply with the terms and conditions of the digital wallet service provider and its terms of processing of personal data. The Bank is not responsible for the operation and use of the digital wallet.

21.97. The addition of the Card to the digital wallet does not affect the Card Transaction Limit.

21.98. The Cardholder is responsible for ensuring that the Card added to the digital wallet is not used by third parties. The device on which the digital wallet is installed must be protected against access by third parties by means of a password or biometric access control. The Cardholder

undertakes to inform the Bank immediately if the device is lost or if third parties gain access to the digital wallet.

21.99. The Cardholder undertakes to remove the Card from the digital wallet if the Cardholder no longer intends to use the digital wallet or the device.

## **22. Trade Finance Transactions**

**Documentary Collection** – Bank’s service, according to which the Bank issues documents to the payer on behalf of the Client against payment and/or acceptance of documents.

**Letter of Credit** – an independent obligation of the Bank, undertaken at the request (instruction) of the Client, to make a payment to the beneficiary if documents in accordance with the terms of the Letter of Credit are submitted to the Bank

**Letter of Guarantee** – a document issued by the Bank, by which the Bank undertakes, at the request of the Client, to pay the beneficiary a certain amount of money in the cases and according to the procedure specified in the Letter of Guarantee.

22.1. The Letter of Credit is issued based on the Client's irrevocable Order for the submission of the Letter of Credit in the form specified by the Bank and provided that the Client has fulfilled certain requirements of the Bank, including, but not limited to: paid commissions to the Bank and provided collateral acceptable to the Bank.

22.2. The Bank shall review how the beneficiary fulfils the terms and conditions of the Letter of Credit, taking into account only the submitted documents, and shall not perform any additional checks or examinations.

22.3. The Client shall assume responsibility for all risks associated with the issuance of the Letter of Credit and the fulfilment of the obligations assumed thereunder, and shall undertake to reimburse the Bank for all possible losses/expenses related to the above, including, but not limited to: the amount of the Letter of Credit, any type of commissions, Remunerations, expenses (including those of the Counterparty) etc.,

### Documentary Collection

22.4. Documentary collection is executed on the basis of the Client's irrevocable Documentary Collection order in the form specified by the Bank.

22.5. When executing Documentary Collection, the Bank acts solely in accordance with the Client's irrevocable Documentary Collection order and has no financial obligation to pay for the documents, nor is it responsible for the actions of third parties related to the execution of the Bank's instructions in relation to this operation.

### Letter of Guarantee

22.6. The Letter of Guarantee is issued on the basis of the Client's irrevocable Order for the issuance of the Letter of Guarantee in the form specified by the Bank and provided that the Client has fulfilled the requirements specified by the Bank, including, but not limited to: having paid the Bank commissions and having provided collateral acceptable to the Bank.

22.7. The Bank reviews how the beneficiary fulfils the conditions of the Letter of Guarantee, taking into account only the submitted documents, and does not conduct any additional checks or expert examinations.

22.8. The Client assumes responsibility for all risks related to the issuance of the Letter of Guarantee and the fulfilment of the obligations assumed thereunder, and undertakes to reimburse the Bank for all possible losses/expenses related to the above, including, but not limited to: the amount of the Letter of Guarantee, any type of commissions, Reimbursements, expenses (including those of the Counterparty), etc.

## Other terms and conditions of the Letter of Credit, Documentary Collection and Letter of Guarantee

22.9. The Client authorises the Bank to write off the payable amounts of cash funds from any account of the Client unilaterally and without any additional documents. The Order for the submission of the Letter of Credit/ Order for the issuance of Letter of Guarantee is irrevocable and cannot be revoked or altered without the written 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 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.

22.10. The Client is entitled to submit to the Bank any Orders in relation to a Letter of Credit, Documentary Collection, including via the Remote Banking Systems and using the Electronic Signature. The Bank executes such Orders received in the above-described manner if, in the Bank's opinion, no circumstances encumber execution of these Orders. The Client is aware and agrees that the Bank does not make any additional inspections when receiving and executing the Orders.

22.11. Any dispute regarding the Bank's services specified in Sub-section 22 hereof, shall be resolved in accordance with the procedure specified in the relevant Order or agreement signed by the Client upon receipt of the Bank's services. With regard to 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.

23.1. This Sub-section applies to the Bank's services and the Client's transactions with Gold. Gold may be:

23.1.1. in the form of physical bars, the manufacturer of which is certified by the London Bullion Market Association;

23.1.2. in the form of coins minted by certified mints on behalf of central banks.

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 execute the Order for Purchase of the Gold or to execute it partly, in case of any circumstances that make the execution of this Order 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, the Bank notifies the Client thereof. In this case the fulfilment of the Order for purchase of the Gold is cancelled.

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

23.6.1. the time until the delivery of the Gold may differ in each specific case. The Bank is not liable for non-compliance with the terms specified in the Order;

23.6.2. the Bank is entitled to make the prepayment for the Gold to the Counterparty. Client assumes all financial and legal risks arising out of such prepayment;

23.6.3. the Gold is placed in the Bank's custody until the Gold is transferred to the Client, or until the Gold is transferred to the custody in accordance with Clause 23.7 hereof. An act is signed between the Parties on delivery of the Gold to 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. After signing the act by the Client, the Client no longer is entitled to raise any claims to the Bank regarding the quality, quantity, other parameters, or later discovered hidden defects of the Gold;

23.6.4. the Bank collects the Remuneration for the Bank's custody of the Gold in the event the Client failed to receive the Gold within the term specified by the Bank;

23.6.5. the Bank is not responsible for the authenticity, quality, purity, and other parameters of the Gold. When the Gold is received from the Counterparty, the Bank is not obliged to check the Gold. The Client waives any claims against the Bank in respect of the quality, authenticity, purity, and other parameters of the Gold;

23.6.6. the Client assumes all risks, expenses and losses arising in connection with:

23.6.6.1. transportation of the Gold throughout the delivery period from the Counterparty to the custody of the Bank;

23.6.6.2. the authenticity, quality, purity and other parameters of the Gold.

23.7. The Client may transfer the Gold to the custody of the Bank. Only Gold that the Client purchased through the Bank and that was not issued to the Client is accepted to the Bank's custody.

23.8. Upon transferring of the Gold to the Bank's custody, the respective transfer-acceptance act is drawn up.

23.9. The Client is entitled to receive a confirmation from the Bank about the Bank's custody of the Gold upon a request.

23.10. The Bank is entitled, at its own discretion, to refuse to accept the Gold into custody, without specifying the reasons.

23.11. Within the entire custody period of the Gold in the Bank, the Client assures the following:

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

23.11.2. 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 other burdens or restrictions are imposed thereupon;

23.11.3. there are no disputes concerning the Gold;

23.11.4. the Client immediately notifies the Bank in writing on all rights or claims of third parties in respect of the Gold.

23.12. Transfer of Gold to the Client from the Bank's custody:

23.12.1. the Client is entitled to take away his/her Gold from the Bank's custody, by submitting to the Bank a respective Order. The Bank hands over the Gold to the Client upon 3 Working Days from the date of receipt of the Order;

23.12.2. the Bank is entitled unilaterally, without explaining to the Client, to terminate the custody of the Gold. The Bank notifies the Client thereof. The Client undertakes to receive the Gold at the office of the Bank in Riga within 5 Working Days from the date of sending such notice by the Bank. The transfer of the Gold 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, including, but not limited to, the claims arising from the Gold custody services. 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. The Client pays to the Bank the Remuneration for the transactions with the Gold, for the purchase and custody of the Gold. The Remuneration for the Bank's custody of the Gold 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. 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 Gold.

23.16. The Bank is liable for 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 refuses to execute the Order for conducting transactions with the Gold.

23.18. The Client undertakes to cover all Bank's Losses 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. The Client bears responsibility for paying taxes in the country where he/she is a tax resident. The Client undertakes to reimburse for the Bank's tax costs that may arise when executing the Order for conducting transactions with the Gold.

23.20. The sale of Gold through the Bank is executed by a separate written agreement between the Parties.

### **Section III Investment Services**

#### **24. Terms**

**Associated Account** – 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 brokerage account 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 the following:

- a forward Foreign Exchange Transaction with a specific fulfilment date in future, which is normally not earlier than the third Working Day after the transaction is concluded, at the rate established by the Parties at the moment the transaction is concluded;
- a swap transaction consisting of two opposite Foreign Exchange Transactions for 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;
- a rolling spot foreign exchange transaction, under which settlements are made only for the amount of the exchange rate difference.

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

**Financial Instruments Account** – an account for holding and accounting of the Financial Instruments, regardless of whether it has Investment Account status or not.

**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 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 hold the 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 Brokerage Accounts.

**Maintenance Margin Requirement** – the minimum Initial Margin amount upon reaching which 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 for purchase of the Financial Instruments secured by the Financial Collateral of the Investment Assets 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 for holding and accounting of the third parties' 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 transactions with Financial Instruments provided to the trade repository according to the requirements of the EMIR and/or SFTR.

**Short Position Opening** – sale of the Financial Instruments which do not belong to the Client at the moment of submitting the Order. 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 within the time period set by the Bank or the Counterparty, or the Financial Instruments may be provided to the Client on credit, including by providing the Margin Loan.

**Specific Instructions** – an execution time, price, venue and amount of the deal, and any other instructions regarding the deal in the 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** – Regulation (EU) No 2015/2365 of the European Parliament and of the Council of 25 November 2015 (Securities Financing Transactions Regulation).

**Transactions with Financial Instruments** – transactions and other activities, including, but not limited to, transfer, blocking, deregistration, redemption, depositing, discounting of the Financial Instruments.

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

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

25.2. The Client is categorised as a retail client if the Bank has not notified the Client on his/her categorisation as a professional client or an eligible counterparty.

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

25.3. The Bank informs the Client 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 the following:

25.5.1. the Counterparty's competence and market reputation;

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

25.6. The Client's Financial Instruments held with the Counterparty can be completely or partially lost. Asset loss risk can arise 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, and those may affect the Client's rights to the Financial Instruments.

25.7. The Bank is safekeeping the Client's Financial Instruments with the Counterparty the operations of which are subject to supervision and are conducted according to the laws and regulations on separate storage of the Client's Financial Instruments. In exceptional cases, the Counterparty may be exempted from these requirements if:

25.7.1. the Financial Instruments may be transferred for safekeeping to the Counterparty only in a certain country;

25.7.2. the 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 that 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. 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 the following:

25.10.1. the Counterparty's competence and reputation on the Financial Instruments market;

25.10.2. the laws and regulations of the Counterparty's country of incorporation in relation to safekeeping of the funds.

25.11. The Client represents that they have read the Basic Information on the Investor Protection System, available on the website of the Bank [www.rietumu.com](http://www.rietumu.com).

25.12. The Bank may change the order of safekeeping of Client's cash funds and decide to hold Client's cash funds outside the Bank's balance sheet. This being the case, the Client can

completely or partially lose the funds held with the Counterparty. The risks of loss of the Assets can arise from, including, but not limited to, the following:

25.12.1. the Counterparty's insolvency;

25.12.2. 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;

25.12.3. 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;

25.12.4. if decisions of a foreign executive, legislative or court authorities are difficult to predict and can 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, the Client is obliged to independently obtain and renew a legal entity identifier (LEI code) and inform the Bank of the same. The Bank may abstain from executing the Orders if the Client does not have LEI code.

26.3.2. The Client is obliged to extend the validity period of the LEI code no later than 15 days before the expiry of the LEI code, ensure that information about the new validity period of the LEI code is reflected in the public LEI code register and, upon request, submit to the Bank confirmation of the extension of the LEI code;

26.3.3. 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 withheld 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 by phone:

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

26.4.2. the Client's Representative is obliged to state the 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. the 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:

26.5.1. the Orders to buy or sell the Financial Instruments;

26.5.2. the Orders to transfer cash funds from the Cash Account to the Current Account and vice versa;

26.5.3. the Margin Loan repayment Orders or currency exchange Orders on the Cash Account.

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 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 Orders for transfers of the Financial Instruments are valid until execution.

26.6.4. Validity term of the Orders for other transactions on the Brokerage Accounts or other Transactions with Financial Instruments is 10 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 other Clients' assets. In some cases, the aggregation may result in changes in the conditions of the Transaction with Financial Instruments. 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 venue or the Counterparty. The Short Position Opening entails a high risk level. The Bank first and foremost offers 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 that are possible to be executed on the respective regulated market or by the Counterparty which the Bank has chosen for the execution of the Order. The Bank shall be entitled to accept for execution non-standard Orders, but in this case the Bank does not guarantee their execution. The Client understands and accepts all risks that may arise in connection with the execution of such non-standard 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 for the Transaction with Financial Instruments, the Bank is entitled to execute the Transaction with Financial Instruments by providing an overdraft to the Client equal to the lacking amount of cash funds. The Bank has no obligation to grant overdraft to the Client. The Bank establishes the interest rate on such an overdraft unilaterally without prior authorisation; however, it cannot exceed 0.3% of the overdraft amount 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 Financial Instruments.

26.14. The Bank withholds the Remuneration for the holding of Financial Instruments from the Cash Account on a monthly basis.

26.15. For delay of any payment due pursuant to Section III. of the Terms and Conditions or other payments related to the Transactions with Financial Instruments the Client pays the interest of 0.05% 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 not available on the Cash Account or the Current Account, the Bank is entitled, but not obliged, 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. The current currency exchange rate of the Bank is applied. 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 Transactions with the Financial Instruments

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*):

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

26.17.2. no later than on the next Working Day after the receipt of such confirmation from the Counterparty if the Bank receives the confirmation on the execution of the Transactions with Financial Instruments 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 is equal to zero or the overall balance of the Brokerage Accounts within a year does not exceed EUR 100 or an equivalent amount 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 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 execute the Order for crediting cash funds to the Cash Account from an account with other financial institution.

26.20. The Bank is entitled to unilaterally change the amount of the Remuneration. The Bank shall notify the Client 1 Working Day before the Remuneration changes become effective, unless another period is provided for by the laws and regulations of the Republic of Latvia.

26.21. The Bank is entitled to terminate the provision of investment services to the Client. The Bank will notify the Client 1 Working Day before the date of terminating the provision of service, unless another period is provided for by the laws and regulations of the Republic of Latvia.

26.22. If the Bank closes the position of the Client forcibly in accordance with the Terms and Conditions, the Bank withholds the Remuneration for the execution of the Order.

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). The Bank is entitled to make changes in these policies. The Client confirms that he/she has read the current version of the abovementioned excerpts.

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

27.1. The Bank holds the Financial Instruments in custody on the Bank's accounts opened with the Counterparties chosen by the Bank. The rules of law of the country of the registration of the respective Counterparty are applicable to the custody of the Financial Instruments. Those may differ from the legislative requirements of the Republic of Latvia as to the holding the Financial Instruments in custody.

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 the Client's Financial Instruments in custody with a financial institution chosen by the Client. If the Bank agrees to open the respective account, the Client shall 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 when such obligation is directly prescribed for the Bank in accordance with the laws and regulations 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, voting and

other corporate events. Due to certain specific conditions applied to the holding of the Financial Instruments in custody with third parties, it is possible that the Client may not be able to participate in corporate events of the issuers of the Financial Instruments, including the meetings of shareholders, as well as exercise other anchored rights.

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. The Bank performs the transfer in accordance with value date set in the external bookkeeping statement, but not later than on the next Working Day after the cash funds have become available to the Bank unless the Parties have agreed otherwise. The Bank is not required to transfer the funds specified herein to the Cash Account before such are freely available to 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 transfers the funds and Financial Instruments separately as follows:

27.6.1. the part of the Order regarding cash funds is executed by the Bank no later than on the next Working Day from the receipt of the Order;

27.6.2. the part of the Order regarding the Financial Instruments is executed by the Bank within the term agreed upon by the Parties or according to the market practices applicable to transfers of those Financial Instruments. The Client shall take into account the peculiarities of certain Financial Instruments because of which those can be impossible to be transferred outside the Bank.

27.7. The Bank services events related to the Financial Instruments in accordance with conditions established by the issuer or depositary or according to the 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. This being the 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.

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

27.9. 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 SFTR requirements that apply to the Client, and for the Bank's Losses 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 cooperate with the Bank and to provide to the Bank all information that is necessary for fulfilment of EMIR and SFTR requirements.

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 Derivative Exchange Transactions to trade repositories and other persons in accordance with requirements of the EMIR and SFTR.

27.14. In cases when it is prescribed by EMIR 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 Banks is not obliged to provide the Client with any reports related to the fulfilment of EMIR and SFTR.

27.15. The Client has the following obligations:

27.15.1. independently ensure compliance with the foreign laws and regulations that require reports on the Transactions with Financial Instruments to be submitted or stipulate a specific procedure for execution of those transactions;

27.15.2. inform the Bank in writing about the requirements of the foreign laws and regulations prior to submitting the Order where such laws and regulations require actions by the Bank.

27.16. The Financial Instruments owned by the Bank`s clients are not used by the Bank to perform its own transactions.

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

28.1. This Sub-section is applied, if the Client 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 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 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 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 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 is entitled 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 derivate 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 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 EUR 5 000 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% 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 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 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 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 Working Day before the new conditions come into effect. The Bank at its own discretion is entitled to terminate 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 Margin Loan is terminated or its conditions are altered 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 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, 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.

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 once in 6 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 is a non-working day or a public holiday, the debiting is made on the Working Day after the non-working day or the public holiday.

29.14. The Client pays the interest of 0.05% 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 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 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. The Client shall 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 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 the Order. The Bank reports the Investment Accounts 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, 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*). The Bank assumes no responsibility for appropriateness of those restrictions and compliance with those. The Bank is not liable for the 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 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 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 or Initial Margin Account.

### **31. Individual Portfolio Management**

**Investment Declaration** - a document in accordance with which the Bank conducts the Management.

**Individual Portfolio** - a portfolio of the Portfolio Assets compiled by the Bank within the Management.

**Management** – the Orders for Transactions with the Financial Instruments and any other actions in respect of the Portfolio Assets, as well as abstention from those, carried out by the Bank in the interests of the Client, and at the Client`s expense and risk.

**Management Term** – a time period indicated in the Investment Declaration during which the Bank conducts the Management.

**Portfolio Assets** - cash funds and/or Financial Instruments passed by the Client for the Management, as well as Proceeds from the Management.

**Proceeds** - profit, including dividends, interest, or any other increment in the Portfolio Assets received from the Management.

31.1. The Bank shall commence the Management when the Client has:

31.1.1. submitted the Investment Declaration to the Bank as well as other documents specified by the Bank;

31.1.2. placed the Portfolio Assets in the Brokerage Accounts specified by the Bank.

31.2. By transferring the Portfolio Assets for the Management, the Client confirms that:

31.2.1. the Client has all rights, permits, licences, and authorisations necessary to transfer the Portfolio Assets for the Management;  
31.2.2. the Portfolio Assets belong to the Client;  
31.2.3. the Portfolio Assets are unencumbered, not pledged, and are not subject to any prohibition or arrest;  
31.2.4. the Client is not subject to any restrictions regarding the disposal of the Portfolio Assets;  
31.2.5. no third-party claims against the Bank shall arise in connection with the acceptance of the Portfolio Assets for the Management.

31.3. The Client undertakes to recognise as binding all actions performed by the Bank within the scope of the Management.

31.4. During the Management Term, the Client undertakes not to conduct independent operations with the Portfolio Assets. The Client undertakes not to submit Orders regarding Financial Instruments or cash funds held in the Brokerage Accounts opened for the Management without the prior consent of the Bank.

31.5. The transfer of the Portfolio Assets for the Management does not mean that it passes into the ownership of the Bank.

31.6. The Proceeds shall be included in the composition of the Portfolio Assets, unless the Parties agree otherwise by a written agreement.

#### Portfolio Assets Management Procedure

31.7. The Portfolio Assets may consist of cash funds and/or Financial Instruments. The value of the Financial Instruments is determined based on their market value at the time of transfer for the Management.

31.8. In the Investment Declaration, the Client shall indicate:

31.8.1. the value of the Portfolio Assets to be transferred;  
31.8.2. the structure of the Financial Instruments portfolio within which the Management shall be carried out;  
31.8.3. the desired Management Term. The minimum Management Term is 12 months.

31.9. After submission of the Investment Declaration, the Client may transfer additional cash funds and/or Financial Instruments for the Management. For this purpose, the Client shall submit an Order on asset placement under Management.

31.10. While performing the Management, the Bank, without additional consent from the Client, but at the Client's risk and expense, determines actions with respect to the Portfolio Assets which are deemed as the most appropriate taking into account the Client's interests.

31.11. When performing the Management, the Bank has the right to:

31.11.1. hold the Financial Instruments with Counterparties;  
31.11.2. pledge the Financial Instruments and/or cash funds as financial collateral in order to obtain a Margin Loan if such option is specified in the Investment Declaration;  
31.11.3. conduct other transactions with the Portfolio Assets not prohibited by the laws and regulations of the Republic of Latvia and the Investment Declaration.

31.12. The Management shall also include the exercise of rights arising from the Financial Instruments included in the Portfolio Assets. The Bank is entitled to participate in corporate events, make decisions regarding corporate events and other matters affecting the value of the Financial Instruments. The Client authorises the Bank to carry out the actions specified in this Clause.

31.13. The Client reimburses the Bank for all expenses related to the Portfolio Assets incurred by the Bank during the Management process. This includes taxes, duties, and other mandatory payments related to the Portfolio Assets.

31.14. If the Proceeds or transactions with the Portfolio Assets are subject to taxation in any jurisdiction, the Client shall be obliged to pay such tax. The Bank shall not be liable to third

parties for payment of the aforementioned tax. If the aforementioned tax has not been paid, the Client shall pay all related expenses and losses from the Portfolio Assets.

31.15. The Bank is not entitled to use the Portfolio Assets to:

31.15.1. fulfil the Bank's own obligations;

31.15.2. fulfil third-party obligations.

31.16. The Client is entitled to receive information regarding the composition of the Portfolio Assets from the Bank.

31.17. The Bank does not provide the Client with investment recommendations or any other recommendations of a general nature. The information provided by the Bank shall not constitute investment recommendations or other recommendations of a general nature.

31.18. The Bank does not guarantee the return of the Portfolio Assets or any part thereof, nor the preservation or increase of the value of the Portfolio Assets. The Bank's only obligation within the Management is to transfer to the Investment Accounts the cash funds and/or Financial Instruments actually received from the Management.

31.19. The Client confirms that:

31.19.1. the Client is able to assume all risks associated with investments;

31.19.2. the Client has sufficient funds to withstand losses arising from investments, including the loss of all Portfolio Assets.

31.20. The Client acknowledges that:

31.20.1. the Client is aware that potential yield of the Financial Instrument is proportional to the investment risk, accordingly - the higher is the yield of the Financial Instrument, the greater is the risk of losses stemming from transactions with the Financial Instruments;

31.20.2. the Margin Loan that may be provided for in the Investment Declaration increases the overall investment risk. Market price fluctuation of pledged Financial Instruments may result in significant losses to the Client.

#### Remuneration for the Management

31.21. The Client pays the Bank remuneration for the Management. The amount and arrangements for the payment of the remuneration for the Management is specified in the Investment Declaration. The Bank may unilaterally change the remuneration for the Management specified in the Investment Declaration by notifying the Client 10 calendar days prior to the new remuneration amount for the Management takes effect. The Bank is also entitled to the reimbursement for administrative expenses incurred during the Management (registration duties, Financial Instruments re-registration, conversion fees, etc.) and/or the Bank's Losses.

31.22. If on due date when the remuneration for the Management is to be paid and/or the expenses and/or the Bank's Losses are to be reimbursed, the Client has no cash funds in the necessary amount, the Bank at its sole discretion is entitled to sell some of the Client's Financial Instruments under the Management and transfer the received cash funds for the settlement of the Client's liabilities

31.23. In case of the termination of the Management, the calculation of the remuneration for the Management and expenses incurred is made as of the date of such termination.

#### Termination of the Management

31.24. The Client is entitled to prematurely terminate the Management by issuing an Order for complete withdrawal of the Portfolio Assets from the Management 5 Working Days prior to the intended termination date of the Management. In such case, the Bank sells the Portfolio Assets at the current market price and transfers the proceeds from the sale to the Cash Account or the Current Account. The Client undertakes to pay the commission fee specified in the Investment Declaration for the Management and for the early withdrawal of the Portfolio Assets from the Management, if applicable.

31.25. No later than 5 Working Days prior to the end of the Management Term, the Client is obliged to submit an Order on assets withdrawal. If an Order on assets withdrawal has been

submitted, the Bank sells the Portfolio Assets at the current market price and transfers the proceeds from the sale to the Cash Account or the Current Account.

31.26. If the Client fully withdraws the Portfolio Assets from the Management in accordance with Clauses 31.24–31.25 of the Terms and Conditions, the Management is deemed terminated at the time the Bank transfers the proceeds from the sale of the Portfolio Assets to the Cash Account or the Current Account.

31.27. Subject to a separate agreement with the Bank, the Client may submit to the Bank an Order for termination of the Management without selling the Portfolio Assets. Such Order may be submitted together with the Order on assets withdrawal within the term specified in Clauses 31.24–31.25 of the Terms and Conditions. In that case, the Client shall take over the Portfolio Assets as they are at the moment of termination of the Management, less any payments due to the Bank as Remuneration. The Bank is entitled, at its sole discretion, to refuse termination of the Management without sale of the Portfolio Assets. Pursuant to this Clause, the Management shall be deemed terminated at the moment the Bank confirms such termination.

31.28. The Bank is entitled to prematurely terminate the Management by notifying the Client 10 days prior to the termination date, unless the Terms and Conditions or the laws and regulations of the Republic of Latvia or the European Union stipulate otherwise. The Bank is entitled not to indicate to the Client the reason for the termination of the Management.

31.29. Upon termination of the Management on the Bank's initiative, the Bank shall not dispose of the Portfolio Assets. The Client takes over the Portfolio Assets as they are at the moment of termination of the Management, unless otherwise provided by the laws and regulations of the Republic of Latvia. Furthermore, the Bank is entitled to withhold from the Client the remuneration, expenses and the Bank's Losses.