



JSC „RIETUMU ASSET MANAGEMENT” IMC  
 VESETAS 7 / RIGA  
 LV-1013 / LATVIA  
 REG. No. 40103753360  
 TELEPHONE +371 67025284  
 +371 67025555  
 FAX +371 67025588  
 ram@rietumu.lv  
 www.rietumu.com/en/ram

## CLIENT’S FINANCIAL INSTRUMENTS PORTFOLIO INDIVIDUAL MANAGEMENT AGREEMENT No. \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / 20 \_\_\_\_

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

COMPLETE IN BLOCK CAPITALS

The Joint Stock Company “Rietumu Asset Management” Investment Management Company, registered in the Commercial Register of the Republic of Latvia on January 29, 2014 with unified registration No. 40103753360, legal address: 7 Vesetas str., Riga, LV-1013, the Republic of Latvia, represented by \_\_\_\_\_,  
 acting on the basis of the \_\_\_\_\_, (hereinafter – the Manager), on the one part, and  
 \_\_\_\_\_ (hereinafter – the Client)  
(corporate entity: full name / private individual: name, surname)

**To be completed by a citizen / non-citizen of the Republic of Latvia:**

Identity number  
 \_\_\_\_\_

**To be completed by citizens of other countries:**

Passport / Identity document No.  
 \_\_\_\_\_

Date of birth  
(day/month/year) \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Date of issue of passport /  
 identity document  
(day/month/year) \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Issuing state and institution  
 of passport / identity document \_\_\_\_\_

**To be completed by a corporate entity:**

Registration No.  
 \_\_\_\_\_

Residential / Legal address: \_\_\_\_\_  
(street, house, flat)

City \_\_\_\_\_ Country \_\_\_\_\_ Postal Code \_\_\_\_\_

represented by \_\_\_\_\_ (position) \_\_\_\_\_ (name, surname)

who acts on the basis of \_\_\_\_\_

on the other part, the Manager and the Client (hereinafter – the Parties), concluded this Agreement (hereinafter – the Agreement) on the following:  
 1. The Client transfers his cash funds and/or financial instruments (hereinafter – the Assets) to the Manager for individual management, and the Manager accepts and manages the Assets in the Manager’s own name in the Clients interests, complying with the legislation of the Republic of Latvia.

2. The rights and liabilities of the Parties under the Agreement are regulated by Terms and Conditions of Client’s Financial Instruments Portfolio Individual Management Agreement (hereinafter – the Terms and Conditions). The Terms and Conditions are the main and major document regarding the provision of individual management services by the Manager to the Client within a framework of individual financial instruments portfolio management.

3. The Terms and Conditions regulate the status and regime of the Assets, transferred to the Manager for the management, the procedure of management of the Assets, rights and obligations of the Client and the Manager, the remuneration for the management and other expenses of the Client, procedure of identification of the Client, resolution of disputes, the procedure of amending the Terms and Conditions and other provisions, related to the provision of individual management services.

4. The Parties confirm that they understand the provisions of the Terms and Conditions and the Terms and Conditions are binding upon the Parties within the framework of their relations established by the Agreement. The current version of the Terms and Conditions is available on the Manager’s website [www.rietumu.com/en/ram](http://www.rietumu.com/en/ram).

5. The substantive law of the Republic of Latvia governs the rights and obligations of the Parties arising from the Agreement.

6. Any disputes arising from the performance of the Agreement are resolved by the Parties in accordance with the Terms and Conditions.

7. By signing the Agreement, the Client acknowledges that he is familiar with the Terms and Conditions, the procedure of management is clear to him and no claims or complaints regarding the management will be made to the Manager, if the Manager, while managing the Assets, has acted in accordance with the Terms and Conditions.

8. The Agreement shall enter into force upon its signing by both Parties. The Agreement is entered into for an indefinite period until the Client has removed the Assets from management and/or until the Manager has terminated the management and is valid until the Parties have completely fulfilled their obligations under the Agreement.

9. The Parties are entitled to terminate the Agreement in line with the Terms and Conditions.

10. The Agreement is drawn up and signed in 2 (Two) copies of equal legal force.

Client represented by \_\_\_\_\_  
(name, surname)

Manager represented by \_\_\_\_\_  
(name, surname)

X  
 \_\_\_\_\_  
(signature)

X  
 \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(seal)

\_\_\_\_\_  
(seal)



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## CLIENT’S FINANCIAL INSTRUMENTS PORTFOLIO INDIVIDUAL MANAGEMENT AGREEMENT No. \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/ 20\_\_\_\_

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

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(corporate entity: full name / private individual: name, surname)

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Passport / Identity document No.  
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 identity document  
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Issuing state and institution  
 of passport / identity document \_\_\_\_\_

**To be completed by a corporate entity:**

Registration No.  
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Residential / Legal address: \_\_\_\_\_  
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City \_\_\_\_\_ Country \_\_\_\_\_ Postal Code \_\_\_\_\_

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Client represented by \_\_\_\_\_  
(name, surname)

Manager represented by \_\_\_\_\_  
(name, surname)

X  
 \_\_\_\_\_  
(signature)

X  
 \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(seal)

\_\_\_\_\_  
(seal)



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## TERMS AND CONDITIONS OF CLIENT'S FINANCIAL INSTRUMENTS PORTFOLIO INDIVIDUAL MANAGEMENT AGREEMENT

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

Conditions of Client's Financial Instruments Portfolio Individual Management Agreement (hereinafter – the Terms and Conditions) regulate the order of provision of individual financial instruments portfolio management services and constitute an integral part of Client's Financial Instruments Portfolio Individual Management Agreement. Unless another regulatory order of their legal relations is stipulated by other contracts and/or agreements concluded by the Manager and the Client, the provisions of these contracts and/or agreements prevail over the Terms and Conditions.

### BASIC DEFINITIONS

All terms not defined by the Terms and Conditions have the meaning given them by the corresponding rules of law of the Republic of Latvia. Except where the Terms and Conditions stipulate otherwise, the terms in the Section “Basic Definitions” defined in singular have the same meaning in plural, and the terms defined in plural have the same meaning in singular.

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

**Agreement** – the Client's Financial Instrument Portfolio Individual Management Agreement which is entered into by the Manager and the Client, and in accordance to which the Manager manages the Assets.

**Assets** – cash funds and/or Financial Instruments owned by the Client pursuant to title deed passed by the Client to the Manager for the Management and accepted by the Manager for the Management subject to the Terms and Conditions, as well as Proceeds of the Assets assigned for the Management.

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

**Cash Account** – a special investment account opened by the Bank for the custody and accounting of the Client's cash funds, which are under the Management.

**Client** – a private individual or a corporate entity, or a legal arrangement, or an association of such individuals/entities/arrangements to whom the Manager provides the Management services under the Agreement.

**Client Identification** – verification of facts and requisites in the Client's Order, enabling verification that the Client's Order has been submitted by the Client or the Client's Representative.

**Client's Order** – the Client's instructions duly completed and submitted to the Manager in accordance with the Terms and Conditions which serve as a basis for submission of the Order for Transactions with Financial Instruments and/or cash funds of the Client to the Bank, as well as any other Client's instruction in accordance with the Terms and Conditions.

**Client's Representative** – a person entitled to manage the Assets and/or submit Client's Orders, as well as receive information addressed to the Client, and represent the Client in its legal relations with the Manager in other ways within its authorisation.

**Counterparty** – a third party through whose mediation and/or support the Manager conducts the activities within the Management.

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

**Financial Instruments** – financial instruments in the interpretation of the “Law on Financial Instruments Market” (*Finanšu instrumentu tirgus likums*) of the Republic of Latvia, including, but not limited to: transferable securities (stocks, bonds), 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.

**Financial Instruments Account** – an account opened by the Bank for the custody and accounting of the Client's Financial Instruments which are under the Management.

### 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.

**Individual Portfolio** – a portfolio of Assets compiled by the Manager within the Management.

**Internet Bank** – a remote control system of the Bank enabling the Client to submit the Client's Orders via the internet in accordance with the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement.

**Investment Declaration** – a document which forms an integral part of the Terms and Conditions and in accordance to which the Manager conducts the Management.

**JSC "Rietumu Banka" and Client Agreement** – an agreement in the wording approved by the Bank about the provision of financial services to the Client, the integral part whereof form the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement.

**Management** – the Orders for Transactions with Financial Instruments and any other actions in respect of the Assets as well as abstention from those, carried out by the Manager in line with the provisions of the Terms and Conditions, in the interests of the Client, at the Client's risk and expense.

**Management Term** – a time period indicated in the Investment Declaration during which the Manager conducts the Management. The Minimal Management Term is 12 (Twelve) months.

**Manager** – a joint stock company "Rietumu Asset Management" Investment Management Company, registered in the Commercial Register of the Republic of Latvia on January 29, 2014, with the unified registration number 40103753360, legal address: Vesetas 7, Riga, LV-1013, the Republic of Latvia. Licence for providing investment management services has been reregistered on 17 April 2014 by the Financial and Capital Market Commission. Licences Register No. 06.03.06.512/356.

**Manager's Losses** – any expenses, losses, liabilities to the third parties, fines, penalties and duties, unenforceable obligations of third parties, as well as the loss of profits and damage to the Manager's reputation.

**Order for Transactions with Financial Instruments** – transactions and other actions with the Financial Instruments which are carried out by the Manager on behalf of the Client in accordance with the Terms and Conditions.

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

**Party/Parties** – the Client and the Manager referred to in the Terms and Conditions either separately or collectively.

**Power of Attorney** – a power of attorney for disposal of Assets and Accounts in the Bank on behalf of the Client in accordance with the sample approved by the Manager.

**Proceeds** – profit, including dividends, interests and any other increments in the Assets received from the Management.

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

**Terms and Conditions of JSC "Rietumu Banka" and Client Agreement** – the Bank's terms and conditions in accordance to which the Accounts are opened and maintained, and transactions with the Financial Instruments owned by the Client are conducted.

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

**Working Day** – an official business day of the Manager in Riga, the Republic of Latvia.

## 1. GENERAL PROVISIONS

1.1. The Client transfers the Assets, to which he/she holds the title and ownership rights, to the Manager, and the Manager accepts the Assets and undertakes the Management of the Assets in the Client's interests at the Client's expense according to provisions of the Terms and Conditions. The Client agrees to pay the Manager the remuneration for the Management in the amount and manner stipulated by the Terms and Conditions. The Client accepts and confirms as binding all the Manager's actions carried out under the Terms and Conditions.

1.2. In order to transfer the Assets for the Management, the Client is obliged to:

1.2.1. sign the Agreement, *Power of Attorney*, Investment Declaration and other documents specified by the Manager in the presence of an authorized representative of the Manager or the Bank;

1.2.2. submit to the Manager an up-to-date and correctly filled in *Client Application Form for Operations on Financial Instruments Market*;

1.2.3. sign the JSC "Rietumu Banka" and Client Agreement and other documents at the request of the Bank required for opening and maintaining of the Accounts;

1.2.4. ensure availability of the Assets on the Accounts.

1.3. The Client undertakes not to revoke and timely renew the *Power of Attorney* issued to the Manager. The Client is obliged to timely submit to the Manager a renewed *Power of Attorney* not later than 1 (One) month before the valid *Power of Attorney* has expired.

1.4. The Client undertakes not to implement independent transactions with the Assets during the Management Term, including, not to give orders to the Bank regarding Financial Instruments and/or cash funds on the Accounts opened for the Management, without previously agreeing his/her actions with the Manager.

## **2. STATUS AND PROCEDURES OF ASSETS**

2.1. By transferring the Assets to the Manager for the Management the Client confirms and warrants that: 2.1.1. the Client possesses the legal capacity for transferring the Assets for the Management;

2.1.2. the Client possesses all rights, permissions, licences and authorizations for transferring the Assets for the Management;

2.1.3. the Client is the sole owner of the Assets;

2.1.4. the Assets are free of any encumbrances, including are not pledged, are not the objects of guarantees and there are no guarantees regarding the Assets, the Assets are not banned and/or arrested, and the Client has no restrictions or limitations for disposition of the Assets;

2.1.5. the Client is aware of and accepts the conditions of Terms and Conditions of JSC "Rietumu Banka" and Client Agreement, including the procedure for issuing the Client's Orders through the Internet Bank;

2.1.6. the Client is informed about the fact that the Manager does not provide the Client with investment recommendations or any general recommendations; therefore, no information provided by the Manager can be considered as an investment recommendation or any other general recommendation;

2.1.7. third parties have no claims against the Manager in respect of the acceptance of the Assets for the Management.

2.2. Transfer of the Assets for the Management does not implicate transfer of ownership rights or title to the Assets. The Assets form a separate aggregate of tangible valuables segregated both from other assets transferred to the Manager for the Management by third parties and from the Manager's own assets.

2.3. Proceeds are incorporated into composition of the Assets unless the Parties agree otherwise by a separate agreement in writing. The Client's rights of disposal of the Proceeds are restricted to an obligation of the Client to pay the Manager the remuneration for the Management in the amount and manner stipulated by the Terms and Conditions.

## **3. PROCEDURES OF ASSET MANAGEMENT**

3.1. The Client places the Assets transferred for the Management on the Accounts. The Assets may consist of cash funds and/or the Financial Instruments. The value of the Financial Instruments is determined as the market value at the moment of transferring the Financial Instruments for the Management.

3.2. The submission of the Investment Declaration to the Manager forms the grounds for the Management transactions. The Investment Declaration contains the following information:

3.2.1. value and composition of the transferred Assets;

3.2.2. structure of the Financial Instruments portfolio, within the framework of which the Manager has to implement the Management;

3.2.3. the Management Term.

3.3. After submission of the Investment Declaration, the Client is entitled to transfer additional cash funds and/or the Financial Instruments for the Management by transferring cash funds and/or the Financial Instruments to the Accounts. In the details of the transfer the Client must indicate that the cash funds and/or the Financial Instruments are being transferred for the Management, the date and the number of the Agreement. The Client must also inform the Manager about such transfer in advance. Such transfer is considered as the Client's Order to immediately supplement the composition of the Assets with the transferred cash funds and/or Financial Instruments and their Management. If the Client has failed to timely inform the Manager about such transfer, the Manager is entitled to refuse to accept the transferred cash funds and/or the Financial Instruments for the Management.

3.4. While performing the Management, the Manager, without additional consent from the Client at the Client's risk and expense, determines actions with respect to the Assets which are deemed as the most appropriate taking into account the Client's interests. The Manager's actions shall not conflict with the Investment Declaration provided by the Client.

3.5. While performing the Management, the Manager has the right to implement the following financial transactions:

3.5.1. place cash funds on deposits;

3.5.2. hold the Financial Instruments with the Counterparties;

3.5.3. pledge the Financial Instruments in order to obtain margin loan/financing in accordance with the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement;

3.5.4. purchase/sale of the Financial Instruments, including the shares of investment funds, which are under the management of the Manager according to the prospectus and/or other documents of the fund. By signing the Agreement, the Client confirms to the Manager his/her consent to the purchase of shares of such investment funds and their inclusion into the composition of the Assets;

3.5.5. perform other transactions with the Assets which are not prohibited by the rules of law of the Republic of Latvia and the Investment Declaration and which the Manager considers necessary for the effective Management taking into account limitations set out in Clause 3.13 of the Terms and Conditions.

3.6. The Management also includes exercising the rights on the Financial Instruments included in the composition of Assets, if any, including, but not limited to, the participation in corporate actions, make decisions regarding the corporate actions and other decisions, which may affect the price of the Financial Instrument included in the composition of the Assets. By signing the Agreement, the Client authorises the Manager to carry out the activities specified in this Clause of the Terms and Conditions.

3.7. Any Manager's liabilities with regard to the Assets, including, but not limited to, liabilities related to payment of taxes, duties and other compulsory payments to the budget of a corresponding level and off-budget funds, incurred in the process of the Management in countries where the Assets are placed or in the country of the Manager's incorporation are deemed as necessary expenses subject to reimbursement as set out in Section 4 of the Terms and Conditions.

3.8. The Client bears tax liability, if the Proceeds or transactions with the Assets are taxable under the law of the Client's country of residence or the country, where the Assets have been transferred. The Client acknowledges and confirms that the Manager does not bear the aforesaid tax liability towards third parties. The Client undertakes to cover, using his Assets, all expenses and losses resulting from outstanding payment or failure to pay the aforementioned taxes.

3.9. The Manager implements transactions with the Assets on behalf of the Client, taking into account that he is acting as the Manager.

3.10. If the Manager cannot carry out further Management for any reason, acting in the Client's interests, the Manager is entitled to, having given prior notice to the Client thereof, appoint a third party to perform on behalf and in the name of the Manager actions required for the Management, on terms which are not worse than those stipulated by the Terms and Conditions.

3.11. The signing of the Agreement means that the Client by entrusting the Manager to perform the Management confirms that all the Manager's actions taken within and on the basis of the Terms and Conditions meet the Client's intentions and actions which the Client himself/herself would undertake for his/her own best benefit.

3.12. The Manager does not warrant the Client the return of the Assets, completely or partially, in case of adverse change in the market conditions and price fluctuations of the Financial Instruments comprising the Assets under the Management. The Manager's sole responsibility within the Management is to transfer the actual Proceeds received in the process of the Management to the Client's Cash Account.

3.13. The Manager is not entitled to use the Assets for:

3.13.1. discharging the Manager's own obligations;

3.13.2. discharging third parties' obligations;

3.13.3. acting as a guarantor and guarantee of discharging third parties' or Manager's own obligations at the expense of the Assets, except the cases when the obligations specified herein refer to the Management;

3.13.4. taking actions that are directly contrary to the Investment Declaration.

3.14. The Client has the right to prematurely terminate the Management relations by submitting an *Order on Assets Withdrawal* to the Manager not later than 5 (Five) Working Days prior to the intended date of termination of the Management. In this case, the Manager disposes of the Assets at the current market price and transfers the cash funds received from the disposal to the Cash Account or the Client's current account with the Bank. The Client undertakes to pay the management fee for the Management and commission charges for early withdrawal of the Assets from the Management in line with the Investment Declaration.

3.15. The Client is obliged to submit to the Manager an *Order on Assets Withdrawal* not later than 5 (Five) Working Days prior to the end of the Management Term:

3.15.1. if the *Order on Assets Withdrawal* was submitted, the Manager disposes of the Assets at the current market price and transfers the cash funds received from the disposal to the Cash Account or the Client's current account with the Bank;

3.15.2. if the Client fails to submit the *Order on Assets Withdrawal* in due time, the Management Term is renewed each time for the same term as it has been mentioned initially in the Investment Declaration. Additionally, the Client rather than the Manager is responsible for keeping track of the Management Term deadline.

3.16. If the Client completely withdraws the Assets from the Management in accordance with Clauses 3.14–3.15 hereof, the Agreement will be considered as terminated, but the *Power of Attorney* issued to the Manager as revoked from the moment when the Manager transfers cash funds received from the disposal of the Client's Assets to the Cash Account or the Client's current account with the Bank.

3.17. By separate agreement with the Manager, the Client is entitled to submit to the Manager an order in free form to terminate the Management without disposal of the Assets. Such order may be submitted together with the *Order on Assets Withdrawal* in the term specified in Clauses 3.14–3.15 hereof. In such case the Client takes over the Assets as they are at the time of termination of the Management, deducting the commissions and other payments stipulated in the Terms and Conditions for the benefit of the Manager. The Manager is entitled at its own discretion to refuse to terminate the Management without disposal of the Assets. According to this Clause of the Terms and Conditions the Agreement is considered to be terminated, but the *Power of Attorney* issued to the Manager as revoked as from the moment the Manager has approved the termination of the Management.

3.18. The Client is entitled to receive information about the composition of the Assets and balance of the Accounts from the Manager.

3.19. The Manager is entitled to request information from the Client and set the deadline and form of submission, as well as requirements for processing, approving thereof. The Manager determines the degree of sufficiency of the submitted and requested information in accordance with the requirements of the laws and regulations of the Republic of Latvia, the European Union and/or the Terms and Conditions. Especially the Manager is entitled to request that the Client's documents are notarised, certified with apostille and legalised.

3.20. The Client undertakes to provide reliable true information to the Manager concerning his/her legal status, details and corporate details, composition and status of the Assets, financial condition, knowledge and experience, investment goals and restrictions, and any other information, proofs and legal documents requested by the Manager, as well as immediately notify the Manager in writing in case of any changes in the previously submitted information.

3.21. In case of expiry of the validity term of the *Power of Attorney* or if revoked by the Client, the Manager terminates the Management activities. In such situation the Manager is entitled to terminate the Agreement in accordance with the procedure stipulated in Clause 13.5 of the Terms and Conditions.

3.22. The Client undertakes to ensure sufficient amount of the Financial Instruments and cash funds on Accounts to cover the remuneration for the Management as well as any other expenses and duties pertaining to the Management.

3.23. The Bank categorises the Client for operations on financial markets in accordance with the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement. The Manager carries out the assessment of the Management services to the Client's interests. The Manager assesses the experience and knowledge of the Client's Representatives identified and registered by the Manager in investment area. If there are several Client's Representatives, the Manager, when assessing the conformity of the product and/or service to the Client, takes into account the experience and knowledge in the investment area of the Client's Representative having the lowest level of knowledge and experience. The result of the assessment affects the procedure of the Management and compilation of the Individual Portfolio.

#### **4. THE REMUNERATION FOR THE MANAGEMENT AND PROCEDURES FOR REIMBURSEMENT OF EXPENSES**

4.1. The Client pays the Manager the remuneration for the Management. Amount and arrangements for payment of the remuneration for the Management is defined for each Client individually and specified in the Investment Declaration. The Manager may unilaterally change the remuneration for the Management specified in the Investment Declaration by notifying the Client 10 (Ten) calendar days prior to the changes take effect. The Manager 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 Manager's Losses.

4.2. The remuneration for the Management and/or reimbursement for expenses and/or the Manager's Losses is paid upon the Manager's instruction to the Bank to charge relevant sums from the Accounts for the benefit of the Manager.

4.3. If on due date when the remuneration for the Management is to be paid and/or the expenses and/or the Manager's Losses are to be reimbursed, the Client has no cash funds in the necessary amount, the Manager at its sole discretion is entitled to:

4.3.1. submit an order to the Bank to sell some of the Client's Financial Instruments under the Management and apply proceeds for settlement of the Client's liabilities;

4.3.2. submit an order to the Bank to withhold cash funds in the amount due to the Manager as the remuneration for the Management and/or reimbursement for administrative expenses set out in Clause 4.1 of the Terms and Conditions for all or any periods as soon as cash funds become available on the Cash Account. Furthermore, cash funds due to the Manager shall be written off for any previous period.

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

4.5. The Manager's authorisation specified in Clauses 4.2–4.3 of the Terms and Conditions to submit Orders to the Bank continue to be in force on the basis of the Terms and Conditions irrespective of the revocation or expiry of the *Power of Attorney* issued by the Client to the Manager.

#### **5. CLIENT'S REPRESENTATIVES**

5.1. The Client submits to the Manager information about the Client's Representatives authorised to submit the Client's Orders to the Manager. For registration of the Client's Representatives the Client uses the standard form approved by the Manager.

5.2. The Client is bound by any of the Client's Orders submitted by the Client's Representatives. The Manager is not liable for any loss or damage incurred by the Client due to the actions of the Client's Representatives. The Client is fully liable to the Manager for the actions of the Client's Representatives.

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

5.4. As an exception to Clause 5.3 of the Terms and Conditions, if in respect of the Client's Representative either the *Signature Sample Card of Client's Representative* (Private individual) or *Signature and Seal Sample Card* (corporate entity) submitted earlier are valid, the Manager is entitled to be guided by the signature sample of the Client's Representative which was specified in these documents.

5.5. The authorisation of the Client's Representatives has legal power until the Manager is duly informed about the cancellation of the authorisation of the Client's Representatives in writing. The Client is obliged to make sure that the Manager has received a notice on the cancellation of the authorisation of the Client's Representatives. The Manager is entitled, but is not obliged, to check the validity of the authorisation of the Client's Representatives in public registers, official journals or other information sources.

5.6. If the Client authorises a new Client's Representative, the Client must duly process a new *Client Representative's Registration Card* and notify the Manager on whether the previously authorised Client Representative is still authorised to represent the Client or this Client's Representative is no more entitled to act on behalf of the Client. The Manager is not liable for losses the Client may incur not complying with the provisions of this Clause.

5.7. When the composition and/or the extent of powers of the Client's Representatives change, the Manager is entitled to contact the Client and request additional information and documents from the Client. Until the receipt of the requested information and documents, the Manager is entitled not to execute Orders of the Client's Representatives. If contradictory or suspicious information or documents are received, the Manager is entitled, for the purposes of protection of its interests and prevention of the Manager's Losses, in addition to its other rights stipulated in the Terms and Conditions not to accept the Client's Orders until the final clarification of the circumstances. The Manager is not liable for consequences of the above-mentioned suspension of transactions and access restrictions.

5.8. The Client undertakes to inform the Manager about all changes in the status and/or authorisation of the Client's Representatives in writing not later than on the following Working Day after such changes take place. The Client is liable for the losses the Parties may incur as a result of the non-compliance with the conditions of this Clause of the Terms and Conditions.

5.9. The Client shall be liable for any losses incurred due to the civil incapacity of the Client and/or the Client's Representative, unless the Manager was notified in writing in advance of the above fact.

5.10. The Manager is not responsible for possible forgery of documents or insufficient, incorrect or incomplete presentation and/or translation thereof.

## **6. ORDERS AND IDENTIFICATION PROCEDURES**

6.1. The Client is entitled to submit the Orders to the Manager personally or via the Client's Representative. The Client's Orders may be submitted in person, by post (in a written form) or via the Internet Bank.

6.2. The following documents are accepted by the Manager only in writing:

6.2.1. Agreement;

6.2.2. Investment Declaration, which is first drawn up, when signing the Agreement;

6.2.3. *Power of Attorney* (for disposal of Assets and Accounts in the Bank on behalf of the Client);

6.2.4. *Procedure for Out-of-Court Settlement of Complaints (Disputes)*;

6.2.5. *Client Representative's Registration Card*.

6.3. The Client is obliged to submit precise, consistent Client's Orders with clearly stated transaction subject. Any amendments, confirmations and repetitions should be pointed out as such by the Client.

6.4. The Client's Orders should be properly drawn and contain all the required verification and authentication details, adopted by the Manager and the Bank in accordance with the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement. The Bank at the request of the Manager carries out the Client Identification in accordance with the requirements of the laws and regulations of the Republic of Latvia, European Union and the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement.

6.5. The Client's Orders and other documents specified in Clause 6.1 of the Terms and Conditions and sent via the Internet Bank, apart from the required verification and authentication details, should be provided with Rietumu ID and Test Key, or DC. The Client's Orders via the Internet Bank may be submitted using the Rietumu ID and Identification and Authorisation Tools issued by the Bank on the basis of the Electronic Signature Agreement, as well as in accordance with the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement.

6.6. The Client submits the Client's Orders during the Manager's working hours clearly defining the type of the Client's Order, the composition of the Assets affected by such Client's Order, execution time and other required conditions. If the Client's Order has not been delivered during the Manager's working hours, the Manager shall implement such Client's Order on the next Working Day. By signing the Agreement, the Client confirms that he has fully acquainted himself with the procedures of the delivering and implementing Client's Order adopted by the Manager and the Bank.

6.7. While implementing the Client's Orders, the Manager is not liable for any delays, errors, misunderstandings, or other difficulties resulting from unclear, partial, or inaccurate instructions of the Client, as well as due to any kind of distortions in transmission of the Client's Orders via the e-mail or for any other reasons beyond the Manager's control. The Manager is further relieved from liability for any mistakes and/or omissions in the details of the Client's Orders made by the Client.

6.8. The Manager is not liable for any loss or damage that may be incurred by the Client due to abuse, forgery, or fraudulent activities by third parties, if the Manager has observed the required Client Identification procedures in line with the Terms and Conditions.



- 6.9. The Client is liable for any damage resulting from defect in his/her or Client's Representative's signature identification or undiscovered forgery. In any case, the Manager is not liable towards the Client for any accidental damage.
- 6.10. The Manager informs the Client of the changes in the procedure of submission of the Client's Orders or Client Identification in due time.
- 6.11. The Manager is entitled not to accept for execution the Client's Orders:
- 6.11.1. in case they are not timely submitted or are incorrectly executed, or there are doubts about their authenticity, as well as in case of insufficient funds and/or Financial Instruments in the Accounts necessary for execution of such Client's Order and/or payment of management fee provided in the Terms and Conditions;
- 6.11.2. if they contradict the laws and regulations of the Republic of Latvia and/or the countries where the Assets are located, the provisions of the Terms and Conditions or are technically impossible;
- 6.11.3. without explaining the reasons, as well as without providing the Client with any information in the cases provided for in the laws and regulations of the Republic of Latvia.
- 6.12. Prior to executing the Client's Order submitted via e-mail or Internet Bank, the Manager is entitled to request a confirmation from the Client via any other means of communication at the Client's expense.
- 6.13. The Manager is entitled not to execute the Client's Order if the Manager has any doubts with respect to the authenticity and genuineness of the Client's Order. The Manager is not liable for damages which may occur as a result of such non-execution.
- 6.14. The Client may cancel the Client's Order prior to its implementation by the Manager.
- 6.15. Financial accounting entries implemented mistakenly by the Manager may be cancelled by ordinary reversal (return to the initial status).
- 6.16. The Assets will not be transferred to the Accounts if the transfer instruction lacks the Accounts' numbers, names, or other payment details required for transfer execution, or if any of these are incorrectly given.
- 6.17. Account statements and other information, including information about changes in operating procedures and the remuneration for the Management, provided by the Manager under the Terms and Conditions, will be delivered using the open channels and means of communication.
- 6.18. The Client approves that he/she has access to the Internet and agrees to that the Manager is entitled to submit to the Client information which is not confidential and/or is not addressed personally to the Client, by posting it on the website [www.rietumu.com/en/ram](http://www.rietumu.com/en/ram)
- 6.19. If the information is not of individual and/or confidential character, it is placed on the website [www.rietumu.com/en/ram](http://www.rietumu.com/en/ram) or in the official gazette of the Republic of Latvia "Latvijas Vēstnesis".
- 6.20. The date of receipt of information from the Manager by the Client, depending on the used means of communication, is considered to be:
- 6.20.1. the date of sending such information by Internet Bank or electronic mail or a phone message;
- 6.20.2. 14 (Fourteenth) day, including the date of sending of the correspondence by post as certified in the mail receipt;
- 6.20.3. the date when the information is posted on the Manager's webpage [www.rietumu.com/en/ram](http://www.rietumu.com/en/ram);
- 6.20.4. the date of publication in the official gazette of the Republic of Latvia "Latvijas Vēstnesis".
- 6.21. The Client is obliged to regularly check the information on the Manager's website [www.rietumu.com/en/ram](http://www.rietumu.com/en/ram) and in the Internet Bank, including to follow the amendments to the Terms and Conditions and/or the Agreement.

## **7. CONFIDENTIALITY**

- 7.1. The Manager complies with the confidentiality requirements in accordance with the laws and regulations of the Republic of Latvia and/or the European Union. The Manager discloses information related to the Client's activities only directly to the Client and/or the Client's Representatives via the Client's contact information specified in the Agreement and/or in the corresponding Client's Orders and/or other documents. Such information may only be disclosed to third parties with the Client's consent or without the Client's consent in cases explicitly provided for and/or permitted by the rules of law of the Republic of Latvia and/or the European Union, regulations and other regulatory documents of depositaries and/or stock exchanges, the Counterparties or the country of issue of the Financial Instruments, and/or is related to the Management.
- 7.2. The Manager discloses information about the Assets, the Client, the Client's Representatives, the Client's Beneficial Owners upon official request of authorised public authorities or request of the Counterparties. Furthermore, the Manager is entitled to exchange any information with the Bank without limitations.
- 7.3. The Manager processes the information submitted by the Client and personal details of the Client, the Client's Beneficial Owner(s), the Client's Representatives and other private individuals related to the Client in accordance with the laws and regulations of the Republic of Latvia and/or the European Union. The Manager is entitled to, including, but not limited to, use and pass the information specified in this Clause to the companies which are related to the Manager within the framework of the Client's cooperation with these companies.

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

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

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

7.4.3. the Client undertakes upon request of the Manager to promptly provide documentary evidence of the collected consents or other legal grounds for the transferring of personal data to the Manager and further processing thereof by the Manager in accordance with the Clause 7.4.2 hereof;

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

7.4.5. the Client is liable to the Manager for any violation of Clauses 7.4.1–7.4.4 hereof, and for any related consequences, including, but not limited to, claims of private individuals and/or the supervisory institutions to the Manager. The Client will provide full assistance to the Manager in order to confirm the legitimacy of processing of personal data, which were transferred by the Client to the Manager. The Client will protect the Manager from any claims of private individuals related to the Client regarding the processing of personal data, and guarantees full compensation of the Manager's Losses arising from claims of this kind.

7.5. The Manager is not liable for any actions of third parties, including, but not limited to, further disclosure, use, storage or transferring of information, to whom during the provision of services to the Client within the Terms and Conditions or within the fulfilment by the Manager of its lawful obligations and the Manager's legitimate interests the Manager has disclosed personal data of the Client and/or other private individuals related to the Client.

7.6. The Client confirms that when any information related to the Client is being transmitted to third parties, including the Counterparties, the Client's Representatives and/or the Client itself, the Manager is entitled to use communication channels, including, but not limited to, post, e-mail, telephone and fax. The Manager is not liable for damages resulting from the possible unauthorized access and/or illegal use of this information by third parties contrary to the interests of the Client.

7.7. The Manager is entitled to make an audio recording of the Client's phone calls in order to improve the quality of service or to record the Client's messages.

## **8. LIABILITY OF PARTIES**

8.1. The Manager covers losses incurred by the Client as a result of wilful misconduct by the Manager.

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

8.3. The Manager is not responsible for the Client's losses related to the price changes in the financial and stock markets, unfulfilled obligations and/or insolvency of third parties, refusal of the issuers of the Financial Instruments to fulfil the obligations.

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

8.5. The Manager is not liable for the Client's obligations to third parties.

8.6. The Client is solely liable for the registration/declaration of the Client's accounts according to the laws and regulations of the country of the Client's residency.

8.7. The Client undertakes to reimburse the Manager's Losses, if such incurred.

8.8. If any of the following events has occurred:

8.8.1. the Client has failed to fulfil his/her obligations under any of transactions concluded with the Manager and/or breached any provision of the Agreement, the Terms and Conditions or any other contract or agreement concluded between the Manager and the Client;

8.8.2. the process of insolvency, reorganization, liquidation or other procedure which leads to transfer, suspension or termination of the Client's obligations or alienation of a significant part of the Client's assets is initiated in respect of the Client or by the Client, or the Client has decided to initiate such a process or procedure;

8.8.3. the Client has lost any licence or permission for conducting business or significant restrictions on conducting of commercial or professional activities have been imposed on the Client by competent public authorities;

8.8.4. disability, death of the Client or liquidation of the Client (corporate entity) occurs or is declared;  
8.8.5. the Client is not able to fulfil any of his/her obligations and/or becomes insolvent within the meaning of laws and regulations applicable to the Client;  
8.8.6. the Client has provided false information to the Manager,  
8.8.7. the Client does not comply with the requirements of all laws and regulations applicable to the Manager and/or the Client, and to their activities, including, but not limited to, the Client has committed a violation or an attempt to violate the laws and regulations of the Republic of Latvia and/or the European Union;  
8.8.8. the Client has committed a violation of national and/or international sanctions or an attempt to violate and/or circumvent the sanctions applied in the territory of the Republic of Latvia;  
8.8.9. restrictions are imposed on the Accounts or the process of closing in the Bank is initiated;  
8.8.10. the Client has revoked or has failed to extend the *Power of Attorney*;  
the Cross Default situation takes force for the Client, i.e. the Client's obligations that arose towards the Manager at the moment of such default shall be deemed unfulfilled in respect to all contracts, transactions or other agreements.

8.9. In any case specified in Clause 8.8 hereof, the Manager is entitled to unilaterally, at its own discretion and without prior notice to the Client, take any of the following actions:

8.9.1. not to execute or cancel any of the Client's Orders;

8.9.2. to sell the Assets;

8.9.3. to deduct from the Client remuneration, expenses and the Manager's Losses in accordance with Clauses 4.2-4.3. of the Terms and Conditions;

8.9.4. to offset the obligations with the Client;

8.9.5. not to execute or terminate execution of own obligations under the Terms and Conditions or any transaction, contract or agreement concluded between the Manager and the Client;

8.9.6. to take any necessary action in respect of the Client and the Assets to protect interests of the Manager and to prevent the Manager's Losses;

8.9.7. to demand the immediate early fulfilment of any obligations of the Client to the Manager;

8.9.8. to immediately terminate all contracts and agreements between the Client and the Manager, including termination of the Agreement in accordance with Clause 13.5 hereof;

8.9.9. to perform any other actions with the Assets which are necessary to carry out the actions specified in Clause 8.9 hereof.

8.10. Acting in accordance with Clause 8.9 hereof the Manager is not liable to the Client and third parties for any losses or expenses. The Manager's rights under Clause 8.9 hereof supplement other rights of the Manager determined by the Terms and Conditions and do not depend on other provisions of the Terms and Conditions. The Manager's failure to exercise own rights under Clause 8.9 hereof does not mean a waiver of such rights by the Manager.

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

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

## **9. FORCE MAJEURE**

9.1. The Manager is fully released from liability for a complete or partial failure to discharge obligations for operations and deals concluded under the Terms and Conditions if such a failure is caused by force majeure events:

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

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

9.1.3. technical failures, delays, malfunctions, failure of computers and/or communications systems, and/or hardware, and/or software; power supply malfunctions, utilities emergencies;

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

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

9.1.6. entry into force and/or amendments, and/or suspension of a statutory act of the country of registration of the Manager or the Counterparty affecting the fulfilment of obligations under the Terms and Conditions.

## **10. DECLARATION OF RISK AWARENESS**

10.1 The Client who receives the Management service has to understand that any investments in Financial Instruments involve risks and do not provide any guarantees for both the return of the principal amount and the generation of any income on it. It is recommended to discuss the below specified risks related to the funds invested in the Individual Portfolio with your financial and

tax consultants. Any type of risk can leave negative impact on results of the Individual Portfolio and, consequently, on the value of its assets. The listed risks do not claim to make an all-around report on all risks related to investments in the Individual Portfolio.

#### **10.1.1. Market Risk**

A risk that the Individual Portfolio will incur losses due to the revaluation of Financial Instruments included in the Individual Portfolio, where this revaluation is related to the change of market value under the influence of the following factors: exchange rates, interest rates, prices of capital securities and commodities, or the issuer's solvency will adversely affect the value of the Individual Portfolio.

#### **10.1.2. Liquidity Risk**

A risk that there will be no possibility to sell, liquidate Financial Instruments included in the Individual Portfolio or to make a transaction that results in closing a position in the desired term without substantial losses.

#### **10.1.3. Exchange Risk**

A risk that the Individual Portfolio will incur losses due to the change of the exchange rate of the base currency of the Individual Portfolio and

10.1.3.1. the Client's currency,

10.1.3.2. the currency of Financial Instruments included in the Individual Portfolio.

#### **11.1.4. Credit Risk**

A risk that the Individual Portfolio will incur losses because the issuer fails to fulfil its contractual liabilities. In order to assess the credit risk of bonds and other debt instruments the issuer's credit rating can be used. The debt instruments with a lower rating are usually considered to be instruments with a higher credit risk and therefore with a higher probability of non-fulfilment of their contractual liabilities. Ratings of credit agencies offer an opinion concerning the ability and readiness of the issuer to fulfil its liabilities in due time and to the full extent on the basis of an analysis of the issuer's financial history and an analysis at the moment of assigning the rating. Thus, the credit rating assigned to debt instruments not necessarily discloses the current financial standing of the issuer and does not assess the volatility and liquidity of the Financial Instrument. In spite of the fact that the credit ratings can be useful instruments for analysis of the issuer's solvency, they are not a warranty for quality or a guarantee for fulfilment of respective liabilities in future.

#### **10.1.5. Country Risk**

A risk that the Individual Portfolio will incur losses because all or most of the issuers of securities and/or Counterparties of a country being its residents fail to fulfil their contract liabilities due to such internal reasons as changes in economic, political and legal situation in this country.

#### **10.1.6. Counterparty Risk**

A risk that the Individual Portfolio will incur losses due to the counterparty's failure to fulfil its liabilities at the time of a deal or when making settlements. The Individual Portfolio is exposed to the risk when making both over-the-counter and exchange transactions.

#### **10.1.7. Concentration Risk**

A loss occurrence risk due to the substantial exposure to persons or organisations subject to similar risks. The concentration risk involves the absence of sufficient diversification that exposes the Client to additional risks. The concentration risk can have various forms, including substantial exposure levels to individual financial instruments and/or issuers in the Individual Portfolio, groups of financial instruments and/or issuers, financial instruments and/or issuers of a certain economic sector or geographic region, individual products and service providers.

#### **10.1.8. Information Risk**

A loss occurrence risk due to the lack of availability or the absence of complete information about Financial Instruments included in the Individual Portfolio or their issuers.

#### **10.1.9. Legal and Regulatory Risk**

A loss occurrence risk or additional expenses risk due to amendments to laws and regulations of the Republic of Latvia or foreign countries.

#### **10.1.10. Risk Related to Investments in Derivative Financial Instruments**

To protect the Individual Portfolio assets against the market value fluctuation risk which may occur as a result of a change in the price of a respective asset or exchange rate, the Manager is entitled to make investments in derivative Financial Instruments on account of the Individual Portfolio. The Client has to understand that transactions with derivative Financial Instruments involve

additional risks. No guarantees or assurances are possible that the use of derivative Financial Instruments will allow or help to attain the investment objectives of the Individual Portfolio. Derivative Financial Instruments fully or at least to a sufficiently high degree correlate with or relate to the value of the underlying asset (Financial Instruments, value of ratios or indexes). Therefore, the use of derivative Financial Instruments is not always effective and sometimes can have a negative impact on the investment objective.

#### **10.1.11. Operational Risk**

A risk that the Individual Portfolio will incur losses due to the lack of satisfactory control over documentation, procedures, payments, accounting entries, transactions and activities of personnel. Operational risk also includes risks of operating system breakdowns, equipment failure risks, risks of damaging or destructing property by fire, natural disasters as well as malicious intent and fraud.

10.2. The risk management is a process of implementation of measures by the Manager enabling to minimize the negative impact and probability of losses and increase the security of Individual Portfolio:

10.2.1. Diversification among individual Financial Instruments, issuers, counterparties, asset classes, geographic regions and industries is the main factor that stimulates the limitation of unreasonably high risks of substantial losses in a long-term period. The Client's assets are managed as a balanced portfolio according to diversification principles and within target ranges of distribution of funds among various asset classes, geographic regions and industries specified in the Investment Declaration.

10.2.2. The Manager holds a view that combination of several Financial Instruments with different investment risk character in the Portfolio can ensure a more acceptable risk level for achieving the client's long-term objectives than substantial investments in individual Financial Instruments. In order to protect the investor's funds from unfavourable fluctuations within the limits of a specific class of assets, geographic regions and industries the Manager takes reasonable measures to avoid excessive concentration of assets.

10.2.3. The Manager strictly observes and regularly assesses the compliance of the Individual Portfolio with the norms and limitations specified in the Investment Declaration, agreements and laws and regulations of the Republic of Latvia. If non-compliance with the above-mentioned norms and limitations is established, rebalancing of the Portfolio is made according to the rebalancing principles.

10.2.4. For further risk mitigation of the Individual Portfolio a thorough quantitative and qualitative analysis is made concerning financial and non-financial information about issuers, counterparties, economic industries, regions and countries. The Individual Portfolio includes exclusively the investment objects that meet the investment criteria of the Manager.

10.2.5. To protect assets of the Individual Portfolio against the market value fluctuation risk which may occur from changes in the price of a respective asset or exchange rate the Manager is entitled to make investments in derivative Financial Instruments at the expense of the Individual Portfolio.

10.2.6. In order to reduce the operational risk, the Manager has elaborated and constantly monitors the implementation of the established procedures, due performance of professional duties by its employees and the existence of qualified support of the operating system of the Manager.

10.2.7. To achieve the Client's investment objectives with a minimum risk the Manager makes a systematic analysis and a constant monitoring of changes of the investor's profile, market and economic factors and the Client's Individual Portfolio. However, the Manager does not guarantee repayment of the principal amount of the investment and receipt of any additional income.

### **11. CLIENT'S ACKNOWLEDGMENTS**

11.1. By signing the Agreement, the Client acknowledges that:

11.1.1. he/she is aware of 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;

11.1.2. all Manager's actions taken within and on the basis of the Terms and Conditions correspond to the Client's intentions and actions which the Client himself/herself would undertake for his/her own benefit;

11.1.3. he/she realises that the Manager does not warrant the return of the Assets to the Client, completely or partially, in case of its loss as a result of adverse market conditions, provided the Manager has acted in accordance with the provisions of the Terms and Conditions;

11.1.4. he/she is able to bear all risks that may arise pertaining to investments and has sufficient material and/or financial resources to survive investment losses, including the loss of all Assets under the Management;

11.1.5. he/she has carefully read, understood, and accepts all terms of the Terms and Conditions, the text and legal consequences of which are clear to the Client. Respectively, the Client undertakes to observe the provisions of the Terms and Conditions;

11.1.6. he/she acknowledges all powers of attorney and warranties given by the Client to the Manager under the Terms and Conditions;

11.1.7. he/she acknowledges that he/she is responsible for completeness and authenticity of the information submitted to the Manager;

11.1.8. he/she has familiarized himself and agrees to the remuneration for the Management, the Client's Order delivery rules and the Client Identification procedure, as well as other procedures adopted by the Manager;

11.1.9. he/she is aware of the fact that possible financing which may be stipulated by the Investment Declaration is a high-risk investment method and that he/she may sustain substantial losses due to significant price fluctuations of the pledged Financial Instruments;

11.1.10. he/she has familiarized himself/herself and agrees with the *Excerpt from JSC "Rietumu Asset Management" IMC Deal Execution Policy* and the *Excerpt from JSC "Rietumu Asset Management" IMC Policy on Management of Conflicts of Interests*;

11.1.11. he/she has read and agree with the Terms and Conditions.

## 12. CLAIM AND DISPUTE SETTLEMENT

12.1. The Client has the right to submit claims and disputes in accordance with the procedure stipulated in *Procedure for Out-of-Court Settlement of Complaints (Disputes)*.

12.2. If an application or a complaint is received from the Client, in respect of whom a lawful restriction of communication or correspondence in the territory of the Republic of Latvia and/or beyond its borders is imposed, the application or the complaint must be sent in accordance with the established procedure, and the application or the complaint must contain all necessary requisites. Otherwise, the Manager is entitled not to register the application or the complaint, and not to respond to it.

12.3. Audio recordings of the Client's Orders transmitted over the phone and electronic documents/electronic copy of a paper document delivered via the Internet Bank, fax, e-mail is legal proof and may be used by the Parties as an evidence, when resolving the disputes.

12.4. The Parties settle any dispute and disagreement relating to the Terms and Conditions and/or the Agreement by means of negotiation. If the Parties fail to reach an agreement, the dispute is referred to a court of general jurisdiction of the Republic of Latvia. The dispute is resolved in accordance with the laws and regulations of the Republic of Latvia without regard to its conflict of laws provisions.

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

12.6. Clause 12.4 of the Terms and Conditions shall not prejudice the Manager's rights to bring actions, file complaints and claims in respect of the Client in its country of residence/county of location, as well as otherwise protect its rights in the Client's country of residence or business activity.

## 13. FINAL PROVISIONS

13.1. The Terms and Conditions come into effect once the Parties have signed the Agreement. The obligations of the Manager for the Management come into force, subject to the condition that the Client has provided the Manager with all documents specified by the Manager and has a sufficient amount of cash funds and/or Financial Instruments on the Accounts.

13.2. The Manager is entitled to unilaterally amend any provision of the Terms and Conditions, notifying the Client thereof 10 (Ten) calendar days before the new provisions come into effect, unless other provisions of the Terms and Conditions and/or laws and regulations of the Republic of Latvia/ the European Union stipulate otherwise. If the Client does not accept the respective changes, the Client is entitled to reject the services of the Manager. In such case the Terms and Conditions will regulate relations of the Parties until the Client withdraws the Assets from the Management and/or the Manager terminates the Management and until the Parties fully fulfil their obligations to each other. Otherwise, the Client is deemed to have agreed to such changes.

13.3. The Client is entitled to prematurely terminate the Management and terminate the Agreement by issuing an order for complete withdrawal of the Assets from the Management in accordance with Clauses 3.14–3.17 of the Terms and Conditions.

13.4. The Manager is entitled to prematurely terminate the Management and terminate the Agreement by notifying the Client 10 (Ten) days before the termination date of the Management and the Agreement, unless the Terms and Conditions or the laws and regulations of the Republic of Latvia stipulate otherwise. The Manager is entitled not to indicate to the Client the reason for termination of the Management and the Agreement.

13.5. Regardless of provisions of Clause 13.4 hereof, the Manager is entitled to unilaterally terminate the Management and/or relations with the Client (to terminate the validity of the Agreement) immediately without giving a reason thereof to the Client, when:

13.5.1. the Manager has information or suspicion that the Client's activities fail to comply with the laws and regulations of the Republic of Latvia, the European Union, the internal policies of the Manager, the Agreement and/or the Terms and Conditions, and/or

13.5.2. in respect of the Client at least one of the Cross Default events specified in Clause 8.8 hereof has arisen, and/or

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

13.5.4. if the Manager has good grounds to believe that further cooperation with the Client will harm its reputation or will result in the Manager's Losses, and/or;

13.5.5. the Client has failed to submit the documents requested by the Manager in accordance with the conditions of the Terms and Conditions in the term specified by the Manager, and/or

13.5.6. if the certifications and warranties specified in Clause 2.1 and/or 11.1 of the Terms and Conditions are not true.

13.6. The Client agrees that in the event of an immediate suspension of the Management and/or termination of the relations with the Client (termination of the validity of the Agreement) on the Manager's initiative in accordance with Clause 13.5 of the Terms and Conditions, the Manager is entitled to unilaterally without prior agreement with the Client make such decision and the Manager is not obliged to explain to the Client the reasons and grounds for such decision. At the same time the Manager is entitled to unilaterally without prior agreement with the Client take a decision on the procedure and time period in which the Client is obliged to withdraw his/her Assets.

13.7. If the Agreement is terminated pursuant to provisions of the Law on the Prevention of Money Laundering and Terrorism

and Proliferation Financing of the Republic of Latvia (*Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma un proliferācijas finansēšanas novēršanas likums*), the Manager immediately suspends transactions on the Client's accounts and further use of the Client's Assets takes place in accordance with restrictions and/or requirements stipulated by the laws and regulations of the Republic of Latvia. In this case the Manager is not obliged to explain to the Client the reasons and grounds for termination of the Agreement, and the Manager is entitled to unilaterally without prior agreement with the Client take a decision on the time limit and procedure for transferring the Assets.

13.8. Upon termination of the Management and termination of the Agreement at the initiative of the Manager, the Manager shall not dispose of the Assets. The Client takes over the 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 Manager is entitled to withhold from the Client the remuneration, expenses and losses of the Manager in accordance with Clauses 4.2–4.3 of the Terms and Conditions.

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

13.10. The Manager does not return documents submitted by the Client to the Manager during their cooperation.

13.11. 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.

13.12. The text of the Terms and Conditions is drawn up and approved by the Manager in Latvian, Russian and English. Texts in all three languages provided in this Clause of the Terms and Conditions have an equal legal power. In the event of conflict between the text of the Terms and Conditions in Latvian and text of the Terms and Conditions in any other language, the Terms and Conditions in Latvian are applied. The current version of the Agreement and the Terms and Conditions are published on the website of the Manager [www.rietumu.com/en/ram](http://www.rietumu.com/en/ram).



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## JSC “RIETUMU ASSET MANAGEMENT” IMC CLIENT PERSONAL DATA PROCESSING NOTICE

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 8, 27.03.2020

The Client Personal Data Processing Notice stipulates the procedure whereby JSC “Rietumu Asset Management” IMC processes personal data of clients and private individuals related to them while providing investment management services and/or consultations on investment in securities.

The following terms are used in the document:

**Client** – a private individual or a corporate entity to whom the Management company provides services under the Conditions of Client’s Financial Instruments Portfolio Individual Management Agreement, and any other agreements on providing financial services or consultations on investment in securities, or private individuals or corporate entities who are bound to the Management company with a transaction. The Client, in the understanding of the Notice, is also a potential client of the Management company who furnished the Management company with information with an aim to establish contractual relationship on providing investment management services and/or consultations on investment in securities, and the former clients of the Management company.

**Data Subject** – the Client (a private individual) and private individuals, the processing of whose information is related to the provision of management services and/or consultations on investment in securities to the Client (a private individual or a corporate entity). The related persons are including but not limited to: the Client’s representatives, whose Personal Data the Management company processes to fulfil the Conditions on Client’s Financial Instruments Portfolio Individual Management Agreement, or providing consultations on investment in securities, or in scope of another legal relations with the Client, shareholders and owners of the Client (a corporate entity), contact persons, relatives, co-borrowers, guarantors, pledgors and other private individuals related to the Client.

**Management company** – the joint stock company “Rietumu Asset Management” IMC, the unified registration number 40103753360, the legal address: 7 Vesetas Street, Riga, LV-1013, the Republic of Latvia.

**Notice** – JSC “Rietumu Asset Management” IMC Client Personal Data Processing Notice.

**Personal Data** – any information relating directly or indirectly to the Data Subject.

**Processing** – any activities with Personal Data including but not limited to: collection, storage, alteration, transfer, erasure.

### CATEGORIES OF PERSONAL DATA

Within a framework of providing services, the Management company may collect and process various information about the Data Subject. This information comprises, including but not limited to, the following categories and types of Personal Data:

**Identification data and contact details:** name, surname, identity number, details and a copy of identity document, a signature sample, date and place of birth, address, phone or fax number, e-mail address;

**Information on operation and status:** citizenship, an operation type, a position, a scope of authority, tax residence, the taxpayer identification number, a residence permit, education and professional experience, marital status, related business partners and persons, connection of the operation with the Republic of Latvia, presence on the list of persons who are banned to establish contractual relationship with, negative information or reputation, the status of politically exposed person or relation with such a person, the status of beneficial owner, the purpose of opening an account or service use, investment goals, data on planned transactions, CV, links to the USA or another country, an account with another bank, credit history;

**Information on financial status:** the type and value of assets on accounts, the source of wealth or income, details of investment portfolio, data on the owned company shares or corporate equity, owned property, amount of income, details on debts and liabilities, solvency, turnover for a period, average balance;

**Information concerning service use:** the account number, payment details, the services used (provided by the Management company), details of transactions and operations, and performance of obligations thereof, applicable tariff plans, communication with the Management company, personal identifier, audio records of verbal applications over the phone, video records, Rietumu ID, details of electronic signature, IP address, data on visits to the webpage of the Management company or use of Internet bank/mobile application, applications to the Management company;

**Information on cooperation with authorised bodies:** data from requests made by bailiffs, investigation bodies, courts, tax authorities, insolvency administrators, notaries, orphans’ courts, subjects of investigative activities, public and supervisory bodies, counterparties, stock exchanges and depositories.

The Management company receives information, which includes Personal Data, directly from both the Data Subject, his/her representatives or related persons and public sources, public and private registers and/or databases of various countries, including but not limited to: from the Enterprise Register, the Credit Register, the Land Register etc. Information about the Data Subject may also be received by the Management company from counterparties, payment systems, stock exchanges, depositories involved in providing services to the Client, or from public bodies.



The Management company may request or process information about the Data Subject when establishing contractual relationship, in the course of the cooperation and after termination of cooperation with the Client. Depending on the service the Management company renders, the Management company may request Personal Data on the basis of applicable law and for signing and/or fulfilment of provisions of contract between the Management company and the Client. Refusal to provide Personal Data can result in limitation of rendering management services and/or consultations on investment in securities, or make their rendering impossible since the Management company lacks all necessary information.

#### **PURPOSES FOR PROCESSING OF PERSONAL DATA**

The Management company processes Personal Data according to requirements of laws and regulations, provisions of applicable contracts and its legitimate and legal interest for implementation, including but not limited to, the following purposes:

##### **To ensure rendering of services**

The Management company primarily processes Personal Data to enter into contractual relationship with the Client for rendering management services and/or consultations on investment in securities, for taking necessary actions prior to entering in the contract, for implementation of the contracts signed with the Client, for assessment of the Client and the persons involved in a transaction with an aim to define a possibility and provisions for cooperation, for due execution of transactions with the Client, for signing contracts in the Client's interests, for settlements with the Client, for communication with the Client.

The Management company processes Personal Data for rendering management services on the basis of a respective contract with the Client or because of taking actions prior to its signing on the Client's request, on the basis of the legitimate interests of the Management company to provide the services to the Client, which she/he wishes to receive, and for performing legal obligations of the Management company in relation to the provision of specific service.

##### **To ensure performance of legal obligations of the Management company**

The activity of the Management company is governed by a number of laws and regulations which oblige the Management company to process Personal Data. Including, but not limited to, the Management company processes Personal Data with an aim to meet anti-money laundering and counter-terrorist financing requirements, to identify and monitor the Client's activity, to register pledge and collateral, to withhold taxes, to assess and manage risks and capital, to ensure security, to submit reports, to maintain accounting records and bookkeeping, to manage records, to conduct audits, to keep assets, to make payments, to meet international and national sanctions, to cooperate with public and private bodies.

The Management company processes Personal Data to perform its legal obligations, based on applicable requirements of laws and regulations in the sphere of management services and/or consultations on investment in securities, anti-money laundering and counter-terrorist financing, tax liabilities and bookkeeping, lending, executing deals, financial instruments, payment services, international sanctions, activity of public bodies and requirements of other laws and regulations applicable to the Management company. The Management company also processes Personal Data on the basis of its legitimate interests to ensure comprehensive compliance with provisions of the law and to prevent from violation of laws, to make internal assessment of the activity and to promote the compliance with the statutory requirements, to meet requirements of the supervisory bodies.

##### **To ensure risk management**

Within the cooperation with the Client the Management company processes Personal Data to monitor the observance of the Client's liabilities and the compliance by the Client with the regulations and requirements set by the Management company, to keep evidence and information on the course of cooperation, to disclose and prevent illegal actions, to ensure physical security and security of information systems, to protect the Management company against damage, to recover debts, to protect rights of the Management company, to represent the Management company's interests in the course of examination of claims and disputes.

In order to manage risks the Management company processes Personal Data based on the necessity to perform the contract with the Client or take actions prior to its signing, based on the Management company's legitimate interests to ensure meeting the cooperation conditions, to prevent potential damages, to collect debts, and to protect interests of the Management company and/or the Client, to ensure security of the Management company and/or the Client and to perform legal obligations of the Management company in regard to risk management.

##### **To ensure the Management company's legitimate interests**

The Management company may process Personal Data to improve the quality of its services, to provide the Client with additional services or to develop new products, to carry out internal analysis and statistics, to support the activities of the Management company and compliance with the internal administration procedures, to improve and test the Management company's technical infrastructure, to ensure the cooperation with the Management company's counterparties, to obtain necessary consultations from outsource specialists, to examine complaints or applications of the Client, to manage the rights and obligations of the Management company under the signed contracts.

The Management company processes Personal Data based on the necessity to perform the contract with the Client, based on the Management company's legitimate interests to ensure the activities and development of the establishment, to improve the quality of its services, to support the technical infrastructure, to perform the Management company's liabilities towards the counterparties, based on the legitimate interests of the Management company's counterparties related to the provision of services to the Client, and to perform the legal obligations of the Management company in regard to financial and commercial activity.

The Management company carries out recording of telephone calls with the Data Subject with the purpose of improving the quality of service and recording oral orders.

#### **RECIPIENTS OF PERSONAL DATA**

The Management company is entitled to transfer Personal Data, including, but not limited to, the following recipients:

- state and supervisory bodies, bailiffs, investigation bodies, courts, tax authority, insolvency administrators, notaries, orphans' courts, subjects of investigative activities, and other representatives of state authorities within the framework of relevant requests, fulfilment of the Management company's legal obligations, filing of reports;
- counterparties of the Management company or the Client, financial intermediaries, providers of transactions and settlements, routing of orders, banks, brokers, agents, trading venues, stock exchanges, depositories, liquidity providers, multilateral trading systems, systematic internalisers, payment systems, issuers of securities, and other persons who are involved in the execution of orders or transactions of the Client, rendering of services to the Client or custody of assets;
- persons who register and record the right of ownership, transactions, collaterals, corporate entities, legal relations or statuses, events or other facts related to the activities of the Client or the Management company, including, but not limited to, commercial registers, registers of pledges or other collateral, trade repositories, as well as other public and private registers;
- persons related to the protection of rights and interests, filing of claims, legal proceedings, dispute resolution, including, but not limited to, lawyers, state and arbitration courts, mediators, bailiffs, ombudsmen, alternative dispute resolution mechanisms;
- the Management company's auditors within the framework of the audit, drawing up of financial reports, and carrying out of other inspections;
- persons providing technical support to the activities of the Management company, including, but not limited to, IT and business service providers, consultants, postal couriers, translators, communications operators, developers;
- authorised representatives of the Client or the Data Subject, addressees of statements or excerpts upon the instructions by the Client, persons who are involved in the transactions of the Client, including, but not limited to: co-borrowers, guarantors, pledgors, assignors or assignees, purchasers or sellers;
- individuals and structural units within Rietumu group.

#### **TRANSFER OF PERSONAL DATA**

Processing of data, first of all, is conducted in the territory of the European Union (EU), however, within the framework of providing of management services or consultations on investment in securities, Personal Data may be transferred outside the EU.

Transferring of Personal Data outside the EU may occur in the situations where the activities of the Client or the Data Subject, transactions of the Client are entered into and executed in, pledges or security of obligations, place of storage of assets or execution of orders, dispute resolution, collection of debts, and other factors are related to a foreign country. Such transferring of Personal Data is based on the necessity to ensure the performance of the contract with the Client or take actions prior to entering therein, or to enter into the contract with a third party in the interests of the Client, and with the Data Subject's consent. Furthermore, the Personal Data may be transferred outside the EU to protect the rights and interests of the Management company within the legal proceedings or to exercise the Management company's rights in respect of the Client or the Data Subject. In individual cases, the transferring of Personal Data outside the EU may be stipulated by requirements of the laws and regulations applicable to the Management company.

If necessary, the Management company provides protection measures for the protection of information transferred outside the EU, e.g., the availability of duly approved corporate binding rules in respect of the Personal Data at the recipient, or entering into an agreement on transferring of information according to the EU standard contractual clauses. In separate cases, when transferring information to the countries which do not provide an EU equivalent level of protection for Personal Data, the transferred information will not be protected at the same level as stipulated under the EU laws and the Data Subject will not be able to fully exercise his/her rights related to the Processing. The list of countries providing the EU equivalent protection for Personal Data is established by the European Commission.

#### **AUTOMATED DECISION-MAKING, PROFILING**

As a part of the provision of services, the Management company may apply profiling (i.e. automated Processing) to evaluate the Client or the Data Subject. For example, profiling can be used as an auxiliary tool in the context of the Client's monitoring, when the Management company fulfils its obligations in anti-money laundering and counter-terrorism financing, taking into account the evaluation factors stipulated by the laws and regulations (e.g., services used, turnover of funds, type of activity etc). Taking into account the results of profiling, the Management company may perform additional supervision or analysis of the Client.

#### **PERSONAL DATA RETENTION PERIOD**

The Management company processes and stores Personal Data for the period that is necessary for the fulfilment of contractual obligations with the Client, the Management company's legitimate interests to retain information about the process of cooperation during the period of limitation of claims in civil actions, and the compliance with the requirements of laws and regulations (e.g., in the area of financial activities, archiving and records management, anti-money laundering and counter-terrorism financing etc.).

#### **RIGHTS OF DATA SUBJECT**

The Data Subject as a whole has the following basic rights in respect of the Processing of Personal Data:

- the right to request the rectification of his/her Personal Data, if they are incorrect or contain incomplete information;

- the right to erase his/her Personal Data, as far as permitted by laws and regulations and legitimate interests of the Management company and the Client;
- the right to request information on whether the Management company processes Personal Data, and to access such data, as far as permitted by laws and regulations about the confidentiality of information;
- the right to withdraw his/her consent to the Processing of Personal Data, in cases where the actions with Personal Data are not grounded by the laws and regulations, and the necessity to fulfil the contract with the Management company or legitimate interests of the Management company, and there are no other legal grounds for Processing;
- the right to object to the Processing if it is justified exclusively by the legitimate interests of the Management company and in a particular situation does not correspond to the more important interests of the Data Subject. In the situations, when the Processing is based on the requirements of the laws and regulations, the Data Subject is not entitled to object to the Processing of the respective Personal Data;
- the right to request restriction to the Processing for the period, while the Management company considers the request by the Data Subject to rectify the incorrect Personal Data or the validity of respective Processing, and the right to request a temporary retention of Personal Data, if the Processing of Personal Data is found to be ungrounded, but the Data Subject objects to their removal;
- the right to portability of Personal Data, receiving them in an electronic format with the purpose of transferring information to a third party, taking into account the restrictions stipulated by the laws and regulations;
- the right to request a revision of the decision related personally to the Data Subject, that has been taken completely automatically without the participation of the Management company's employees, and has legal consequences for the Data Subject, subject to the restrictions stipulated by the laws and regulations;
- the right to file a complaint with the State Data Inspectorate (11/13, Blaumana Street, Riga, LV-1011, Republic of Latvia) regarding issues related to the procedure of the Processing of Personal Data.

All requests related to the execution of the rights of Data Subjects must be addressed to the Management company in writing. The Management company examines the request within the period stipulated by the laws and regulations. If necessary, the Management company may request additional information from the Data Subject, which is necessary for the execution of the request. The rights of the Data Subject are subject to the terms and restrictions which are stipulated in the laws and regulations, and the above list of rights is only informative.

#### **FINAL PROVISIONS**

The Data Subject can contact the Management company regarding the Processing of Personal Data – by sending a written request to the address: 7 Vesetas Street, Riga, LV-1013, the Republic of Latvia, e-mail address: ram@rietumu.lv, by phone +371 67025284, or at the Internet bank. Messages for the Data Protection Officer must contain a remark "To Data Protection Officer".

The Notice applies to all Clients and Data Subjects irrespective of the time of establishment of contractual relationship with the Management company or the receipt of the management services, or consultations on investment in securities. The Notice is applicable also to those Clients and Data Subjects whose Personal Data the Management company received prior to the publishing of the Notice, and the former Clients of the Management company.

The latest wording of the Notice is published on the Management company's website <https://www.rietumu.com/en/ram>. The Management company has the right to unilaterally change the text of the Notice. Unless otherwise specified by the Management company, new wording of the Notice enters into force after published on the Management company's website. Please regularly check the current wording of the Notice.



## AN EXCERPT FROM JSC “RIETUMU ASSET MANAGEMENT” IMC DEAL EXECUTION POLICY

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No.15, 20.11.2020

### 1. BASIC TERMS AND DEFINITIONS

**Business partner** – a person who is entitled to provide investment services in accordance with “Financial Instrument Market Law” of the Republic of Latvia (Finanšu instrumentu tirgus likums) and to whom the Company submits orders for transactions.

**Receiver of management services** – an investment fund which is managed by the Company.

**Trading Venue** – the place of execution of client's orders.

### 2. AIMS AND OBJECTIVES

- 2.1. With the aim to provide for the receivers of management services the execution of the Company's transactions on the financial markets ensuring the best possible result for the client JSC “Rietumu Asset Management” IMC Deal Execution Policy (further – the Policy) is developed.
- 2.2. In order to achieve the aim, the Company performs the following tasks:
  - defines the order of execution of deals, which are related to assets of receivers of management services;
  - regulates the obligations of the Company when executing orders of receivers of management services;
  - defines the conditions of best execution;
  - defines the regulations regarding trading venues;
  - defines the duties and responsibility of the relevant Company's employees related to the implementation of this policy.

### 3. TERMS OF EXECUTION OF ORDERS

- 3.1. Orders on behalf of a Receiver of management services are executed immediately and precisely registered in the order register developed by the Company.
- 3.2. Orders of Receivers of management services are executed immediately in their submission order, if the particularities of the submitted order, the market conditions or the interests of the receivers of management services do not require different actions.
- 3.3. Cash or financial instruments, resulting from a deal are immediately in full amount transferred to the cash account or financial instruments account of the Receiver of management services.
- 3.4. The Company and persons related to the Company are directly liable for maintaining of confidentiality of client information at its disposal in accordance with the procedure prescribed in the internal laws of the European Union, the Republic of Latvia and the Company.

### 4. AGGREGATION OF ORDERS

- 4.1. The Company is entitled to aggregate client's order with other client's order or with the Company's own order for transaction. Orders can be aggregated only if there is no indication that aggregation of orders could have a negative impact on the interests of those clients on whose behalf these orders are aggregated.
- 4.2. If the Company executes a client order in aggregation with a transaction on own account, after the respective order has been executed the Company undertakes to ensure the fair allocation of the resulting assets in a way, which will not be detrimental to the client's interests.
- 4.3. If the Company aggregates a client's or several client's orders with a deal on own account and the aggregated order is only partially executed, the Company allocates the resulting assets primarily taking into account the interests of the client. However, if without such aggregation the Company would not have been able to carry out the client order on such terms, or would not have been able to execute it at all, the result of the transaction is allocated proportionally.
- 4.4. If the order which is submitted on behalf of several clients is partly executed, then the Company allocates income between them proportionally, taking into account the interests of the clients.

### 5. BEST EXECUTION

- 5.1. The obligation to deliver the best possible result to a receiver of management services applies in accordance with the requirements of legislation and taking into consideration the content and particularities of each transaction. The principle of obtaining the best possible result is not applicable in the following cases:
  - if the client is not a receiver of management services;
  - in Spot FX transactions;
  - in transactions executed after the trading venues or the respective market has been closed.
- 5.2. In order to deliver the best possible result to a receiver of management services the Company takes into account the following factors:
  - price of transaction;
  - amount of transaction;
  - speed of execution of the order;

- likelihood and settlement of execution of the order;
  - size and specific of the transaction;
  - other factors related to the execution of the order.
- 5.3. When determining, which execution factors will have higher priority, the Company analyzes the potential transaction based on experience and the information available to the Company about the market situation, taking into account the following criteria:
- the type of the order;
  - the type of financial instruments involved;
  - the aim of the investments stipulated in the prospectus or management by-laws, risks and investment policy;
  - execution venues.
- 5.4. For the purposes of ensuring the best possible result for the receiver of management services, the Company defines the order of application of the factors of best execution for each individual Receiver of management services as the Company considers best for the respective receiver of management services and taking into account the prospectus and the requirements of legislation.
- 5.5. The Company assesses whether the principle of obtaining the best possible result has been satisfied with regard to a series of orders rather than with regard to each individual order.
- 5.6. If the Company transfers the client order for execution by a third party, the Company takes all reasonable steps to ensure the best possible result by taking into consideration the execution factors.

## **6. RULES OF EXECUTION VENUES**

- 6.1. Orders can be executed in and outside multilateral trading facility, and in and outside regulated markets. *JSC "Rietumu Asset Management" IMC List of Trading venues and Business partners for deals with financial instruments* is approved by the Board of the Company and it is published on the home page <https://www.rietumu.com/documents/english/ram/RAM-List.pdf>.
- 6.2. For particular financial instruments the Company can use one trading venues, and in such circumstance the Company will believe that best execution is delivered.

## AN EXCERPT FROM JSC “RIETUMU ASSET MANAGEMENT” IMC POLICY ON MANAGEMENT OF CONFLICTS OF INTEREST

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 4, 04.02.2020

### 1. General provisions

- 1.1. The situation of the conflict of interest is a situation where an employee JSC “Rietumu Asset Management” IMC (hereinafter – Company), while performing his/her professional duties should make a decision or perform other actions related to the performance of the official duties, which influence or could influence the private or material interests of this employee, his/her relatives or business partners.
- 1.2. The Company ensures that its employees can report on possible or identified cases of the conflict of interest in their activity or the activity of other employees.
- 1.3. Sabiedrība nodrošina interešu konflikta identificēšanu un novēršanu darbībā ar ieguldījumu fondu apliecībām un citos pārvedamos finanšu instrumentos, kas apliecina līdzdalību ieguldījumu fondos.
- 1.4. Interesu konflikta situāciju vadību sabiedrībā nodrošina sabiedrības Valde, ievērojot:
  - laws and regulations of the European Union;
  - laws and regulations of the Republic of Latvia;
  - regulatory requirements of the Bank of Latvia and the Finance and Capital Market Commission;
  - international standards and recommendations of the industry.

### 2. Goal and objectives

- 2.1. In order to identify the possible situations of the conflict of interest, evaluate and manage these situations and to establish the measures to eliminate the situations of the conflict of interest JSC “Rietumu Asset Management” IMC Policy on Management of Conflicts of Interest (further – the Policy) is developed.
- 2.2. In order to achieve the pursued goal, the Company carries out the following tasks:
  - identifies, documents and eliminates the situations of the conflict of interest;
  - ensures the mutual independence of the structural units between which the conflict of interest may arise (different subordination, separate information flow);
  - ensures the clarity, accuracy and authenticity of the information provided to the clients of the Company;
  - ensures that the conditions of the deals of the persons related to the Company and the Company’s employees that may encounter the situation of conflict of interest do not differ from those, which are offered to the persons unrelated to the Company;
  - ensures that the Company’s employees, while performing their official duties, eliminate the occurrence of the conflict of interest and abstain from taking the decisions on the Company’s deals, where these persons face or could face the conflict of interest;
  - ensures that all the employees follow the rules and conditions of the management of the situations of conflict of interest;
  - ensures, that the Council of the Company for the realization of the supervisory functions is informed about the identified situations of the conflict of interest and measures undertaken for their elimination. The Board of the Company ensures the application of the necessary corrective measures.

### 3. Procedure of reporting, submitting and documenting situations of the conflict of interest

- 3.1. The Company receives the information about the situations of the conflict of interest in the following ways:
  - employees report the situation of the conflict of interest, which he/she has faced;
  - employees report the situation of the conflict of interest, which another employee has faced;
  - the situations of the conflict of interest identified during the planned or unplanned inspections as well as in a result of the financial monitoring.

### 4. The possible situations of the conflict of interest

- 4.1. The Policy applies to:
  - 4.1.1. persons which in accordance with the binding JSC “Rietumu Banka” Procedure of Identification of Persons Associated with the Bank are classified as associated persons;
  - 4.1.2. employees of the Customer Servicing and Sales Department and/or employees of the Assets Management Department of the company;
  - 4.1.3. Chairman of the Council, Council member, Chairman of the Board, Board member of the company, attracted agents or other persons who when passing relevant decisions on behalf of the company create civil liability for the company;
  - 4.1.4. Chairman of the Council, Council member, Chairman of the Board, Board member of the company’s attracted agent or other persons who when passing relevant decisions on behalf of the attracted agent create civil liability for the company;
  - 4.1.5. an employee of the attracted agent;

- 4.1.6. a lawyer of the Financial Markets Legal Division of Legal and Compliance Department of JSC "Rietumu Banka", a specialist of JSC "Rietumu Banka" Risk Management Department or other specialist of JSC "Rietumu Banka" who in accordance with the concluded outsourcing agreement is directly involved in the provision of the outsourcing service.
- 4.2. The Company takes all the necessary actions, in order to identify and prevent the situations of the conflict of interest that might arise, when providing the investment services or in other circumstances:
- 4.2.1. Providing the consultations for the investment in the financial instruments. The aim of the provision of the consultation is the provision of such a consultation that corresponds to the interests of the particular client. While providing the consultation, the situations of the conflict of interest may arise:
- between the client and the fund, that are acquiring or emitting the financial instruments;
  - between the client and the Company/person related to the Company, while selling the financial instruments, that were emitted by the Company/person related to the Company on more favorable terms;
  - between the client of the Company, who pursues personal and strategic interest in regard to the question concerning which consultation was provided.
- 4.2.2. Management of the funds. The management of the funds concerns the increase of the profitability of the portfolio of the fund. By providing services of the management of the funds to a particular fund, there exists a possibility that the situations of the conflict of interest may arise:
- between the funds, that are under the management of the Company in a case when the Company will exercise inappropriate separation of the assets, and the principle of the separation of the assets will create an unjustified advantage for the one fund over the other;
  - between the clients of the Company and the funds, that are under the management of the Company, when the Company as the manager of the fund is interested in the selling of the certificates of the investment funds to increase the commission for the management services, that is dependent on the amount of the emitted certificates of the investment fund, that is, from the amount of the assets of the fund.
- 4.2.3. Individual management of the client's portfolio. The possible situations of the conflict of interest may arise:
- between the client of the Company and the Company/person related to the Company, when the Company takes the decision to conclude the deals in the name of the client and for each such deal it retains from the Client the commission for the fulfilment of the order, and the person related to the Company pursues the interest to increase commission income received in such way, and the Company is interested to increase the variable part of the remuneration, that is dependent on the given commission income.
- 4.3. The conflict of interest may arise when the Company or a person related to the Company that directly or indirectly controls the Company:
- 4.3.1. could obtain the profit or prevent the financial losses at the expense of the fund;
- 4.3.2. is interested in the outcome of a service provided to the fund or to another client or of a transaction carried out on the behalf of the fund, and it is contrary to the interests of the fund;
- 4.3.3. has a financial or other interest in acting for the benefit of another client or a group of clients rather than in the fund's interests;
- 4.3.4. carries out the same activities both in the interest of the fund and the client or a group of the clients other than the fund;
- 4.3.5. receives or will receive an inducement from a person other than the fund for the management services provided to the fund in the form of the monies, goods or services other than a standard fee or a commission for that service;
- 4.3.6. may be interested in the activities carried out when providing management services to the clients.
- 4.4. When identifying the types of the conflict of interest, the company additionally takes into account the following:
- 4.4.1. the interests of the Company, including the interests arising from the affiliation of the Company to its parent company JSC "Rietumu Banka" or from the performance of the services and activities, and the interests of the clients and the responsibility of the Company towards the fund;
- 4.4.2. the interests of two or more funds under the management of the Company.



JSC „RIETUMU ASSET MANAGEMENT” IMC  
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 +371 67025555  
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 ram@rietumu.lv  
 www.rietumu.com/en/ram

# POWER OF ATTORNEY

Date     /    /     20    

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

COMPLETE IN BLOCK CAPITALS

**Client** \_\_\_\_\_  
(corporate entity: full name / private individual: name, surname)

**Passport / ID card /**

**Registration No.** \_\_\_\_\_

**Personal code** \_\_\_\_\_  
(only for residents of the Republic of Latvia)

(hereinafter – the Principal) authorizes Joint Stock Company “Rietumu Asset Management” Investment Management Company, registered in the Commercial Register of the Republic of Latvia on 29 January, 2014, with unified registration No. 40103753360 and legal address: 7 Vesetas Str., Riga, LV-1013, the Republic of Latvia (hereinafter – the Manager), to represent interests of the Principal:

**In respect of the cash account No.** \_\_\_\_\_ **and**

**In respect of the financial instruments account No.** \_\_\_\_\_

(hereinafter – the Principal’s Accounts) opened in JSC “Rietumu Banka”, registered in the Register of Enterprises of the Republic of Latvia on 14 May, 1992, and the Commercial Register of the Republic of Latvia on November 11, 2004, with unified registration No. 40003074497, the legal address: 7 Vesetas Str., Riga, LV-1013, the Republic of Latvia, pursuant to the Terms and Conditions of JSC “Rietumu Banka” and Client Agreement (hereinafter – the Bank’s Terms and Conditions).

The Manager in order to perform its obligations under the Client’s Financial Instruments Portfolio Individual Management Agreement No. \_\_\_\_\_ dated as of \_\_\_\_\_ 20\_\_ (hereinafter – the Individual Management Agreement) is authorised to perform all actions on behalf of the Principal in accordance with the Bank’s Terms and Conditions, including, but not limited to the following:

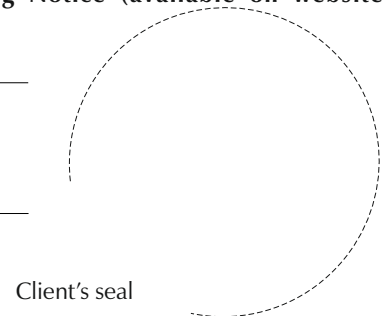
- to sign and submit to JSC “Rietumu Banka” all types of orders to implement transactions with financial instruments and cash funds held in Principal’s Accounts, including but not limited to, receive margin loans against the financial collateral on financial instruments held in the Principal’s Financial Instruments Account;
- to receive reports, account statements, notifications and other documents in respect of the Principal’s Accounts in JSC “Rietumu Banka”;
- to pay for services charged by JSC “Rietumu Banka” in line with tariffs of JSC “Rietumu Banka”;
- to submit instructions to JSC “Rietumu Banka” to charge relevant commissions to the Principal’s cash account in amount necessary for paying the Manager’s remuneration and/or covering expenses incurred by the Manager under provisions of the Individual Management Agreement. Furthermore, the JSC “Rietumu Banka” is not obliged to request the Manager the documents approving the amount of the Manager’s remuneration and/or expenses incurred by the Manager;
- to receive, deliver and sign necessary documents related to the aforesaid powers;
- to perform any other actions required for exercising rights and obligations of the Manager under the Individual Management Agreement as well as to perform any actions pursuant to the Bank’s Terms and Conditions.

This Power of Attorney is issued without the right of substitution and is valid until:      /    /    20      indefinite period of time

**I confirm that I have read and agree to the Terms and Conditions of Client’s Financial Instruments Portfolio Individual Management Agreement, Client Investment Declaration and the Client Personal Data Processing Notice (available on website [www.rietumu.com/en/ram/investment-ram-about/investment-documents](http://www.rietumu.com/en/ram/investment-ram-about/investment-documents)).**

**Client represented by** \_\_\_\_\_  
(name, surname)

**X** \_\_\_\_\_  
(signature)



## TO BE COMPLETED BY THE EMPLOYEE IN CHARGE

I confirm the identity and signature of the Client or the Client’s Representative

Passport / Identity document No. \_\_\_\_\_

\_\_\_\_\_ **X** \_\_\_\_\_ Date     /    /    20      
(name, surname) (signature)

I confirm the powers of the Client’s Representative

\_\_\_\_\_ **X** \_\_\_\_\_ Date     /    /    20      
(name, surname) (signature)





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## INVESTMENT DECLARATION FOR CLIENTS CATEGORISED AS RETAIL CLIENT

Date: \_\_\_/\_\_\_/20\_\_\_

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

COMPLETE IN BLOCK CAPITALS

**Client** \_\_\_\_\_  
(corporate entity: full name / private individual: name, surname)

Cash Account No. \_\_\_\_\_ with JSC “Rietumu Banka”

Financial Instruments Account No. \_\_\_\_\_ with JSC “Rietumu Banka”

Amount to be invested \_\_\_\_\_  
(amount in figures) (currency) (amount in words)

Management Term \_\_\_\_\_ (\_\_\_\_\_ ) months

### 1. General Provisions

This Investment Declaration stipulates the investment objective of the Client's Assets by investing in the Individual Portfolio of Financial Instruments (hereinafter – the Individual Portfolio), the main management principles of the Individual Portfolio, the composition and structure of the Individual Portfolio, and regulations and limitations on the investment activity concerning the Individual Portfolio.

The main management principles of the Individual Portfolio are based on needs, possibilities, objectives, and the Client's investment and financial risk tolerance, at the same time maintaining investment flexibility for decision making in view of changing financial market conditions and the Client's financial situation.

The management of the Individual Portfolio is carried out exclusively in the Client's interests.  
 The Individual Portfolio serves as an alternative source of income for the Client.  
 The Investment Declaration will be periodically reviewed. Amendments to this Investment Declaration can be made only with the Client's consent.

To achieve the objective of the Client's investments, the joint-stock company “Rietumu Asset Management” IMC, an investment management company, the unified registration number 40103753360, the legal address 7 Vesetas Street, Riga, LV – 1013, Republic of Latvia, licence for provision of investment management services has been re-registered on April 17, 2014, by the Financial and Capital Market Commission, Licences Register No. 06.03.06.512/356, (hereinafter – the Manager) will take an active approach in the management of the Individual Portfolio, which includes relatively dynamic actions with the Individual Portfolio focused on risk limitation.

Languages of the receipt and delivery of information: Latvian, Russian and English.  
 The Client may contact the Manager in person by phone 67025284 or in writing to the address 7 Vesetas Street, Riga, LV – 1013, Republic of Latvia, or by e-mail: ram@rietumu.lv.  
 The engaged agent of the Manager: JSC “Rietumu Banka” (www.rietumu.com).

The Manager's Remuneration for the Management consists of Management fee, Individual Portfolio formation fee, performance fee and commission charges for early withdrawal of the Assets under Management.

1. The management fee is \_\_\_\_\_ (\_\_\_\_\_ ) % per annum of the Individual Portfolio average annual balance. Management fee is charged monthly starting from the date of transfer of the Assets for the management.

2. The Individual Portfolio formation fee \_\_\_\_\_ (\_\_\_\_\_ ) % of the investment amount. The Individual Portfolio formation fee is charged at the time of the transfer of Assets for the management, as well as at the time of additional transfer of Assets for the management under the Terms and Conditions.

3. The performance fee<sup>1</sup> is \_\_\_\_\_ (\_\_\_\_\_ ) % of the proceeds, exceeding the Benchmark. The Benchmark is (please mark only one answer):

- annual indexed interest rate corresponding to the annual percentage rate of JSC “Rietumu Banka” term deposit for 5 years
- \_\_\_\_\_  
(please indicate type/amount of the Benchmark)

The performance fee is charged every \_\_\_\_\_ (\_\_\_\_\_ ) month from the date of the Assets transfer for the management.

X \_\_\_\_\_  
(Client's signature)

4. The commission charges for early withdrawal of the Assets under the management:

4.1. up to 18 months from the transfer of the Assets for the management, if the term of the management is less than 18 months – charged in the amount equal to management fee with the term specified in the Investment Declaration minus paid management fee in the amount, which is obtained in the result of the Assets sale;

4.2. up to 18 months from the transfer of Assets for the management, if the term of the management is 18 months and more - charged in the amount equal to the management fee for 18 months minus the paid management fee in the amount, which is obtained in the result of the Assets sale;

4.3. 18 months from the transfer of the Assets for the management and more – commission charges are not applied.

The Manager's Remuneration will be charged in Euros (EUR). If the currency of the Individual Portfolio is other than euro (EUR), the Manager has the right to convert the amount required to pay the Remuneration for the management at the rate of JSC „Rietumu Banka” on the date when the Remuneration for the management was paid.

<sup>1</sup> **Performance fee** for the reporting period must be withheld by the Manager if during the calculation and collection of the fee the net value of the Individual Portfolio of financial instruments exceeds the maximum net value of the previous Individual Portfolio of financial instruments at the end of the settlement period from the beginning of the management, taking into account the Benchmark increase. When calculating the maximum costs, the current settlement period is not taken into account and the replenishment and withdrawal of the Assets is taken into account.

The amount of remuneration received by the Manager for the increase of the value of the Individual Portfolio of the financial instrument is calculated using the following formula, if from the moment of reaching the previous maximum portfolio value the Assets have not been replenished or withdrawn from the management:

$$P = L * \max \{0, NA - NA_{\max} * (1 + B)^T\}$$

The amount of remuneration received by the Manager for the increase of the value of the Individual Portfolio of the financial instrument is calculated using the following formula, if from the moment of reaching the previous maximum value of the portfolio the Assets are replenished or withdrawn from the management:

$$P = L * \max \{0, NA - NA_{\text{adj max}}\}$$

$$NA_{\text{adj max}} = NA_{\max} + C_1 + C_2 \dots + C_n + (NA_{\max}) * ((1 + B)^{T_1} - 1) + (NA_{\max} + C_1) * ((1 + B)^{T_2 - T_1} - 1) + \dots + (NA_{\max} + C_1 + C_2 + \dots + C_n) * ((1 + B)^{T_n} - 1)$$

where,

P – the amount of remuneration received by the Manager for the increase of the value of the Individual Portfolio of the financial instrument during the settlement period (expressed in monetary units);

L – remuneration rate for the increase of the value of the Individual Portfolio of financial instruments (expressed as a percentage);

NA – the net value of the Individual Portfolio of financial instruments at the end of the settlement period (expressed in monetary units);

NA<sub>max</sub> – the maximum net value of the Individual Portfolio of financial instruments at the end of the settlement period from the beginning of management. When calculating the maximum value of the Individual Portfolio of a financial instrument, the current settlement period is not taken into account and the withdrawal of the Assets from management and replenishment of the Assets under management (expressed in monetary units) is taken into account.;

B – Benchmark value (expressed as a percentage);

T – the period of time as from the maximum net value of the Individual Portfolio of financial instruments is reached until the end of the settlement period (expressed in years);

NA<sub>adj max</sub> – adjusted maximum net value of the Individual Portfolio of financial instruments, taking into account the Benchmark and replenishment or withdrawal of the Assets from management (expressed in monetary units);

C<sub>1</sub>, C<sub>2</sub>, C<sub>n</sub> – the value of the first, second and nth replenishment or withdrawal of the Assets from management (expressed in monetary units);

T<sub>1</sub>, T<sub>2</sub>, T<sub>n</sub> – the period of time as from the maximum net value of the Individual Portfolio of financial instruments is reached to the first, second and nth replenishment or withdrawal of the Assets from management (expressed in years).

## 2. Investment Policy

### 2.1. Distribution of Investments

Target levels of distribution of investments are based on the Client's investment objectives and limitations specified in this Investment Declaration. When distributing funds, the following provisions are applied:

- investments in financial instruments of global markets allow to reach excess return and diversification;

- investments in high quality debt securities allow to reach lower volatility;

- investments in capital securities and high-yield debt securities allow to reach long-term capital increase.

Investments in global markets involve investments in currencies that differ from the base currency of the Individual Portfolio. Strategically the Manager does not plan to hedge foreign currency risks in order to increase advantages from diversification.

Distribution of funds among various investment asset classes may deviate from target levels within the set range. The Manager reserves the right to make changes in the distribution of funds among the classes of investment assets in the Individual Portfolio, if the Client's financial situation and/or financial markets undergo substantial changes affecting the classes of assets in which the Client's funds have been invested.

Funds can be held in liquid assets, including in the form of cash in the amount required for activity.

X

(Client's signature)

## Target levels of fund distribution among various geographic regions

(please mark "Yes" or "No")

At the discretion of the Manager  Yes  No

If you have marked "No" in the previous question, please fill in the following table:

(please specify the value in % of the Individual Portfolio)

Geographic region	% of the Individual Portfolio Target	% of the Individual Portfolio Minimum	% of the Individual Portfolio Maximum
North America			
West Europe			
Asia and Oceania			
East Europe			
Other			

### 2.2. Supplementary financing facility (pledging the Individual Portfolio of financial instruments):

Supplementary financing facility which includes margin loan, overdraft, automatic financing according to the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement is allowed, but it shall not exceed \_\_\_\_\_ ( \_\_\_\_\_ )% of a total Individual Portfolio value at the moment of the opening of financing.

Not allowed

### 2.3. Investment Objects

#### Description of Financial Instruments

##### Capital securities

Capital securities represent a certain share of the issuer's equity and grant the right to participate in the issuer's profit. The yield level of capital securities depends on the size of dividends paid and on the change of the market price of the capital securities. It is also important to consider that there exist different types of shares, and the issuer determines the criteria of the emission for the specific shares. The issuer has no legal obligations towards holders of capital securities to maintain the market value of the securities to a certain level; the issuer is under no obligation to pay dividends either.

Capital securities may be divided into ordinary shares and complex shares.

Ordinary shares present the right to participate in the voting of shareholders, in accordance with the principle that one share equals one vote. There are cases when the right of vote concerning ordinary shares can be transferred to a third party for participation in the voting. Additionally, the company may grant the right to the current shareholders to purchase more company shares at a price below the market price, with an additional issue of shares. In this case, the rights to purchase new shares will be traded on the market along with the shares. In most cases in the modern world, a share represents an electronic entry in the register of shareholders.

The following types of shares can be classified as complex shares: preferred shares, ADR, GDR, and to a certain extent, leveraged ETFs and non-leveraged ETFs. Separately, we can also include in this category the shares that are commonly referred to as pink sheet –these are shares of various issuers that were issued with significant assumptions about the reliability and quality of the issuer, shares of various companies for which there is no (or there is simplified) reporting, shares whose exchanges do not perform a full-fledged check in respect to their issuers, since they were issued for developing enterprises in order to reduce the cost of listing and initial placement. Often, such shares are quoted on special sections of the exchange or on the so-called bulletin board (OTC BB), their liquidity is very low, while the volatility is very high and can reach tens of percent.

Preferred shares are shares without voting rights or with limited voting rights (depending on the charter of the joint-stock company). The absence or restriction of rights is compensated by additional privileges received by the holder of shares of this type. Usually, these privileges include the ability to receive a guaranteed income (dividends), seniority to the holders of ordinary shares in the case of the company's liquidation, and others.

Depository receipt – this is a financial instrument issued by banks, which certifies and guarantees the ownership of shares in a foreign company. The main purpose of depository receipts is to attract foreign capital and increase the liquidity of the shares. The most popular types of depository receipts are: ADR (American Depository Receipt) and GDR (Global Depository Receipt).

Exchange Traded Fund (Exchange Traded Fund, ETF) is the fund whose shares are freely traded on the exchange. Actually, the ETF is a type of securities that plays a role of a certificate for the assets portfolio, which replicates the structure of the chosen core index (of capital securities, debt securities, commodities, real estate etc.). With shares of the funds you can perform the same operations as with ordinary shares (i.e. purchase/sale).

X

(Client's signature)

In addition to the usual ETF funds, there are also funds with a built-in lever (leveraged ETF). The difference between these funds is the presence of the so-called "lever." The presence of the financial leverage allows the ETF to generate a larger profit or loss than the index on which it is based. This is achieved through the use of various derivatives and debt instruments. Use of the derivatives in the structure of the fund also adds the need to transfer the derivative position to the next active month upon the expiry of the contract. This can lead to a situation when the value of ETF's shares decreased, even on a stable market.

Main risks: a risk of capital securities value decrease in comparison to their purchase value (the market risk). Financial results of the issuer's activity may have a material effect on prices of capital securities, the amount of dividends, development prospects of the issuer or the business sector, the change of the top management and many other factors. The economic situation in the country or the region influences prices of capital securities strongly. It is also worth noting that in case of the issuer's insolvency holders of capital securities have no precedence for compensation. Capital securities therefore are a more unpredictable and riskier instrument than fixed-income securities. Within a certain period of time the investor can receive both a large profit and significant losses. The ETF is exposed to all the risks, to which its underlying asset is exposed to – the market risk, the credit risks, the currency risk, the liquidity risk etc. Respectively, depending on the chosen core index and the ETF structure risk degrees may differ. A specific and important risk, to which the ETF is exposed – difference in yields with the underlying asset. This risk takes place where there is a considerable difference in the transaction prices within the ETF and the underlying asset settlement prices. Depending on the type of the ETF the liquidity risk and the counterparty's risk may increase considerably.

### Debt securities

Debt securities represent a certain share of debt liabilities of an issuer who may be a sovereign country, a public institution, a supranational institute, a business company, a credit institution and other issuers. It is important to note that there are different types of debt securities, and that the debt securities of one issuer may significantly differ in the risk degree depending on the type. A buyer of debt securities accommodates the issuer with money who normally pays out interest (a coupon) during the whole validity period of the debt securities and when completing redemption – pays back their nominal value.

Debt securities may be divided into ordinary bonds and complex bonds.

Ordinary bonds include so-called investment grade bonds, i.e. with a rating of BBB-(Fitch, S&P), Baa3 (Moody's) or higher.

Complex bonds include instruments with various variables in the methodology of calculation. These variables can be both external and internal factors affecting the company or the economic situation as a whole; as well as additional conditions that the company establishes by itself (at the time of issuance). The most common variables include instruments with:

- \* Early redemption of bonds (CALL) – the company has the right to redeem the bond prior to the maturity date, at a predetermined price, if the market price at the date of possible redemption is lower.
- \* Early sell right (PUT) – the investor has the right to demand early repayment of the principal. This type of bond is typical for emerging markets, e.g. Brazil.
- \* Variable coupon rate – the bond rate may be floating, dependent on specific parameter (i.e. central bank rate, LIBOR, indexes and other indicators).
- \* Amortization of the principal amount of debt – often the company will pay a part of the face value along with the coupon in order to avoid paying the full amount at maturity. This can be done if the bond considers amortization.
- \* Extension of the maturity period – the maturity of the bond may be extended to a later date.
- \* Conversion to another financial instrument – the bond can be converted into another instrument, both into shares and into a debt instrument with an increased maturity.

Main risks: a risk that the issuer can fail to fulfil his/her contractual commitments (the credit risk). The risk of the non-payment of the coupon income on securities exists, for example, in cases, when the issuer is in the financially unstable position or a country, in which the issuer operates, introduces restrictions on conversion and transfer of payments on debt, that is denominated in the foreign currency. Likewise, the investor may suffer partial losses, if debt securities will be sold or redeemed by the issuer before their maturity. Price variations of debt securities are closely connected with the economic situation in the world and in specific countries or industries. The current price of debt securities and accordingly their yield are influenced by such showings as economic growth rate of a country, inflation level, employment; in case these are corporate debt securities – the issuer's financial position and many other factors. In case, when the issuer becomes insolvent, the bondholder has a higher claim right to the issuer's assets than the shareholder.

### Money market instruments

Money market instruments represent liquid debt securities which value can be determined at any time and which normally are traded on the money market. Money market instruments are characterised by a short repayment period (up to a year) and high liquidity (a possibility to purchase or sell financial instruments in the desired date without significant losses). Money market instruments may be divided into ordinary money market instruments and complex money market instruments.

The simplest and most popular instruments are short-term US Treasury bills (maturity up to one year, inclusive). These bills are one of the most liquid and ultra-reliable financial instruments. The difference between the US bills from all others is the price, which is below its face value, and the absence of a coupon payment.

X

(Client's signature)

Complex money market instruments include repurchase transactions (REPO agreements). The repurchase agreement implies a deal to buy/sell a security with an obligation to sell/buy later on. This transaction can be considered as a cash loan secured by securities (REPO) or a loan of securities secured by cash (reverse REPO). REPO can be concluded both for a certain period and without a term, but the second option is riskier, as it increases the likelihood of one party's inability to buy back the securities.

Main risks: a risk that the issuer can fail to fulfil his/her contractual commitments (the credit risk). Money market instruments are also exposed to the market risk. However, due to the short repayment period and high liquidity of money market instruments a lower risk level is characteristic.

#### Deposits in credit institutions

Deposits in credit institutions represent the placement of funds in custody of a credit institution. Normally deposits in credit institutions have a fixed interest rate and maturity. When the maturity of the deposit expires the investor receives back the deposit amount increased by a certain interest income.

Main risks: a risk that the credit institution can fail to fulfil its contractual commitments (the credit risk). The credit risk is limited since in most cases deposits in credit institutions up to a certain sum are guaranteed by a state.

#### Investment fund units

Investment fund units represent a part of joint assets of an investment fund with a defined risk level and an asset allocation principle. When investing in the investment funds, the assets of one investor are combined with the assets of other investors, which are managed by a professional investment manager to achieve the profit from the dynamics of the securities market. By pooling assets from various sources investment funds can offer a range of advantages to their investors, in particular, a possibility to diversify risks, reducing costs due to the economy of scale and a possibility to invest funds with a comparatively low investment capital level.

Main risks: investment fund units are exposed to all the risks, to which the assets included in the investment fund are exposed to – the market risk, the credit risks, the currency risk, the liquidity risk etc. Depending on the type of an investment fund the liquidity risk may increase considerably.

#### Derivative financial instruments

Derivative financial instruments are contracts under which the parties acquire rights or undertake to perform certain activities in relation to an underlying asset. The distinguishing feature of these instruments is that the total amount of liabilities to which they are subject is not related to the total amount of underlying assets traded on the market. Issuers of derivative financial instruments are not always the owners of the underlying asset. Derivative financial instruments include futures, options, forwards, swaps and other derivative financial instruments.

Futures are securities that represent a futures contract entered into the stock exchange. The essence of the transaction is the delivery of a certain asset in a certain place on a specific date in the future. When buying futures, neither the transfer of this asset nor the payment for it occurs. The price of the contract at a particular point in time is the current value of the asset plus the interest for the time remaining until payment, that is, until the contract is realized. There are two types of futures contracts – delivery and settlement (non-delivery). At the expiration of delivery futures, raw materials (oil, grain, gasoline, etc.) are delivered, while a settlement future does not imply physical delivery, and a settlement takes place instead, where the contractual parties settle the difference between the price under the opening of the contract and the official price at the contract's expiration. Forwards are similar to futures but are not standardised and are carried out on an over the counter (OTC) basis.

An option is a derivative that allows the option buyer (the owner or holder of a long position of the option) the right, but not the obligation, to buy or sell the underlying asset or financial instrument at the strike price of the option, depending on the option type (European or American). It should be taken into account that when buying an option, a premium is received by the counterparty (the seller of the option). In regard to this, the maximum loss of the holder of a long position can be equal only to the premium paid for the option. For a holder of a short position on an option (the seller), the loss is unlimited (except for the sale of PUT options, since the underlying asset cannot be below zero), but profit is limited to the initial amount of premium received for the sale.

Main risks: derivative financial instruments are subject to market risk, foreign exchange risk, counterparty risk, liquidity risk and risk interconnectivity. The latter risk is uncertainty about the impact on a derivatives transaction due to the interrelationship of multiple derivative financial instruments and dealers.

X

(Client's signature)

## Investment Objects of the Client's Individual Portfolio Funds

### Funds of the Client's Individual Portfolio can be invested in the following financial instruments:

(please mark "Yes" or "No" for each financial instrument)

#### Simple instruments

Shares  Yes  No  
(ordinary, without embedded derivatives)

Bonds and simple debt instruments  Yes  No  
(ordinary bonds and debt instruments with high rating, without embedded derivatives and complex embedded parametres)

Money Market  Yes  No  
(deposits etc., without instruments with embedded derivatives and complex parametres)

#### Complex instruments

Shares, ETF, UCITS funds  Yes  No  
(complex shares, penny stock, ETF and UCITS structured funds etc.)

Bonds  Yes  No  
(complex bonds and debt instruments with embedded parametres, and junk bonds)

Futures  Yes  No  
(any type of futures – commodity, currency, financial etc.)

Options  Yes  No  
(any type of options – both share and future options)

Marginal Forex, CFDs  Yes  No  
(trading in instruments with leverage, individual trade, using electronic platforms)

Precious metals  Yes  No  
(XAU, XAG and other) and currency swaps/forwards

Other: CDS, Non-UCITS funds etc.  Yes  No

### Funds of the Client cannot be invested in precious metals or derivative financial instruments whose underlying asset is precious metals or commodities.

#### Financial Instruments of the Individual Portfolio must meet the following requirements:

##### Investments in transferable securities and money market instruments

1. Funds of the Individual Portfolio can be invested in transferrable securities and money market instruments if they meet at least one of the following criteria:

1.1. they are traded on the regulated market or multilateral trading venue or systematic internilizer of the member countries (a country of the European Union or the European Economic Area);

1.2. they are included on the official list of the foreign stock exchange or are traded on the regulated market or multilateral trading venue or systematic internilizer of the non-member countries;

1.3. they are not included on the official lists of stock exchanges or are not traded on the regulated markets, however, the emission regulations envisage these instruments to be included on the lists of stock exchanges or the regulated markets within a year as from the date the subscription on the given securities or money market instruments has begun.

X

(Client's signature)



2. Funds of the Individual Portfolio can be invested in money market instruments that are not traded on the regulated markets, however, they are freely transferable and one of the following conditions has set in:

- 2.1. they have been issued or guaranteed by the local government of the member country;
- 2.2. they have been issued or guaranteed by the central bank of the member country, the European Central Bank or the European Investment Bank;
- 2.3. they have been issued by the commercial company, securities of which are traded in the venues mentioned in cl. 1.1 and 1.2;
- 2.4. they have been issued or guaranteed by the credit institution registered in a member country and the activity of which has been monitored in compliance with EU requirements or by the issuer, the activity of which is monitored as strictly as in the EU and which complies with at least one of the following requirements:
  - is registered in the country of the Organisation for Economic Co-operation and Development that falls under G-10 countries;
  - the investment-grade rating has been assigned;
  - the analysis of the issuer's regulatory environment confirms that requirements that govern the issuer's activity are as strong as in the EU;
  - they have been issued by a commercial company, the size of reserve and capital of which amounts to 10 (ten) million euro (EUR) or more and which makes and publishes its annual statement according to the EU requirements.

3. Funds of the Individual Portfolio can be invested in transferrable securities if they meet all the following criteria:

- 3.1. they are liquid;
- 3.2. they can be reliably assessed;
- 3.3. information available about them is sufficient;
- 3.4. they can be alienated without limitations.

#### Investments in money market instruments

4. Funds of the Individual Portfolio can be invested in money market instruments if they meet all the following criteria:

- 4.1. they are liquid;
- 4.2. they can be reliably assessed;
- 4.3. the initial or remaining date until their maturity does not exceed 397 (three hundred ninety seven) days; or its yield according to the money market regulations is corrected at least once in 397 days; or its risk profile, including credit risk and interest rate risk, complies with the risks of the financial instruments, the term to the maturity of which does not exceed 397 (three hundred ninety seven) days or to which the abovementioned yield correction is applied.

#### Deposits in credit institutions

5. Funds of the Individual Portfolio can be invested in deposits in credit institutions licenced to perform its activity in the Republic of Latvia, another member country or country of the Organisation for Economic Co-operation and Development that falls under G-10 countries. Investments can be made if the deposits can be returned on demand or prior to the scheduled maturity date and its maturity does not exceed 12 (twelve) months.

#### Investments in investment fund units

6. Funds of the Individual Portfolio can be invested in investment fund units registered in the member countries:

- 6.1. funds of the Individual Portfolio can be invested in foreign investment fund units if the investment fund meets the following requirements:
  - the investment fund is registered in the country, the monitoring in which is equivalent to requirements of the Law on Investment Management Companies and the regulator of the given country co-operates with the Financial and Capital Market Commission;
  - investors' protection, limitations on investments and transactions are analogous with the Law on Investment Management Companies;
  - semi-annual and annual statements are made and published.
- 6.2. investments in investment fund units mentioned in Clauses 6 and 6.1 are solely possible if the memorandum of such investment funds states the investment in the assets of other funds which does not exceed 10%.

#### Derivative financial instruments

7. Funds of the Individual Portfolio can be invested in derivative financial instruments traded on regulated and unregulated markets and that in equal measure meet the following requirements:

- 7.1. underlying asset – the abovementioned financial instruments, financial indexes, interest rates, exchange rates and currencies;
- 7.2. the partner of the untraded derivative financial instrument on the regulated market is a credit institution registered in the Republic of Latvia or a country of the Organisation for Economic Co-operation and Development that falls under G-10 countries or a brokerage firm, the size of reserves and capital of which amounts to 10 (ten) million euro (EUR) and which is also registered in the abovementioned countries;
- 7.3. the untraded derivative financial instrument on the regulated market is assessed on a daily basis or the following is possible at any time on the initiative of the Manager: sale at the actual price, liquidation or a position closing transaction.

X

(Client's signature)

## 2.4. Investment Limitations

Investments of the Individual Portfolio in transferable securities or money market instruments of a single issuer cannot exceed 5% of assets of the Individual Portfolio. This limitation can be raised up to 10% of the assets of the Individual Portfolio but in that case the total value of transferable securities or money market instruments of issuers exceeding 5% may not exceed 40% of assets of the Individual Portfolio.

Investments of the Individual Portfolio in transferable securities or money market instruments of a single issuer can be raised up to 35% of assets of the Individual Portfolio if the issuer or the guarantor is a member country, a foreign country, the local government of a member country or an international institution if one or several member countries are its members. This limitation can be exceeded if the following provisions are met: investments in the Individual Portfolio include transferable securities or money market instruments from six and more emissions and the value of the every separate emission does not exceed 30% of assets of the Individual Portfolio.

Investments of the Individual Portfolio in transferable securities of a single issuer can be raised up to 25% of assets of the Individual Portfolio if the securities are issued by a credit institution registered in a member country and these securities recognise obligations to invest funds in objects that fully ensure the established liabilities in the circulation period of the debt securities and these liabilities in case of the issuer's insolvency will be fulfilled primarily.

If the value of investments of the Individual Portfolio in the abovementioned securities of a single investor exceeds 5% of assets of the Individual Portfolio then the total value of investments of the Individual Portfolio which exceeds these 5% may not exceed 80% of assets of the Individual Portfolio.

Investments of the Individual Portfolio in the form of deposits into a single credit institution cannot exceed 20% of assets of the Individual Portfolio.

The total risk related to with transactions with derivative financial instruments cannot exceed the net value of assets of the Individual Portfolio. The Manager calculates the total risk of the Individual Portfolio at least once a day.

The value of the risky transactions with derivative financial instruments not traded on the regulated market with each issuer may not exceed:

- 10% of assets of the Individual Portfolio if the contractor is a credit institution registered in the Republic of Latvia or in a member country or a country of the Organisation for Economic Co-operation and Development;
- 5% of assets of the Individual Portfolio if the contractor is a brokerage firm, the size of reserves and capital of which amounts to 10 (ten) million euro (EUR) and which is also registered in the abovementioned countries.

Investments of the Individual Portfolio in investment units of a single fund cannot exceed 10% of assets of the Individual Portfolio.

Not taking into consideration the above listed limitations the total amount of investments of the Individual Portfolio in transferable securities and money market instruments, placing deposits and derivative financial instrument transactions with a single contractor shall not exceed 20% of assets of the Individual Portfolio. If several persons belong to one group, they are considered as a single contractor.

Up to 10% of assets of the Individual Portfolio may be invested in transferable securities and money market instruments which do not meet the requirements of the chapter 2.3. Investment Objects (Investments in transferable securities and money market instruments) hereof.

Investments of the Individual Portfolio in separate objects cannot exceed the following:

- 10% of the nominal value of non-voting shares of a single issuer;
- 10% of the total amount of debt securities issued by a single issuer;
- 25% of a single fund;
- 10% of the total value of money market instruments issued by a single issuer.

Exceeding of the abovementioned limitations does not cancel the signed deals, however, the Manager is liable to the Client of the Individual Portfolio and third persons for losses that will be incurred, except for the case below:

- the exceeding is admissible if it has been caused due to the use of the right to sign for transferable securities or money market instruments included in the Individual Portfolio or due to other circumstances the Manager could not foresee. In order to liquidate this limitation breach the Manager has to immediately sell these instruments according to risk reduction principles and in the Client's best interests. Exceeding of the following limits is possible in the moment of investment:
  - 10% of the total amount of debt securities issued by a single issuer;
  - 25% of a single fund;
  - 10% of the total value of money market instruments issued by a single issuer;
- if there was no possibility to state or calculate a) the quantity or value of the issued securities with debt liabilities fixed in them or b) the value or quantity of the issued or outstanding shares.

The Manager is obligated to immediately inform the Client when limitations are exceeded and instruct on measures to be taken.

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(Client's signature)



## 2.5. Other Investment Limitations and Fund Distribution Principles

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## 2.6. Rebalancing Principles

It is expected that the actual fund distribution will differ from target levels as a result of the change in value of investments in individual financial instruments.

Rebalancing of the Individual Portfolio is done according to the following principles:

- The Manager uses incoming and outgoing cash flows to correct the current fund distribution to target levels;
- The Manager periodically makes an analysis of the Individual Portfolio with an aim to state the compliance of the fund distribution levels with the investment policy and limitations and the divergence of the current and target fund distribution levels;
- in case of non-compliance of the current fund distribution levels with the investment policy and limitations stated in this Investment Declaration the Manager performs rebalancing of the Individual Portfolio;
- in case of non-compliance of the current fund distribution levels with the range of the target fund distribution levels stated in this Investment Declaration the Manager performs rebalancing of the Individual Portfolio.

The Manager is entitled to make a decision to correct the current fund distribution to the target levels at any time.

The Manager is obliged to act with reasonable periodicity in the assessment process and rebalancing of divergences of the current and target fund distribution levels of the Individual Portfolio.

## 3. Assessment Method of Results of the Client's Individual Portfolio

Performance results of the Individual Portfolio are not compared to the dynamics of some previously chosen benchmark of market securities. Performance results of the Individual Portfolio are assessed according to the reached growth of the invested funds.

## 4. Assessment Method of Value of Financial Instruments

To determine the estimated value of financial instruments of the Individual Portfolio, quotations of the information systems Reuters and Bloomberg are used.

The estimated value of financial instruments that are liquid but not quoted via the information systems Reuters and Bloomberg can be assessed by using quotations offered by Counterparties of the Manager or other participants of the financial market.

Illiquid financial instruments that are not quoted via Reuters and Bloomberg or other information systems available are assessed with zero value.

Financial instruments with quotations available via information systems Reuters and Bloomberg can be assessed with zero value if in the course of the trading session or negotiations with counterparties it is determined that the execution of a transaction is impossible at the given moment.

Financial instruments with actual quotations available via information system Bloomberg are evaluated according to the value specified in the given system. An exception applies in cases when the value given by the information system Reuters more complies with the value offered by counterparties and when the functional failures of the Manager systems or the information system Bloomberg have taken place.

The determination of the estimated value of financial instruments of the Individual Portfolio is performed on a daily basis.

Financial instruments are initially valued at their purchase price including the cost of purchase.

**Debt securities and money market instruments** are evaluated by "bid" prices. If "bid" prices are not available, then debt securities are evaluated by "trade" prices.

If income from debt securities and money market instruments is paid in the form of a coupon, the coupon or accrued interest is added to the price in the amount, which corresponds to the period from the date of accrual of the coupon to the valuation date.

**Term investments** are evaluated by the principal sum of the investment taking into account the accumulated interest.

**Capital securities** are evaluated by "bid" prices, except for the shares and share options of companies in the United States of America, which are evaluated by "last price". If "bid" price is not available, then capital securities are evaluated by "trade" price.

**Investment fund shares** are evaluated by prices of the latest redemption of shares available on the settlement date.

**Derivative financial instruments** that are traded on a regulated market are evaluated by their last "trade" or "mid" prices.

X

(Client's signature)

**5. Reporting Requirements**

The Manager sends periodic reports to the Client on the status of the Individual Portfolio once a quarter. The Client is entitled to request from the Manager:

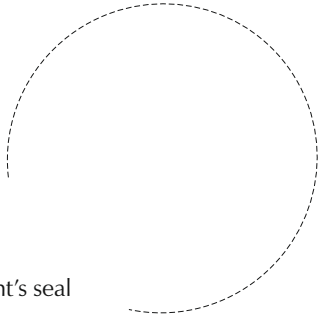
- to send periodic reports on the status of the Individual Portfolio once a month;
- to provide reports on every transaction implemented within the Individual Portfolio management.

If the Manager uses leveraged funds in the framework of the Individual Portfolio management, the Manager shall send to the Client periodic reports on the status of the Individual Portfolio once a month.

**I acknowledge that I have read and agree with the Terms and Conditions of Client's Financial Instruments Portfolio Individual Management Agreement and Client Personal Data Processing Notice (available on the website [www.rietumu.com/en/ram/investment-ram-about/investment-documents](http://www.rietumu.com/en/ram/investment-ram-about/investment-documents)).**

Client represented by \_\_\_\_\_  
(name, surname)

X \_\_\_\_\_  
(signature)



Rietumu ID \_\_\_\_\_ Test-key \_\_\_\_\_

Client's seal

**TO BE COMPLETED BY THE RESPONSIBLE EMPLOYEE**

I confirm the identity and signature of the Client or the Client's Representative

Passport / Identity document No. \_\_\_\_\_

\_\_\_\_\_ X \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / 20\_\_\_\_  
(name, surname) (signature)



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## INVESTMENT DECLARATION FOR CLIENTS CATEGORISED AS RETAIL CLIENT

Date: \_\_\_/\_\_\_/20\_\_\_

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

COMPLETE IN BLOCK CAPITALS

**Client** \_\_\_\_\_  
(corporate entity: full name / private individual: name, surname)

Cash Account No. \_\_\_\_\_ with JSC “Rietumu Banka”

Financial Instruments Account No. \_\_\_\_\_ with JSC “Rietumu Banka”

Amount to be invested \_\_\_\_\_  
(amount in figures) (currency) (amount in words)

Management Term \_\_\_\_\_ (\_\_\_\_\_ ) months

### 1. General Provisions

This Investment Declaration stipulates the investment objective of the Client's Assets by investing in the Individual Portfolio of Financial Instruments (hereinafter – the Individual Portfolio), the main management principles of the Individual Portfolio, the composition and structure of the Individual Portfolio, and regulations and limitations on the investment activity concerning the Individual Portfolio.

The main management principles of the Individual Portfolio are based on needs, possibilities, objectives, and the Client's investment and financial risk tolerance, at the same time maintaining investment flexibility for decision making in view of changing financial market conditions and the Client's financial situation.

The management of the Individual Portfolio is carried out exclusively in the Client's interests.  
 The Individual Portfolio serves as an alternative source of income for the Client.  
 The Investment Declaration will be periodically reviewed. Amendments to this Investment Declaration can be made only with the Client's consent.

To achieve the objective of the Client's investments, the joint-stock company “Rietumu Asset Management” IMC, an investment management company, the unified registration number 40103753360, the legal address 7 Vesetas Street, Riga, LV – 1013, Republic of Latvia, licence for provision of investment management services has been re-registered on April 17, 2014, by the Financial and Capital Market Commission, Licences Register No. 06.03.06.512/356, (hereinafter – the Manager) will take an active approach in the management of the Individual Portfolio, which includes relatively dynamic actions with the Individual Portfolio focused on risk limitation.

Languages of the receipt and delivery of information: Latvian, Russian and English.  
 The Client may contact the Manager in person by phone 67025284 or in writing to the address 7 Vesetas Street, Riga, LV – 1013, Republic of Latvia, or by e-mail: ram@rietumu.lv.  
 The engaged agent of the Manager: JSC “Rietumu Banka” (www.rietumu.com).

The Manager's Remuneration for the Management consists of Management fee, Individual Portfolio formation fee, performance fee and commission charges for early withdrawal of the Assets under Management.

1. The management fee is \_\_\_\_\_ (\_\_\_\_\_ ) % per annum of the Individual Portfolio average annual balance. Management fee is charged monthly starting from the date of transfer of the Assets for the management.

2. The Individual Portfolio formation fee \_\_\_\_\_ (\_\_\_\_\_ ) % of the investment amount. The Individual Portfolio formation fee is charged at the time of the transfer of Assets for the management, as well as at the time of additional transfer of Assets for the management under the Terms and Conditions.

3. The performance fee<sup>1</sup> is \_\_\_\_\_ (\_\_\_\_\_ ) % of the proceeds, exceeding the Benchmark. The Benchmark is (please mark only one answer):

- annual indexed interest rate corresponding to the annual percentage rate of JSC “Rietumu Banka” term deposit for 5 years
- \_\_\_\_\_  
(please indicate type/amount of the Benchmark)

The performance fee is charged every \_\_\_\_\_ (\_\_\_\_\_ ) month from the date of the Assets transfer for the management.

X \_\_\_\_\_  
(Client's signature)

4. The commission charges for early withdrawal of the Assets under the management:

4.1. up to 18 months from the transfer of the Assets for the management, if the term of the management is less than 18 months – charged in the amount equal to management fee with the term specified in the Investment Declaration minus paid management fee in the amount, which is obtained in the result of the Assets sale;

4.2. up to 18 months from the transfer of Assets for the management, if the term of the management is 18 months and more - charged in the amount equal to the management fee for 18 months minus the paid management fee in the amount, which is obtained in the result of the Assets sale;

4.3. 18 months from the transfer of the Assets for the management and more – commission charges are not applied.

The Manager's Remuneration will be charged in Euros (EUR). If the currency of the Individual Portfolio is other than euro (EUR), the Manager has the right to convert the amount required to pay the Remuneration for the management at the rate of JSC „Rietumu Banka” on the date when the Remuneration for the management was paid.

<sup>1</sup> **Performance fee** for the reporting period must be withheld by the Manager if during the calculation and collection of the fee the net value of the Individual Portfolio of financial instruments exceeds the maximum net value of the previous Individual Portfolio of financial instruments at the end of the settlement period from the beginning of the management, taking into account the Benchmark increase. When calculating the maximum costs, the current settlement period is not taken into account and the replenishment and withdrawal of the Assets is taken into account.

The amount of remuneration received by the Manager for the increase of the value of the Individual Portfolio of the financial instrument is calculated using the following formula, if from the moment of reaching the previous maximum portfolio value the Assets have not been replenished or withdrawn from the management:

$$P = L * \max \{0, NA - NA_{\max} * (1 + B)^T\}$$

The amount of remuneration received by the Manager for the increase of the value of the Individual Portfolio of the financial instrument is calculated using the following formula, if from the moment of reaching the previous maximum value of the portfolio the Assets are replenished or withdrawn from the management:

$$P = L * \max \{0, NA - NA_{\text{adj max}}\}$$

$$NA_{\text{adj max}} = NA_{\max} + C_1 + C_2 \dots + C_n + (NA_{\max}) * ((1 + B)^{T_1} - 1) + (NA_{\max} + C_1) * ((1 + B)^{T_2 - T_1} - 1) + \dots + (NA_{\max} + C_1 + C_2 + \dots + C_n) * ((1 + B)^{T_n} - 1)$$

where,

P – the amount of remuneration received by the Manager for the increase of the value of the Individual Portfolio of the financial instrument during the settlement period (expressed in monetary units);

L – remuneration rate for the increase of the value of the Individual Portfolio of financial instruments (expressed as a percentage);

NA – the net value of the Individual Portfolio of financial instruments at the end of the settlement period (expressed in monetary units);

NA<sub>max</sub> – the maximum net value of the Individual Portfolio of financial instruments at the end of the settlement period from the beginning of management. When calculating the maximum value of the Individual Portfolio of a financial instrument, the current settlement period is not taken into account and the withdrawal of the Assets from management and replenishment of the Assets under management (expressed in monetary units) is taken into account.;

B – Benchmark value (expressed as a percentage);

T – the period of time as from the maximum net value of the Individual Portfolio of financial instruments is reached until the end of the settlement period (expressed in years);

NA<sub>adj max</sub> – adjusted maximum net value of the Individual Portfolio of financial instruments, taking into account the Benchmark and replenishment or withdrawal of the Assets from management (expressed in monetary units);

C<sub>1</sub>, C<sub>2</sub>, C<sub>n</sub> – the value of the first, second and nth replenishment or withdrawal of the Assets from management (expressed in monetary units);

T<sub>1</sub>, T<sub>2</sub>, T<sub>n</sub> – the period of time as from the maximum net value of the Individual Portfolio of financial instruments is reached to the first, second and nth replenishment or withdrawal of the Assets from management (expressed in years).

## 2. Investment Policy

### 2.1. Distribution of Investments

Target levels of distribution of investments are based on the Client's investment objectives and limitations specified in this Investment Declaration. When distributing funds, the following provisions are applied:

- investments in financial instruments of global markets allow to reach excess return and diversification;

- investments in high quality debt securities allow to reach lower volatility;

- investments in capital securities and high-yield debt securities allow to reach long-term capital increase.

Investments in global markets involve investments in currencies that differ from the base currency of the Individual Portfolio. Strategically the Manager does not plan to hedge foreign currency risks in order to increase advantages from diversification.

Distribution of funds among various investment asset classes may deviate from target levels within the set range. The Manager reserves the right to make changes in the distribution of funds among the classes of investment assets in the Individual Portfolio, if the Client's financial situation and/or financial markets undergo substantial changes affecting the classes of assets in which the Client's funds have been invested.

Funds can be held in liquid assets, including in the form of cash in the amount required for activity.

X

(Client's signature)

## Target levels of fund distribution among various geographic regions

(please mark "Yes" or "No")

At the discretion of the Manager  Yes  No

If you have marked "No" in the previous question, please fill in the following table:

(please specify the value in % of the Individual Portfolio)

Geographic region	% of the Individual Portfolio Target	% of the Individual Portfolio Minimum	% of the Individual Portfolio Maximum
North America			
West Europe			
Asia and Oceania			
East Europe			
Other			

### 2.2. Supplementary financing facility (pledging the Individual Portfolio of financial instruments):

Supplementary financing facility which includes margin loan, overdraft, automatic financing according to the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement is allowed, but it shall not exceed \_\_\_\_\_ (\_\_\_\_\_)% of a total Individual Portfolio value at the moment of the opening of financing.

Not allowed

### 2.3. Investment Objects

#### Description of Financial Instruments

##### Capital securities

Capital securities represent a certain share of the issuer's equity and grant the right to participate in the issuer's profit. The yield level of capital securities depends on the size of dividends paid and on the change of the market price of the capital securities. It is also important to consider that there exist different types of shares, and the issuer determines the criteria of the emission for the specific shares. The issuer has no legal obligations towards holders of capital securities to maintain the market value of the securities to a certain level; the issuer is under no obligation to pay dividends either.

Capital securities may be divided into ordinary shares and complex shares.

Ordinary shares present the right to participate in the voting of shareholders, in accordance with the principle that one share equals one vote. There are cases when the right of vote concerning ordinary shares can be transferred to a third party for participation in the voting. Additionally, the company may grant the right to the current shareholders to purchase more company shares at a price below the market price, with an additional issue of shares. In this case, the rights to purchase new shares will be traded on the market along with the shares. In most cases in the modern world, a share represents an electronic entry in the register of shareholders.

The following types of shares can be classified as complex shares: preferred shares, ADR, GDR, and to a certain extent, leveraged ETFs and non-leveraged ETFs. Separately, we can also include in this category the shares that are commonly referred to as pink sheet –these are shares of various issuers that were issued with significant assumptions about the reliability and quality of the issuer, shares of various companies for which there is no (or there is simplified) reporting, shares whose exchanges do not perform a full-fledged check in respect to their issuers, since they were issued for developing enterprises in order to reduce the cost of listing and initial placement. Often, such shares are quoted on special sections of the exchange or on the so-called bulletin board (OTC BB), their liquidity is very low, while the volatility is very high and can reach tens of percent.

Preferred shares are shares without voting rights or with limited voting rights (depending on the charter of the joint-stock company). The absence or restriction of rights is compensated by additional privileges received by the holder of shares of this type. Usually, these privileges include the ability to receive a guaranteed income (dividends), seniority to the holders of ordinary shares in the case of the company's liquidation, and others.

Depository receipt – this is a financial instrument issued by banks, which certifies and guarantees the ownership of shares in a foreign company. The main purpose of depository receipts is to attract foreign capital and increase the liquidity of the shares. The most popular types of depository receipts are: ADR (American Depository Receipt) and GDR (Global Depository Receipt).

Exchange Traded Fund (Exchange Traded Fund, ETF) is the fund whose shares are freely traded on the exchange. Actually, the ETF is a type of securities that plays a role of a certificate for the assets portfolio, which replicates the structure of the chosen core index (of capital securities, debt securities, commodities, real estate etc.). With shares of the funds you can perform the same operations as with ordinary shares (i.e. purchase/sale).

X

(Client's signature)

In addition to the usual ETF funds, there are also funds with a built-in lever (leveraged ETF). The difference between these funds is the presence of the so-called "lever." The presence of the financial leverage allows the ETF to generate a larger profit or loss than the index on which it is based. This is achieved through the use of various derivatives and debt instruments. Use of the derivatives in the structure of the fund also adds the need to transfer the derivative position to the next active month upon the expiry of the contract. This can lead to a situation when the value of ETF's shares decreased, even on a stable market.

Main risks: a risk of capital securities value decrease in comparison to their purchase value (the market risk). Financial results of the issuer's activity may have a material effect on prices of capital securities, the amount of dividends, development prospects of the issuer or the business sector, the change of the top management and many other factors. The economic situation in the country or the region influences prices of capital securities strongly. It is also worth noting that in case of the issuer's insolvency holders of capital securities have no precedence for compensation. Capital securities therefore are a more unpredictable and riskier instrument than fixed-income securities. Within a certain period of time the investor can receive both a large profit and significant losses. The ETF is exposed to all the risks, to which its underlying asset is exposed to – the market risk, the credit risks, the currency risk, the liquidity risk etc. Respectively, depending on the chosen core index and the ETF structure risk degrees may differ. A specific and important risk, to which the ETF is exposed – difference in yields with the underlying asset. This risk takes place where there is a considerable difference in the transaction prices within the ETF and the underlying asset settlement prices. Depending on the type of the ETF the liquidity risk and the counterparty's risk may increase considerably.

### Debt securities

Debt securities represent a certain share of debt liabilities of an issuer who may be a sovereign country, a public institution, a supranational institute, a business company, a credit institution and other issuers. It is important to note that there are different types of debt securities, and that the debt securities of one issuer may significantly differ in the risk degree depending on the type. A buyer of debt securities accommodates the issuer with money who normally pays out interest (a coupon) during the whole validity period of the debt securities and when completing redemption – pays back their nominal value.

Debt securities may be divided into ordinary bonds and complex bonds.

Ordinary bonds include so-called investment grade bonds, i.e. with a rating of BBB-(Fitch, S&P), Baa3 (Moody's) or higher.

Complex bonds include instruments with various variables in the methodology of calculation. These variables can be both external and internal factors affecting the company or the economic situation as a whole; as well as additional conditions that the company establishes by itself (at the time of issuance). The most common variables include instruments with:

- \* Early redemption of bonds (CALL) – the company has the right to redeem the bond prior to the maturity date, at a predetermined price, if the market price at the date of possible redemption is lower.
- \* Early sell right (PUT) – the investor has the right to demand early repayment of the principal. This type of bond is typical for emerging markets, e.g. Brazil.
- \* Variable coupon rate – the bond rate may be floating, dependent on specific parameter (i.e. central bank rate, LIBOR, indexes and other indicators).
- \* Amortization of the principal amount of debt – often the company will pay a part of the face value along with the coupon in order to avoid paying the full amount at maturity. This can be done if the bond considers amortization.
- \* Extension of the maturity period – the maturity of the bond may be extended to a later date.
- \* Conversion to another financial instrument – the bond can be converted into another instrument, both into shares and into a debt instrument with an increased maturity.

Main risks: a risk that the issuer can fail to fulfil his/her contractual commitments (the credit risk). The risk of the non-payment of the coupon income on securities exists, for example, in cases, when the issuer is in the financially unstable position or a country, in which the issuer operates, introduces restrictions on conversion and transfer of payments on debt, that is denominated in the foreign currency. Likewise, the investor may suffer partial losses, if debt securities will be sold or redeemed by the issuer before their maturity. Price variations of debt securities are closely connected with the economic situation in the world and in specific countries or industries. The current price of debt securities and accordingly their yield are influenced by such showings as economic growth rate of a country, inflation level, employment; in case these are corporate debt securities – the issuer's financial position and many other factors. In case, when the issuer becomes insolvent, the bondholder has a higher claim right to the issuer's assets than the shareholder.

### Money market instruments

Money market instruments represent liquid debt securities which value can be determined at any time and which normally are traded on the money market. Money market instruments are characterised by a short repayment period (up to a year) and high liquidity (a possibility to purchase or sell financial instruments in the desired date without significant losses). Money market instruments may be divided into ordinary money market instruments and complex money market instruments.

The simplest and most popular instruments are short-term US Treasury bills (maturity up to one year, inclusive). These bills are one of the most liquid and ultra-reliable financial instruments. The difference between the US bills from all others is the price, which is below its face value, and the absence of a coupon payment.

X

(Client's signature)



Complex money market instruments include repurchase transactions (REPO agreements). The repurchase agreement implies a deal to buy/sell a security with an obligation to sell/buy later on. This transaction can be considered as a cash loan secured by securities (REPO) or a loan of securities secured by cash (reverse REPO). REPO can be concluded both for a certain period and without a term, but the second option is riskier, as it increases the likelihood of one party's inability to buy back the securities.

Main risks: a risk that the issuer can fail to fulfil his/her contractual commitments (the credit risk). Money market instruments are also exposed to the market risk. However, due to the short repayment period and high liquidity of money market instruments a lower risk level is characteristic.

#### Deposits in credit institutions

Deposits in credit institutions represent the placement of funds in custody of a credit institution. Normally deposits in credit institutions have a fixed interest rate and maturity. When the maturity of the deposit expires the investor receives back the deposit amount increased by a certain interest income.

Main risks: a risk that the credit institution can fail to fulfil its contractual commitments (the credit risk). The credit risk is limited since in most cases deposits in credit institutions up to a certain sum are guaranteed by a state.

#### Investment fund units

Investment fund units represent a part of joint assets of an investment fund with a defined risk level and an asset allocation principle. When investing in the investment funds, the assets of one investor are combined with the assets of other investors, which are managed by a professional investment manager to achieve the profit from the dynamics of the securities market. By pooling assets from various sources investment funds can offer a range of advantages to their investors, in particular, a possibility to diversify risks, reducing costs due to the economy of scale and a possibility to invest funds with a comparatively low investment capital level.

Main risks: investment fund units are exposed to all the risks, to which the assets included in the investment fund are exposed to – the market risk, the credit risks, the currency risk, the liquidity risk etc. Depending on the type of an investment fund the liquidity risk may increase considerably.

#### Derivative financial instruments

Derivative financial instruments are contracts under which the parties acquire rights or undertake to perform certain activities in relation to an underlying asset. The distinguishing feature of these instruments is that the total amount of liabilities to which they are subject is not related to the total amount of underlying assets traded on the market. Issuers of derivative financial instruments are not always the owners of the underlying asset. Derivative financial instruments include futures, options, forwards, swaps and other derivative financial instruments.

Futures are securities that represent a futures contract entered into the stock exchange. The essence of the transaction is the delivery of a certain asset in a certain place on a specific date in the future. When buying futures, neither the transfer of this asset nor the payment for it occurs. The price of the contract at a particular point in time is the current value of the asset plus the interest for the time remaining until payment, that is, until the contract is realized. There are two types of futures contracts – delivery and settlement (non-delivery). At the expiration of delivery futures, raw materials (oil, grain, gasoline, etc.) are delivered, while a settlement future does not imply physical delivery, and a settlement takes place instead, where the contractual parties settle the difference between the price under the opening of the contract and the official price at the contract's expiration. Forwards are similar to futures but are not standardised and are carried out on an over the counter (OTC) basis.

An option is a derivative that allows the option buyer (the owner or holder of a long position of the option) the right, but not the obligation, to buy or sell the underlying asset or financial instrument at the strike price of the option, depending on the option type (European or American). It should be taken into account that when buying an option, a premium is received by the counterparty (the seller of the option). In regard to this, the maximum loss of the holder of a long position can be equal only to the premium paid for the option. For a holder of a short position on an option (the seller), the loss is unlimited (except for the sale of PUT options, since the underlying asset cannot be below zero), but profit is limited to the initial amount of premium received for the sale.

Main risks: derivative financial instruments are subject to market risk, foreign exchange risk, counterparty risk, liquidity risk and risk interconnectivity. The latter risk is uncertainty about the impact on a derivatives transaction due to the interrelationship of multiple derivative financial instruments and dealers.

X

(Client's signature)

## Investment Objects of the Client's Individual Portfolio Funds

### Funds of the Client's Individual Portfolio can be invested in the following financial instruments:

(please mark "Yes" or "No" for each financial instrument)

#### Simple instruments

Shares  Yes  No  
(ordinary, without embedded derivatives)

Bonds and simple debt instruments  Yes  No  
(ordinary bonds and debt instruments with high rating, without embedded derivatives and complex embedded parametres)

Money Market  Yes  No  
(deposits etc., without instruments with embedded derivatives and complex parametres)

#### Complex instruments

Shares, ETF, UCITS funds  Yes  No  
(complex shares, penny stock, ETF and UCITS structured funds etc.)

Bonds  Yes  No  
(complex bonds and debt instruments with embedded parametres, and junk bonds)

Futures  Yes  No  
(any type of futures – commodity, currency, financial etc.)

Options  Yes  No  
(any type of options – both share and future options)

Marginal Forex, CFDs  Yes  No  
(trading in instruments with leverage, individual trade, using electronic platforms)

Precious metals  Yes  No  
(XAU, XAG and other) and currency swaps/forwards

Other: CDS, Non-UCITS funds etc.  Yes  No

### Funds of the Client cannot be invested in precious metals or derivative financial instruments whose underlying asset is precious metals or commodities.

#### Financial Instruments of the Individual Portfolio must meet the following requirements:

##### Investments in transferable securities and money market instruments

1. Funds of the Individual Portfolio can be invested in transferrable securities and money market instruments if they meet at least one of the following criteria:

1.1. they are traded on the regulated market or multilateral trading venue or systematic internilizer of the member countries (a country of the European Union or the European Economic Area);

1.2. they are included on the official list of the foreign stock exchange or are traded on the regulated market or multilateral trading venue or systematic internilizer of the non-member countries;

1.3. they are not included on the official lists of stock exchanges or are not traded on the regulated markets, however, the emission regulations envisage these instruments to be included on the lists of stock exchanges or the regulated markets within a year as from the date the subscription on the given securities or money market instruments has begun.

X

(Client's signature)



2. Funds of the Individual Portfolio can be invested in money market instruments that are not traded on the regulated markets, however, they are freely transferable and one of the following conditions has set in:

- 2.1. they have been issued or guaranteed by the local government of the member country;
- 2.2. they have been issued or guaranteed by the central bank of the member country, the European Central Bank or the European Investment Bank;
- 2.3. they have been issued by the commercial company, securities of which are traded in the venues mentioned in cl. 1.1 and 1.2;
- 2.4. they have been issued or guaranteed by the credit institution registered in a member country and the activity of which has been monitored in compliance with EU requirements or by the issuer, the activity of which is monitored as strictly as in the EU and which complies with at least one of the following requirements:
  - is registered in the country of the Organisation for Economic Co-operation and Development that falls under G-10 countries;
  - the investment-grade rating has been assigned;
  - the analysis of the issuer's regulatory environment confirms that requirements that govern the issuer's activity are as strong as in the EU;
  - they have been issued by a commercial company, the size of reserve and capital of which amounts to 10 (ten) million euro (EUR) or more and which makes and publishes its annual statement according to the EU requirements.

3. Funds of the Individual Portfolio can be invested in transferrable securities if they meet all the following criteria:

- 3.1. they are liquid;
- 3.2. they can be reliably assessed;
- 3.3. information available about them is sufficient;
- 3.4. they can be alienated without limitations.

#### Investments in money market instruments

4. Funds of the Individual Portfolio can be invested in money market instruments if they meet all the following criteria:

- 4.1. they are liquid;
- 4.2. they can be reliably assessed;
- 4.3. the initial or remaining date until their maturity does not exceed 397 (three hundred ninety seven) days; or its yield according to the money market regulations is corrected at least once in 397 days; or its risk profile, including credit risk and interest rate risk, complies with the risks of the financial instruments, the term to the maturity of which does not exceed 397 (three hundred ninety seven) days or to which the abovementioned yield correction is applied.

#### Deposits in credit institutions

5. Funds of the Individual Portfolio can be invested in deposits in credit institutions licenced to perform its activity in the Republic of Latvia, another member country or country of the Organisation for Economic Co-operation and Development that falls under G-10 countries. Investments can be made if the deposits can be returned on demand or prior to the scheduled maturity date and its maturity does not exceed 12 (twelve) months.

#### Investments in investment fund units

6. Funds of the Individual Portfolio can be invested in investment fund units registered in the member countries:

- 6.1. funds of the Individual Portfolio can be invested in foreign investment fund units if the investment fund meets the following requirements:
  - the investment fund is registered in the country, the monitoring in which is equivalent to requirements of the Law on Investment Management Companies and the regulator of the given country co-operates with the Financial and Capital Market Commission;
  - investors' protection, limitations on investments and transactions are analogous with the Law on Investment Management Companies;
  - semi-annual and annual statements are made and published.
- 6.2. investments in investment fund units mentioned in Clauses 6 and 6.1 are solely possible if the memorandum of such investment funds states the investment in the assets of other funds which does not exceed 10%.

#### Derivative financial instruments

7. Funds of the Individual Portfolio can be invested in derivative financial instruments traded on regulated and unregulated markets and that in equal measure meet the following requirements:

- 7.1. underlying asset – the abovementioned financial instruments, financial indexes, interest rates, exchange rates and currencies;
- 7.2. the partner of the untraded derivative financial instrument on the regulated market is a credit institution registered in the Republic of Latvia or a country of the Organisation for Economic Co-operation and Development that falls under G-10 countries or a brokerage firm, the size of reserves and capital of which amounts to 10 (ten) million euro (EUR) and which is also registered in the abovementioned countries;
- 7.3. the untraded derivative financial instrument on the regulated market is assessed on a daily basis or the following is possible at any time on the initiative of the Manager: sale at the actual price, liquidation or a position closing transaction.

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(Client's signature)

## 2.4. Investment Limitations

Investments of the Individual Portfolio in transferable securities or money market instruments of a single issuer cannot exceed 5% of assets of the Individual Portfolio. This limitation can be raised up to 10% of the assets of the Individual Portfolio but in that case the total value of transferable securities or money market instruments of issuers exceeding 5% may not exceed 40% of assets of the Individual Portfolio.

Investments of the Individual Portfolio in transferable securities or money market instruments of a single issuer can be raised up to 35% of assets of the Individual Portfolio if the issuer or the guarantor is a member country, a foreign country, the local government of a member country or an international institution if one or several member countries are its members. This limitation can be exceeded if the following provisions are met: investments in the Individual Portfolio include transferable securities or money market instruments from six and more emissions and the value of the every separate emission does not exceed 30% of assets of the Individual Portfolio.

Investments of the Individual Portfolio in transferable securities of a single issuer can be raised up to 25% of assets of the Individual Portfolio if the securities are issued by a credit institution registered in a member country and these securities recognise obligations to invest funds in objects that fully ensure the established liabilities in the circulation period of the debt securities and these liabilities in case of the issuer's insolvency will be fulfilled primarily.

If the value of investments of the Individual Portfolio in the abovementioned securities of a single investor exceeds 5% of assets of the Individual Portfolio then the total value of investments of the Individual Portfolio which exceeds these 5% may not exceed 80% of assets of the Individual Portfolio.

Investments of the Individual Portfolio in the form of deposits into a single credit institution cannot exceed 20% of assets of the Individual Portfolio.

The total risk related to with transactions with derivative financial instruments cannot exceed the net value of assets of the Individual Portfolio. The Manager calculates the total risk of the Individual Portfolio at least once a day.

The value of the risky transactions with derivative financial instruments not traded on the regulated market with each issuer may not exceed:

- 10% of assets of the Individual Portfolio if the contractor is a credit institution registered in the Republic of Latvia or in a member country or a country of the Organisation for Economic Co-operation and Development;
- 5% of assets of the Individual Portfolio if the contractor is a brokerage firm, the size of reserves and capital of which amounts to 10 (ten) million euro (EUR) and which is also registered in the abovementioned countries.

Investments of the Individual Portfolio in investment units of a single fund cannot exceed 10% of assets of the Individual Portfolio.

Not taking into consideration the above listed limitations the total amount of investments of the Individual Portfolio in transferable securities and money market instruments, placing deposits and derivative financial instrument transactions with a single contractor shall not exceed 20% of assets of the Individual Portfolio. If several persons belong to one group, they are considered as a single contractor.

Up to 10% of assets of the Individual Portfolio may be invested in transferable securities and money market instruments which do not meet the requirements of the chapter 2.3. Investment Objects (Investments in transferable securities and money market instruments) hereof.

Investments of the Individual Portfolio in separate objects cannot exceed the following:

- 10% of the nominal value of non-voting shares of a single issuer;
- 10% of the total amount of debt securities issued by a single issuer;
- 25% of a single fund;
- 10% of the total value of money market instruments issued by a single issuer.

Exceeding of the abovementioned limitations does not cancel the signed deals, however, the Manager is liable to the Client of the Individual Portfolio and third persons for losses that will be incurred, except for the case below:

- the exceeding is admissible if it has been caused due to the use of the right to sign for transferable securities or money market instruments included in the Individual Portfolio or due to other circumstances the Manager could not foresee. In order to liquidate this limitation breach the Manager has to immediately sell these instruments according to risk reduction principles and in the Client's best interests. Exceeding of the following limits is possible in the moment of investment:
  - 10% of the total amount of debt securities issued by a single issuer;
  - 25% of a single fund;
  - 10% of the total value of money market instruments issued by a single issuer;
- if there was no possibility to state or calculate a) the quantity or value of the issued securities with debt liabilities fixed in them or b) the value or quantity of the issued or outstanding shares.

The Manager is obligated to immediately inform the Client when limitations are exceeded and instruct on measures to be taken.

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(Client's signature)

## 2.5. Other Investment Limitations and Fund Distribution Principles

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## 2.6. Rebalancing Principles

It is expected that the actual fund distribution will differ from target levels as a result of the change in value of investments in individual financial instruments.

Rebalancing of the Individual Portfolio is done according to the following principles:

- The Manager uses incoming and outgoing cash flows to correct the current fund distribution to target levels;
- The Manager periodically makes an analysis of the Individual Portfolio with an aim to state the compliance of the fund distribution levels with the investment policy and limitations and the divergence of the current and target fund distribution levels;
- in case of non-compliance of the current fund distribution levels with the investment policy and limitations stated in this Investment Declaration the Manager performs rebalancing of the Individual Portfolio;
- in case of non-compliance of the current fund distribution levels with the range of the target fund distribution levels stated in this Investment Declaration the Manager performs rebalancing of the Individual Portfolio.

The Manager is entitled to make a decision to correct the current fund distribution to the target levels at any time.

The Manager is obliged to act with reasonable periodicity in the assessment process and rebalancing of divergences of the current and target fund distribution levels of the Individual Portfolio.

## 3. Assessment Method of Results of the Client's Individual Portfolio

Performance results of the Individual Portfolio are not compared to the dynamics of some previously chosen benchmark of market securities. Performance results of the Individual Portfolio are assessed according to the reached growth of the invested funds.

## 4. Assessment Method of Value of Financial Instruments

To determine the estimated value of financial instruments of the Individual Portfolio, quotations of the information systems Reuters and Bloomberg are used.

The estimated value of financial instruments that are liquid but not quoted via the information systems Reuters and Bloomberg can be assessed by using quotations offered by Counterparties of the Manager or other participants of the financial market.

Illiquid financial instruments that are not quoted via Reuters and Bloomberg or other information systems available are assessed with zero value.

Financial instruments with quotations available via information systems Reuters and Bloomberg can be assessed with zero value if in the course of the trading session or negotiations with counterparties it is determined that the execution of a transaction is impossible at the given moment.

Financial instruments with actual quotations available via information system Bloomberg are evaluated according to the value specified in the given system. An exception applies in cases when the value given by the information system Reuters more complies with the value offered by counterparties and when the functional failures of the Manager systems or the information system Bloomberg have taken place.

The determination of the estimated value of financial instruments of the Individual Portfolio is performed on a daily basis.

Financial instruments are initially valued at their purchase price including the cost of purchase.

**Debt securities and money market instruments** are evaluated by "bid" prices. If "bid" prices are not available, then debt securities are evaluated by "trade" prices.

If income from debt securities and money market instruments is paid in the form of a coupon, the coupon or accrued interest is added to the price in the amount, which corresponds to the period from the date of accrual of the coupon to the valuation date.

**Term investments** are evaluated by the principal sum of the investment taking into account the accumulated interest.

**Capital securities** are evaluated by "bid" prices, except for the shares and share options of companies in the United States of America, which are evaluated by "last price". If "bid" price is not available, then capital securities are evaluated by "trade" price.

**Investment fund shares** are evaluated by prices of the latest redemption of shares available on the settlement date.

**Derivative financial instruments** that are traded on a regulated market are evaluated by their last "trade" or "mid" prices.

X

(Client's signature)

**5. Reporting Requirements**

The Manager sends periodic reports to the Client on the status of the Individual Portfolio once a quarter. The Client is entitled to request from the Manager:

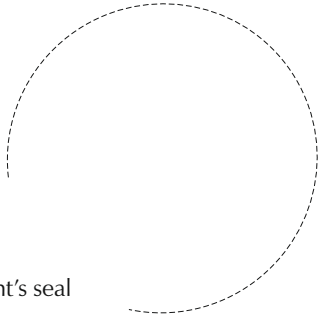
- to send periodic reports on the status of the Individual Portfolio once a month;
- to provide reports on every transaction implemented within the Individual Portfolio management.

If the Manager uses leveraged funds in the framework of the Individual Portfolio management, the Manager shall send to the Client periodic reports on the status of the Individual Portfolio once a month.

**I acknowledge that I have read and agree with the Terms and Conditions of Client's Financial Instruments Portfolio Individual Management Agreement and Client Personal Data Processing Notice (available on the website [www.rietumu.com/en/ram/investment-ram-about/investment-documents](http://www.rietumu.com/en/ram/investment-ram-about/investment-documents)).**

Client represented by \_\_\_\_\_  
(name, surname)

X \_\_\_\_\_  
(signature)



Rietumu ID \_\_\_\_\_ Test-key \_\_\_\_\_

Client's seal

**TO BE COMPLETED BY THE RESPONSIBLE EMPLOYEE**

I confirm the identity and signature of the Client or the Client's Representative

Passport / Identity document No. \_\_\_\_\_

\_\_\_\_\_ X \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / 20\_\_\_\_  
(name, surname) (signature)



**Key partners of purchase of products and services**

(please specify name, registration country, country of business, type of activity, website address):

1. \_\_\_\_\_  
 \_\_\_\_\_

2. \_\_\_\_\_  
 \_\_\_\_\_

3. \_\_\_\_\_  
 \_\_\_\_\_

**Key partners of sale of products and services**

(please specify name, registration country, country of business, type of activity, website address):

1. \_\_\_\_\_  
 \_\_\_\_\_

2. \_\_\_\_\_  
 \_\_\_\_\_

3. \_\_\_\_\_  
 \_\_\_\_\_

**Whether the Client belongs to a group or an association of companies?** No Yes (please specify the composition of the group or association of companies, including the Client's role in the group/association):

Nº	Name of the company	Role in the group/association	Country of registration	Servicing bank
1				
2				
3				

**Does the Client's business activity relate to the Republic of Latvia?** NO (please explain the reason for choosing JSC "Rietumu Banka" in Riga, Republic of Latvia):

\_\_\_\_\_

 Yes (please specify): business activity is carried out in the Republic of Latvia office in the Republic of Latvia business partners in the Republic of Latvia employees in the Republic of Latvia company is run from the Republic of Latvia real estate in the Republic of Latvia Client's beneficial owner and/or representative has a passport/identity card or a residence permit in the Republic of Latvia other (please specify) \_\_\_\_\_**Client's relation with the registration country is approved by** (please specify): agreements entered into with partners of the registration country office lease agreement in the registration country employment contracts with employees in the registration country documents approving the ownership of the real estate in the registration country Client's beneficial owner and/or representative has a passport/identity document or a residence permit in the registration country other (please specify) \_\_\_\_\_

X

(signature of Client's Representative)

## IDENTIFICATION OF THE CLIENT AS A POLITICALLY EXPOSED PERSON

Are/were the Beneficial Owner<sup>1</sup> or the holder of shares of the Client's company, or the Client's officials/authorised representatives, and their family members classified as politically exposed persons<sup>2</sup> or members of the family of a politically exposed person<sup>3</sup>, or persons closely related to a politically exposed person<sup>4</sup>?

No  Yes (please specify in detail)

## FINANCIAL INFORMATION

Specify the sources of origin of the Assets that have been transferred to the management of JSC "Rietumu Asset Management" IMC:

- investments of company owners
- income and/or interest receivable from business activity
- subsidies (please specify the source) \_\_\_\_\_
- borrowings (please specify the source) \_\_\_\_\_
- other (please specify) \_\_\_\_\_

Does the Client have to submit regular financial reports in its place of registration or activity?

No

Yes (please specify the institution, which collects financial reports) \_\_\_\_\_

For what period was the last financial report submitted? \_\_\_\_\_

Is the report available for public access?  Yes \_\_\_\_\_  No

(please specify the source)

In which banks/payment institutions the client has accounts? (please specify):

_____	_____
(name of the bank/payment institution)	(country of registration)
_____	_____
(name of the bank/payment institution)	(country of registration)

## GENERAL INFORMATION

Whether the stamp must be used for signing the documents in paper form on behalf of the Client?  No  Yes\*

\* please fill in Appendix No. 1

<sup>1</sup> **Beneficial owner** – a natural person who owns or controls a client-corporate entity, or for whose benefit or in whose interests the business relationship is being established or an individual transaction is being executed, and it is at least:

- a) in respect of corporate entities – a natural person who owns or directly or indirectly controls over 25 per cent of the corporate entity's fixed capital or the voting shares, or who directly or indirectly controls the corporate entity's activity;
- b) in respect of legal establishments – a natural person who owns or in whose interests a legal establishment is created or operates, or who directly or indirectly exercises the control over it, including who is the founder, trustee or supervisor (manager) of this establishment.

<sup>2</sup> **Politically exposed person** – a person who is entrusted or has been entrusted with prominent public functions in the Republic of Latvia, in another EU or EEA Member State or a third country, including the head of the state, the head of administrative unit (municipality) of the state, the head of the government, a minister (a deputy minister or an assistant deputy minister, if such a position exists in the state), a state secretary or another high-ranking official in the government or in the administrative unit (municipality) of the state, a member of the parliament or a similar legislative framework, a member of the governing body (board) of a political party, a judge of the constitutional court, a judge of the supreme court or a judge of another court (member of a judicial institution), a member of the council or of the board of the supreme audit institution, a member of the council or of the board of a central bank, an ambassador, a chargé d'affaires, a high-ranking military officer, a member of the council or of the board of a state-owned enterprise, the head (director, deputy director) of an international organization and a member of the board or a person who holds an equivalent position in that organization.

<sup>3</sup> **Member of the family of a politically exposed person** – a person who is: a) a spouse of a politically exposed person or a person equivalent to a spouse. A person shall be treated as equivalent to a spouse provided that the laws of the respective country contain a provision for such status, b) a child of a politically exposed person or a child of a spouse of a politically exposed person, or of a person equivalent to a spouse, his/her spouse or a person equivalent to a spouse, c) parents, grandparents and grandchildren of a politically exposed person, d) brothers and sisters of a politically exposed person.

<sup>4</sup> **Person closely related to a politically exposed person** – a private individual who is publicly known to have business relationship or other close relationship with a politically exposed person, or who is a shareholder or a participant in the same commercial company with any politically exposed person, and a private individual that is a sole owner of a legal arrangement that is known to be established for the benefit de facto of any politically exposed person.

X

(signature of Client's Representative)

## DECLARATION

According to the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing of the Republic of Latvia and recommendations of the Financial and Capital Market Commission that are in line with international banking standards, banks of the Republic of Latvia have to be informed about clients' business activity and have to possess all documents that approve this information (the law is published on the web site of Financial and Capital Market Commission <http://www.fktk.lv/en/law/general/laws/>). Within the cooperation with the Client is entitled to request and the Client is obliged to submit to JSC "Rietumu Asset Management" IMC documents (in accordance with the Terms and Conditions of Client's Financial Instruments Portfolio Individual Management Agreement which are required for compliance with the provisions of law, including:

- documents that defines the Client's business activity;
- documents that approve sources of funds, and social and financial status of the beneficial owner;
- information on the Client's main partners, their role and position in the Client's business;
- information on volumes of transactions planned and their financial justification;
- information on any changes in the activity of the Client or holder of the Client's funds about which the Client is obliged to inform JSC "Rietumu Asset Management" IMC. In case the Client fails to fulfil the above requirements and obligations JSC "Rietumu Asset Management" IMC is entitled to unilaterally prior to the term terminate the individual management of the Client's portfolio (in accordance with the Terms and Conditions of Client's Financial Instruments Portfolio Individual Management Agreement).

**The Client declares that he/she has got acquainted with this Declaration and understands the requirements of the JSC «Rietumu Asset Management» IMC for submission of information and documents in line with the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing of the Republic of Latvia, and possible consequences for failing to comply with the obligations vested in him/her.**

**JSC «Rietumu Asset Management» IMC is entitled to request from the Client and the Client shall timely provide any information and documents, confirming details provided in the Client Registration Card.**

**The Client undertakes to immediately inform JSC «Rietumu Asset Management» IMC about any changes in the above-stated information in writing.**

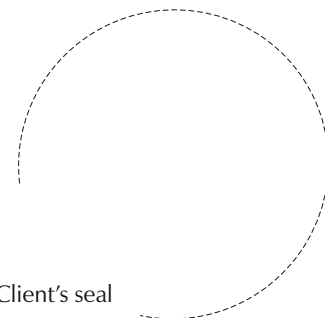
Hereby I confirm that all information provided herein is true.

Hereby I confirm that I am aware of the liability, including criminal responsibility for providing false data or wilful non-disclosure of information.

I confirm that I have read and agree to the Terms and Conditions of Client's Financial Instruments Portfolio Individual Management Agreement, Client Investment Declaration and the Client Personal Data Processing Notice (available on website [www.rietumu.com/en/ram/investment-ram-about/investment-documents](http://www.rietumu.com/en/ram/investment-ram-about/investment-documents)).

Client represented by \_\_\_\_\_  
(name, surname)

X \_\_\_\_\_  
(signature)



Rietumu ID \_\_\_\_\_ Test-key \_\_\_\_\_

Client's seal

### TO BE COMPLETED BY THE EMPLOYEE IN CHARGE

I confirm the identity and signature of the Client's Representative

Passport / Identity document No. \_\_\_\_\_

\_\_\_\_\_  
(name, surname) X \_\_\_\_\_  
(signature)

Date \_\_\_\_/\_\_\_\_/20\_\_

Documents are checked by

\_\_\_\_\_  
(name, surname) X \_\_\_\_\_  
(signature)

Date \_\_\_\_/\_\_\_\_/20\_\_

Bank's notes \_\_\_\_\_

Client's CREF \_\_\_\_\_









JSC „RIETUMU ASSET MANAGEMENT” IMC  
 VESETAS 7 / RIGA  
 LV-1013 / LATVIA  
 REG. No. 40103753360  
 TELEPHONE +371 67025284  
 +371 67025555  
 FAX +371 67025588  
 ram@rietumu.lv  
 www.rietumu.com/en/ram

## BENEFICIAL OWNER'S<sup>1</sup> IDENTIFICATION CARD

Date: \_\_\_/\_\_\_/20\_\_\_

Approved by the Board of JSC "Rietumu Asset Management" IMC, Minutes No. 16, 29.12.2020  
 COMPLETE IN BLOCK CAPITALS

Client \_\_\_\_\_ (full name)

Registration No. \_\_\_\_\_

Client's Beneficial Owner: Name \_\_\_\_\_ Surname \_\_\_\_\_

**To be completed in case the Beneficial Owner is a citizen / non-citizen of the Republic of Latvia:**

Identity number \_\_\_\_\_

**! A copy of passport is to be attached to this Beneficial Owner's Identification Card**

**To be completed in case the Beneficial Owner is a citizen of another country:**

Passport / Identity document No. \_\_\_\_\_

**! If the Beneficial Owner is not JSC "Rietumu Banka" Client's Representative specify the following information:**

Date of birth (day/month/year) \_\_\_/\_\_\_/\_\_\_\_\_

Passport / identity document issued on (day/month/year) \_\_\_/\_\_\_/\_\_\_\_\_

Issuing country and institution of passport / identity document  
 \_\_\_\_\_  
 \_\_\_\_\_

**Beneficial Owner's place of birth:** Country \_\_\_\_\_

Province, state, region / district, town, settlement \_\_\_\_\_

Residential address: \_\_\_\_\_  
(street, house, flat, town, country, postal code)

Phone + \_\_\_\_\_  
(country code)

**Source(-es) of the Beneficial Owner's funds:**

royalties / rewards  interest receivable and dividends

Income received from:  capital share (stocks) sale  private property sale

inheritance / gifts  rent

other \_\_\_\_\_  
(please specify in detail)

**The Beneficial Owner's employment sector(-s):** \_\_\_\_\_  
(please specify in detail)

**Is the Beneficial Owner a citizen and/or a tax resident of the United States of America (USA)?**

No  Yes

X  
 \_\_\_\_\_  
(signature of Client's Representative / Beneficial Owner's)

**Private individuals who directly or indirectly own shares of the Client's company, whose share ownership does not exceed 24.99% of the total number of shares of the Client's company** (please specify):

No.	Name	Surname	Country	Identity number / Date of birth	Ownership %
1					
2					
3					

**Companies that are part of the Client's share ownership structure** (please specify):

No.	Full name	Registration No.	Country of registration	Ownership %
1				
2				
3				

**Is the Beneficial Owner or his/her members of the family classified as politically exposed persons<sup>2</sup> or members of the family of a politically exposed person<sup>3</sup>, or persons closely related to a politically exposed person<sup>4</sup>?**

No  Yes (please provide a detailed answer)

**The Beneficial Owner has the following ownership of the Client (corporate entity):**

- direct holding of the Client's (corporate entity's) shares – \_\_\_\_\_ %
- indirect ownership (through another corporate entity) or on the basis of the trust agreement entered into between the Beneficial Owner and the registered owners of corporate entity – \_\_\_\_\_ %
- other (manager, controlling entity) \_\_\_\_\_  
(please specify in detail)

<sup>1</sup> **Beneficial owner** – a natural person who owns or controls a client-corporate entity, or for whose benefit or in whose interests the business relationship is being established or an individual transaction is being executed, and it is at least:

- a) in respect of corporate entities – a natural person who owns or directly or indirectly controls over 25 per cent of the corporate entity's fixed capital or the voting shares, or who directly or indirectly controls the corporate entity's activity;
- b) in respect of legal establishments – a natural person who owns or in whose interests a legal establishment is created or operates, or who directly or indirectly exercises the control over it, including who is the founder, trustee or supervisor (manager) of this establishment.

<sup>2</sup> **Politically exposed person** – a person who is entrusted or has been entrusted with prominent public functions in the Republic of Latvia, in another EU or EEA Member State or a third country, including the head of the state, the head of administrative unit (municipality) of the state, the head of the government, a minister (a deputy minister or an assistant deputy minister, if such a position exists in the state), a state secretary or another high-ranking official in the government or in the administrative unit (municipality) of the state, a member of the parliament or a similar legislative framework, a member of the governing body (board) of a political party, a judge of the constitutional court, a judge of the supreme court or a judge of another court (member of a judicial institution), a member of the council or of the board of the supreme audit institution, a member of the council or of the board of a central bank, an ambassador, a chargé d'affaires, a high-ranking military officer, a member of the council or of the board of a state-owned enterprise, the head (director, deputy director) of an international organization and a member of the board or a person who holds an equivalent position in that organization.

<sup>3</sup> **Member of the family of a politically exposed person** – a person who is: a) a spouse of a politically exposed person or a person equivalent to a spouse. A person shall be treated as equivalent to a spouse provided that the laws of the respective country contain a provision for such status, b) a child of a politically exposed person or a child of a spouse of a politically exposed person, or of a person equivalent to a spouse, his/her spouse or a person equivalent to a spouse, c) parents, grandparents and grandchildren of a politically exposed person, d) brothers and sisters of a politically exposed person.

<sup>4</sup> **Person closely related to a politically exposed person** – a private individual who is publicly known to have business relationship or other close relationship with a politically exposed person, or who is a shareholder or a participant in the same commercial company with any politically exposed person, and a private individual that is a sole owner of a legal arrangement that is known to be established for the benefit de facto of any politically exposed person.

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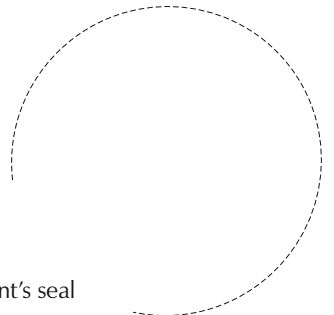
JSC "Rietumu Asset Management" IMC is entitled to request and the Client shall timely provide any information and documents, confirming details provided in the Beneficial Owner's Identification Card.  
The Client undertakes to immediately inform JSC "Rietumu Asset Management" IMC about any changes in the provided information in writing.

Hereby I confirm that all information provided herein is true.

Hereby I confirm that I am aware of the liability, including criminal responsibility for providing false data or wilful non-disclosure of information.

I confirm that I have read and agree to the Terms and Conditions of Client's Financial Instruments Portfolio Individual Management Agreement, Client Investment Declaration and the Client Personal Data Processing Notice (available on website [www.rietumu.com/en/ram/investment-ram-about/investment-documents](http://www.rietumu.com/en/ram/investment-ram-about/investment-documents)).

The Client/  
Beneficial Owner\* represented by \_\_\_\_\_  
(name, surname)



X \_\_\_\_\_  
(signature)

Rietumu ID \_\_\_\_\_

Test-key \_\_\_\_\_

Client's seal

\* a document requires a handwritten signature of the Beneficial Owner in the following cases:

1. the Client is a legal arrangement for the purposes of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing of the Republic of Latvia;
2. if total declared / actual credit turnover of the Client(-s) having one Beneficial Owner exceeds EUR 10 million per year; and
  - 2.1. the Client or the Client's Beneficial Owner is a politically exposed person, a family member of a politically exposed person or a person closely related to a politically exposed person;
  - 2.2. the Client is a shell arrangement.

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**TO BE COMPLETED BY THE EMPLOYEE IN CHARGE**

I confirm the identity and signature of the Client's Representative or the Beneficial Owner

Passport / Identity document No. \_\_\_\_\_

\_\_\_\_\_ X \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / 20\_\_\_\_  
(name, surname) (signature)





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## PROCEDURE FOR OUT-OF-COURT SETTLEMENT OF COMPLAINTS (DISPUTES)

Date: \_\_\_/\_\_\_/20\_\_

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No. 16, 29.12.2020

COMPLETE IN BLOCK CAPITALS

**Client** \_\_\_\_\_  
(corporate entity: full name / private individual: name, surname)

The Client is entitled to file a complaint to the Manager according to the procedure established by the laws of the Republic of Latvia in the following forms:

<b>In person</b>	At the Manager’s office: 7 Vesetas Street, Riga, LV-1013, Republic of Latvia
<b>By phone</b>	+371 67025284
<b>By e-mail</b>	RAMComplains@rietumu.lv
<b>By fax</b>	+371 67025588 (with a test key)
<b>By mail</b>	To: JSC “Rietumu Asset Management” IMC, Customer Service and Sales Division, 7 Vesetas Street, Riga, LV-1013, Republic of Latvia

### The application of the Client must contain the following information:

- name/surname (for private individuals)/full company name (for corporate entities) of the Client;
- the Client’s account number with JSC “Rietumu Banka” or the Client’s/Client representative’s identifier of JSC “Rietumu Banka”;
- the essence of the complaint;
- a list of enclosed documents accompanied by the documents substantiating the complaint;
- the date of the complaint;
- the form of receipt of the answer;
- signature of the Client or its authorised representative, if the complaint is submitted in writing.

### Term for consideration of the complaint (dispute)

Complaints, to which the Client would like to receive an oral answer (by phone), are considered within 3 (Three) days from the date of receipt thereof. If it is possible and the Client agrees to receive an oral answer, the Manager’s employee answers to the complaint immediately.

The consideration of complaints may take up to 15 (Fifteen) days from the date of receipt thereof. If a deeper analysis of the complaint and preparation of answer is required, the term for consideration may be prolonged. In such case the Manager informs the Client that the term for consideration of the complaint is prolonged.

Anonymous complaints are not considered by the Manager.

JSC “Rietumu Asset Management” IMC Clients which are deemed to be consumers for the purposes of the Consumer Rights Protection Law of the Republic of Latvia ([www.likumi.lv/ta/id/23309-pateretaju-tiesibu-aizsardzibas-likums](http://www.likumi.lv/ta/id/23309-pateretaju-tiesibu-aizsardzibas-likums), available in Latvian) are entitled to submit:

- applications and complaints to the Consumer Rights Protection Centre for the violations of the requirements of this law and other consumer rights protection laws and regulations, if they are related to the provision of management services;
- complaints to Out-of-court consumer dispute resolution institutions (bodies) ([www.ptac.gov.lv/lv/content/arpustiesas-pateretaju-stridurisinataju-datubaze](http://www.ptac.gov.lv/lv/content/arpustiesas-pateretaju-stridurisinataju-datubaze), available in Latvian).

**I confirm that I have read and agree to the Terms and Conditions of Client’s Financial Instruments Portfolio Individual Management Agreement and the Client Personal Data Processing Notice (available on website [www.rietumu.com/en/ram/investment-ram-about/investment-documents](http://www.rietumu.com/en/ram/investment-ram-about/investment-documents)).**

**Client represented by** \_\_\_\_\_  
(name, surname)

X \_\_\_\_\_  
(signature)

Client’s seal