



APPROVED by

Decision No 06/04/2017 of the Supervisory Board of AS Citadele banka,

Dated 25 August 2017

ACCEPTED by

Decision No 9/35/17 of the Management Board of AS Citadele banka,

Dated 30 May 2017

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I. Purpose of the document

The purpose of the Policy:

- to comply with the requirements of the Financial Instruments Market Law, DIRECTIVE 2004/39/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 21 April 2004 on markets in financial instruments, COMMISSION REGULATION (EC) No 1287/2006 of 10 August 2006, as well as to ensure the protection of the clients' interests upon rendering of investment services and ancillary investment services;
- to determine the Bank's procedure for the execution of client orders for transactions with financial instruments, as well as to determine the core principles and elements aimed at ensuring the qualitative services and the best execution in transactions with financial instruments;
- to inform the client about the Order execution process determined at the Bank.

Terms and abbreviations

Bank – JSC Citadele banka.

Transaction – agreement on financial instruments between the two parties, where one party is the Client or a person who concludes transaction regarding the received Order, which has been initially submitted by the Client to the Bank, and any third party including the Bank.

MTF – multilateral trading facilities.

FI – financial instruments, an agreement, which concurrently creates financial assets for one person, but financial liabilities or capital securities for another.

Client – person to whom the Bank renders investment services and/or ancillary investment services pursuant to the concluded service agreement.

Service agreement – an agreement entered into between the Bank and the Client regarding the rendering of relevant investment service and/or ancillary investment service.

Policy – This policy No. PO0005 "Order Execution Policy for Investment Services" along with all the subsequent amendments, changes and supplements thereto.

Order execution process – the process commencing at the moment when the Order is submitted to the Bank, and ending at the moment when settlements are completed regarding the Transaction, specified in the Order and correspondent accounting entries made in the Client's account, or at the moment when the Order is cancelled, or the validity period thereof has expired.

Order execution venue – venue where the Transaction is concluded. The Transaction can be concluded on the Trading venue or on the OTC market, i.e. outside the Trading venue.

Order – the Client's request to the Bank to conclude the Transaction specified in the request independently or by attracting the Intermediary for the execution thereof.

Intermediary – a business partner selected by the Bank (e.g. a broker, a bank) who himself ensures Order execution or forwards the Order for execution to another business partner.

Trading venue – regulated market, MTF, systematic internaliser, market maker or other liquidity provider.

II. Content of the document

Main principles of the Policy

1. The Bank has introduced the Policy in order to ensure a high-quality Order execution process, to achieve the best possible result in Order execution and to ensure predictability and certainty in the Bank's relationship with the Client, as well as to minimize the negative consequences resulting from the Order execution process. The Policy incorporates the guidelines for expeditious and efficient handling of situations which substantially encumber the Client's Order execution process.
2. By introducing the Policy, the Bank declares that, during the Client's Order execution process, the following main principles are observed:
 - 2.1. ensure the best execution of the Client's Transactions with FI is based on the proportionality between the Client's profit and expenses within the framework of requirements specified in the legal acts;
 - 2.2. regular updating of the Policy;
 - 2.3. public availability of the Policy on the Bank's website and at Client service centers;
 - 2.4. monitoring of Order execution venues and conduct of Intermediaries.
3. Although the purpose of the Policy is aimed at ensuring the Client the best execution of the Order, the Policy does not exclude the possibility that, under specific circumstances, the best execution of the Order will not be achieved from the Client's point of view.
4. The Bank observes Policy terms within the Client Order execution process with respect to Transactions with FI, including Transactions with the following FI:
 - 4.1. transferable securities;
 - 4.2. investment certificates of investment funds and other transferable securities, which certify participation in investment funds or in equivalent collective investment undertakings;
 - 4.3. money market instruments – short-term (with maturity less than 12 (twelve) months), debt instruments (promissory notes, deposit certificates, short-term debt instruments issued by commercial companies) and other instruments traded on money markets;
 - 4.4. derivatives:
 - 4.4.1. options, futures, swaps, interest rate futures and any other derivative contracts related to securities, currencies (currency exchange services, if related to the rendering of investment services), interest rates, yield or other derivatives, financial indexes or financial arrangements and terms and conditions whereof prescribe settlements by cash or other FI;
 - 4.4.2. options, futures, swaps, interest rate futures and any other derivative contracts, which are related to goods and the terms and conditions whereof prescribe cash settlements or the possibility to make settlements by cash at the discretion of a party, unless this is related to the termination of the contract due to default on obligations or other type of termination of contractual relationship;
 - 4.4.3. options, futures, swaps and any other derivative contracts, which are related to goods, and the terms and conditions whereof prescribe settlements with physical delivery if they are traded on a regulated market or MTF;
 - 4.4.4. derivatives for credit risk transferring;

- 4.4.5. financial contracts for difference;
 - 4.4.6. options, futures, swaps, interest rate futures and any other derivative contracts, which are related to climate changes, rates of cargo transportation, pollution rights, inflation rate or other official economic statistical data and the terms and conditions whereof prescribe cash settlements or the possibility to make cash settlements at the discretion of a party, unless this is related to the termination of the contract due to default on obligations or other type of termination of contractual relationship.
5. The Bank applies the terms of the Policy to the relationship between the Bank and the Client considering the status assigned to the Client (retail or professional).

Client's consent to the Policy

- 6. The Bank commences the rendering of investment services and ancillary investment services to the Client, particularly accepts Orders for execution, only if the Client has agreed to the Policy.
- 7. The Bank shall not render investment services and ancillary investment services unless the Client has agreed to the Policy.
- 8. The Bank considers that the Client has unequivocally agreed to the Policy, including to the amendments of the Policy, if after entering into force of the correspondent amendments the Client has submitted the Order to the Bank.
- 9. Upon conclusion of the Service agreement the Bank acquaints the Client with the effective version of the Policy.

Types of Orders

- 10. While receiving investment services and ancillary investment services the Client may submit the following Orders:
 - 10.1. Limit Order – Order to buy or sell certain number/s of FI at the specific price or the better price;
 - 10.2. free Order – an Order to buy or sell certain number/s of FI at the market price, without specifying the particular price;
 - 10.3. other Orders – if prescribed by the relevant service or the Service agreement.
- 11. The Bank is entitled to restrict the types of Orders offered to the Client (e.g. Orders for the market price, Limit Orders), although the Order execution venue (with the relevant FI) also allows to submit other types of Orders.
- 12. The Bank is entitled to restrict and apply a shorter Order validity period than the Order validity periods available at the relevant Order execution venue, whereto the Order is submitted for execution.
- 13. Unless otherwise agreed with the Client, the Bank is entitled to publish the Limit Order that was submitted by the Client and not promptly executed, by submitting the Order to the relevant Order execution venue.
- 14. The Client is entitled to include specific instructions in the Order, but the Bank warns the Client that the specific instructions may impede or prevent the Bank from achieving best Order execution in accordance with the Policy with respect to the elements included in these instructions.
- 15. To the extent possible the Bank monitors the specific instructions included in the Client's Order also in cases when the instructions given in the Client's Order do not allow achieving the best execution for the Client.

Submission of Orders

16. The Client may submit the Order to the Bank in person, by phone, by electronic mail, fax or using the remote account management systems of the Bank, if the relevant Service agreement prescribes such type of Order submission and the Client has concluded agreement regarding the remote account management systems' services (if such are necessary for the use of the relevant service). The Bank's Service agreement may restrict or determine other types of Order submission, which are not specified in the Policy.
17. If the Client's Order is submitted by phone, the Bank identifies the Client pursuant to 'the password' in a manner prescribed in the Service agreement. The Bank is entitled to refuse to accept or to execute the Client's Order if the password or other data provided under the Service agreement, is named indistinctly.
18. When accepting the Client's Orders the Bank is entitled to record in any form a conversation with the Client, which is related to the submission of Order and subsequent conclusion of Transaction, and use these records in order to justify the submitted Order or the concluded Transaction.
19. The acceptance and processing of Orders depends on the type of submission thereof. The subsequence of the Order execution depends not only on the time when Order is submitted, but also on the manner, how Order is submitted.
20. The Bank commences the execution of the Clients Orders with similar characteristics as per subsequence of receipt thereof unless peculiarities of Orders or the current market conditions make these Orders impossible to execute or unless the Client's interests require other actions.
21. If the Order is submitted to the Bank's Client service centre, to the branch or by remote account management systems, then such a document may be processed for much longer before it is submitted for execution than the Order which has been submitted by phone or using the trading system.
22. It shall be considered by the Bank that Orders stipulated in this Clause are deemed to be such Orders that are submitted by the Client himself; such Orders are those, which have been submitted in cases when the Bank exercises an authorization assigned by the Client and/or the rights determined in Service agreements, in the Policy or other documents applicable to the relationship between the Bank and the Client:
 - to place Orders in "Stop Loss" cases;
 - to dispose of FI by realization of financial collateral;
 - to close the Client's open position;
 - pursuant to Clause 64 of the Policy to perform liquidation of the FI position regarding which disagreement occurs.

Order aggregation and splitting

23. The Bank may aggregate Client's Orders if in the Bank's opinion there is only a small probability that the aggregation of Orders will cause damage to the interests of the Clients whose Orders are aggregated by the Bank, and if according to requirements of FI issuer or Intermediary the Orders aggregation is necessary for the execution of the Order, or in Bank's opinion it is necessary to obtain best execution for the Client (however it does not exclude the possibility, that upon Order aggregation the best execution will not be obtained):
 - 23.1. The Bank may aggregate the Client Order with an Order of another Client or Transaction for the account of the Bank, if the Bank has no reason to assume that

- aggregation of Orders will be in conflict with interests of one or more Clients which have submitted those Orders. In each case of such aggregation the Bank informs the Clients, whose Orders are aggregated, that such aggregation may cause losses with respect to these Orders. These Clients shall inform the Bank, if they do not agree to such aggregation;
- 23.2. If the Bank has aggregated Transactions for its own account with one or several Client Orders, then the Bank splits or re-splits the relevant Transaction without prejudice to the interests of Clients.
24. If the Bank splits previously aggregated and executed Order, then monetary funds or FI received in the result of Order execution are split as follows:
- 24.1. If the aggregated Order is executed in full, the Bank splits the received monetary funds or FI taking into account Order execution average price and the amount of every particular Order;
- 24.2. If the aggregated Order is executed partly, the Bank splits the received monetary funds or FI on a pro rata basis between Customers, according to amount of Customers' Orders before aggregation and based on the Order execution average price;
- 24.3. In case of the aggregation of Client Order with a Transaction on the Bank's own account and partial execution of such Order, the Bank splits the received monetary funds or FI in a priority manner, first in favor of a Client, and then in favor of the Bank. If the Bank can prove that without such Order aggregation it would not have been executed the Order on such favorable conditions or would not have been executed it at all, then in respect of its own Transaction the Bank can apply the pro rata split of the received assets;
- 24.4. If the Bank receives specific instructions on FI split (within FI initial offering) from FI issue originator, issue agent or FI issuer, then the Bank splits the received funds or FI according to these specific instructions.
- 24.5. The Bank may refrain from the Client Order execution if after proportional splitting of aggregated and partially executed Order, the value of FI or funds to be received by the Client is less than the commission amount to be applicable to the Client. In such cases the Bank executes the Order subject to additional approval of the Client (obtaining the Client's consent to the conditions of Order execution) or refrains from Order execution.
25. The Bank may apply the procedure for the splitting of the previously aggregated and executed Order that is different from the one specified in Clause 24 of the Policy by giving prior notice to the Client.
26. FI or funds which have not been used, because the Bank refrained from Order execution pursuant to Clause 24.5 of the Policy, are distributed between the Bank and the remaining Clients, whose Orders were aggregated pursuant to the Clause 24 of the Policy.

Order execution

27. The Bank promptly and precisely, observing terms of the Policy, ensures the Clients' Order execution:
- 27.1. independently concluding the Transaction specified in the Order;
- 27.2. forwarding the Order for subsequent execution.
28. Ensuring the Clients' Order execution, the Bank usually acts in its own name, but for the benefit of the Client, although in certain cases the Bank may act in the name of the Client.

29. When ensuring Order execution, the Bank cannot guarantee that the Transaction specified in the Order will be executed.

Order execution concluding the Transaction independently by the Bank

30. If upon ensuring Order execution, the Bank concludes the Transaction specified in the Order independently, then the Bank is entitled to conclude such Transaction inter alia:
 - 30.1. against the Bank's portfolio (i.e. when the Bank itself is the party to the Transaction);
 - 30.2. against the Orders of other Clients of the Bank or of the third parties (e.g. when other Client of the Bank, whose Order is executed by the Bank, is a party to the Transaction, including Orders of the Bank's employees, shareholders).
31. The Bank can conclude the Transaction specified in the Order directly with the Client inter alia if:
 - 31.1. such possibility is prescribed by the Service agreement;
 - 31.2. the Client itself has requested to conclude the Transaction with the Bank;
 - 31.3. the nature of the service implies the conclusion of Transaction with the Client;
 - 31.4. the Client is notified that the Bank concludes Transaction with him; or
 - 31.5. the Bank is unable to execute the Client's Order otherwise.
32. The Service agreement provides specific provisions for conclusion of Transactions between the Client and the Bank as a party to the Transaction. If such possibility is not prescribed by the Service agreement, the Bank notifies the Client that the Transaction is concluded between the Bank and the Client, and that the Bank is a party to the Transaction.
33. The Bank is entitled to execute the Client Order fully or partially for the account of the Bank against the Order of another Client or the third party. In this case the Order is executed at the price, that reflects the dominating market conditions, and the Bank is considered to be the Client's Order execution venue. The Bank informs the Client thereof in the Order execution report.

Order forwarding for subsequent execution

34. The Order forwarding for subsequent execution means that the Bank accepts and processes the Client Order, but the Transaction specified in the Order is executed with a third party. The Bank forwards the Order for subsequent execution to a stock exchange or to the Bank's Intermediary.
35. The Bank is entitled to forward the Order for subsequent execution to the Bank's Intermediary, if the Bank does not have direct access to the Trading venue, where the FI specified in the submitted Order are traded. The Bank's Intermediary executes the Order pursuant to the regulations and policies thereof on the Trading venue or forwards the execution of the Client's Order to its intermediary.
36. When forwarding the Order for subsequent execution, the Bank attracts such Intermediaries, which in the Bank's opinion are able to execute Orders, taking into consideration the Bank's obligation to achieve best execution for the Client. The Bank selects the Intermediaries, who are able to achieve at least such results in the Client Order execution, which the Bank would have reasonably planned to achieve by its cooperation with other Intermediaries or business partners.
37. The Bank usually ensures the Order execution related to an initial public offering (IPO) by forwarding it to the issuer, to the issuer's authorised agent pursuant to the terms of the relevant issue and/or pursuant to the Client's specific instructions.

38. Following the Client Order execution (after conclusion of the Transaction specified in the Order), the Bank immediately (within a reasonable period of time) transfers the received FI or funds to the relevant Client's account pursuant to the terms of the Service agreement, but if the Transaction was concluded with the Bank, then the Bank itself ensures the delivery of the relevant FI/funds for the execution of settlements.

Execution of Orders with respect to non-complex financial instruments

39. If at the Client's initiative the Order is submitted in respect of non-complex FI, the Bank does not evaluate such FI suitability and appropriateness to the Client. The Bank informs the Client about provisions mentioned in this Clause by acquiring the Client's consent to the Policy prior to conclusion of the Service agreement.
40. The Bank considers that following FI are non-complex:
- 40.1. shares listed in the regulated markets of EU Member States or in foreign markets;
 - 40.2. money market instruments;
 - 40.3. bonds or other types of debt securities (except for bonds or debt securities which include derivative instrument(s));
 - 40.4. investment certificates of investment fund;
 - 40.5. other non-complex FI that conform to the following features:
 - 40.5.1. which are not derivative instruments;
 - 40.5.2. such FI can be often put into circulation, repurchased or otherwise sold at publicly available prices, which are either market prices or prices available from evaluation system that is independent from the issuer; such FI do not include current or contingent liabilities for the Client, that exceed the FI purchases costs;
 - 40.5.3. information about FI characteristics is publicly available, is easily understandable and allows an average retail Client to make the conscious decision on trading with this instrument;
 - 40.5.4. the Bank can publish a list of non-complex FI on its website.

Achieving best execution

41. The Bank takes all necessary and reasonable measures in order to achieve the best possible execution result for the Client in the Order execution process, taking into consideration terms of the Policy.
42. Having received the Client Order, the Bank ensures the execution thereof with prudence and taking into consideration market practice, own knowledge and experience in order to achieve the best possible execution result for the Client.
43. The Bank ensures the execution of all the Clients' Orders on FI purchase at the lowest possible offer price, but all Clients Orders on FI sale – for the highest possible price.
44. The Bank ensures the execution of Limit Orders submitted by the Client taking into consideration the validity period thereof and provisions of Clause 43 of the Policy. However, the Order execution shall not be performed unless it is possible to execute thereof in full or in part at the price specified in the Order or for better price.
45. When executing Client Limit Order (usually in respect of bonds or other debt securities) over-the-counter (OTC), the Bank, if it is possible during the validity term of the Order, will try to execute the Order at the limit price specified in the Order or at a better price. If the Bank executes Limit Order at a better price, i.e. the Bank executes a transaction with its counterparty at the better price than the limit price specified in the Client Order, then the

Bank is entitled to retain partly or fully the difference between the limit price and actual execution price (mark-up) for covering costs of the Bank's capital charges and counterparties risk charges, as well as for the Bank's business revenues. The particular amount is specified in the Bank's price list for products and services.

46. When independently ensuring the Order execution in cases prescribed by the Policy, the Bank usually takes into consideration one or several of the following factors:
 - 46.1. FI price specified in the Order;
 - 46.2. Commission fees and expenses for Order execution;
 - 46.3. execution possibility;
 - 46.4. safety and possibility of settlements;
 - 46.5. execution rapidity;
 - 46.6. quantity of FI specified in the Order;
 - 46.7. type of the Order;
 - 46.8. any other factors affecting the Client's Order execution efficiency, consistency and constancy of the Order execution process.
47. In order to determine the significance of other factors in the Order execution, the Bank additionally assesses the following criteria:
 - 47.1. Client's characterization, including the status of the Client – retail or professional;
 - 47.2. characteristics and amount of the Order;
 - 47.3. characteristics of FI, which is the subject matter of the Client's Order;
 - 47.4. characteristics of the Client's Order execution venue.
48. In order to determine the choice of the Trading venue on particular FI category:
 - 48.1. If FI is traded on a regulated market, where the Bank has direct access to particular Trading venue, the Bank primarily chooses this particular Trading venue;
 - 48.2. If FI is traded on a regulated market, where the Bank has no direct access to particular Trading venue, the Order is handed over to Bank's Intermediary, taking into account criteria indicated in Clause 46 and 47 of the Policy.
49. When forwarding the Order for subsequent execution it is not always possible for the Bank to control and ensure that the best execution for the Client is achieved, particularly whether the best price is obtained, since not all Bank's Intermediaries are bound by legal acts prescribing requirement to achieve best execution for the Client. However, the Bank on a regular basis assesses the quality of services provided by the Bank's Intermediaries and whether these services conform to the possibility to achieve the best execution. The Bank inter alia assesses the following factors:
 - 49.1. rapidity, safety and convenience of settlements;
 - 49.2. pricing policy;
 - 49.3. Commission fees and expenses for Order execution;
 - 49.4. Order execution conditions and policies of the Intermediary available to the Bank;
 - 49.5. information about the Intermediary's reputation available to the Bank;
 - 49.6. the shortest possible access to the relevant Order execution venue;
 - 49.7. other substantial conditions which in the Bank's opinion affect the Intermediary's possibility to ensure the Order execution.
50. If the Bank has several Order execution venues for particular FI, the Bank can assess order submission amongst all of them. When determining the Order execution venue, the Bank

usually assesses in general all factors specified in Clause 46 and/or 48 of the Policy and none of the said factors shall prevail. It should be noted that the selected Order execution venue cannot always offer the best price, however, under all circumstance the Policy regarding the Order execution is deemed to be observed.

51. If FI specified in the Order is included in the trading list on several Trading venues, the Bank usually selects the venue with highest liquidity.
52. If only one Order execution venue is available to the Bank where the Client Order execution is possible, then it is deemed to be considered that the best execution is achieved when the Bank ensures the Client's Order execution at this venue; although the prices available at this venue are different from the prices existing on the market, but not available to the Bank.
53. The Bank might fail to achieve the best Order execution result, if the Client submits the Order with specific instruction, e.g. specific type of the Order submission, specific Order execution venue (outside Trading venue) and specific execution time etc. However, upon ensuring such Order execution the Bank will always act as the diligent and careful master with due professionalism.
54. It is deemed to be considered that the Order submitted to the Bank is the Order with specific instruction particularly if:
 - the Order is submitted to the trading system;
 - the Client himself has requested to conclude Transaction with respect to the FI, quoting thereof is performed by the Bank, or the Client wishes to conclude Transaction directly with the Bank;
 - the Order is submitted outside working hours of the relevant Trading venue.

Order execution venues. Types of financial instruments

55. When ensuring the Client's Order execution in order to achieve the best execution from the Client's point of view, the Bank can use one or several of the following Trading venues:
 - 55.1. regulated markets;
 - 55.2. other stock exchanges;
 - 55.3. systematic internal analysers;
 - 55.4. MTF;
 - 55.5. market makers.
56. The list of Trading venues is not exhaustive and the Bank can also use other Order execution venues and other types of Order execution.
57. The Bank is entitled to execute the Client Order outside the Trading venue (OTC), including by attracting Intermediaries.
58. If the Bank has direct access to the relevant Order execution venue, then the Bank usually executes the Order independently, but if there is no direct access, then the Bank uses the services of its Intermediary. In the cases specified in Clause 22 of the Policy the Bank is entitled individually to determine the Order execution venue, taking into consideration the main principles of Order execution specified in the Policy.
59. The Bank accepts Orders and usually ensures the execution thereof on the Trading venue – on a regulated market with respect to the following types of FI:
 - 59.1. shares;
 - 59.2. bonds;
 - 59.3. exchange traded investment funds;

- 59.4. financial instruments derivatives.
60. The Bank accepts and usually ensures the Client Order execution outside Trading venue with respect to the following types of FI:
- 60.1. bonds;
 - 60.2. currency marginal trading (FOREX);
 - 60.3. OTC derivatives;
 - 60.4. IRS, swaps and futures, NDF;
 - 60.5. other structured FI.

Difficulties in the Order execution process. Information on unexecuted Orders

61. Any Order execution, particularly the Order submission, as well as the Order execution process in its entirety is subject to the number of risks and is related to various factors, which can encumber or make impossible not only the Order execution, but also the completion of the Order execution process itself or can cause negative consequences in the future.
62. To such factors or risks, which the Bank and the Client can identify, shall be ascertained also those related to specific market conditions, liquidity, settlements, fulfillment of events, errors of the Bank and/or Intermediaries, as well as related to means of communication and/or trading systems, to communication and/or connection errors or defects, etc.
63. If the circumstances specified in Clause 60 of the Policy exist, the Bank is entitled to withdraw from the terms of the Policy, inter alia subject the Order to another assessment, as well as to select other Order execution venues and take measures deferent from those prescribed in the Policy.
64. The Bank informs the retail Client within a reasonable period of time regarding any difficulties in the Order execution.
65. If the Bank establishes that disagreement arise between the Bank and the Client, inter alia due to above mentioned difficulties, regarding the Order execution or the Order execution process, including when the Order execution process has already been completed, and such disagreement, according to the Bank's opinion jeopardise the financial interests of the Bank and/or other clients, or might have negative financial impact on the Client, particularly when the Client has an open position, and if such disagreement have occurred in connection with:
- 65.1. the fact of the Order submission,
 - 65.2. the effectiveness and the validity period of the Order,
 - 65.3. the FI specified in the Order, the price, the number of FI units, the type of Transaction or other substantial terms of Order execution,
 - 65.4. other unexpected circumstances as a result of which the Client obtains an open position, including a short position, in the relevant FI;
- The Bank commences to resolve disagreements mentioned herein immediately acting pursuant to Clause 64 of the Policy.
66. All disagreements in cases referred to in Clause 63 of the Policy are resolved through mutual settlement with the Client. If the amicable settlement with the Client cannot be reached within a short period of time or if there is no possibility to reach the Client via means of communication specified in the Service agreement, the Bank may and is entitled to, not awaiting the resolution of disagreement, unilaterally without the Client's additional

acceptance or consent to perform one or more actions listed below and subsequent to their completion to continue to resolve aforementioned disagreement:

- 66.1. to suspend execution of the Order with respect to which disagreement occurred (if possible),
 - 66.2. to execute at the market price the operation, which is reversed to the operation regarding which disagreement occurred (i.e. for purchase – to execute sale, whereas for sale – to execute purchase),
 - 66.3. to close an open position at the market price (with respect to currency transactions);
- The Bank is entitled to perform actions referred to herein regardless whether or not at that particular moment the Order with respect to which disagreement has occurred causes to the Client profit or loss.
67. If the Client has submitted the Limit Order for the shares included in the regulated market and the Transaction specified in the Order under the current market conditions has not been concluded immediately, then the Bank takes measures in order to ensure the most expeditious Order execution by disclosing to the market information about this Order, including by submitting the Order to another Trading venue (stock exchange/ MTFs). The Bank takes measure prescribed herein, only if the Client has not expressly stated otherwise.
 68. The Bank shall not misuse the information regarding unexecuted Clients' Orders available to it.

Monitoring the Policy implementation

69. The Bank monitors the conformity of the Policy to the real situation, as well as the conformity of Clients' Order execution process to the terms of the Policy.
70. The Bank reviews the Policy on a regular basis (at least once per year) as well as in cases when substantial changes occur, which might affect the achieving of best execution in the Order execution process.
71. If in the Bank's opinion there are substantial changes in the list of Order execution venues and/or Intermediaries, then the Bank makes corresponding amendments to the appendix No.1 "List of Order execution venues on regulated markets" of the Policy.
72. If changes are made only in the list of Order execution venues and/or Intermediaries (appendix No.1 of the Policy), then they are approved in a procedure specified in the Bank and the approval of the Bank's Supervisory Board and Executive Board is not necessary. The new wording of the list is added to the Policy.
73. Any and all amendments to the Policy are available on the website: www.citadele.lv and at the Bank's Client service centers within the Bank's 7 (seven) business days prior to such amendments take effect. The Client is entitled not to agree to Policy amendments by informing the Bank thereof in writing within the period of time specified in this Clause.
74. If the Client does not agree to the Policy amendments, the Bank terminates the rendering of investment services and ancillary investment services to the Client, particularly does not accept the Client's Orders for execution, except for Orders on closing of FI open positions and asset transfers; after the execution of mutual settlements between the Bank and the Client any Service agreement entered into is deemed to be terminated.

III. Appendices and binding documents

Appendices:

75. Appendix No 1 List of Order execution venues on regulated markets.

Binding documents:

73. Financial Instrument Market Law.
74. DIRECTIVE 2004/39/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL.
75. COMMISSION REGULATION (EC) No 1287/2006.

Appendix No 1 List of Order execution venues on regulated markets.

1 June 2017

AS „CITADELE BANKA“ IS A MEMBER OF THE FOLLOWING STOCK EXCHANGES WITH DIRECT ACCESS:

- NASDAQ Riga
- NASDAQ Tallinn
- NASDAQ-Vilnius

AS „CITADELE BANKA“ ACCESSES THE FOLLOWING EXCHANGES AND EXECUTION VENUES THROUGH AN INTERMEDIARY:

European stocks

- Athens Stock Exchange
- Borsa Istanbul
- Borsa Italiana
- Bucharest Stock Exchange
- Budapest Stock Exchange
- Bulgarian Stock Exchange
- Deutsche Börse (Xetra, FWB, German Regional exchanges)
- Irish Stock Exchange
- Ljubljana Stock Exchange
- London Stock Exchange
- Luxembourg Stock Exchange
- Madrid Stock Exchange
- NASDAQ Copenhagen
- NASDAQ Helsinki
- NASDAQ Stockholm
- NYSE Euronext Amsterdam Stock Exchange
- NYSE Euronext Brussels Stock Exchange
- NYSE Euronext Lisbon Stock Exchange
- NYSE Euronext Paris Stock Exchange
- Oslo Stock Exchange
- Prague Stock Exchange
- SIX Swiss Exchange
- Vienna Stock Exchange
- Warsaw Stock Exchange
- Zagreb Stock Exchange

Russian and other CIS stocks

- Moscow Exchange

North American stocks

- American Stock Exchange (AMEX)
- NASDAQ
- NYSE Euronext

- Toronto Stock Exchange

Stocks of other countries

- Australian Securities Exchange
- Hong Kong Stock Exchange
- Johannesburg Stock Exchange
- New Zealand Stock Exchange
- Singapore Stock Exchange
- Tokyo Stock Exchange

Russian Bonds

- Moscow Exchange

Stock options

- NASDAQ
- NYSE Arca

Certificates of investment

- Brown Brothers Harriman (Luxembourg) S.C.A.
- Clearstream Banking S.A.
- European Fund Administration S.A.
- Franklin Templeton International Services S.A.
- Pareto Forvaltning AS
- Raiffeisen Bank International AG
- Schroder Investment Management (Luxembourg) S.A.
- Swedbank AS (Estonia)

LIST OF BROKERS OF SC „CITADELE BANKA“ FOR TRANSACTIONS WITH FINANCIAL INSTRUMENTS:

- ABLV Bank, AS
- Adamant Capital Partners
- AK Jensen Ltd.
- Baltikums Bank, AS
- BANCA IMI SPA
- Banca Promos SpA
- Barclays Bank PLC
- BGC Brokers L.P.
- Cantor Fitzgerald & Co
- Citigroup Inc.
- Credit Suisse AG
- Credit Suisse Securities Limited Europe
- DNB banka, AS
- ED&F Man Capital Markets Inc
- Gazprombank OJSC
- Knight Capital Europe Limited
- JPMorgan Chase Bank, NA
- JPMorgan Securities Plc

- KIT Finance Europe Cyprus branch
- PKO Bank SA Dom Maklerski
- Mitsubishi UFJ Trust International Limited
- Mizuho Financial Group Inc.
- Pareto Securities AS
- Raiffeisen Bank International AG
- SEB Banka, AS
- Societe Generale SA
- Sucden Financial Limited
- Swedbank, AS
- The Toronto-Dominion Bank
- UBS Limited
- ViewTrade Securities, Inc.
- VTB Capital Plc
- Wallich Securities B.V.
- Wood & Company Financial Services
- Zuercher Kantonalbank

LIST OF CUSTODIANS

- PKO Bank SA
- Brown Brothers Harriman (Luxembourg) S.C.A.
- APEX Clearing Corp.
- Calenia Investment Limited
- Clearstream Banking S.A.
- Danske Bank
- DWS Investment S.A.
- Eesti Vaartpaberikeskus AS
- European Fund Administration S.A.
- Franklin Templeton International Services S.A.
- Gazprombank OJSC
- KIT Finance Europe AS
- Latvijas Centrālais Depozitārijs
- Citadele Bankas AB
- Pareto Forvaltning AS
- Raiffeisen Bank International AG
- Schroder Investment Management (Luxembourg) S.A.
- AB SEB bankas
- Swedbank AS (Estonia)
- Wood & Company Financial Services

AS "CITADELE BANKA" CAN EXECUTE ORDERS OF CLIENTS IN ITS OWN NAME WITH THE FOLLOWING FINANCIAL INSTRUMENTS:

- Bonds and Stocks which are traded OTC;
- Marginal Forex;
- Currency SWAP and Forward;
- Other structured products and derivatives.