

**1. Definitions and their Meanings:**

**1.1. Assets** – FI owned by the Client and held in the FI Account, and funds accounted for in the Funds Account.

**1.2. Account** – a FI Account or a Funds Account.

**1.3. Accounts** – a FI Account (FI Accounts) and a Funds Account (Funds Accounts).

**1.4. Application** – an application filled in by the Client and submitted to the Bank using the Bank's template for conclusion of the Contract or for conclusion of the Service Contract.

**1.5. Bank** – AS "Citadele banka", reg. No 40103303559, LEI Code 2138009Y59EAR7H1UO97.

**1.6. Client** – a natural person or legal entity which has concluded the Contract with the Bank.

**1.7. Client's Representative** – a natural person authorised to represent the Client with regard to the Contract, including the submission of the Orders, acting under a Power of Attorney issued by the Client or under other document certifying the right of representation that is approved by the Bank.

**1.8. Client's Status** – the status of a retail client, professional client or eligible counterparty assigned to the Client by the Bank pursuant to the applicable laws.

**1.9. Commission Fee** – the remuneration paid by the Client to the Bank for the services provided by the Bank, as specified in the Pricelist, Terms or agreed upon by the Parties separately.

**1.10. Confirmation** – a notice, which is given to the Client on the execution of an Order and which contains information on the Transaction concluded.

**1.11. Contract** – this Contract on Financial Instruments Accounts and Transactions consisting of the Application for Conclusion of this Contract and the Terms.

**1.12. CSD** – the central security depository, in which the Bank participates directly.

**1.13. Current Account** – the Client's current account with the Bank or the Client's account with a payment card with the Bank.

**1.14. Data** – FI market data or other data and information published or otherwise processed on the Platform.

**1.15. Event** – any facts or circumstances that have an impact on the characteristic of FI or the issuer's activities carried out for discharge of obligations towards the owner of FI (payment of dividends, changes in the nominal value of FI, merger or split of FI, redemption of bonds etc.) or any other offer related to the FI (e.g. a repurchase offer).

**1.16. Intermediary** – the CDS or other depository, brokerage firm, bank or another person attracted by the Bank for the execution of Orders, execution of payments related thereto and/or custody of FI.

**1.17. FC** – financial collateral for the benefit of the Bank within the meaning of the Financial Collateral Law of the RL.

**1.18. FI (Financial Instruments)** – financial instruments within the meaning of the Financial Instruments Market Law of the RL, including debt securities, shares, investment certificates, derivative financial instruments.

**1.19. FI Account** – the Client's account opened at the Bank under the Contract where FI owned by the Client are accounted for (held in custody).

**1.20. Funds Account** – a funds account/funds accounts containing records kept for the funds related to FI, FI transactions and/or custody of FI.

**1.21. LEI Code** – 20-character code – the identifier of a legal entity that is used for reporting Transactions to trade repositories.

**1.22. Means of Communication** – the Client's means of communication mentioned in the Application or notified to the Bank in an acceptable for the Bank form afterwards, telephone as well as the Platform in the cases provided for in the Terms.

**1.23. Online Banking** – the Online Banking or Digifirm service for the use of which the Client has entered into an agreement with the Bank.

**1.24. Order** – the Client's order drawn up according to the requirements of the Bank and submitted to the Bank for actions with the Assets, including carrying out the Transaction, currency conversion, transfer of funds or FI, connection of the Platform or any other actions under the Contract or Service Contract.

**1.25. Order Execution Policy** – the order execution policy for provision of investment services as approved by the Bank.

**1.26. Party** – the Client or the Bank.

**1.27. Parties** – the Client and the Bank.

**1.28. Platform** – an electronic trading platform that may be used by the Client to submit Orders for Transactions.

**1.29. Platform Owner** – the owner, operator of the Platform, an Intermediary or another person who enables use of the Platform or Data.

**1.30. Platform Password** – a combination of letters and/or symbols required for authentication of the Client on the respective Platform.

**1.31. Pricelist** – the pricelist for the Bank's services effective at the time of provision of a service.

**1.32. Related Person** – the beneficial owner, parent company or subsidiary of the Client (legal entity) or the person, whose beneficial owner is the Client.

**1.33. RL** – Republic of Latvia.

**1.34. Service Contract** – a contract governing the relationship between the Parties with regard to certain separate investment services and ancillary investment services. A Service Contract shall form an integral part of the Contract. The Parties may enter into service contracts regarding Repo Transactions, Option Transactions, and other service contracts.

**1.35. Statement** – an Account statement prepared in accordance with legal acts of the RL and provided by the Bank to the Client according to the Terms.

**1.36. Telephone Password** – a combination of Latin letters and/or Arabic numerals chosen by the Client or by the Bank, or password created in other procedure prescribed by the Bank and which is necessary for authentication of the Client in the cases provided for in the Terms. If there are several Client's Representatives, it may be required by the Bank that each representative should have his own telephone password.

**1.37. Terms** – these Terms of Financial Instruments Accounts and Transactions.

**1.38. Trading Venue** – regulated market, multilateral trading facility or other organized trading facility.

**1.39. Transaction** – the Client's FI transaction executed via the Bank, including the purchase, sale, exchange of FI.

**1.40. User Name** – the Client's user name on the Platform assigned by the Bank or the Platform Owner.

**1.41. Website** – the website of the Bank at <http://west.citadele.lv/en/>

**2. General Provisions. Representation**

**2.1.** The Bank opens and services the Accounts, accepts and executes Orders, and provides any other services to the Client in accordance with the Terms and the terms of Service Contracts.

**2.2.** The Bank concludes the Contract with the Client only subject to the condition that the Client has opened the Current Account with the Bank.

**2.3.** The Bank is entitled to determine unilaterally the FI for which the Bank provides the services specified in the Contract, as well as to determine unilaterally a range of services available to the Client, taking into account the Client's status and Means of Communication available to the Client.

**2.4.** If the Client (legal entity) does not have a valid LEI Code, the Client authorizes the Bank to receive/restore the Client's LEI Code at the Client's expense, or otherwise the Bank may refuse or restrict provision of services. The Bank is entitled, but not obliged to take actions specified in this clause.

**2.5.** The relationship between the Parties, insofar it is not covered by these Terms and Service Contracts, shall be governed by the General Terms of Business of the Bank, Order Execution Policy, and international market practice.

**2.6.** The General Terms of Business of the Bank, Pricelist, Order Execution Policy, and description of the Interest Conflict Prevention Policy and other information related to FI and Transactions is available to the Client for inspection on the Website or in premises of the Bank within the opening hours of the Bank. Any information concerning investment services and investor protection that the Client reads electronically may be requested and received by the Client during the term of the Contract in paper form at the Bank.

**2.7.** The Client shall independently acquaint himself/herself with information on his/her rights and obligations resulting from Transactions and holding of FI. The Client bears responsibility for fulfilment of the obligations of the owner of FI set out in legal acts of the RL and foreign countries.

**2.8.** If the person who enters into the Contract/Service Contract on behalf of the Client is not authorised to represent the Client, that person shall be liable for the discharge of all obligations of the Client under the Contract/Service Contract with all of his/her property.

**2.9.** The Bank may limit the number of the Client's Representatives or determine that the Client, a natural person, may submit the Orders only by himself/herself without the intermediation of any representatives and attorneys-in-fact.

**2.10.** The Client is obliged to notify the Bank in writing in the event that the Power of Attorney issued to the Client's Representative is revoked. The Client undertakes full liability for any Orders given by the previous

Client's Representative during another two (2) Bank's business days after the date of receipt by the Bank of notice on the revocation of the Power of Attorney and a document satisfactory to the Bank whereby a new Client's Representative is appointed.

**2.11.** If the Client has not notified the Bank of the contrary, the Bank deems that:

**2.11.1.** the Client makes all investments and performs all Transactions only and solely at own expense and in his/her interests (not in interests of other person);

**2.11.2.** the Client is a non-financial counterparty and does not perform Transactions in the amounts exceeding clearing thresholds;

**2.11.3.** the Client performs Transactions with derivative FI (if any) for risk mitigation purpose (hedging);

**2.11.4.** the Client delegates to the Bank reporting of Transactions to trade repositories, if the Client has such duty under legal acts.

### **3. Conclusion of the Contract and Service Contract**

**3.1.** In order to enter into the Contract/Service Contract:

**3.1.1.** in person at the Bank, the Client fills in and signs the Application in two copies and submits the same to the Bank;

**3.1.2.** using Online Banking, the Client fills in the Application and submits the same to the Bank via Online Banking.

**3.2.** The Bank identifies the Client according to the requirements laid down by legal acts of the RL and requirements of the Bank. Upon receipt of the Application via Online Banking the Bank authenticates the Client according to the procedure laid down by the Online Banking Use and Servicing Contract.

**3.3.** The mere acceptance of the Application by the Bank shall not constitute the conclusion of a contract. The Contract/Service Contract shall be deemed concluded and in effect upon signature on the respective contract by the authorised person of the Bank or acceptance by the Bank of the Application submitted by the Client electronically by giving notice to the Client via Online Banking. The Bank may refuse to enter into any contract without explanation of reasons.

**3.4.** The Bank specifies/marks the Client's Status in the Application.

**3.5.** Where the Client concludes the Contract/Service Contract in person at the Bank, the Client is obliged to take out his/her copy of the said contract at the Bank. Where the Client concludes a contract electronically, the Bank issues, upon Client's request, a copy of the contract to the Client in paper form. Where the Bank sends the Client's copy of the contract by post, the Bank may charge a Commission Fee for it.

**3.6.** The Service Contract may be concluded only where the Contract has already been concluded.

**3.7.** Upon conclusion of the Contract, the Contract supersedes any previous agreements and arrangements governing the relationship between the Parties in respect of the Contract.

### **4. Right of Withdrawal**

**4.1.** Where the Client, a natural person who is a consumer, enters into the Contract / Service Contract via Online Banking i.e. a distance contract, the Client may exercise the right of withdrawal and to withdraw from the distance contract within fourteen (14) days of the date of conclusion thereof by giving notice to the Bank via Online Banking or at any client service centre of the Bank.

**4.2.** Where the Client uses the right of withdrawal, the Client is obliged, concurrently with giving notice of termination of the contract to the Bank:

**4.2.1.** to submit the Order for sale or transfer of FI and for transfer of funds from the Account to the Current Account (in the event that the Contract is terminated);

**4.2.2.** to perform any obligations arising out of the Transactions and any obligations for the securing of which FC (if any) is held in the Account;

**4.2.3.** to pay the Commission Fee to the Bank for the services received by the Client till the date of termination of the contract, including for custody of FI.

**4.3.** If the Client fails to perform, within five (5) Bank's business days of the date of notice of termination of the contract, the obligations arising out of the Transactions made (if any) or if there are Assets in the Account, the Bank shall carry out the activities provided for in Section 'Bank's Actions in Case of Failure to Perform Obligations' of these Terms. If the FI Account contains FI that cannot be used, or if the Account has a negative balance, or FC is held in it, the Contract shall not be terminated before the balance of all the Accounts is equal to zero.

**4.4.** The Contract/Service Contract is binding upon the Parties as of the date of conclusion thereof unless the Client uses the right of withdrawal.

### **5. Accounts. Account Opening and Service. Holding of Assets**

**5.1.** The following Accounts are opened for the Client by the Bank under this Contract:

**5.1.1.** a FI Account and a Funds Account no later than on the next Bank's business day after conclusion of the Contract, but if the Contract was concluded to replace previous agreements between the Parties in the sphere of the Contract, then the FI account and the Funds account remains former;

**5.1.2.** a Funds Account for each Platform no later than on the next Bank's business day following the execution of an Order for a connection of the Platform;

**5.1.3.** a FI Account and a Funds Account for holding of a specific FC only in the cases provided for in the Terms;

**5.1.4.** an additional FI Account and Funds Account to ensure accounting of custody of FI registered in the CSD in favour of the Client on a separate account in the CSD and/or registration of the FC in the CSD, upon execution of the Order on opening of the respective account in the CSD. If the Client's ownership to FI is accounted at the CSD level, the Bank does not service the Transactions with FI accounted on such individual account of the Client.

**5.2.** Both FI registered in the RL and FI not registered in the RL shall be held in the FI Account. The ownership to the FI (except for the case when the Client's ownership to the FI is accounted at the CSD level) belongs to the Client as of the date of recording thereof in the FI Account. The Client is the owner of the FI and the Bank only holds in custody the FI for the Client.

**5.3.** All operations with Assets are recorded in the Accounts.

**5.4.** Funds in different currencies may be recorded in the Funds Account. Any funds in the Funds Account are intended for the execution of Orders, payment of Commission Fees, payment of other amounts and expenses provided for in the Terms and Service Contract.

**5.5.** Funds in the Platform Funds Account are recorded in the currency (currencies) in which trade is intended on the Platform. Funds in the Platform Funds Account are intended only for Transactions on the respective Platform.

**5.6.** Any Order, executed in part or in full, serves as the basis for accounting entries in the respective Account, transfer of Assets from or to the Account.

**5.7.** Transfer of funds to the Funds Account shall be made from the Current Account, and any funds from any other account shall be transferred only upon approval by the Bank. Transfer of funds to the Platform Funds Account shall be made from another Funds Account or from a Current Account.

**5.8.** Transfer of funds from the Funds Account, including from the Platform Funds Account, according to the Client's Order shall be made only to the Current Account or another Client's account at the Bank, and any transfer to another account is made only upon approval by the Bank. No cash deposits and withdrawals may be made to and from the Funds Accounts.

**5.9.** The Client shall monitor the situation in his/her Accounts constantly, including the sufficiency of funds for Transactions, payment of Commission Fees and for payment of other amounts provided for in the Contract and Service Contracts.

**5.10.** Where a loan is granted to the Client or a debt of the Client occurs under the Contract or Service Contract, it is recorded in the Account as a negative balance in the respective currency.

**5.11.** Where the Account contains a negative balance, the Client is obliged to cover it immediately without waiting for separate notice from the Bank.

**5.12.** The Bank ensures custody of FI using the services provided by Intermediaries. Upon the Client's request the Bank provides the Client with information as to which of the FI owned by the Client are held in the custody of which Intermediary. The Intermediaries themselves may involve other persons (sub-custodians) in the provision of FI custody services. The Bank is liable for compliance with legal acts of the RL in choosing and attracting the Intermediaries for the custody of FI owned by the clients; however, it shall not be liable for any act, omission or solvency of the Intermediaries (and sub-custodians).

**5.13.** The Bank may hold the FI owned by the Client in an account opened with the Intermediary in the name of the Bank together with FI owned by other clients of the Bank without identifying the FI owned by individual clients or by opening a sub-account for each client. Based on the Order, the Bank may open an individual account for the Client in the CSD for custody of FI registered in the CSD. The Bank notifies the Intermediary in the event it holds FI with the Intermediary for the benefit of Bank's clients. By submitting the Application and transferring FI for custody the Client certifies that he/she has read the information on custody of FI provided by the Bank, including risks, costs, information

on custody of the FI owned by the Client in nominal accounts and possibility to open an account in the CSD.

**5.14.** The Bank keeps a record of the Client's ownership to the FI pursuant to legal acts of the RL by reflecting the Client's ownership in an accounting entry in the FI Account. As regards the Intermediary, taking into consideration the specific provisions of legal regulations governing the accounting for ownership rights in the respective country and other circumstances, record of the ownership to the FI may be registered in the name of the Bank, Intermediary, Client or a third party, including a third party attracted by the Intermediary.

**5.15.** The Bank records FI registered in the CSD according to the regulatory documents issued by the CSD. Any FI that are not registered in the RL the Bank accounts in accordance with legal acts of the RL and the applicable market practices.

**5.16.** Any FI recorded in the FI Account and held in the custody of a foreign Intermediary, the rights arising out of them, act, omission and liability of the Intermediary may be subject to the legislation and market practice of the Intermediary's country which may substantially differ from that of the RL.

**5.17.** The Client agrees that:

**5.17.1.** the Intermediary that holds in custody the Client's FI is entitled to encumber and/or use the FI owned by the Client and held in custody with the Intermediary and funds, including encumbrances of the rights and obligations of third parties may be attached to those assets;

**5.17.2.** the Intermediary is entitled to a set-off in respect of the Client's FI held in the Intermediary's custody and funds;

**5.17.3.** the Bank is entitled, for the purpose of providing the Client with the services mentioned in the Contract and Service Contract, to conclude agreements with any Intermediaries that contain provisions on the pledging, encumbrance, use and set-off of the Assets similar to the provisions referred to above, observing the requirements of the legal acts binding upon the Bank.

**5.18.** The Bank may not use the Client's FI for its own transactions with the Intermediary unless the Parties have agreed separately.

**5.19.** Only those FI shall be accepted to hold them in the FI Account in respect of which the Bank provides custody services and in respect of which the Client has submitted the necessary documents (if such documents have been required). The Bank may, at any time, refuse to hold in custody any FI in respect of which the Bank had provided services at an earlier time. If the Account contains any FI with regard to which the Bank no longer provides custody services, the Bank notifies the Client thereof no less than five (5) business days in advance for the sale of the FI or transfer thereof to another custodian.

**5.20.** Any transfers to the Account due to the Client shall be made within three (3) Bank's business days of the date of receipt of the funds at the Bank's corresponding account and only in the amount received by the Bank. Where the Bank is obliged, pursuant to legal acts of the RL or of any other country, or pursuant to a special agreement, to deduct or where the Intermediary deducts a tax, duty or another deduction from the Client's income or other transfers, the amount to be transferred to the Account shall be reduced for the amount of such retentions and expenses (including the Intermediary's commission fee).

**5.21.** The Bank is entitled to make corrections to any entries in the Accounts without Client's approval where such entries have been made as a result of delusion or technical error, or where such corrections are made by the Intermediary, or in case if the settlement of the Transaction has not taken place or is late due to reasons outside the Bank's control.

**5.22.** If the FI owned by the Client and held in the custody of an Intermediary are irreversibly lost as a result of damage or destruction of data accounted by the Intermediary, as a result of insolvency, restructuring of the Intermediary, expropriation or nationalization of the FI or as a result of other similar events, the Bank shall be entitled to write off the irreversibly lost FI from the FI Account.

**5.23.** If FI or funds expected from a Transaction or from an Event were in advance credited to the Account before their actual receipt by the Bank or by the Intermediary, the Bank is entitled to write them off from the Account in case they are not received in fact. If those Assets are not available in the Account, the Client must return them to the Bank within the term specified in the Bank's request.

**5.24.** The Bank shall be entitled, without the Client's Order, to convert any funds held in any Client's account at the Bank from one currency into another where the funds are necessary for payment of a Commission Fee, payment of any other amounts or cancellation of an indebtedness expressed in another currency, or where the funds available in the respective currency are not sufficient to execute the Order. The Bank shall convert the currency according to the exchange rate set by the Bank at the time of the conversion.

**5.25.** The Bank is entitled to block the Account/restrict any activities with Assets/not to accept Orders for execution in any of the following cases:

**5.25.1.** where the Client (legal entity) does not have a valid LEI Code (where it is mandatory), the Client's Representative does not have a valid Power of Attorney or documents submitted by the Client to the Bank are not satisfactory to the Bank;

**5.25.2.** the Bank has learned that the Client is deceased;

**5.25.3.** the Bank has learned or there is a suspicion that the Client or his business activity is related to money laundering or market manipulations;

**5.25.4.** where provided for by law, including upon request by the competent authorities;

**5.25.5.** in any of the cases referred to in the Terms where the Bank is entitled to terminate the Contract unilaterally or has given notice of termination thereof.

**5.26.** If the Client (natural person) is deceased and the balance on the Accounts is zero, the Bank is entitled to close the Accounts.

## **6. Client Authentication**

**6.1.** Upon accepting of an Order the Bank shall perform authentication of the Client and, if it is successful and the Client has been identified, shall authorize the Client for the performance of the activities provided for in the Terms/Service Contract according to the Order.

**6.2.** The following methods shall be used for Client authentication where the Client (Client's Representative):

**6.2.1.** appears in person, the Bank may request documents containing identification data and for the authentication of the document submitted the Bank shall check the visual correspondence of the signature and seal (if any) contained in the document to the Client's signature and seal sample card, or to the signature of the Client (Client's Representative) and seal (if any) specified in the Contract, or signature specified in a personal identification document;

**6.2.2.** uses a telephone, the Bank shall verify the Client's identity by the Telephone Password, and where the Client is a natural person, using the Client's name and surname, and where the Client is a legal entity or where the Client, a natural person, is represented by another person, using the Telephone Password, the name and surname of the Client's Representative and the name/name and surname of the Client represented. It is assumed that, upon giving the Telephone Password and the information referred to in this Clause (i.e. the Client's name and surname, and, where the Client is a legal entity or where the Client is represented by a representative, also the name and surname of the Client's Representative and the Client represented), the Client's identity data and the Account number is effectively given;

**6.2.3.** uses Online Banking, the methods specified in the agreement governing the use of Online Banking shall be used;

**6.2.4.** uses the fax payment system, the methods specified in the agreement concluded between the Parties governing the use of the fax payment system shall be used;

**6.2.5.** uses the Platform, the Client's identity on the respective Platform is verified using the Username and Platform Password. Encoded files previously sent to the Client by the Bank are additionally needed for Client authentication on individual Platforms. If the Client's authentication on the Platform is successful, it is assumed that all operations on the Platform have been carried out solely by the Client.

**6.3.** The Telephone Password given during a telephone call certifies that the person who gives the Client's Telephone Password or the Username used on the Platform and the Platform Password certifies that the person using the respective Client's Username and the Platform Password is authorized to submit an Order on behalf of and for the benefit of the Client and to represent the Client in connection with the Contract and the Service Contract. The Bank is not obliged to verify the validity and scope of the authority of the user of the Telephone Password, Username and Platform Password.

**6.4.** The Client shall ensure the confidentiality of the Telephone Password, Username, Platform Password, and the encoded files. Where a Username, any of the passwords or the encoded files is lost or may have become accessible to unauthorized persons, the Client shall notify the Bank immediately and submit an Order to assign a new password/data set. The Client is fully responsible for any Orders submitted using the previous password/data also within next two (2) Bank's business days after the date of receipt by the Bank of the Order referred to in this Clause.

**6.5.** Disclosure of the password to any person is deemed to be the Client's authorization for that person to submit, on behalf of the Client and at the Client's expense, any Orders submitted by it. All operations made under the Contract/Service Contract using the Telephone



Password or Username and the Platform Password, including if carried out by an unauthorised person, are binding upon the Client.

**6.6.** The Client undertakes to change the respective password upon request by the Bank.

**6.7.** The Client is obliged to notify the Bank immediately and to submit documents completed to the satisfaction of the Bank in cases where changes have been made to the Client data, contacts, other information about the Client specified in the Application, and upon request by the Bank.

## **7. Information Exchange. Means of Communication**

**7.1.** The Means of Communication may be used by the Parties for the exchange of information.

**7.2.** Any personally addressed information shall be communicated to the Client by the Bank using one of the Client's Means of Communication known to the Bank, giving preference to the Online Banking (if any).

**7.3.** The Bank provides any information not addressed personally to the Client by publishing it on the Website. Information on FI, risks, costs, FI key information documents (if any) and other information to be provided to the Client and amendments thereof are published on the Website in the section <https://www.citadele.lv/lv/atbalsts/iegulditaju-interesu-aizsardziba/>.

**7.4.** The Bank is entitled to deem that the Client has a regular access to the Internet, if the Client informs the Bank about his/her e-mail address, starts to use Online Banking or Platform.

**7.5.** If the Client has a regular access to the Internet and the Client has not notified the Bank that he/she wants to receive information only in paper form, the Bank is entitled and the Client consents to receive information from the Bank (incl. Confirmations, Statements, *ex post* information on costs, if the Bank shall provide such information) via Online Banking or by e-mail as well as consents to receive information that is not addressed to the Client personally (incl. FI key information document, *ex ante* information on costs, if the Bank shall provide such information) on the Website. The Client shall regularly visit his/her Online Banking, Website and check e-mail to read the information provided by the Bank.

**7.6.** Any Bank information shall be deemed communicated to and received by the Client as of the moment when it is communicated through the Means of Communication, delivered to the Client in person or published on the Website. Where the information is sent to the Client via post, it is deemed to have been received by the Client on the seventh (7) day after the date of postage regardless of actual receipt. The Client is obliged to examine carefully the information communicated by the Bank and to follow any changes thereto.

**7.7.** The operating language of the Bank is Latvian, therefore not all documents of the Bank are available to the Client in another language of the Client's choice (in Russian or English). The language in which the Platform is available is used for the exchange of information on the Platform. The Bank is entitled to forward any information received from any Intermediaries and FI issuers to the Client in the language in which the Bank received it.

**7.8.** The Client is responsible for ensuring that the Bank can contact the Client by the Means of Communication at any time.

**7.9.** No information provided by the Bank may be considered as an advice or recommendation to the Client to make or not to make investments in FI.

**7.10.** The Bank is entitled to determine unilaterally the Means of Communication to be used for the submission of certain types of Orders or to impose other restrictions on the use of the Means of Communication.

**7.11.** The Platform may be used as a Means of Communication, including for the submission of Orders according to the functionality of the Platform and only after the Bank has executed an Order for the connection of the respective Platform.

**7.12.** The Bank informed the Client and the Client's Representative that telephone conversations and other communication between the Parties, as a result of which the Order may be accepted or Transaction may be executed, shall be recorded and may be used as evidence, including in court, for the settlement of any disputes between the Parties and/or any third parties. The Client is obliged to inform the Client's Representative that the Bank records conversations.

**7.13.** Where the Bank sends information to the Client by post or issues it in paper form in the Bank's premises, either at the Client's request or because the Client has no other Means of Communication available to him/her, the Bank is entitled to deduct a Commission Fee for it according to the Pricelist.

**7.14.** The Client is aware that the use of such Means of Communication as e.g. the use of e-mail for communication between

the Parties, and sending the Username, Platform Password or any other data in Online Banking or via e-mail involves data transmission risk and during the transmission information may be distorted or become known to third parties. The Client assumes this risk.

## **8. Bank Remuneration**

**8.1.** A Commission Fee shall be payable by the Client to the Bank for all services provided under the Contract and the Service Contract, including for any Order executed in full or in part. The Client is obliged to ensure that the relevant Funds Account contains funds sufficient to pay the Commission Fee in the required currency.

**8.2.** The Bank shall, without a separate Order, write off the Commission Fee and any other amounts provided for in the Contract and the Service Contract from the respective Client's account. The Commission Fee for custody of the FI shall be deducted in the base currency specified in the Application.

**8.3.** Where an Order is executed in instalments, the Bank is entitled to deduct the full Commission Fee for each executed instalment of the Order. Where the Client withdraws an Order or where an Order has not been executed due to circumstances beyond the control of the Bank, the Bank is entitled to deduct a Commission Fee for any such Order as if it had been executed.

**8.4.** The Client shall also reimburse to the Bank all actual costs related to the performance of the Contract and the Service Contract even if such costs are not separately specified in the Pricelist.

**8.5.** The Bank is entitled to determine independently the amount of the Commission Fee for any services that are provided to the Client but for which no Commission Fee is specified in the Pricelist or agreed upon by the Parties.

**8.6.** Where the Bank sells/buys any FI unilaterally without the Client's Order according to the Terms or the Service Contract, the Bank is entitled to deduct a Commission Fee for it to the same extent as provided for in the Pricelist for the sale/purchase of FI upon Client's Order.

**8.7.** If the Bank opens a separate account for the Client in the CSD and a fee for opening of such account is not included/separately specified in the Pricelist, the Client pays remuneration to the Bank in the amount that is specified in the pricelist of the CSD, but for FI custody, FI transfers and other depository services the Client pays in accordance with the Pricelist of the Bank that is applied to the FI Account opened in the Bank. The remuneration shall be accounted on an additional Account that is opened for such purpose (cl. 5.1.4).

## **9. Events**

**9.1.** So far as practicable, in the cases and in the volume set out in the law and regulations of the CSD, the Bank publishes information about Events with regard to the FI kept on the FI Account on the Website or communicates it via the Means of Communication (giving preference to Online Banking), if the Bank has timely received such information from the Intermediary and deems it to be important. The Bank is not responsible for and does not guarantee the accuracy and completeness of such information, and the Bank is not obliged to provide a translation for it or search for information about Events. The Client shall obtain and check the information on all Events himself/herself using public information sources.

**9.2.** In case of specific Events, the Client has to submit an Order to exercise the rights attached to FI.

**9.3.** The Bank is entitled to block Assets in the Account, according to the Event, even if the Client has not submitted an Order.

**9.4.** An FI issuer or an Intermediary may stipulate that FI shall participate in Events by default, i.e. if no activity is carried out within a specified period, FI will participate in the Event and will be exchanged, divided, cancelled etc., and silence on the FI owner's part will be deemed to be consent to such activities. The Bank shall not be liable for the occurrence of any such events.

**9.5.** Upon acquiring information about an Event, by the Client himself/herself or from the Bank, the Client is obliged to assess it and to take a decision independently on the action to be taken. The information received from the Bank cannot be considered as advice or recommendation to take or not to take any action.

**9.6.** The Bank shall not be liable for any damages or expenses of the Client that may arise as a result of execution or non-performance of an Event, including cases where the Client has not been notified of the Event.

**9.7.** Upon transferring the income from an Event to the Account, the Bank shall determine the amount of income to be transferred to the Client based on the amount of funds received by the Bank from the Intermediary. The amount of taxes, fees and other retentions to be deducted from the income shall be calculated in proportion to the amount of the FI participating in the Event.

**9.8.** Any new FI emissions or other Client income in the form of FI shall be transferred by the Bank to the FI Account in accordance with the accounting entries made by the Intermediary.

**9.9.** The Bank may provide, subject to a separate agreement between the Parties, for the exercise of the voting rights arising from FI or any other rights at the meetings of FI owners, in courts etc.

**9.10.** The Bank may not be able to provide the Client at all times with the possibility to exercise the rights arising out of or related to the FI held in the custody of the Intermediary, and the Client shall waive any claims against the Bank in this respect.

## 10. Orders

**10.1.** Any Orders are to be submitted to the Bank:

**10.1.1.** using the Means of Communication designated for their submission, or

**10.1.2.** in person at the Bank by submitting the same during the opening hours of the Bank.

**10.2.** Any Orders submitted using the Means of Communication, including by telephone and on the Platform, have the same legal effect as those signed manually by the Client himself/herself provided that the Client has been authenticated as the submitter of the Order according to the Terms. Any such Orders are sufficient to incur the Client's liability and to be used as evidence, including in court.

**10.3.** The Bank is entitled to limit unilaterally the volume or any other parameters of the Orders to be submitted using certain Means of Communication.

**10.4.** Any Orders have to be drawn up clearly and precisely according to the requirements of the Terms, the Service Contract and other requirements laid down by the Bank.

**10.5.** The following information shall be specified by the Client in the Order:

**10.5.1.** Order type (purchase, sale, deregistration etc.);

**10.5.2.** FI name, stating the information which allows it to be clearly identified (FI type, FI issuer's name, ISIN code etc.), or the currency (where the Order concerns currency exchange);

**10.5.3.** FI price, interval or mechanism of establishment of the price (market price etc.) where the Transaction execution price is an essential component of the Transaction, or if the Client gives specific instructions concerning the Transaction execution price;

**10.5.4.** The Order time in force instructions, where the Order time in force plays an important role in the Order execution, or if the Client gives specific instructions. A Transaction Order should contain specified time in force instructions at all times. The Bank may impose restrictions on the Order time in force for individual FI. Where the Client has submitted a Day Order and it is not possible to execute it on the day of submission, the Order may be executed on the next day when the Bank is able to do it. Where the time in force is not specified in a Transaction Order, it is deemed to have been submitted as a Day Order;

**10.5.5.** Client's signature and identification data where an Order is submitted in paper form, and the stamp imprint (if any);

**10.5.6.** The information provided in the Service Contract, where any other or additional information is to be provided in the Order according to the Service Contract;

**10.5.7.** Any other information that the Client or the Bank deems necessary or which is related to the execution of the Order. The Bank is entitled to interpret any definitions and abbreviations used in the Orders in line with the common market practices.

**10.6.** The Client undertakes to submit, upon request by the Bank, any documents which in the opinion of the Bank are required for the execution of an Order.

**10.7.** The submission of an Order to the Bank serves as a confirmation that the Client has acquainted himself/herself and consents to the Order Execution Policy effective at the time of submission of an Order.

**10.8.** Upon accepting an Order the Bank is entitled to block the Assets in the respective Account required for the execution of the Order and payment of the Commission Fee until the execution or cancellation of the Order.

**10.9.** The Bank is entitled not to accept an Order, refuse to execute it or to suspend the execution of an accepted Order upon the occurrence of any of the following circumstances:

**10.9.1.** the Bank has a reasonable suspicion that the Order has not been submitted by the Client, or the Bank is unable to clearly establish that the password given corresponds to the Client's Telephone Password;

**10.9.2.** the Order has been submitted not in compliance with the requirements of the Terms, the Service Contract or the provisions of legislation or other requirements of the Bank;

**10.9.3.** the Terms or the provisions of the Service Contract do not provide for the performance of the activities specified in the Order;

**10.9.4.** the Client is late with any payments under the Contract or any other contract concluded with the Bank or fails to fulfil any other obligations towards the Bank, including where the Account has a negative balance, or where the Client (legal entity) does not have a valid LEI Code (where it is mandatory);

**10.9.5.** the Commission Fee for the execution of an Order is not included in the Pricelist and the Parties are unable to agree on the amount thereof;

**10.9.6.** the current amount of FI or funds in the Accounts in the relevant currency is not sufficient for the execution of the Order and payment of the Commission Fee, or the funds transferred to the Platform Funds Account in the relevant currency are not sufficient for the execution of the Order submitted via this Platform and payment of the Commission Fee for it;

**10.9.7.** the Bank suspects that activities stated in the Order are related to money laundering or an attempt thereof, or there is a suspicion that the Client is carrying out a dishonest or manipulative Transaction;

**10.9.8.** execution of an Order within the term specified is not possible, given the time limits for the submission or execution of Orders as determined by the Trading Venues or Intermediaries;

**10.9.9.** the Order submitted using the Platform does not meet the functionality, terms of operation of the Platform, or the submission or execution of the Order is not possible due to technical reasons;

**10.9.10.** the Bank is unable to service the FI specified in the Order;

**10.9.11.** if there is disagreement between the Parties concerning the terms of the Order or the fact of submission of the Order or similar circumstances;

**10.9.12.** due to any other conditions that, in the opinion of the Bank, prevent or complicate the execution of the Order, or may affect the interests of the Party adversely;

**10.9.13.** in any other cases referred to in the Terms or in the Service Contract.

**10.10.** When executing the Orders, the Bank shall comply with legal acts of the RL and of the respective foreign countries and observe fair market practices. Any Orders shall be executed in accordance with the Order Execution Policy, terms of the execution venues of Orders, terms of the Platforms and trading facilities, and market practices.

**10.11.** The Bank shall execute Orders either by itself or through an Intermediary. The Bank is entitled to execute any Order and Transaction outside the Trading Venues; including against an order by another client of the Bank or by entering into the Transaction as a party to the Transaction.

**10.12.** When executing an Order, the Bank is entitled to combine an Order with any other orders or split the Order. The Bank shall comply with the conditions for the merger or division of Orders laid down by the Order Execution Policy.

**10.13.** The Bank is entitled to execute an Order in part or in instalments, unless the Order otherwise specifies.

**10.14.** In order to cancel/change an Order, the Client shall submit a relevant Order. The Client may cancel/change an Order only with the consent of the Bank, provided that the Order has not yet been executed. Where the Order has already been executed, it is binding for the Client.

**10.15.** The Bank is entitled to cancel any Transaction concluded or a currency exchange transaction made by concluding, if necessary, counter transactions on behalf of the Client (i.e. transactions opposite to those made as a result of the execution of the disputed Order) for the market price available to the Bank/exchange rate set by the Bank at the time of concluding the counter transaction and to make entries in the relevant Account and to notify the Client about such activities in case of occurrence of any of the following circumstances:

**10.15.1.** the Bank has a suspicion that the Client is making unfair or manipulative Transactions;

**10.15.2.** the Intermediary has cancelled the Order or Transaction executed;

**10.15.3.** a technical error has occurred;

**10.15.4.** Parties are in disagreement about the terms of the Order or the fact of submission of the Order or similar circumstances, without waiting for a resolution of the dispute, and regardless of whether the Transaction results in a profit or loss for the Client;

**10.15.5.** The Bank shall cancel the Transaction or change its conditions in accordance with the law, a decision of the authority supervising the Bank, regulations of the CSD or Trading Venue.

**10.16.** In the event that the circulation (conversion, transfer or sale) of the Assets (FI or currency) transferred to the Account is substantially impeded, limited, delayed or impossible, the Bank is entitled to extend the Order execution deadline in respect of these Assets or to refuse to

execute the Order. The Bank shall not be liable for any losses that may result from the difference in the exchange rates or FI prices between the date of submission and the date of actual execution of the Order.

**10.17.** A conflict of interest may arise between the Bank and the Client or Clients of the Bank in the course of execution of Orders and provision of other services. The Bank shall take measures to identify and prevent situations of conflict of interest by developing appropriate policies and procedures. The Bank has approved a policy for preventing conflicts of interest.

**10.18.** The Client submits all Orders only upon own initiative and the Bank does not give any recommendation or consultation.

**10.19.** When purchasing FI within the initial offer or when purchasing investment fund certificates, the Client shall read the information and documents provided by the FI issuer (incl. terms of offer, prospectus, range of prices, FI target audience) before such purchase and submit the Order only in accordance with such documents.

**10.20.** The Order Execution Policy does not apply to currency spot transactions (currency exchange) made under the Contract.

### **11. Confirmations. Statements. Asset Valuation**

**11.1.** A Confirmation shall be available to the Client no later than on the day following the conclusion of the Transaction specified in the Order or, where the Order has been executed through an Intermediary, no later than on the next Bank's business day after the Bank has received the respective confirmation from the Intermediary.

**11.2.** Where the Client finds any discrepancies between the Transaction specified in the Order and in the Confirmation, the Client is obliged to notify the Bank thereof immediately but no later than within one (1) Bank's business day.

**11.3.** Receipt of a Confirmation alone does not mean that the Client has acquired ownership rights of the Assets referred to in the Confirmation.

**11.4.** The Client acquires the ownership of FI only when they have been recorded in the FI Account, as confirmed by an FI Account Statement.

**11.5.** The Statement is available to the Client no later than on the next Bank's business day after the recording of the entries in the Account according to the Orders executed and the approvals received from the Intermediaries for the settlement of payments in respect of them.

**11.6.** Confirmations and Statements are available in Online Banking for Clients who have access to Online Banking. It is deemed that the Client has read a Statement and other documents provided to the Client in Online Banking, if the Client connected to Online Banking after provision thereof in Online Banking.

**11.7.** If the Client has no access to Online Banking or the Bank establishes that the Client did not connect to Online Banking within the respective period, and if the information to be included in the Statement has not been provided to the Client within the respective period by any other means, the Bank sends the Statement to the Client once a year or, if provided by the law, more often (once a quarter) by e-mail, but if the Client has not informed the Bank of his/her e-mail or if the Client has chosen paper form for communication, the Bank sends it by post. The Bank is entitled to withdraw expenses related to sending documents from the Account in accordance with the Pricelist, also in case if the Bank sends the Statement by post due to the reason that the Client did not use Online Banking during the period of the Statement.

**11.8.** Any Statements and Confirmations drawn up by the Bank shall have priority over the information on Orders and Transactions (including use thereof as evidence in court) obtained by the Client from the Platform. The reports, confirmations and any other documents created on the Platform are provided for information purposes.

**11.9.** In order to determine the value of the Assets for the purposes of preparation of Statements, calculation of the Commission Fee, or assessment of the sufficiency of the FC provided under the Service Contract, the Bank shall determine the market value of the FI according to the following principles:

**11.9.1.** FI to be listed and traded on regulated markets and on the interbank market shall be assessed according to the market prices and quotations (by Reuters, Bloomberg etc.) of the FI at the disposal of the Bank at the time of setting the market price of the FI;

**11.9.2.** any unquoted FI not listed on regulated markets and on the interbank market are assessed at the price and quotation which in the opinion of the Bank are the closest to their real market value;

**11.9.3.** in determining the FI market price the amount (quantity) of the FI may be taken into account in cases where the disposal of all FI can alter their market price significantly;

**11.9.4.** the Bank is entitled to assess any illiquid FI at their nominal value.

**11.10.** The value of the Assets is set in the base currency stated in the Application by converting it according to the exchange rate set by the Bank.

### **12. Use of Platforms**

**12.1.** The Platform is intended for the purpose of Client's Transaction Order submission.

**12.2.** The Client is aware that the use of the Platform as a Means of Communication for the submission of Orders is substantially different from other Means of Communication.

**12.3.** The Bank is not the owner of the Platform; the Bank provides the Platform as a third party and cannot guarantee continuous operation of the Platform without interruption. The terms of operation and use of the Platform are laid down by the Platform Owner. The Platform is available to the Client 'as is', as received by the Bank.

**12.4.** The Client shall provide for all the necessary equipment and resources (computers, connections, etc.) required for the use of the Platform on his own.

**12.5.** In order to start using the Platform, the Client shall submit an Order for the connection to the Platform. The Order is to be submitted via Online Banking or, subject to approval by the Bank, by any other Means of Communication. Prior to starting to use the Platform, the Client may, upon request, get acquainted with the functionality of the Platform in a test environment.

**12.6.** Submission of an Order for the connection to the Platform means that the Client:

**12.6.1.** has acquainted himself/herself and consents to the terms of use, operating principles of the Platform, and agrees to follow any amendments thereof;

**12.6.2.** has sufficient knowledge of the working language of the Platform (if not, the Bank does not recommend the Client to use the Platform);

**12.6.3.** undertakes to notify the Bank if he is to be regarded as or will have become a qualified investor for the purposes of Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC or will use the Platform for the transactions of other persons. The Platform is available to such investors on other terms, and a different charge may apply.

**12.6.4.** undertakes to cover all costs and penalties that may arise if the Client uses the Platform without having informed the Bank that he is a qualified investor or is using the Platform for the transactions of other persons;

**12.6.5.** assumes all risks related to the use of the Platform;

**12.6.6.** undertakes to reimburse the Bank and the Platform Owner for damages, if any, caused by the use of the Platform or Data contrary to the Contract or the requirements of the Platform Owner;

**12.6.7.** agrees that the operation of the Platform may be stopped at any time.

**12.7.** The Bank shall execute an Order for the connection to the Platform within three (3) Bank's business days of the date of receipt. The Bank is entitled to refuse connection to the Platform without stating the reason for the refusal.

**12.8.** Upon execution of an Order for the connection to the Platform, the Bank shall send the Client, via the Online Banking (unless the Parties have otherwise agreed), a Username and the initial Platform Password required for Client authentication on the Platform when logging in for the first time, a link to the site where the Platform software is available or can be downloaded from, notification on the Platform Funds Account number as well as provide the Client with binding guidance concerning use of the Platform. The Bank shall send encoded files to the Client's e-mail address known to the Bank, should such be required for Client's authentication on the Platform.

**12.9.** Where a separate agreement is to be concluded or additional documents are to be provided in order to use the Platform or Data, the Bank shall inform the Client thereof and is entitled not to execute an Order for connection to the Platform until all the necessary documents have been submitted.

**12.10.** The Client shall follow the guidelines provided by the Bank and the Platform Owner regarding the installation, use, updating of the Platform, Data use, password change, Data security etc.

**12.11.** Upon execution of an Order for the connection to the Platform the Client shall use the Platform as a Mean of Communication for the submission of Orders.

**12.12.** In order to carry out Transactions on the Platform, the Client shall transfer funds to the Platform Funds Account. Any funds transferred to the Platform Funds Account will become available on the Platform within two (2) Bank's business days of the date of transfer of



the funds to the Platform Funds Account at the latest, therefore they may not be immediately available for Transactions on the Platform.

**12.13.** A Transaction Order may be submitted by the Client during the working hours of the Platform and only in the amount of the Assets available on the Platform.

**12.14.** If the Client is unable to access the Platform, the Client may contact the Bank over the phone in order to submit a Transaction Order. The Bank is entitled to submit the Order accepted over the phone to the relevant Platform on behalf of the Client.

**12.15.** The Client is obliged to follow the progress of any Orders, suspended Orders in particular, on the Platform by himself and to notify the Bank in case of any discrepancies with the Client's initial Order. The Bank is not liable for the erroneous execution of any Orders or non-execution thereof where this occurs due to a Platform error.

**12.16.** The Platform may be used to sell FI recorded in the FI Account and available on the respective Platform. Any FI purchased via the Platform will be available on the Platform automatically.

**12.17.** The Bank does not guarantee that the prices available on the Platform are the best on the market.

**12.18.** The Bank may offer new Platforms or stop offering any existing ones. The use, functionality, language of the Platform, available Trading Venues, FI traded on the Platform may be subject to change, and the Platform Owner may change the parameters, functions, Data of the Platform, limit the volume of any Orders or any other parameters on the Platform, including without prior notice to the Client and the Bank. The Client by himself shall follow the information on changes to the use of the Platform published on the Platform or the Website, or otherwise communicated to the Client.

**12.19.** The Bank provides no guarantees as to the content, timeliness, accuracy, up-to-dateness, market value of the Data, capabilities, operational safety or operational continuity of the Platform.

**12.20.** The Client has no ownership rights in the Platform and the Data, the Client is not entitled to dispose of, reproduce in any form, republish, distribute, modify the Data, transfer them to any third parties etc or use them for a commercial purpose.

**12.21.** The Bank is entitled to inform the Platform Owner about the Client's data, connection to the Platform, use of the Data, Orders on the Platform.

**12.22.** Where the Client accidentally accesses or receives, during the use of the Platform, any data which he is not authorised to access, the Client shall promptly notify the Bank thereof and shall suspend the processing of such data and shall not disclose the same to any other persons.

**12.23.** If the Client wants to stop using the Platform permanently or temporarily, the Client shall submit a relevant Order via the Online Banking or in person at the Bank, subject to fulfilling the obligations arising out of the use of the Platform. The Bank shall execute such Order within three (3) Bank's business days of the date of receipt thereof if such execution is possible.

**12.24.** If the Bank no longer offers a Platform connected for the Client, the Bank shall notify the Client thereof using any of the Means of Communication. The Bank is entitled to terminate the operation of a Platform or all Platforms without notice if the Client is in breach of the terms of use of the Platform, the Contract or fails to fulfil his obligations towards the Bank, or if the Platform Owner stops the operation of the Platform without warning, or if the Bank is unable to provide for the operation of the Platform due to any other reasons.

**12.25.** The Platform Owner may at any time stop, change or restrict the operation of the Platform without notice.

**12.26.** The Client has the duty to fulfil the obligations undertaken by virtue of using the Platform, submitting Orders via the Platform and performing Transactions even if the Platform is no longer available to the Client for any reason.

### **13. Significant Participation. List of Insiders**

**13.1.** If the laws of the country of origin of the FI issuer or of the country of registration of the FI require that notice is to be given by the Client (FI owner) regarding the acquisition or disposal of FI, or a permit is to be obtained for such activities, the Client is obliged to comply with the provisions of such laws and to provide independently for the submission of such notice or receipt of such permit and to notify the Bank thereof.

**13.2.** The Bank may impose restrictions on the Client's options to purchase FI in connection with the specific characteristics of accounting for and custody of the FI and the possible acquisition of significant participation by the Bank by providing FI custody services to the clients of the Bank.

**13.3.** Where the Client is or during the term of the Contract is included in the insider list of the issuer whose FI are in circulation in any of the

regulated markets, the Client shall notify the Bank thereof immediately by filling in the relevant Bank form.

### **14. Financial Collateral (FC)**

**14.1.** By submitting an Application to the Bank the Client agrees that:

**14.1.1.** any Assets currently available in the Accounts and transferred thereto afterwards, with all the benefits resulting from them and their future components, constitute FC to ensure the performance of the Client's obligations towards the Bank arising out of the Contract, Service Contract and performance of the obligations of the Related Person towards the Bank, regardless of the date of occurrence of the obligations;

**14.1.2.** the Bank is entitled to make a note on the FC in the Accounts;

**14.1.3.** the Bank is entitled to block the FC (prohibit the Client from using it) in any of the following cases:

**14.1.3.1.** where the provision of FC is provided for by a Service Contract or another agreement (other than this Contract);

**14.1.3.2.** where the Client or the Related Person has an outstanding obligation towards the Bank or the Account has a negative balance;

**14.1.3.3.** in any other case provided that the Bank has notified the Client thereof.

**14.2.** Where the Client provides FC to the Bank under another contract and the FC so provided is not intended for Transactions, the Bank is entitled, in respect of custody of such FC, to open a separate FI Account and to transfer the Client's FI to be pledged to it without a Client's Order as well as to open a separate Funds Account for accounting for the Commission Fee related to the custody of FC. The Client is obliged to provide, within the period set by the Bank, that funds are available in the Funds Account opened according to this clause for the payment of the Commission Fee for the custody of the pledged FI for one year ahead (or for a shorter period if the Bank so agrees). The Bank shall close any Accounts opened under this clause without a special Order from the Client if in the opinion of the Bank they are no longer required for the custody of FC, subject to transferring the Assets to other Accounts of the Client prior to the closure.

### **15. Bank Activity in Case of Default on Obligations**

**15.1.** In case of failure to perform the obligations of the Client and/or of the Related Persons towards the Bank, including if the funds in the Account are not sufficient to pay a Commission Fee or to execute an Order, The Bank is entitled, without the Client's Order, to:

**15.1.1.** deduct the amount owed from any transfers to the Account;

**15.1.2.** write off the outstanding amounts from any Client's account at the Bank by way of set-off reducing Bank's claims towards the Client;

**15.1.3.** block the Client's assets at the Bank.

**15.2.** The Bank is entitled, without a Client's Order, without the intermediation of a court or an auction and without giving separate notice, to dispose of the FC provided under this Contract and/or to sell the FI held in the FI Account for a free price – a price available to the Bank on regulated markets, interbank markets or for the market price available outside them, or for a price which in the opinion of the Bank is the closest to their actual market value, for the benefit of a third person, or for the benefit of the Bank itself, by freely establishing the FI disposal procedure, and/or block the Client's Assets (incl. the FI held in the CSD) in any of the following cases:

**15.2.1.** the Client and/or the Related Person has an indebtedness or some other outstanding obligations towards the Bank, and the amounts due to the Bank are not paid within three (3) Bank's business days upon relevant request by the Bank to the Client or by the notified date of expiry of the Contract;

**15.2.2.** the Client has failed to submit all the documents to be filed to the Bank according to the Terms and requested by the Bank within the period prescribed by the Bank. In this case the Bank is entitled to sell those FI in respect of which the Client has failed to submit the documents requested by the Bank;

**15.2.3.** the Contract has been terminated according to the procedure provided for by the Terms and the Client has failed to submit an Order for the sale of the FI or transfer thereof to another custodian by the notified date of expiry of the Contract;

**15.2.4.** the Bank is no longer providing custody in respect of some FI and the Client has failed to submit an Order for the sale of FI or transfer thereof to another custodian within the period prescribed by the Bank. In this case the Bank is entitled to sell the FI in respect of which custody is no longer provided;

**15.2.5.** the Client (legal entity) does not have a valid LEI Code and the Bank cannot receive/restore it at the Client's expense due to any reason.

**15.3.** The Bank is entitled to withhold all payments due to the Bank under the Contract, the Service Contract and/or any other agreements between the Parties and/or the Related Person and the Bank (first of

all, the costs related to the disposal of the Assets; secondly, late interest, other Bank claims against the Client; thirdly, Bank claims against the Related Person) from the funds received as a result of carrying out the activities referred to in this section of the Terms, with the balance (if any) transferred to the Current Account.

## 16. Liability

**16.1.** The Bank shall not be held liable for any damages incurred by the Client where they have occurred:

**16.1.1.** as a result of any Transactions, Events or Client's operations with Assets;

**16.1.2.** as a result of performance of the Contract or the Service Contract by the Bank, including the use of any rights granted thereby, including in the event of a dispute between the Parties about the submission or terms of an Order and the Bank, without waiting for a resolution of the dispute, makes a transaction opposite to the transaction made as a result of the execution of the disputed Order or suspends the execution of the Order;

**16.1.3.** as a result of occurrence of any risks (including those referred to in the Terms);

**16.1.4.** due to an unlawful act by a third party, including where the Bank had authenticated the Client as the submitter of the Order and the Order has turned out to be counterfeit;

**16.1.5.** as a result of use of the Client's Means of Communication, Telephone Password, Username, Platform Password or encoded files by unauthorized persons;

**16.1.6.** as a result of the application of the laws or market practice of a foreign country;

**16.1.7.** where the Bank had attempted to contact the Client using the Means of Communication but the Client could not be reached;

**16.1.8.** if the Client uses the FI terminology incorrectly or is unfamiliar with it, use of the Platform or its language.

**16.2.** The Bank shall not be liable for any Client's losses and default on the obligations in case of incurrance of any losses or default on the obligations:

**16.2.1.** due to an act/omission, insolvency of the Intermediary (sub-Intermediary) or any other proceedings resulting in limited activity of the Intermediary or resulting in loss or limited use of FI;

**16.2.2.** in connection with a breach in relation to settlements or FI transfers where this has happened due to an act/omission by the Intermediary, Client or any third party or due to reasons beyond the control of the Bank, including if settlements are delayed by the Intermediary or settlement system, the Bank only distributes funds received from the party at fault among Clients and only when the Bank has received such funds;

**16.2.3.** due to force majeure (including labour strikes, acts of war, natural disasters or similar circumstances that could not have been foreseen or prevented by reasonable means) or due to regulatory changes;

**16.2.4.** due to an act/omission by the Platform Owner, including restricted or suspended operation of or access to the Platform;

**16.2.5.** in any other cases referred to in the Contract/ Service Contract.

**16.3.** The Bank is responsible for loss of the Client's FI, transferred to the Intermediary for custody, only in case, if the Bank was negligent when choosing the Intermediary and has recovered assets from the Intermediary under contracts entered into between the Bank and the Intermediary, and only in the proportion to the amount of the recovered assets. If the Bank's negligence in choosing the Intermediary has not been proved, the Bank may deduct a proportional part of the Bank's expenses occurred in connection with a debt recovery process from the amount to be transferred to the Client.

**16.4.** If there are no sufficient Assets on the Client's Account to perform settlements in full as of the moment of making settlements under the Transaction or if the Assets are encumbered, the Client undertakes all unfavourable consequences, incl. sanctions, applied to the Bank by the CSD or Trading Venue for the delay of settlements.

**16.5.** The Client shall be liable for the performance of the obligations of his Related Persons towards the Bank as if he were the debtor himself.

## 17. Submission of Claims

**17.1.** Any claim in respect of the services provided under the Contract and the Service Contract are to be submitted in writing. The Client may submit a claim about the execution of a Transaction to the Bank within ten (10) Bank's business days of the date of execution of the Transaction. Upon expiry of this period, all the Transactions specified in the Confirmation shall be deemed accepted by the Client and duly executed.

**17.2.** The Bank shall examine the Client's claim within thirty (30) days of the date of receipt and shall provide a reply in writing. In the case of a claim made by a Client, a natural person who is a consumer, the

Bank shall provide a reply within fifteen (15) business days of the date of receipt.

**17.3.** Where a claim is found to be justified, the admitted damages shall be reimbursed within twenty (20) days of the date when the claim were admitted.

**17.4.** By signing an Application, the Client certifies that the Bank does not accept any claims about the price/rate of an Asset sold/purchased where the Bank is entitled, according to the Terms or the Service Contract, or the Client has submitted an Order with instructions to buy/sell an Asset for the market or free price.

**17.5.** If the Bank is a participant of a foreign settlement system and such condition is set out by the legal acts of the respective country, the Client is entitled to lodge claims against the Bank with regard to the Bank's services provided to the Client in connection with foreign FI registered in the CSD.

## 18. Risks

**18.1.** The most significant risks, in the case of occurrence of which the Client may incur losses and/or additional expenses (the list is not comprehensive):

**18.1.1. FI issuer risk:** FI impairment in connection with deterioration of the financial indicators of the FI issuer or due to default on the issuer's obligations towards the FI owner;

**18.1.2. country or political risk:** currency/FI trade restrictions in connection with events that affect the national or regional political, economic stability or future development, including corruption in the state administration and in the financial system, imposition of economic sanctions on the country as a whole or in respect of any person, including for the prevention of terrorism or money laundering. Changes in the political situation can be rapid and unpredictable, and may affect the Client's rights negatively;

**18.1.3. market risk:** the total risk consisting of:

- price risk: adverse FI price changes;

- currency risk: adverse changes in currency exchange rates;

- interest rate risk: adverse changes in market interest rates;

- liquidity risk: insufficient market liquidity, i.e. the sale of currency/FI for the desired price at the desired time is difficult or impossible;

**18.1.4. business day and week-end risk:** FI price trends can vary greatly, particularly at the beginning and at the end of the week, as well as at the start of the business day. Therefore, the prices at the time when the market opens may differ significantly from the prices at the time when the market is closed, as a result of which Orders can be executed for other prices or remain unexecuted at all;

**18.1.5. risk of inefficiency of Order placement:** it is not always that the market situation will allow Orders aimed at the limitation of losses to be executed for the prices specified therein;

**18.1.6. risk of the settlement system:** the inability to make any payments or transactions due to the non-functioning of settlement centres, settlement systems, or deficiencies of settlement systems;

**18.1.7. risk of the Intermediary:** the risk of suffering losses due to an act/omission on the part of the Intermediary (including fraud, negligence, improper accounting for the FI/funds held in the custody of the Intermediary etc.) and due to the use of the Assets by the Intermediary or the person attracted by him, including transactions with other entities, pledging the Assets (or a part thereof), using the right of set-off or otherwise encumbering with the rights and obligations of the third party, as a result of which the Client may lose the Assets (or a part thereof) completely and irreversibly, or the Client's ability to freely dispose of the Assets may become considerably more difficult;

**18.1.8. risk of insolvency of the Intermediary** (and the risk of other special administration regimes): total or partial loss, long-term inaccessibility of the FI owned by the Client, difficulties in executing or the impossibility to execute Orders, impossibility to exercise the rights related to the FI, or unavailability of information due to the insolvency of the Intermediary (or sub-Intermediary) who holds the FI in his custody or who is involved in the execution of the Order or in settlements, or another process whereby his activity is restricted or suspended. Custody of FI may be subject to foreign law or market practice which may differ significantly from that existing in the RL, and the Client's right to the FI may be affected by unpredictable decisions by the legislator, executive or judicial authorities of the respective country. The Client may not recover the FI and their value may be compensated (or compensated in part) during the Intermediary's insolvency proceedings in cash by setting the FI value in accordance with the law of the foreign country concerned. The Client is aware that in this case the Bank shall only distribute the funds actually received from the Intermediary in proportion to the Clients to whom the payment concerns. In the case of insolvency of the Intermediary or other similar



proceedings there exists the risk that nor the FI, nor their value in cash is recovered.

**18.1.9. risk of custody of FI registered outside the European Union (EU):** certain countries outside the EU may have different or incomplete framework for the custody of FI for the benefit of other persons, and there may exist no requirements for the segregate custody of FI owned by the clients, or they may differ from those existing in the RL. The Bank, Intermediary or another person (sub-Intermediary) attracted by the Intermediary may be deemed to be the owner of the FI rather than the client of the Bank, and the FI owned by the Client may be encumbered or disposed of as if they were the property of the person in whose name they are registered in a foreign country, although the Bank has notified the Intermediary that the FI placed in the custody of the Intermediary are owned by clients of the Bank. Even where the laws of such foreign countries enable to open nominal accounts for custody of the FI owned by clients of foreign financial institutions, such as the Bank, due to the specifics of individual countries or FI issuers, such accounts are not always opened. Due to deficiencies in the FI custody system, conduct of Intermediaries or FI issuers inappropriate tax rates may be imposed on Transactions or Client income from Transactions or Events;

**18.1.10. legal risk:** amendments to law, executive, legislative or judicial decisions, introduction of additional requirements or restrictions, changes in the field of taxation or similar circumstances may cause losses to the Client or prevent disposing of the Assets freely;

**18.1.11. risk of enforcement of foreign law:** Transactions, FI, custody and accounting of the FI may be subject to foreign laws and market practice (e.g., where the FI issuer, depository, holder, or the counterparty to a Transaction is situated in a foreign country), which may provide for different (including less favourable for the Client) terms of investor protection, FI custody, Order execution etc., they may be unclear, open to divergent interpretation or subject to frequent amendments or restrictions;

**18.1.12. information risk:** true and complete information may not be available about exchange rates, FI prices, market trends, etc.;

**18.1.13. risk of use of the Means of Communication:** risks associated with the use of the Means of Communication for performance of the Contract, including for submission of Orders and relating to disruptions in Client's or third-party software/electronic equipment operation, data transmission errors, unauthorized access, distortion, improper presentation of the information to be transmitted, data leakage risk;

**18.1.14. risk of use of the Platform:** use of the Platform, including use for the submission of Orders, is characterised by additional risks that may occur due to an error, disruptions in the operation of the Platform, connection breakdown, Platform response speed, shortcomings and similar circumstances, Order transmission/receipt error, loss, delay, non-performance, untimely execution, unauthorized access by third parties (including by usage of the Client's Username and password), data distortion etc. The operation of the Platform is regulated and the terms of its use are laid down by the Platform Owner (other than the Bank) who may restrict or terminate the operation of the Platform without notice. Any errors or disruptions in the Platform operation may also be caused by damage to the Platform, software shortcomings and computer viruses. The Bank is entitled but not obliged and it may lack the resources necessary to restore the functioning of the Platform. Any information about the Client and Orders stored on the Platform may become available to third parties as a result of damage to or errors of the Platform. All the conclusions and activities made on the basis of the information available on the Platform are carried out solely subject to the Client undertaking all risks, and the Bank assumes no liability for any damages arising from the use of such information.

## 19. Confidentiality and Data Processing. Taxes

**19.1.** The Bank shall ensure the confidentiality of the Client's data, Accounts and transactions and shall not disclose such information to any third parties in the absence of approval by the Client, except where such information:

**19.1.1.** is available publicly;

**19.1.2.** is disclosed to the Client's Representative;

**19.1.3.** is disclosed to the Intermediary, FI issuer, state or municipal authorities (of the RL or of a foreign country), the Platform Owner, where necessary for the execution of an Order, custody of FI, or provision of any other services or fulfilment of requirements of legal acts. The Client agrees that said persons, including the Platform Owner may disclose the information to any third parties according to the provisions of foreign laws applicable to them;

**19.1.4.** is disclosed to competent tax or supervising authorities (of the RL or of a foreign country);

**19.1.5.** is disclosed for debt recovery purposes;

**19.1.6.** is disclosed to any third parties pursuant to legal acts of the RL, the Terms, the Service Contract or any other contract.

**19.2.** The Bank is entitled to process data of the Client and the Client's Representative, including storage, transfer, request and receipt of personal data from any third parties and databases set up pursuant to legal acts, incl. from the initial register of the CSD. In cases and in accordance with the procedure set out in legal acts, the Bank is entitled to publish as well as disclose details of the Order, Transaction and other information on the Client to fulfil the duties provided for the Bank in legal acts. The Bank may attract third parties for performance of such actions and transfer the required information to such parties. The purpose of data processing is provision of the services specified in the Contract and the Service Contract. The Bank shall be the administrator of personal data processing.

**19.3.** The Client is aware and agrees that the Client's personal data and information about the Client's obligations may be transferred to the Credit Register of the Bank of Latvia according to its terms and to credit information offices established pursuant to legal acts of the RL. Information on the data processing shall be available at the Bank.

**19.4.** No tax consultations shall be provided to the Client by the Bank under the Contract.

**19.5.** All taxes, duties and other payments arising out of the Transactions or Events shall be made by the Client independently, except where the obligation to make such a deduction, pursuant to legal acts of the RL, the country of registration of the FI issuer or the Intermediary, falls on:

**19.5.1.** the Bank or the Bank has undertaken it;

**19.5.2.** the Intermediary or a third party that ensures or makes payment of the funds due to the Client.

**19.6.** the Client shall submit documents and information upon request of the Bank within the term and in the form requested by the Bank that:

**19.6.1.** is necessary to calculate or withhold taxes, duties or any other payments incurred by the Client according to legal acts of the RL, the country of registration of the FI issuer or of the Intermediary, or to certify that such payments have been made, or that the Client's income or transactions are/are not subject to such taxes, duties or any other payments;

**19.6.2.** are required for the provision of services, acquisition, renewal, verification of Client's data, verification of the source of origin of the Assets, or required in accordance with requirements of the Intermediary or Trading Venue.

**19.7.** The Client agrees that:

**19.7.1.** the Bank is entitled to process and forward any documents received in accordance with the Terms to the respective Intermediary, Platform Owner, registration, supervisory and tax authorities of the RL, the country of the FI issuer or the Intermediary;

**19.7.2.** the Bank is entitled to withdraw, without an Order by the Client, from the funds which are or to be transferred to the Funds Account any penalties or expenses arising as a result of failure by the Client to submit, within the specified term, any documents or information provided for by the Terms and requested by the Bank.

## 20. Termination of the Contract, Service Contract

**20.1.** Each Party is entitled to withdraw from the Contract and/or the Service Contract unilaterally by giving written notice to the other Party no less than fifteen (15) Bank's business days in advance, unless the Parties have agreed on another time of termination of the agreement, subject to fulfilment of all the obligations arising out of the agreement at that time. The Client may terminate the Contract only on condition that he has fulfilled all obligations secured by the FC held in the Account under any other agreement (if any).

**20.2.** The Bank is entitled to withdraw from the Contract and/or the Service Contract unilaterally without giving prior notice to the Client and/or stop or restrict the provision of services and/or Client's operations with Assets and/or connection to the Platform in any of the following cases:

**20.2.1.** the Client and/or the Related Person has an indebtedness towards the Bank, and the amounts due to the Bank are not paid within three (3) Bank's business days of the date of the respective request to the Client by the Bank;

**20.2.2.** there are no FI in the FI Account for more than one year;

**20.2.3.** the Client fails to perform or is in breach of any provision of the Contract or Service Contract or any other of his obligations towards the Bank;

**20.2.4.** the Current Accounts of the Client have been closed or a decision terminate cooperation with the Client has been made in the Bank;

**20.2.5.** a request is received from competent authorities/persons requesting enforced collection against the Client's deposits/Assets or an encumbrance to be recorded in respect of the Account.

**20.2.6.** the Bank has a suspicion that the Client is involved in money laundering or an attempt of money laundering, or is making unfair or manipulative Transactions;

**20.2.7.** the Client does not agree to amendments to the Order Execution Policy;

**20.2.8.** the Client fails, within the period of time specified by the Bank, to submit any documents to be submitted according to the Terms and requested by the Bank, or the Client (legal entity) does not have a valid LEI Code (where it is mandatory).

**20.3.** In case of termination of the Contract, Service Contracts are also terminated and Platforms are disconnected.

**20.4.** As a result of the termination of the Contract, the Bank shall transfer FI, where transfer is possible, to another Client's account indicated in the Order. The Bank shall transfer the funds from the Funds Account to the Current Account, including any funds received from FI sales where the Bank has effected such a sale. The Bank shall close the Accounts when their balance equals zero.

**20.5.** If after the notified date of termination of the Contract the Account contains any FI, transactions with which have been suspended or which cannot be used for any reason, or if the Account contains a negative balance, the Bank is entitled to charge a Commission Fee for custody of the FI and the Commission Fee for the negative balance of the Account up to the moment when the balance of the Accounts is zero and the Bank may close the Accounts.

**20.6.** The Bank is entitled, in all cases of termination of the Contract, to deduct the amounts due to the Bank from the amount payable to the Client. This condition remains in effect until the complete fulfilment of the obligations.

## **21. Amendments**

**21.1.** The Bank may unilaterally make amendments to the Pricelist, terms of the Contract, terms of the Service Contract, General Terms of Business of the Bank, Order Execution Policy, and the Commission Fees specified in the annex to the Contract or Service Contract.

**21.2.** Information about any planned amendments to the Pricelist, General Terms of Business of the Bank before their entry into force are available to the Client at client service centres of the Bank, on the Website and the Client may obtain it by calling the information service of the Bank.

**21.3.** Information about any planned amendments to the Terms and terms of Service Contract before their entry into force shall be notified to the Client by the Bank using any of the Client's contacts known to the Bank (an Online Banking notification, a text message, letter or etc.). This information shall be communicated to the Client according to the provisions of the General Terms of Business of the Bank.

**21.4.** Any amendments to the Terms, Pricelist (regarding services mentioned in the Contract) or Service Contract which are less favourable to the Client compared to the terms previously in effect, shall be notified, no less than thirty (30) days before the amendments take effect and, where the amendments are made due to amendment of legal acts or due to the fact that the Intermediary has made similar amendments and they will enter into force sooner, as soon as the Bank becomes aware of the respective amendments.

**21.5.** Any amendments to the special pricelist which is annexed to the Contract or Service Contract (if any) shall be notified to the Client by the Bank not less than ten (10) Bank's business days before the amendments take effect.

**21.6.** Any amendments to the Order Execution Policy shall be notified to the Client by the Bank according to the provisions of the Order Execution Policy.

**21.7.** If the Client does not accept any amendments made by the Bank, the Client has the right to withdraw from the Contract and/or the Service Contract immediately without any penalties upon fulfilling all the obligations arising out of it as well as the obligations in respect of which the Bank holds FC in an Account (if any) opened specifically for this purpose. If the Client fails to notify the Bank about his objections by the date when such amendments become effective and fails to carry out the activities referred to in this clause, the Client is deemed to have accepted the amendments.

**21.8.** The Bank is entitled to amend unilaterally the Pricelist, the General Terms of Business of the Bank, the Terms, and/or the terms of

Service Contract, without giving prior notice to the Client thereof where such changes are made in order to prevent damage to the interests of the totality of the clients of the Bank and to the stability of the national financial system, including, but not limited to, for the purpose of limiting excessive outflow of deposits or any other attracted funds from the Bank. The Bank shall notify the Client of such amendments immediately, as soon as it is possible.

**21.9.** If the Client does not agree with any amendments to the Order Execution Policy, the Bank is entitled to terminate provision of the services provided for by the Contract and the Service Contract.

## **22. Investor Protection and Deposit Guarantee Systems**

**22.1.** The Bank is a member of the investor protection system and, pursuant to the provisions of the Investor Protection Law, the Client is entitled, in the cases provided for in legal acts of the RL, to a compensation for the irrecoverable loss of any FI.

**22.2.** The funds recorded in the Funds Accounts are covered by the Deposit Guarantee Law whereby the Client is entitled, in cases of unavailability of deposits provided for by legal acts of the RL, to the guaranteed statutory compensation.

**22.3.** The Client may acquaint himself with the provisions of the investor protection and deposit guarantee system on the Website or on the Bank's premises during the opening hours of the Bank.

**22.4.** The Client is aware that in case of being awarded the Client's Status of professional client or eligible counterparty, the Client ceases to be entitled to certain statutory investor protection rights, including the right to receive compensation from the investor protection system.

## **23. Information about the Bank as the provider of Investment Services**

**23.1.** AS "Citadele banka" (registered and head office address: Republikas laukums 2A, Rīga, LV-1010, Latvija, phone: +371 67010000, fax: +371 67010001) registered with the Register of Enterprises of the RL on 30 June 2010, unified registration No 40103303559.

**23.2.** The Bank holds a licence for operation as a credit institution issued on 30 June 2010 and registered in the Register of Licences of the Finance and Capital Market Commission under No 06.01.05.405/280.

**23.3.** The supervision of the Bank is performed by the Finance and Capital Market Commission, address: Kungu iela 1, Rīga, LV-1050, Latvia, phone: +37167774800; fax: +37167225755; e-mail: [fktk@fktk.lv](mailto:fktk@fktk.lv); website address: [www.fktk.lv](http://www.fktk.lv).

## **24. Further Provisions**

**24.1.** This Contract is made for an indefinite period of time.

**24.2.** This Contract and the Service Contract shall be governed by legal acts of the RL.

**24.3.** Where the Client is a legal entity or a natural person which is not deemed a consumer in respect of the services provided for by the Contract pursuant to legal acts of the RL, any dispute, disagreement or claim arising out of the Contract and the Service Contract, relating to them or to a breach, termination or invalidity thereof shall be settled finally by the Riga International Arbitration Court in Riga composed of one arbiter, with the arbitration proceedings held in Latvian, pursuant to current legal acts of the RL and the Rules of the Arbitration Court or, at the discretion of the Bank, in a court of the RL with the Riga City Ziemeļu District Court as the court of the first instance. Where the Client is a natural person – a consumer, any disputes shall be settled in a court of the RL of competent jurisdiction, or where the Client does not have declared place of residence as being in the RL, it shall become subject to the jurisdiction of court of the RL with the Riga City Ziemeļu District Court as the court of the first instance.

**24.4.** The Bank is entitled to transfer all or a part of the powers granted to the Bank and arising out of the Contract or the Service Contract to a third party where this is necessary for the protection of interests of the Party.

**24.5.** In case of a conflict between the Terms and the terms of the Service Contract, the provisions of the Service Contract shall apply.

**24.6.** No provision of the Contract or Service Contract is not and under no circumstances can be deemed to be preventing the Client from protecting his affected rights or interests by way of legal proceedings.