

INFORMATION ON THE INVESTMENT SERVICE PROVIDER AND SERVICES PROVIDED

1. BASIC INFORMATION

Name:	Luminor Bank AS (hereinafter - Bank)
Unitary registration number with the Enterprises Register of the Republic of Latvia:	40003024725
registered address:	Skanstes iela 12, Riga, LV 1013
telephone:	1880 or (+371) 67 17 1880 (when calling from abroad)
e-mail	info@luminor.lv
SWIFT code:	RIKO LV 2X/NDEA LV 2X
website:	www.luminor.lv
Supervising authority:	Financial and Capital Market Commission, having its registered office at Kungu iela 1, Riga, the Republic of Latvia, LV-1050 telephone:+37167774800; fax + 67225755; e-mail fktk@fktk.lv; website: www.fktk.lv
Authority that has issued the licence for the provision of investment services and ancillary investment services:	Financial and Capital Market Commission, having its registered office at Kungu iela 1, Riga, the Republic of Latvia, LV-1050. Licence to operate as a credit institution is issued on 2 December 1991 under the No. 06.01.05.017/198 with the Licence Register of the Financial and Capital Market Commission. More information on investment service and ancillary investment service providers is accessible on the website of the Financial and Capital Market Commission: http://www.fktk.lv/en/market/investment-service-providers/credit-institutions.html
Investment services and ancillary services provided by Luminor Bank AS	Bank provides its customers with the investment services as follows: 1) reception and transmission of orders in relation to one or more financial instruments;; 2) execution of orders on behalf of the clients; 3) dealing on own account; 4) portfolio management; 5) investment advice; Bank provides its customers with ancillary investment services as follows: 1) safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management and excluding maintaining securities accounts at the top tier level;; 2) foreign exchange services where these are connected to the provision of investment services; 3) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

<p>Language used in communication with customers and information exchange channels:</p>	<p>Core language: Latvian Admissible information acceptance and provision languages (subject to prior agreement between the parties): Latvian, Russian, and English (Bank is not obligated to translate all regulatory documents, policies, process descriptions and notices into other languages. Bank may do it upon the customer's request at their expense)</p> <p>Customers may contact Bank, e.g. for the purpose of obtaining and dispatching orders in person, per telephone or in writing or by using remote management systems (internet-bank), under the provisions of signed agreements.</p>
<p>Information on reports of the investment service provider to be submitted to the customer (types, frequency and deadlines)</p>	<p>Information on investment services provided to customers (conducted transactions) is accessible in internet-bank or at the customer's request – in Banks branches during their business hours.</p> <p>Pursuant to applicable regulatory enactments the Bank secures to its customers the provision of the reports as follows:</p> <ul style="list-style-type: none"> • Trade confirmation – after every executed transaction; • Portfolio management reports – once a quarter; • Within the framework of portfolio management services – notices on portfolio value depreciation by 10% and thereafter multiples of 10% from portfolio value at beginning of each reporting period; • Financial instruments/securities account reports – once a quarter; • Report on costs and charges applied to the customer in relation to the provided investment services and ancillary services – once a year. <p>Additional information on reports on particular investment services, including their frequency and submission deadlines are specified in the investment area service agreements entered into between the customer and Bank.</p>

2. SUMMARY ON INTRODUCED MEASURES TO SECURE PROTECTION OF THE CUSTOMER'S FINANCIAL INSTRUMENTS AND MONETARY RESOURCES (INCLUDING THE INFORMATION ON THE INVESTORS' PROTECTION AND DEPOSIT GUARANTEE SCHEMES)

SAFEGUARDING (CUSTODY) OF FINANCIAL INSTRUMENTS

Bank safeguards financial instruments of its customers separately from financial instruments owned by the Bank, i.e. the customers' financial instruments are recorded off balance and cannot be used for performance of the Bank's obligations in case of insolvency.

For safeguarding, maintenance and order execution with customers' financial instruments the Bank is using services of other financial intermediaries, including stock exchanges, depositories, clearing institutions, correspondent banks (hereinafter – the Intermediary

Enterprises). The Bank shall assess Intermediary Enterprises whose services it is using with due care as well as assess legislation and market practice of the respective country with regard to safeguarding of financial instruments. The assessment shall be repeated at least on annual basis.

Financial instruments owned by the Customer are held by the Intermediary Enterprise on account opened on behalf of the Bank and identified as financial instruments owned by the Bank's customers (hereinafter – the Nominee account). Financial instruments owned by several Banks' customers are safeguarded on the same Nominee account. The Bank is entitled to safeguard customers' financial instruments with Intermediary Enterprises that are incorporated abroad also in case their respective country has no regulations on safeguarding of financial instruments on behalf of the third parties on the Nominee account, if such safeguarding is required to settle a trade in financial instruments submitted by the customer.

The Bank shall ensure accounting of customers' financial instruments safeguarded by the Bank and secure that at any given moment the financial instruments of one customer can be separated from those of another customer or the Bank as well as the accounting of financial instruments is regularly reconciled with that of the Intermediary Enterprise the Bank safeguards the customers' financial instruments with.

Safeguarding of financial instruments with Intermediary Enterprises entail a risk to the customers that financial instruments may become fully or partially inaccessible for a shorter or longer period or entirely lost. The risks derive from the probability that:

- The Intermediary Enterprise may become insolvent;
- Operations of the Intermediary Enterprise are subject to regulatory enactments of another country, which may differ from those of the Republic of Latvia and may be applied or interpreted differently, as the result of which the customer's rights to their financial instruments or funds may differ from those stipulated in regulatory enactments of the Republic of Latvia.

Regardless of the fact that the Bank conducts assessment of Intermediary Enterprises there still is a risk that they may act in an unfair or unlawful manner.

The Bank shall take no responsibility for the customer's loss, which may be incurred by the latter as the result of action or omission of the Intermediary Enterprise (e.g. inappropriate accounting of financial instruments and funds, negligence or poor management), except for situations where the loss of the customer incurred as a result of gross negligence or act in bad faith of the Bank. The Bank shall not be liable for the customer's loss or expenses incurred due to foreign regulatory enactments that govern the operations of the Intermediary Enterprise or market practice. In case of bankruptcy of the Intermediary Enterprise the Bank shall assume no liability whatsoever for any loss incurred by the customer due to application of insolvency regulations of the respective country.

DEPOSITOR PROTECTION

To all Banks customers, both private individuals and legal entities under the Deposit Guarantee Law the reimbursement for all types of deposits in all currencies in amount of up to EUR 100,000 (on all accounts jointly, if the customer has several accounts with the same bank) is guaranteed. The state guarantee compensation applies to deposits, current account balances (including accounts used for transactions with financial instruments), salary accounts, savings accounts etc. alike.

By virtue of the Deposit Guarantee Law Latvian Deposit Guarantee Fund (hereinafter – the Fund) was established. The Fund was established to guarantee depositors the reimbursement for deposits placed with a participant of the deposit guarantee scheme (including Bank) that have become inaccessible, i.e. in case the participant of the deposit guarantee scheme is unable to pay to the customers their deposits and the Financial and Capital market Commission has revoked the licence held by the attractor of deposits or it has been declared insolvent by the court or on another occasion where the Financial and Capital Market Commission has ascertained that the attractor of deposits is unable to pay to the depositor their guaranteed deposit and has made the decision on inaccessibility of deposits.

The Fund participants are attractors of deposits, credit institutions incorporated in Latvia (including their subsidiaries in the EU member countries) and in situations stipulated in the Deposit Guarantee Law - Latvian branch of the EU member country bank as well as branches of foreign banks and savings and loan companies. Accumulation of the Fund assets, their management and payment of guaranteed reimbursement is conducted by the Financial and Capital Market Commission. Payment of reimbursement under the Law is made no later than within 20 working days from the date the inaccessibility of deposits has occurred on.

Pursuant to the Deposit Guarantee Act, if the Fund is short of assets to make guaranteed reimbursement payments under the Law provisions, such payments through the mediation of the Financial and Capital Market Commission are made from the state budget.

Full version of the Deposit Guarantee Act is accessible here: <https://likumi.lv/ta/id/274737>

INVESTOR PROTECTION

Provisions of the Investor Protection Act stipulate that in case the investment service provider is unable to meet obligations to their customers the investors are entitled to reimbursement. The reimbursement of 90% of irreversibly lost financial instruments' value or loss incurred due to failed investment service, yet no more than EUR 20,000 is guaranteed to every investor.

The above Act stipulates that reimbursement to investors is granted in specific situations as stated in the law. For example, the investor is not eligible for reimbursement if the order was not executed due to a fact that the respective bid to execute the specific order has not been accessible on the regulated market. Likewise the reimbursement is not provided for losses incurred due to the drop of price for financial instruments, e.g. in case the issuer of financial instruments has become bankrupt.

Reimbursement is payable within three months following the date of resolution that the reimbursement application is legitimate; however, due to special circumstances the Financial and Capital Market Commission may extend the reimbursement payment period.

There is no fund to accumulate assets for reimbursement; in case the investment service provider is unable to meet its obligations the Financial and Capital Market Commission by virtue of quarterly reports submitted by other investment service providers shall calculate the share of every market participant to secure reimbursements.

Full version of the Investor Protection Act is accessible here:

<http://www.likumi.lv/doc.php?id=55829>

SUMMARY OF THE RULES FOR PREVENTION OF CONFLICTS OF INTEREST

A conflict of interest is a situation, where parties involved in the provision of investment service or ancillary service are driven by conflicting interests. The Bank's Policy of Avoiding Conflicts of Interest in Providing Investment Services (hereinafter – the Policy) stipulates the requirements and procedure whereby circumstances related to the Bank's provided investment services and ancillary services, which may cause conflicts of interest and therefore compromise the interests of one or several customers, should be identified and controlled.

The Policy stipulates identification criteria of notional conflicts of interest, describes standard situations that are causing or may cause the conflict of interest as well as stipulate the requirements the Bank is obligated to comply with to prevent conflicts of interest during the provision of investment services.

Inter alia, the Bank shall ensure that the remuneration and motivation system for the employees and persons involved in provision of investment services is developed to prevent preference of the interests of the employees or the Bank, if that may undermine the Customer's interests. The employees are prohibited from entering into or recommending financial instruments' purchase or sale transactions, if their sole purpose is the fee or another financial benefit, unless the Customer's interests are observed. The Policy imposes a prohibition on the Bank's employees to use confidential or otherwise privileged information of the Bank or its customers for personal dealings in financial instruments and the duty to perform the required actions to prevent any possible detriment to the customers' interests. Should the conflict arise between the interests of the Bank or its employee and those of the customer the Customer's lawful interests shall prevail.

The Bank shall introduce efficient measures to identify and eliminate the Conflict of interest and considers the disclosure of information on the conflicts of interests as an ultimate measure in situations where no other internal conflict of interest elimination measures are sufficient to ensure protection of the customer's interests with due confidence.

Please see the effective version of the Policy here:

<https://www.luminor.lv/sites/default/files/docs/ieguldijumi/conflict-of-interest-policy.pdf>

The Bank may accept inducement from third parties concerning the customers' investments in specific investment products or the provision of services to customers through specific third parties. An inducement is considered any benefit received by the Bank from the third party, i.e. a reward, fee and other monetary or non-monetary benefits relating to provision of investment services to customers. The Bank is allowed to accept inducements, if their purpose is to enhance quality of services offered to the customer and they do not undermine the Bank' duty to act in a fair, integral and professional manner in compliance with the best interests of its customers. Should the Bank receive any payments, fees or any monetary rewards that do not comply with the above requirements the Bank shall return them to the respective customers immediately after receipt. Information about inducements acceptable to the Bank in relation to services provided to customers is accessible in appendix to the Bank's policy „ Inducement policy relating to the investment services and ancillary services”. Please, see the document here:

<https://www.luminor.lv/sites/default/files/docs/ieguldijumi/inducement-policy-for-the-provision-of-investment-and-ancillary-services.pdf>