

NB! These rules apply to service agreements, within which an account with letters "RIKO" (LVxxRIKOxxxxxxxxxxxx) in number is opened, managed or serviced, or which specify that primarily an account with such a number is to be used for settlement. In any case these rules apply to any service agreement that contains a reference to these terms.

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Luminor Bank AS

FINANCIAL INSTRUMENTS ACCOUNT OPENING AND MAINTENANCE RULES

APPROVED

Edition of 27.09.2017, by the decision of the Management Board of AS DNB banka dated 26.09.2017

Effective from 01.10.2017

1. TERMS USED IN THE RULES

The following terms shall be used in these rules:

- 1.1.1. **Substantiating Document** – a document on the basis of which the Services are provided or settlement for them is performed;
- 1.1.2. **Bank** – Luminor Bank AS (registered in the Commercial Register maintained by the Register of Enterprises of the Republic of Latvia; unified registration number: 40003024725; legal address: Skanstes iela 12, Riga, LV-1013, homepage address in the Internet: www.luminor.lv, electronic mail address: info@luminor.lv. The Bank has received a license for the operation of credit institution issued by the Financial and Capital Market Commission, Kungu iela 1, Riga, LV-1050);
- 1.1.3. **Bank's Working Hours** – the time period stipulated by the Bank within which the Bank carries out activities necessary to provide the respective Service;
- 1.1.4. **Transaction** – a financial instrument purchase or sale transaction;
- 1.1.5. **Deregistration** – a transfer of financial instruments accounting from the initial registry with the Latvian Central Depository (LCD) to the Financial Instruments Account;
- 1.1.6. **Financial Instruments Account Agreement** – an agreement between the Parties for the opening and maintenance of one or more Financial Instruments Accounts. The provisions of the foregoing agreement are determined by the agreement between the Parties regarding conclusion of such agreement, or by a document confirming the conclusion of such agreement, by the Rules and other legal enactments, which in accordance with the Rules are applicable to the legal relations between the Parties arising from the foregoing agreement;
- 1.1.7. **Financial Instruments Account** – the Customer's financial instruments account opened with the Bank, registering and recording financial instruments owned by the Customer;
- 1.1.8. **Corporate Action** – any event affecting financial instrument characteristics, as well as an action of the issuer in fulfilling obligations to the financial instrument owner (payment of dividends, change of the nominal value of shares, meetings of shareholders, merging and splitting of financial instrument issues, discharging bonds etc.);
- 1.1.9. **FIML** – the Financial Instruments Market Law;
- 1.1.10. **Internetbank** – the Bank's Internetbank (remote access system), which provides the Customer, subject to the agreement on the use of this system (provided such is concluded between the Customer and the Bank), with the option to submit to the Bank Orders and other notices, to receive information and notices from the Bank and to use other services through the Internet;
- 1.1.11. **Customer** – the person who has signed the Financial Instruments Account Agreement with the Bank;
- 1.1.12. **LCD** – the Latvian Central Depository (within the meaning of FIML);
- 1.1.13. **Parties** – the Customer and the Bank collectively;
- 1.1.14. **Nominal Account** – an account opened on behalf of the Bank with the Partner, holding financial instruments owned by the Customer, with the reference that the Bank holds financial instruments on that account on behalf of its customers;
- 1.1.15. **Current Account** – the Customer's current account opened with the Bank which number contains letters "RIKO";
- 1.1.16. **Rules** – these Financial Instruments Account Opening and Maintenance Rules;
- 1.1.17. **Operation** – deregistration, transfer, receipt or blocking of financial instruments;
- 1.1.18. **Service** – the Bank's investment service or ancillary investment service provided to the Customer and related to opening and maintenance of the Financial Instruments Account, holding and recording of financial instruments, execution of Corporate Actions, for Transactions and Operations, excluding provision of consultations regarding investments in financial instruments within the meaning of the FIML;
- 1.1.19. **Partner** – a financial intermediary - investment broker company or credit institution having a license for provision of investment services or credit institution activities, or providing investment services or having the right to ensure custody of financial instruments, with which the Bank has an agreement on provision of financial instrument services;

- 1.1.20. **Policies** – the Bank’s “Policy for Prevention of Interest Conflicts (for Transactions with Financial Instruments)”, “Client Classification Policy (for Transactions with Financial Instruments)” and Order Execution Policy;
- 1.1.21. **Order** – an expression of the Customer’s will, on the basis of which the Bank initiates execution of a financial instrument transaction or operation;
- 1.1.22. **Order Execution Policy** – a document drawn up in accordance with FIML requirements aiming to specify general principles in order to ensure execution of an Order with provision of the best possible result for the Customer, and determines the Order execution ways and venues, execution terms and procedure of aggregation and allocation of Orders;
- 1.1.23. **General Terms and Conditions** – the Bank’s General Terms and Conditions.
- 1.2. Terms used in the Rules and not defined herein shall correspond to the terms used in the General Terms and Conditions.
- 1.3. Terms “financial instrument”, “regulated market”, and “execution venue” used in the Rules shall correspond to terms used in the FIML.

2. GENERAL PROVISIONS

- 2.1. The Rules govern legal relations between the Parties in relation to the Services.
- 2.2. List of Conditions, the General Terms and Conditions, the Policies and the Bank’s “Description of Financial Instrument Types and Their Inherent Risks” are also applicable to the legal relations between the Customer and the Bank related to the Services.
- 2.3. The Rules, documents specified in Clause 2.2 and other information in relation to the Services are available to the Customer at the Places of Service within the Bank’s Working Hours upon the Customer’s request and on the Bank’s Website’s section “Rules”, “Price List” or “Investments”.
- 2.4. The Bank is entitled to amend the Rules and documents specified in Clause 2.2 unilaterally in accordance with the provisions of the General Terms and Conditions. The Bank shall inform the Customer about such amendments in relation to the Services by making such information available to the Customer at the Places of Service within the Bank’s Working Hours upon the Customer’s request and by placing the respective information on the Bank’s Website section “Rules”, “Price List” or “Investments”. The Bank is entitled to inform the Customer personally about such amendments in addition through Internetbank. If the Customer does not agree to the amendments made by the Bank the Customer is entitled to withdraw from the Financial Instruments Account Agreement unilaterally in accordance with the provisions of the General Terms and Conditions.
- 2.5. The Bank provides the Services to the Customer and makes the Service-related settlement.
- 2.6. When providing the Services, the Bank shall act as a decent and careful proprietor and provide the Services rendered with due professionalism and care in the interest of the Customer. Any information provided by an employee or representative of the Bank regarding financial instruments and activities related to them shall not be deemed a provision of the Bank’s investment advice within the meaning of the FIML, and shall not be deemed the Bank’s advice or recommendation for the Customer to perform a Transaction or Operation.
- 2.7. The Customer is obliged to maintain at least one Current Account over the entire validity term of the Agreement in order to make the Services-related settlements.
- 2.8. The Rules shall not apply to the legal relations between the Parties arising out of the transactions with derivatives and do not determine the accounting procedure of the derivatives belonging to the Customer.
- 2.9. The Customer is responsible for the fulfilment of the obligations of the Customer as a financial instruments holder stipulated in the laws and other regulatory enactments.
- 2.10. Within the framework of provision of the Services, the Bank shall contact the Customer in Latvian, unless the Parties have agreed otherwise.
- 2.11. The Customer agrees that, within the framework of provision of the Services, the Bank makes audio recordings of telephone calls between the Parties, and consents to the use of the aforementioned audio recordings of telephone calls as proof on matters related to the Services.

3. APPROPRIATENESS OF SERVICES TO CUSTOMER’S INTERESTS

- 3.1. Upon the Bank’s request the Customer is obliged to submit to the Bank information about the Customer’s knowledge and experience in respect of the Transactions and Operations to be concluded during the course of provision of Services. The Customer has an obligation to inform the Bank on any changes in the previously submitted information.
- 3.2. If the Customer refuses to submit the Bank’s requested information, submits it incomplete, inaccurate or does not inform the Bank about changes in the previously submitted information, the Bank shall be entitled to refuse provision of specific Services to the Customer.

4. CUSTODY OF FINANCIAL INSTRUMENTS

- 4.1. The Bank shall open the Financial Instruments Account for holding financial instruments owned by the Customer.

- 4.2. The Bank shall hold financial instruments owned by the Customer separately from financial instruments owned by the Bank.
- 4.3. Financial instruments shall be owned by the Customer from the moment when they are recorded on the Financial Instruments Account. A record on the Financial Instruments Account shall serve as proof of title to financial instruments.
- 4.4. Any entry on the Financial Instruments Account shall be made solely on the basis of a Substantiating Document, except cases where the Bank corrects erroneous operations in accordance with the General Terms and Conditions, or where other procedure is specified in the regulatory enactments.
- 4.5. The Bank shall conduct holding and accounting of financial instruments recorded with the LCD in accordance with the procedure specified in the FIML and in LCD regulations. Accounting of financial instruments with a foreign Partner shall be performed in accordance with the Rules, the FIML, and the applicable regulatory enactments of the relevant country.
- 4.6. The Bank shall be entitled to use the services of a Partner registered and supervised in a foreign country for custody of foreign financial instruments at its discretion, which in turn may choose other such foreign custodians.
- 4.7. One Nominal Account may be used to hold financial instruments owned by a number of customers of the Bank.
- 4.8. In the cases specified in the FIML, the Bank shall be entitled to transfer financial instruments owned by the Customer into custody in a foreign country, which is not regulating custody of financial instruments on Nominal Accounts. In this case, the financial instruments owned by the Customer may be held on an account opened on the name of the Bank together with financial instruments owned by the Bank and other customers of the Bank.
- 4.9. The Bank may not use the financial instruments belonging to the Customer for the settlement of liabilities arising out of the transactions concluded by other customers of the Bank.

5. SUBMISSION, ACCEPTANCE AND EXECUTION OF AN ORDER, AMENDMENT AND CANCELLATION OF AN ORDER

- 5.1. The Bank shall perform Transactions and Operations with the Customer's financial instruments on the basis of an Order, except for cases specified in Clause 7.4 and 8.5. Depending on the market situation (price, level of bid and ask), an Order may be executed in full, partially, or not at all.
- 5.2. The Customer may submit an Order to the Bank in any of the following manners:
 - 5.2.1. in a paper form at any Place of Service specified by the Bank within the Bank's Working Hours;
 - 5.2.2. using the Internetbank, specifying in the Order all information necessary for the execution of the Order. If the Order is submitted to the Bank using the Bank's information system "DNB Investments", which is accessible to the Customer via the Internetbank it shall be considered that the Order is submitted via the Internetbank;
 - 5.2.3. using the telephone or other Means of Distance Communication, if the Parties have agreed in writing on usage of the telephone or the Means of Distance Communication to this effect.
- 5.3. An Order submitted to the Bank via Means of Distance Communication on which the Parties have agreed in writing shall have the same legal force as an Order signed personally by the Customer. The existence of such an Order shall constitute sufficient basis for being used as evidence in the event of a dispute.
- 5.4. When accepting an Order in a paper form the Bank verifies the identity of the Customer or Customer's representatives in accordance with the procedure stipulated by the General Terms and Conditions. The procedure according to which the Bank verifies the identity of the Customer or Customer's representatives (authenticates the Customer) if the Customer submits an Order via the Internetbank, telephone or other Means of Distance Communication determines the provisions of the agreement concluded between the Parties about the usage of the respective Means of Distance Communication.
- 5.5. When submitting an Order to the Bank in paper form, the Customer shall be obliged to use the Order form approved by the Bank. If the Customer has failed to use the Order form approved by the Bank, the Bank shall be entitled to refuse to accept or execute such an Order.
- 5.6. The Customer has an obligation to familiarize himself with the effective version of the Rules and documents specified in Clause 2.2 before submission of each Order. Upon submission of the Order the Customer confirms to the Bank that the Customer has familiarized himself with above documents and agrees to them as well as – if an Order for execution of a Transaction is submitted – agrees that the Order will be executed in accordance with the principles stipulated by the Order Execution Policy.
- 5.7. Upon submitting an Order for execution of a Transaction the Customer shall ensure:
 - 5.7.1. if a financial instrument sale transaction is being executed, – freely accessible amount of financial instruments necessary for Order execution on the Financial Instruments Account and freely accessible amount of money necessary for payment of the Service Fees in relation with the Order execution on the Current Account;
 - 5.7.2. if a financial instrument purchase transaction is being executed, – freely accessible amount of money necessary for Order execution and payment of the Service Fees in relation with the Order execution on the Current Account.

- 5.8. Upon receipt of the Order the Bank is entitled to reserve the necessary amount of financial instruments and/or sum of money for Order execution and payment of related Service Fees on the respective Account and restrict the usage of these financial instruments and/or sum of money until the day when the settlement in relation to the respective Order is made. If the currency of a necessary sum of money for the execution of an Order and related Service Fees differs from the currency of the Current Account the currency exchange rate determined by the Bank and effective on the moment when the respective amount is reserved shall be applied.
- 5.9. By submitting an Order the Customer mandates the Bank to perform all activities necessary for execution thereof with the Accounts, respectively by debiting the monetary funds or writing off financial instruments from the respective Account or by crediting (transferring) them with (to) the respective Account. The necessary sum of money for execution of an Order and payment of related Service Fees shall be debited from the Account opened in the currency of the price of financial instruments involved in the Transaction and, in case if the freely accessible monetary funds are not enough to settle the Order and related Service Fees - also from any other Account. If execution of an Order and making of a payment of related Service Fees requires currency exchange, it shall be carried out pursuant to the currency exchange rate determined by the Bank and effective on the moment when the respective amount is debited.
- 5.10. Settlement for executed Transactions shall be performed in accordance with the terms and conditions specified at the execution venue (usually on the 2nd (second) or the 3rd (third) banking day following execution of the Transaction). The Customer shall be entitled to give the Bank a written request to perform monetary settlement for an executed Transaction earlier, but no earlier than the banking day following execution of the Transaction. In this case, the Customer shall pay the Service Fee in accordance with the List of Conditions to the Bank, if applicable.
- 5.11. The Bank executes Orders in the execution venues and in manners stipulated by the Order Execution Policy.
- 5.12. In accordance with the Order Execution Policy, the Bank may execute an Order outside the regulated market and multilateral trading system. The Bank shall not be obliged to notify the Customer separately that execution of an Order is being executed outside the regulated market or multilateral trading system.
- 5.13. Following receipt of an Order, verification of its correctness and registration thereof at the Bank, the Bank shall commence fulfilment of the Order or forward it for execution to a Partner immediately, unless specified otherwise in the Order or any other obstacles exist for commencing of execution of an Order.
- 5.14. The Customer shall be entitled to amend the provisions of an Order whose validity term has not expired in the following cases:
 - 5.14.1. execution of an Order has not commenced;
 - 5.14.2. an Order has been executed partly. In this case, the Customer may amend the provisions of the Order only in relation to the part of the Order that has not been executed.
- 5.15. In order to amend an Order, the Customer shall first cancel the Order being amended in accordance with the procedure specified in the Rules and submit a new Order to the Bank.
- 5.16. The Customer shall be entitled to cancel an Order whose validity term has not expired, in the following cases:
 - 5.16.1. execution of an Order has not commenced;
 - 5.16.2. an Order has been executed partly. In this case, cancellation of an Order shall apply only to the part that has not been executed.
- 5.17. In order to cancel an Order, the Customer shall submit an application in free form to the Bank or send the relevant notification via the Internetbank, indicating information to identify the Order being cancelled (transaction type, financial instrument ISIN code, name and amount, date of submitting the Order to the Bank).
- 5.18. If an Order has been fulfilled in full, the Customer shall not be entitled to cancel or amend it.
- 5.19. The Bank shall be entitled to refuse execution of an Order in the following cases:
 - 5.19.1. the Customer has failed to provide the financial instruments or funds for execution of a Transaction or Operation;
 - 5.19.2. obstacles or encumbrances exist to write off or transfer the financial instruments from the Financial Instruments Account;
 - 5.19.3. obstacles exist to make Services-related settlement in accordance with the Rules;
 - 5.19.4. either Party has notified the other Party of unilateral withdrawal from the Financial Instruments Account Agreement;
 - 5.19.5. an Order has not been submitted timely;
 - 5.19.6. an Order does not contain all information necessary for its execution, is incorrect or unclear;
 - 5.19.7. it is impossible to execute an Order in accordance with its terms and conditions;
 - 5.19.8. the Bank does not provide Services in regard to the financial instrument or Transaction type specified in the Order;
 - 5.19.9. the Transaction partner of the Customer's concluded Transaction has not fulfilled its liabilities arising out of the Transaction or has not submitted the order necessary for making of settlement to its financial instruments custodian;

- 5.19.10. an Order is contrary to the regulatory enactments or markets practice of the Republic of Latvia or respective country, where the Customer's financial instruments are held or where the Order is executed;
- 5.19.11. in other cases according to the General Terms and Conditions or applicable regulatory enactments.
- 5.20. If the Bank is unable to commence execution of an Order or if the Bank fails to execute an Order within the specified period of time for technical reasons, the Bank shall be obliged to immediately notify the Customer about the circumstances that delay execution of the Order.

6. DESCRIPTION OF SERVICES

6.1. Transactions and Related Reporting

- 6.1.1. The purchase price of a financial instrument as specified in an Order shall be considered the maximum price at which the Customer is willing to purchase the financial instruments; the specified sale price shall be considered the lowest price at which the Customer is willing to sell the financial instruments.
- 6.1.2. If an Order does not specify a purchase or sale price for a given financial instrument, this shall mean that no price restrictions have been specified and that the Customer consents to buy or sell (respectively) the financial instruments at market price.
- 6.1.3. The Customer shall be obliged to specify the date until which the relevant Order is valid and execution of the Transaction may commence. The maximum validity term of an Order shall be 30 (thirty) calendar days, starting from the day the Order has been received by the Bank. If an Order does not specify a validity term, the validity term of the Order shall be deemed to be the banking day of receipt of the Order by the Bank. An Order, which is received by the Bank outside the Bank's Working Hours or Order execution venue's working hours shall be deemed to be received on the next banking day.
- 6.1.4. In the cases specified by the Order Execution Policy, the Bank shall be entitled to aggregate execution of an Order with execution of an order by a third party or with a transaction at the expense of the Bank. Such aggregated orders shall be divided among financial instrument holders in accordance with the provisions of the Order Execution Policy.
- 6.1.5. The Bank shall, immediately following execution of a Transaction but no later than the following banking day – or in case the Bank receives the relevant confirmation from a third party, no later than the banking day following receipt of such confirmation from the third party – notify the Customer about execution of the Transaction. If the Customer has concluded with the Bank an agreement on usage of Internetbank the Bank provides this information electronically via the Internetbank. This information shall be available to the Customer also at the Places of Service within the Bank's Working Hours upon the Customer's request. The requirement specified in this clause in respect of informing of the Customer about execution of the Transaction shall not apply if the information about the execution of the Transaction is included in the respective transaction confirmation on the execution of the Transaction being immediately sent to the Customer by a third party.

6.2. Statements of Financial Instruments Account

- 6.2.1. Statements of Financial Instruments Account contain information about Transactions performed within the specified time period with financial instruments recorded with the Financial Instruments Account.
- 6.2.2. The Bank may issue also a Statement of Financial Instruments Account containing data on the financial instruments recorded with the Financial Instruments Account and belonging to the Customer (financial instruments portfolio statement).
- 6.2.3. Statements of Financial Instruments Account the Customer may receive in paper form at the Places of Service within the Bank's Working Hours upon the Customer's request or electronically via Internetbank.

6.3. Operations

6.3.1. Deregistration

- 6.3.1.1. The process of Deregistration shall be irrevocable; i.d. - if financial instruments have been deregistered, they cannot be registered in the LCD's initial register. The Customer cannot deregister part of financial instruments held by them as a single unit.
- 6.3.1.2. The LCD shall hold all dividends paid for the relevant financial instruments prior to Deregistration, in accordance with the regulatory enactments.
- 6.3.1.3. The Customer, who is registered in the LCD' initial register, shall be entitled to deregister financial instruments to the Financial Instruments Account or, through alienation thereof, to a third party's financial instruments account with the Bank.
- 6.3.1.4. Following receipt of dividends from the LCD on financial instruments which have been deregistered on behalf of a third party, the Bank shall remit them to the current account specified in the Order.
- 6.3.1.5. The Bank shall compile received Orders for Deregistration, deliver them to the LCD as electronic entries, and obtain Deregistration transfer confirmation or Deregistration transfer refusal from the LCD. Following receipt of a Deregistration transfer order approved by the LCD, the Bank shall record the financial instruments on the Financial Instruments Account.

- 6.3.1.6. The Bank shall ensure forwarding of a Deregistration Order to the LCD no later than the banking day following its receipt by the Bank.
- 6.3.1.7. If financial instruments - stocks - are blocked for a meeting of shareholders, the Bank shall ensure that a Deregistration Order is forwarded to the LCD no later than the banking day following receipt of the LCD's notification about unblocking of the relevant stocks.
- 6.3.1.8. The Bank shall not be liable for the LCD's refusal to perform Deregistration.

6.3.2. Transfer of Financial Instruments and Receipt of Financial instruments

- 6.3.2.1. The Customer shall be entitled to transfer financial instruments on the financial instruments account to a different party that holds a financial instruments account with a licensed custodian of financial instruments accounts.
- 6.3.2.2. The Bank shall submit an Order for transfer of financial instruments to the LCD or the Partner no later than on the banking day following receipt at the Bank, and accept confirmation or refusal of a financial instrument transfer from the LCD or to the Partner. Following receipt of information from the LCD or the Partner, the Bank shall make the relevant entry on the Financial Instruments Account.
- 6.3.2.3. The Customer shall be entitled to receive financial instruments on the Financial Instruments Account from parties that hold opened financial instruments accounts with licensed custodians of financial instruments accounts.
- 6.3.2.4. The Bank shall submit an Order for receipt of financial instruments to the LCD or to the Partner no later than on the banking day following its receipt by the Bank, unless the Order specifies otherwise, and shall accept confirmation of receipt or refusal to confirm a request for financial instruments from the LCD or from the Partner. The Bank shall make the necessary entries on the Financial Instruments Account following receipt of confirmation of a request for receipt of financial instruments from the LCD or from the Partner.

6.4. Execution of Corporate Actions

- 6.4.1. The Bank shall service Corporate Actions specified in the regulatory enactments (e.g. convening of meetings of shareholders, payment of dividends and interest, bond redemption).
- 6.4.2. If, in cases specified in the regulatory enactments, execution of Corporate Actions occurs without an Order, the Bank shall execute such on the basis of orders issued by the LCD and/or entries made by the LCD on correspondent accounts, the initial register, or another register maintained by the LCD, and/or information from the issuer of the relevant financial instrument and/or from the Partner.
- 6.4.3. If execution of a Corporate Action is optional, execution of such Corporate Action shall take place on the basis of the Order.
- 6.4.4. Procedure of executing Corporate Actions:
 - 6.4.4.1. blocking of financial instruments for meetings of shareholders takes place on the basis of the Order. Upon the Customer's request, the Bank shall provide the Customer with a reference - record slip - confirming blocking of the financial instruments. The Bank shall execute unblocking of financial instruments blocked for meetings of shareholders no later than the banking day following receipt of the LCD's order for unblocking the financial instruments;
 - 6.4.4.2. the Bank shall transfer payments of amounts for dividends, payments of interest and principal for fixed-income financial instruments due to the Customer, as well as other payments to the Current Account within one banking day following receipt of the necessary financial coverage from the income payment agent. When transferring dividends and other income to a Current Account, the Bank shall withhold taxes, duties, Service Fees and other payments in accordance with the List of Conditions and the provisions of the regulatory enactments of the Republic of Latvia;
 - 6.4.4.3. the Bank shall execute redemption of bonds and other Corporate Actions in accordance with the provisions of the regulatory enactments.

7. PAYMENTS

- 7.1. The Customer shall pay the Bank Service Fees for Services in accordance with the List of Conditions effective on the moment when the respective Service is provided.
- 7.2. Payment of Service Fees and other payments due to the Bank under the Financial Instruments Account Agreement (hereinafter in this chapter – the Payment) is made by debiting the Accounts with the sum of money necessary for execution of the respective payment by the Bank in accordance with the Rules.
- 7.3. At the maturity set for the respective Payment the Customer shall ensure that the sum necessary for such Payment is freely available on the Current Account.

7.4. The Bank debits the sums necessary for the Payments from Accounts in accordance with the General Terms and Conditions whereas that at first the funds shall be debited from the Current Account opened in the currency in which the respective Payment shall be made, and in case the amount of funds available on the Current Account is not sufficient to make the respective Payment, - also from any other Account. The Bank is not obliged to make any prior notice to the Customer about debiting of such amounts or receive any special Customer's order. If the making of a payment requires currency exchange, it shall be carried out pursuant to the currency exchange rate determined by the Bank and effective on the moment when the respective amount is debited.

8. FINANCIAL COLLATERAL

- 8.1. Upon conclusion of the Financial Instruments Account Agreement the Customer shall pledge all their financial instruments that are and will be recorded during the validity of the Financial Instruments Account Agreement with the Financial Instruments Account and which, in accordance with the law, may be an object of financial pledge (hereinafter in this Chapter - the Financial Collateral) in accordance with provisions of a financial pledge in order to ensure fulfilment of the Customer's liabilities to the Bank under the Financial Instruments Account Agreement and other agreements concluded between the Parties.
- 8.2. The Customer represents to the Bank that the Customer may freely deal with the Financial Collateral (also to pledge it in accordance with the Rules) and also that the Financial Collateral has not been pledged to any other person or otherwise encumbered. In respect of the Customer's future financial instruments which will be recorded with the Financial Instruments Account within the duration of the Financial Instruments Account Agreement the representations indicated in this Clause shall be deemed to be made by the Customer at the time when the respective financial instruments become a part of the Financial Collateral.
- 8.3. The Customer shall not, without prior written consent of the Bank, pledge or otherwise encumber the Financial Collateral (any part thereof) or exercise its other rights in respect of the Financial Collateral (any part thereof) if such exercising of the rights contradicts the obligations of the Customer arising out of the Rules or in any manner whatsoever terminates or limits the rights of the Bank granted to it by the Rules.
- 8.4. Subject to the restrictions regarding dealing with the Financial Collateral set out in the Rules and in other agreements between the Customer and the Bank, the Customer may deal with the Financial Collateral. However, if the Bank exercises its rights in respect of the Financial Collateral in accordance with the Rules, all Bank's claims for the securing of which the Financial Collateral has been pledged in accordance with the Rules shall be satisfied at first, and only after satisfaction of such claims the Customer shall be entitled to deal with remaining part of the Financial Collateral (if any).
- 8.5. If the Customer delays any payment to the Bank, the Bank shall be entitled, without prior notification thereof to the Customer or performing any other activities, to suspend Operations and Transactions with the Financial Collateral (any part thereof) and/or sell the Financial Collateral (any part thereof) to the third person or alienate them on behalf of itself at the market price. The market price is determined by the Bank taking into account the price of the respective financial instruments in the regulated market or - if the respective financial instruments are not included in the regulated market or information about their market price is not available at the regulated market – taking into account the market price of such financial instruments outside the regulated market or other information being at the Bank's disposal about such or similar financial instruments. The Bank shall use the funds received from selling of the Financial Collateral to settle the Customer's payment liabilities against the Bank but the remaining funds (if any) shall transfer to the Customer. The Bank is entitled to make the currency exchange of the funds received from selling of the Financial Collateral to the currency of the respective payment liabilities of the Customer pursuant to the currency exchange rate determined by the Bank and effective on the moment of the respective currency exchange.

9. LIABILITY

- 9.1. Each Party shall be liable towards the other for the failure or insufficient performance of its obligations arising from the Financial Instruments Account Agreement in accordance with the General Terms and Conditions unless otherwise provided for in the Rules.
- 9.2. The Bank shall not be liable for any loss incurred by the Customer or which may occur in relation to any of the below mentioned cases:
 - 9.2.1. An Order is not executed or not executed in a timely manner due to circumstances beyond the Bank's control or any other cases stipulated by the Financial Instruments Account Agreement or the Rules;
 - 9.2.2. intermediary selected by the Customer or another intermediary otherwise not selected by the Bank has failed to execute the Order;
 - 9.2.3. if the third person involved in the execution of an Order or custody of the Customer's financial instruments (e.g. foreign custodian of financial instruments or a counterparty of the Customer or Bank, LCD, clearing house, other financial institution) has not fulfilled its liabilities against the Bank, the Customer, the Bank's counterparty or any other persons involved in the custody of the Customer's financial instruments or execution of an Order, including if the reason of failure or insufficient performance of the obligations is insolvency of this third person or irreversible loss of financial instruments being in the records' of this third person due to which the Bank cannot meet its liabilities against the Customer;

- 9.2.4. if the Bank performs activities fulfilling requirements of the regulations issued by exchanges, depositories, clearing houses or other financial and capital markets institutions, foreign laws or binding regulations issued by foreign financial markets supervision institutions in relation to the custody of the financial instruments and/or Transactions.
- 9.3. If the Customer does not fulfill its liabilities arising out of the Financial Instruments Account Agreement the Bank is entitled to suspend all activities with the financial instruments recorded with the Financial Instruments Account until the complete fulfillment of the Customer's liabilities.
- 9.4. If the Customer sustains losses due to incorrect information provided by the Bank or due to the Bank's nonfulfillment of the requirements which according to the FIML the Bank is obliged to obey in relationships with the Customer, the Customer shall be entitled to demand compensation of the losses in accordance with the procedure specified in the regulatory enactments of the Republic of Latvia.

10. TERMINATION OF THE FINANCIAL INSTRUMENTS ACCOUNT AGREEMENT AND CLOSING OF THE FINANCIAL INSTRUMENTS ACCOUNT

- 10.1. Each Party may terminate the Financial Instruments Account Agreement unilaterally by giving at least 30 (thirty) calendar days' notice thereof to the other Party in writing.
- 10.2. The Customer shall be entitled to terminate the Financial Instruments Account Agreement unilaterally also in other cases specified in the General Terms and Conditions.
- 10.3. The Bank shall be entitled to immediately terminate the Financial Instruments Account Agreement in the following cases:
- 10.3.1. the Customer does not fulfill or fulfills improperly the liabilities arising out of the Financial Instruments Account Agreement;
- 10.3.2. all Financial Instruments Accounts opened under the respective Financial Instruments Account Agreement are closed;
- 10.3.3. the Bank has received information that the Customer (individual) is deceased;
- 10.3.4. due to another justified reason.
- 10.4. If any of the Parties has submitted a notice on termination of the Financial Instruments Account Agreement to the other Party, the Bank is entitled from the moment of submission of such notice to refuse accept and/or execute Orders except for Orders regarding the transfer of financial instruments held in the Financial Instruments Account to the financial instruments custodian designated by the Customer or selling thereof.
- 10.5. Upon receipt or submission of a notice on termination of the Financial Instruments Account Agreement or closing of the Financial Instruments Account the Customer has an obligation:
- 10.5.1. if the Financial Instruments Account Agreement is terminated - to submit to the Bank an Order regarding the transfer of all financial instruments held in the Financial Instruments Accounts opened in accordance with the respective Financial Instruments Account Agreement to the financial instruments custodian designated by the Customer or selling of the financial instruments;
- 10.5.2. if the Financial Instruments Account is closed - to submit to the Bank an Order regarding the transfer of all financial instruments held in the respective Financial Instruments Accounts to the financial instruments custodian designated by the Customer or selling of the financial instruments;
- 10.5.3. to make payments for the Services rendered until the closing of the Financial Instruments Account or termination of the Financial Instruments Account Agreement (respectively).
- 10.6. The Financial Instruments Account Agreement shall be deemed to be terminated after all Financial Instruments Accounts opened pursuant to the respective Financial Instruments Account Agreement are closed and all obligations under the Financial Instruments Account Agreement have been fulfilled.
- 10.7. The Bank shall be entitled to close the Financial Instruments Account in the following cases:
- 10.7.1. there are no financial instruments on the respective Financial Instruments Account for more than 6 (six) months;
- 10.7.2. the Financial Instruments Account Agreement is being terminated.
- 10.8. The Bank shall close the Financial Instruments Account on the basis of the Customer's request, provided that there are no financial instruments on the respective Financial Instruments Account. The Customer's request to close all Financial Instruments Accounts or single Financial Instruments Account shall be deemed as the Customer's notice on termination of the Financial Instruments Account Agreement.
- 10.9. If the Bank exercises the right to terminate the Financial Instruments Account Agreement unilaterally and the Customer within 30 (thirty) days from the date of sending such notice has not submitted to the Bank an Order mentioned in Sub-clause 10.5.1 the Bank shall be entitled to sell or to alienate the financial instruments on the Financial Instruments Accounts at market price, which is to be determined in accordance with Clause 8.5, and to close the Financial Instruments Accounts. The funds received for such sold or alienated financial instruments shall be transferred to the Current Account.
- 10.10. If the Customer does not fulfill obligation mentioned in Sub-clause 10.5.1 or 10.5.2 the Customer pays the Bank Service Fees for the rendered Services for the time period from the date of termination of the Financial Instruments Account Agreement mentioned in the notice on termination thereof until the transfer of the financial instruments to another financial instruments custodian or selling of the financial instruments.