



Financial instrument opening and service agreement conditions

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1. Terms and abbreviations used in the conditions

- 1.1. **Questionnaire** - questionnaire filled in by the Customer on his experience and knowledge in the area of investment services and investment side-services in order that the Bank may determine the compliance of the particular service, Transaction type or Transaction, or product with the interests of the Customer;
- 1.2. **Voice password** - a sequence of both numbers as well as letters, chosen by the Customer, which shall be used for the identification of the Customer, upon the Customer contacting the Bank via telephone;
- 1.3. **Bank** - JSC LPB Bank (unified registration No. 50103189561);
- 1.4. **Bank's Price List** - price list for the services of the Bank, approved by the Board of the Bank, which is related to the opening and service of the FI Account and shall be effective in relation to the Customer;
- 1.5. **Business Day** - a day, when the Bank is open for the performance of Banking operations;
- 1.6. **Transaction** - legally permitted and possible transaction or operation with FI, including the purchase and sale of FI and rights related to them;
- 1.7. **FI (Financial instruments)** - financial instruments defined by the Financial Instrument Market Law, including, but not limited to, Forex currency marginal trading (Marginal FOREX), contracts for difference (CFD), derived financial instruments and other similar instruments;
- 1.8. **FI Account** - Customer's FI account in the Bank, where the accounting of FI owned by the Customer is performed and income, acquired as a result of Transactions if expressed by FI, are transferred;
- 1.9. **FI Money account** - Customer's current account in the Bank, specified in the application, to be used only for payments for Transactions;
- 1.10. **FI Event** - a course related to FI (for example, shareholders' meeting, payment of dividends and interest, deletion of debt FI, change of FI par value, FI issue merger, FI issue distribution, issue of subscription rights);
- 1.11. **FI risk description** - description of risks related to FI;
- 1.12. **Customer status policy** - policy of the Bank, providing the procedure for granting and amending the status of the customers of the Bank, the protection degree applicable to each status;
- 1.13. **Customer** - a person, with whom the Bank enters into the FI account opening and service agreement;
- 1.14. **Accounts** - both the FI Account as well as FI Money account;
- 1.15. **Agreement** - FI Account opening and service agreement concluded between the Parties, consisting of the Application, Conditions, Annexes and Bank's Price List ;
- 1.16. **LR** – is the abbreviation for the Republic of Latvia;
- 1.17. **Conditions** - these conditions of FI Account opening and service agreement;
- 1.18. **Partner** - a legal person, being entitled to provide intermediary services in relation to investment services and investment side-services and which has been involved by the Bank for the execution of the Order and FI holding (agents, bank, brokers, intermediaries etc.) provided that the above-mentioned person is subject to the requirements for investment services and investment side-services effective in the respective country and is supervised;
- 1.19. **Annexes** - Order execution policy, Customer status policy, Risk description and Customer's confirmations, which shall be considered as annexes and integral parts of the Agreement and the effective wordings of which are available on the homepage of the Bank at www.lpb.lv;
- 1.20. **Applicable legal provisions** - legal laws and regulations effective in the Republic of Latvia as well as the legal provisions of the Bank of Latvia and Financial and Capital Market Commission, which are binding to the Bank;
- 1.21. **Application** - application of the Customer for the opening of an FI Account and service thereof in accordance with the Conditions and Bank's Price List;
- 1.22. **Parties** - both the Bank as well as the Customer;
- 1.23. **Order** - Customer's Order regarding Transactions with FI, which the Customer submits to the Bank, or the order prepared by the Bank on behalf of the Customer;
- 1.24. **Order execution policy** - policy for the execution of Customer's orders with financial instruments developed by the Bank;

- 1.25. **Trade platform** - software developed by third persons, enabling Transactions to be performed and the status of the account to be followed in online mode;
- 1.26. **Trading venue** – regulated market (stock exchange), Multilateral trading system of Organized trading system.

2. Entering into an Agreement and opening of an FI account

- 2.1. The Customer shall become acquainted with the Conditions, Application, Bank's Price List, Order execution policy, Risk description and Customer's confirmations, performance places of transactions, information on the Customer's FI and safe storage of monetary funds, and procedure, according to which the complaints and disputes arising from the Agreement shall be reviewed in an extrajudicial way.
- 2.2. The Customer shall fill in and sign the Application in the Bank and submit the documents requested by the Bank.
- 2.3. The application of the Customer shall be considered as an irrevocable offer of the Customer to the Bank to conclude the Agreement as well as the consent of the Customer for the application of the Bank's Price List, Conditions and Annexes for the relations of the Parties. The Customer confirms that the information provided by the Application is complete and true.
- 2.4. The Bank shall review the received Application and other submitted documents. Upon reviewing the Application, the Bank shall be entitled to verify information submitted by the Customer and request additional information from the competent public administration institutions, in accordance with the procedure and within the scope set by the Applicable legal provisions.
- 2.5. In the case of approval of the Application the Bank shall open an FI Account and FI Money account for the Customer.
- 2.6. The Agreement shall become effective as of the date of approval of the Application by the authorised official of the Bank and shall be concluded for an unlimited period of time.
- 2.7. When entering into the Agreement, the Customer agrees that the Bank shall be entitled to deliver the personal data of the Customer to third persons to the extent it is required for the performance of liabilities set by the Agreement.
- 2.8. After entering into the Agreement, the Bank shall provide the Customer with the services set by the Agreement, in accordance with the procedure and terms set by the Agreement and the Customer shall undertake to perform activities set by the Agreement, including the payment of the commission fee set by the Bank's Price List.

3. Customer status

- 3.1. Upon entering into the Agreement, the Bank shall grant the status of a private customer, professional customer or legal business partner to the Customer in accordance with the Customer status policy. In the case of the approval of the Application, the employee of the Bank shall record the status granted to the Customer in the Questionnaire, as well as inform the Customer about the status assigned (by sending a notification to the Customer in the Internet Bank or other communication channels agreed by the Parties).
- 3.2. The Customer shall be entitled to request to change the status granted to him to another status, providing less protection of investor rights. The private customer may request for the status of a professional customer and the professional customer may request granting the status of a legal business partner if the Customer complies with criterions for the respective customer status, set by the Applicable legal provisions.
- 3.3. The Customer shall be entitled to request to change the status granted to him to another status, providing bigger protection of investor rights. The professional customer shall be entitled to request the Bank to grant him the status of a private customer, while the legal business partner may request the status of a professional or a private customer.
- 3.4. A Customer willing to change the status, shall submit a written submission to the Bank in the head office of the Bank or by contacting the Bank by telephone +371 67772929, specifying the Transaction or FI types, for which the respective status will be applied. The Parties shall enter into a written agreement regarding the granting of a new status to the Customer. The Bank shall be entitled to refuse to change the status granted to the Customer.

- 3.5. Upon reviewing the submission of the Customer regarding the change of the status granted to the Customer to another status providing less protection of the investor, the Bank shall be entitled to request information and documents from the Customer, confirming the competence, experience and knowledge of the Customer for the particular area of investment services in order to obtain confirmation that, taking into account the specifics of planned transactions or FI, the Customer is able to independently take an investment decision and is aware of the respective risks.
- 3.6. A Customer who has been granted the status of a professional customer or a legal business partner, shall have an obligation to submit information to the Bank on changes in his operations, which may affect his compliance with the criteria proposed for the granted status. In the case that the Bank receives information that the Customer does not comply with the requirements proposed for the granted status any more, the Bank shall be entitled to take a decision on the change of the status by notifying the Customer on this.

4. Procedure, according to which the Customer Gives an Order to the Bank to Perform the Transaction with FI and the Procedure for Customer Identification

- 4.1. The Customer may submit the Orders to the Bank:
 - 4.1.1. By filling in the respective Order form, approved by the Bank, and submitting it to the Bank;
 - 4.1.2. By telephone to the Bank's broker;
 - 4.1.3. Using the Trade platform;
 - 4.1.4. Using Internet Bank.
- 4.2. The Customer may submit Orders to the Bank's broker via telephone, upon the Customer or his representative calling to the phone number +371 67772929 on the Bank's Business days, providing his name and surname, the Customer's name and surname or company name and Voice password, and agreeing on at least the following conditions of the Transaction:
 - 4.2.1. Transaction type (FI purchase, sale, transfer, de-registration, pledge etc.);
 - 4.2.2. FI's name (information shall be specified, enabling the respective FI to be clearly identified, for example, FI type and name of the issuer thereof, ISIN code etc.);
 - 4.2.3. FI's price, its interval or mechanism for the determination thereof (market price etc.), if the execution price of the Transaction is a significant part of the particular Transaction or if the Customer gives special instructions on the execution price of the Transaction;
 - 4.2.4. Time period for the execution of the Transaction or execution period if the time period or term of the Transaction is a significant part of the particular Transaction or the Customer gives special instructions on the time period or term of the execution of the Transaction;
 - 4.2.5. Any other information the Bank deems necessary to present and which is related to the execution of the Transaction;
 - 4.2.6. Any other information the Customer deems necessary to present and which is related to the execution of the Transaction.
- 4.3. The (audio) record of the phone call shall serve as proof of the Order made by telephone. The Parties agree with the recording of mutual phone calls and use of audio records for the substantiation of Orders. Copies of the recorded phone calls with the Customer are available at the Bank for the term set in the law. The Bank, after receiving the Customer's request, ensures that the records are provided to Customer via Internet bank.

- 4.4. When accepting the Order from the Customer via phone, the Parties may mutually request for the written approval of the conditions of the Order ("Approval"). Non-submission of the Approval shall not serve as grounds to consider that the Order has not been concluded and the Parties shall not be exempted from the execution of the Order.
- 4.5. In the case if the Customer fails to give Approval upon the request of the Bank, the Bank shall be entitled not to perform its liabilities arising from the Order until the moment when the Approval is submitted. In such a case the Customer shall undertake to compensate the Bank for all losses which are related to not giving the Approval on a timely basis.
- 4.6. In the case that the Approval differs from the verbally reached agreement, the verbal agreement reached at the moment of submission of the Order shall be effective and the execution of the Order shall be suspended, if possible, until the moment when the Parties agree on unclear issues. The purpose of the Approval shall be the facilitation of proof. Non-submission of the Approval shall not make the Order void.
- 4.7. The Customer shall have an obligation to promptly notify the Bank in the case that the Customer has suspicions that the Voice password has appeared at the disposal of such a person, whom the Customer has not authorised to submit Orders. The Bank shall undertake not to execute Orders after the receipt of such a notification of the Customer. In such a case the Bank shall grant a new Voice password to the Customer.
- 4.8. The Customer shall have an obligation to make sure that the Voice password is not disclosed to persons, whom the Customer has not authorised to submit Orders. The Customer shall be responsible for all Orders, concluded by using the Voice password. The Bank shall not bear any responsibility for the consequences if the Order has been submitted on behalf of the Customer by a person not authorised by the Customer for such, by using the Voice password of the Customer.

5. Orders

- 5.1. The submission and execution of Orders are regulated by the Orders execution policy. The Customer confirms that, prior to entering into the Agreement, he has become acquainted with and agrees with the Order execution policy, including he agrees with the principles for the merge and distribution of Orders.
- 5.2. The Bank, when executing the Orders of the Customer or accepting and delivering the Orders of the Customer for execution, shall ensure as good as possible results for the Customer, taking into account the price, costs, execution speed, execution and payment possibility of the Transaction, the scope, specifics of the Transaction or any other considerations in relation to the execution of the Order.
- 5.3. The Customer agrees that the Bank may also execute the Orders outside of the Trading venue.
- 5.4. Upon the submission of the Order, the Customer authorises the Bank to perform all activities required for the execution thereof with the FI Money account and FI Account.
- 5.5. The Bank shall provide significant information to the Customer on the execution of the Orders. The Customer shall be entitled to request and the Bank shall have an obligation to provide information on the course of the execution of the Order.
- 5.6. The Bank shall send a notification to the Customer confirming the execution of the Order, not later than on the next Business Day after the execution of the Order or, in the case that the Bank receives the Approval from a third person, not later than on the next Business Day after the receipt of the Approval from the third person. The Bank shall not send the Approval in the case that the Approval contains the same information covered by the Approval, which is promptly sent by the third person to the Customer. Unless it is specified otherwise by the Customer in the Order, the notification shall be sent to the e-mail address or fax of the Customer, in accordance with the contact information specified in the Application.
- 5.7. The Customer shall have an obligation to ensure the amount of money or number of FI available in the Accounts of the Bank required for the payment of compensation for the execution of the Order made and provided by the Bank's Price List.
- 5.8. When accepting the Order, the Bank shall block the number of FI or amount of money available in the FI Money account required for the execution of the Order, until the payment day of the

- Transaction. The Customer shall not be entitled to perform operations either with FI blocked in the FI Account or monetary funds blocked in the FI Money account.
- 5.9. The Bank shall be entitled not to execute the Order by notifying the Customer on this in the case that:
- 5.9.1. There are no free resources (monetary funds or FI) available in the FI Account or FI Money account of the Customer, required for the execution of the Order;
 - 5.9.2. FI or monetary funds available in the Accounts of the Customer are encumbered;
 - 5.9.3. The Order does not contain all the information required for the execution thereof or is not accurate;
 - 5.9.4. It is not possible to execute the Order, on the basis of the provisions covered by it;
 - 5.9.5. The Bank does not provide investment services in relation to the FI or Transaction type specified in the Order;
 - 5.9.6. A partner of the Transaction concluded by the Customer has not fulfilled his Transaction liabilities or has failed to submit the order required for the performance of payments to his FI holder;
 - 5.9.7. The Order contravenes the Applicable legal provisions and market practice, where the FI of the Customer are stored or the Order is executed;
 - 5.9.8. The Bank has reasonable doubts on whether the person submitting the Order is authorised to represent the Customer.
- 5.10. The Customer may only revoke the Order submitted to the Bank upon the consent of the Bank.
- 5.11. The Customer shall be responsible for the correctness of information specified in the Orders as well as the lawfulness of the Transactions specified in the Orders submitted by him.
- 5.12. In the case that the Customer intends to submit an Order in regards to transactions with simple FI, the Bank shall not evaluate the suitability and compliance thereof with the Customer and therefore the Customer shall not obtain appropriate protection, which shall be ensured in cases when the Bank shall evaluate the suitability and compliance with the Customer.

6. Accounts

- 6.1. FI Money account shall be used for payments for the Transactions. Interest for monetary funds available in the FI Money account shall not be paid.
- 6.2. The Customer may freely transfer monetary funds to the FI Money account, however in order to access the funds available in this account, the Customer shall submit a payment order to the broker in the head office of the Bank, via Internet bank or via phone and specify the current account where to transfer the monetary funds to, which may only be the current account of the Customer opened in the Bank. The Customer shall be entitled to give a payment order to the Bank to transfer only those monetary funds to his current account, which are deemed as free funds (not required for the execution of other Orders or Transactions of the Customer).
- 6.3. The Customer shall own FI as of the moment when FI are accounted in the FI Account of the Customer.
- 6.4. The Bank shall ensure the Transactions are promptly registered and the FI acquired as a result thereof is promptly accounted in the FI Account of the Customer. The Bank shall perform the holding of FI of the Customer separately from the FI owned by the Bank.
- 6.5. Monetary funds received as a result of the execution of the Order shall be promptly transferred to the FI Money account of the Customer.
- 6.6. The Bank or other institutions, which are involved in the execution of Transactions of the Customer or which perform the Customer's FI holding, may deduct taxes and other similar payments from income acquired as a result of the sale of FI or other income related to FI (dividends, interest income etc.) in the case if, in accordance with the Applicable legal provisions or requirements of legal provisions regulating the operation of the respective authorities, the Bank or the respective authority has an obligation to perform such tax (payment) deduction.
- 6.7. The Bank shall be entitled to hold the FI and monetary funds of the Customer with the Partner. The Bank shall also be entitled to hold the FI of the Customer in the nominal account, opened by the Bank with the Partner, where the FI of several customers of the Bank are accounted together. In such a case the legal provisions of another country may be applied for the holding of FI and/or monetary funds of the Customer and the rights of the Customer in relation to these FI and/or

- monetary funds may differ from the rights stipulated by the legal provisions of Latvia. The Bank shall ensure the FI of the Customer to be recognisable separately from the FI of the Partner or the Bank.
- 6.8. The Bank (Partner) shall be entitled to borrow FI and monetary funds available in the Customer's account provided that the Bank ensures the timely execution of Orders of the Customer. The Customer shall be compensated for the usage of the Customer's FI and funds, if they are received in the Bank.
 - 6.9. The Bank shall not be responsible for the losses of the Customer, which may appear as a result of activity or inactivity of the Partner (including, fraud, improper accounting of FI and monetary funds, negligence, as a result of poor management, except for cases when the losses of the Customer have appeared as a result of gross negligence or evil intent), as well as the Bank shall not be responsible for losses or expenses of the Customer, which may appear as a result of the application of foreign legal provisions of market practice. In the case of insolvency of the Partner, with whom the FI of the Customer are held, the Bank shall not bear any responsibility for any losses of the Customer, which may appear as a result of the application of insolvency legal provisions of the respective country.
 - 6.10. The Bank shall be entitled to perform corrections in the Account entries if they are made as a result of a mistake, incorrect payment or technical errors.
 - 6.11. The Customer shall have an obligation to independently and regularly follow the balance of Accounts and notify the Bank on any records and transfers made as a result of error.
 - 6.12. Accounts specified by this chapter shall be provided for all types of Transactions set by the Order execution policy, including Transactions with marginal FI and Transactions using a credit shoulder. For the purpose of these conditions the Parties shall understand a credit shoulder as a loan issued by the Bank, Partner (contractor), depository or organiser of a regulated market (stock exchange) for the acquisition of FI.

7. Suitability of the Service and Compliance with the Interests of the Customer

- 7.1. Within the framework of this Agreement the Bank shall assess the suitability of the Transaction and compliance with the interests of the Customer in the case if the Order submitted upon the own initiative of the Customer is for FI, which are not simple FI. Simple FI are specified in the Order execution policy.
- 7.2. In order to determine the suitability of the Transaction and compliance with the interests of the private Customer, the Customer shall fill in the Questionnaire upon the request of the Bank. The Bank shall use the obtained information for the determination of whether the Customer has the necessary knowledge in order to understand the risks related to the offered service or type of product in accordance with the Customer status policy.
- 7.3. In the case that the Customer refuses to provide information requested by the Bank, provides incomplete, not accurate information or fails to inform the Bank regarding the changes in previously provided information, the Bank shall not be responsible for the fact that it is not possible to assess or precisely assess whether the Customer has sufficient knowledge and experience in order to understand risks related to the particular Transaction, and is not able to warn the Customer on cases when the Transaction is not suitable for the Customer, as well as is not able to assess whether the particular Transaction complies with the goals of investment of the Customer and whether the Customer is able to undertake financial losses, which may be caused by this Transaction.
- 7.4. The Customer authorises persons, to whom the Customer has granted rights to submit the Orders set by this Agreement, to submit information requested by the Bank on behalf of the Customer.

8. FI Event service

- 8.1. Amounts of money due to the Customer in relation to payments of dividends and fixed income securities interest and principal amounts shall be transferred to the FI Money account within one Business Day once the necessary financial coverage has been received from the income payment agent.
- 8.2. Upon the transfer of dividends and other income to the FI Money account, the Bank shall deduct taxes, fees and other payments, in accordance with the Applicable legal provisions.
- 8.3. The Bank shall transfer new FI issues, additional issues or other income of the Customer in the form of FI to the FI Account, in accordance with the calculations performed by the issuer of such FI. The transfer of such FI shall take place within one Business Day once these FI are transferred to the respective FI account of the Bank.
- 8.4. In the case that the Customer intends to participate in the shareholders' meeting of the FI issuer, the Customer shall submit a written Order to the Bank to block the FI available in the FI Account, specifying the number thereof. The Customer shall be responsible for compliance with the terms for blocking the FI, determined by the issuer of FI.
- 8.5. Bank shall immediately provide information to the Client regarding FI Events, if such has been received from the FI issuer, the Partner or other persons, as well as provide other information related to the Transactions.

9. Account statements and notifications to Customer

- 9.1. Upon the request of the Customer, the Bank shall issue the FI Account statement to the Customer for the performed Transactions and FI, owned by the Customer and accounted for the FI Account.
- 9.2. At least once per month the Bank shall prepare the FI Account statement of the Customer regarding the FI owned by the Customer, which are accounted for the FI Account within a period of one year.
- 9.3. The Customer may receive the FI Account statement in paper form in the head office of the Bank.
- 9.4. Customer to whom the Bank has granted private client status and who holds positions in leveraged FI or contingent liability transactions, that is, if there are recorded FI in the Customer's account, which have been purchased by using of marginal loan, or which required to provide collateral, or which include risk that the losses of the Customer from the FI transaction may exceed the amount of the collateral provided by the Customer, the Bank shall provide a notification regarding the decrease of value of the relevant FI, if the initial value of the each specific FI decreases by 10%. The Bank shall send the information on the decrease of the price to the e-mail address of the Customer no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.
- 9.5. The Bank shall provide information mentioned in Clause 9.4 of the Conditions on each FI, which corresponds with the indications mentioned in Clause 9.4 of the Conditions, except in cases when the Bank and the Customer has agreed otherwise in the Special terms and conditions of the Agreement.

10. Clearing. Cession

- 10.1. The Bank shall be entitled to use the balance of any Customer account for the clearing of liabilities of the Customer against the Bank without the additional consent of the Customer. The Customer may only claim himself against the clearing of the Bank with counterclaims in cases when the claims are not disputable and are recognised as existing (valid) by the court, and only in the same currency or also, upon the consent of the Bank, in another currency by performing the exchange at the expense of the Customer, in accordance with the currency exchange rate of the respective day, determined by the Bank. The Bank shall be entitled to utilise any claim of the Customer against the Bank for clearing any mutual liabilities.
- 10.2. The Bank shall be entitled to use the detainer rights for the protection of its right to demand against the Customer and the Customer shall agree with the detainer rights of the Bank for any property of the Customer, which has appeared in the possession or holding of the Bank by a legal way, to the extent it is required for securing the execution of liabilities of the Customer against the Bank.

- 10.3. The Bank shall be entitled to assign (transfer) its right to demand against the Customer to third parties. The Customer may only assign (transfer) his right to demand against the Bank to a third person upon the written consent of the Bank. The Bank shall be entitled to make an order at the expense of the Customer to third persons to execute the order made by the Customer to the Bank in the case that the Bank considers it in the interests of the Customer. In such a case the responsibility of the Bank shall be limited to the careful selection of the third person and explanation of the content of the order. If the Bank follows the instructions of the Customer in terms of the selection of the third person or explanation of the content of the order, then only the Customer shall be responsible for the execution of the order. However, in such a case the Bank shall have an obligation to assign all its claims against the third person to the Customer.

11. Security

11.1. Subject matter of the Security

11.1.1. The Customer shall perform all necessary measures in order to protect the Bank from responsibility for the Orders given by the Customer to the Bank and shall cover all losses, expenses and liabilities, upon the request of the Bank, which have occurred due to negligence, evil intent or non-fulfilment of liabilities of the Customer.

11.1.2. All Assets of the Customer (money, FI etc.), which are available or will be available in the accounts of the Customer in the Bank, shall serve as financial security and shall be pledged to the Bank as a financial pledge. All conditions of the Agreement regarding the procedure for entering into the transaction shall also refer to the conditions of the security agreement. Security, provided by the Customer to the Bank within the framework of the Agreement, without additional agreement and warning, shall be considered as security for all the liabilities of the Customer against the Bank arising from the Agreement and all transactions concluded within the framework of it, regardless of the fact of whether the transaction has been concluded before or after the submission of the security.

11.1.3. The security shall refer to all liabilities of the Customer against the Bank, including payment for services provided by the Bank, expenses, costs, interest and losses of the Bank, which might be payable in favour of the Bank. In the case that the subject matter of the security is the deposit of the Customer, the financial legal lien of the Bank shall cover the principal amount and interest of the deposit. In the case that the FI is the subject matter of the security, the financial legal lien of the Bank shall cover FI and any income related to it (dividends, coupons, interest income etc.) as well as the FI, arising as a result of initial FI exchange, conversion, change of par value or other event related to FI.

11.1.4. The Bank shall unilaterally determine the amount of security required for the securing of liabilities of the Customer and shall calculate the sufficiency of the security for the fulfilment of liabilities of the Customer, taking into account all concluded and not executed transactions on the day of calculation of the security. The amount of necessary security may change, depending on the currency involved in transactions, FI or security market value fluctuations, amendments to the limit determined for the Customer for the conclusion of transactions without security and other circumstances.

11.1.5. If the Customer fails to fulfil any of his liabilities against the Bank, the Bank shall be entitled, without prior warning and without performing any other additional procedures, to sell FI available in the Customer's account or alienate them in favour of the Bank for the market price and utilise the obtained monetary funds for the deletion of liabilities of the Customer. The market price shall be determined by the Bank, according to the price of FI in the Trading venue or, if FI are not traded on the Trading venue or information on the price in the Trading venue is not available - in accordance with the price of FI outside of the Trading venue (OTC market) or any other information on these or similar FI being at the disposal of the Bank. The Bank shall be entitled to exchange the amount of money obtained as a result of FI sale to the currency of liabilities of the Customer at the expense of the Customer.

11.1.6. Property, which has appeared in the possession, holding or use of the Bank, shall be deemed as security for the fulfilment of liabilities of the Customer against the Bank until the moment of fulfilment of such liabilities. The Customer shall have an obligation to take care for the maintenance of subject matters of security as well as for gaining fruits from them and the submission of respective information to the Bank in accordance with the written request of it.

11.1.7. In the case that the deposit is a subject matter of the security, the Customer shall not be entitled to withdraw funds from the deposit until the moment when the Transactions and liabilities of the Customer arising from the Agreement, are completely fulfilled.

11.1.8. The Customer confirms that the subject matter of security submitted to the Bank is not delivered for possession or use to anyone else, it is not alienated, pledged, there are no disputes

regarding the ownership thereof and restrictions or prohibitions for directing the alienation, pledge or recovery towards it, the subject matter of security is free from claims of third persons and that prior to the submission of the security the Customer has received all the necessary consents for the pledge of the subject matter of the security in favour of the Bank. In the case that the confirmations provided by the Customer are not true, the Customer shall undertake to compensate the Bank for all losses, which may arise to the Bank in relation to this.

11.1.9. After the submission of the security the further activities of the Customer with the subject matter of the security - alienation, including the sale, lending, donation, transfer to another account as well as encumbrance (including repeated pledge) and other similar activities shall only be permitted upon the written consent of the Bank.

11.1.10. The Bank shall only remove encumbrance from the subject matter of the security in the case if the Customer has fulfilled all his liabilities arising from the Transactions.

11.1.11. In the case if after the calculations of the Bank, the amount of the security submitted by the Customer has become equal or smaller than the amount of unrealised loss of the Customer, arising from transactions concluded by the Customer, the Bank shall be entitled to unilaterally terminate any Transaction or several Transactions concluded with the Customer, without notifying the Customer. Unrealised loss shall be the possible loss of the Customer from Transactions which have not yet fallen due, calculated by reassessing the liabilities of the Customer in accordance with the market prices. The Bank shall calculate unrealised losses in accordance with the market data and generally accepted financial market practices. On the day of termination of the Transaction the Customer shall have an obligation to compensate the Bank for all losses in relation to the early termination of the Transaction.

11.2. Additional security

11.2.1. In the case that in accordance with the calculations of the Bank the amount of security required for the fulfilment of liabilities of the Customer changes, the Bank shall be entitled to request the security for transactions which were previously concluded without the security and are not still executed at any time, as well as request the increase of security submitted previously (hereinafter - additional security). The Bank shall give a notice on the request for providing additional security to the Customer through the communication means specified by this agreement, in addition, indicating the term for the submission of security. Non-receipt of such a request shall not exempt the Customer from the obligation to ensure the necessary amount of security.

11.2.2. In the case that the employee of the Bank has not managed to reach the Customer via phone and notify him on the need for additional security, or the Customer has been notified on the need for additional security, however the Customer has not submitted additional security within the term set by the notice (See 11.2.1), the Bank shall be entitled, without a separate notice to the Customer and at its own discretion:

11.2.2.1. to sell all or part of the FI owned by the Customer for market price and switch the obtained funds for the deletion of debt liabilities of the Customer against the Bank. In such a case the amount acquired from the sale of FI shall be deemed as security provided by the Customer and all conditions regarding the use and realisation of the security shall refer to it; or

11.2.2.2. to unilaterally terminate any Transaction or all Transactions concluded with the Customer, for the execution of which sufficient security has not been provided, according to the calculations of the Bank. On the day of termination of the Transaction the Customer shall have an obligation to compensate the Bank for all losses in relation to the early termination of the Transaction.

11.2.2.3. The Customer shall be aware and agree that in the case if the Bank shall use its right to sell all FI or a part thereof (See 11.2.2.1), the Customer shall take all risks, which are related to the sale of FI.

11.3. Realisation of the Security

11.3.1. In the case if the Customer fails to fulfil or improperly fulfils his liabilities against the Bank, the Bank shall be entitled to direct the recovery towards any of the above mentioned as well as other subject matters of the security (properties or rights), offered by the Customer and available to the Bank by taking them over into its possession and alienate or use them without prior notice or a separate reminder to the Customer, unless the parties have agreed otherwise. The Bank shall also be entitled to direct the recovery towards the subject matter of security prior to the expiry of the term for the fulfilment of the secured liability, if the Customer fails to fulfil the request of the Bank to submit or increase the security for the fulfilment of liabilities of the Customer within the time period or in accordance with the procedure set by the Bank.

11.3.2. In the case that money is the subject matter of security, the Bank shall be entitled to write-off the amount of money corresponding to the amount of the claim of the Bank, without a separate

reminder to the Customer. In the case that FI is the subject matter of security, the Bank shall be entitled to promptly sell the FI for market price without a separate reminder to the Customer or, upon the choice of the Bank, to alienate them in favour of the Bank for the market price and use the amount acquired as a result of the sale of FI or the amount, for which the Bank has assessed the FI to be alienated in favour of the Bank, for the deletion of claims of the Bank. In such a case (if the Bank uses the above-mentioned rights granted by the Customer by directing the recovery towards the subject matter of security (property or rights) without the mediation of the court of auction), the Bank shall act as the authorised person of the Customer. The Bank shall be entitled to choose the sequence for alienation.

11.3.3. After alienation of the subject matter of security or use of rights and distribution of income the Bank shall return the remaining resources to the Customer within five days by notifying him on this. In the case that the Customer, his legal successors or heirs cannot be found, these funds shall be stored by the Bank. The Bank shall deduct a fee from the Customer for the storage of these funds by withholding it from the amount of Assets of the Customer present in the Bank.

11.3.4. The Bank shall be entitled, prior to the use of income from the realisation of security for the deletion of its claims, to cover all its expenses which are related to the realisation of the security, from the amount obtained as a result of the security.

12. Responsibility of the Parties

- 12.1. The Parties shall be mutually responsible for losses arising to the parties due to the failure to fulfil the liabilities set by the Agreement.
- 12.2. The Bank shall not be responsible for the losses of the Customer, arising due to the failure to fulfil the liabilities of a third person, including the Partner, involved in the execution of the Transaction or holding of FI, against the Bank or the Customer.
- 12.3. The Parties shall not be responsible for the non-fulfilment of liabilities arising from the Agreement, if such has occurred due to force majeure (for example, amendments, supplementations to laws and regulations or adoption and/or the coming into force of such new laws, natural disasters and calamities, war activities, terrorism acts, strikes, interferences in communication means, information systems and other events). The Party shall promptly notify the other Party on such and shall provide written notification upon its request. Upon cessation of the force majeure circumstances, the Party which has failed to fulfil liabilities, shall have an obligation to fulfil liabilities, unless the Parties have agreed on another solution.
- 12.4. The Bank shall not be responsible for losses of the Customer and/or third persons, which have occurred in the case of providing delayed, untrue and/or incomplete information.
- 12.5. The Customer shall be responsible for the authenticity of information provided to the Bank. In the case of providing delayed, untrue and/or incomplete information the Customer shall compensate all arising losses to the Bank as a result of the above-mentioned circumstances.
- 12.6. In the case that the Customer fails to fulfil any of his liabilities towards the Bank, the Bank shall be entitled to suspend all its operations with the Accounts until the day of fulfilment of liabilities of the Customer.

13. Closing of the Accounts. Termination of the Agreement

- 13.1. Accounts may be closed, upon the initiative of the Customer or the Bank, in accordance with the procedure specified by the Conditions.
- 13.2. The Bank shall be entitled to unilaterally close the Accounts or terminate the execution of any Transactions, without warning the Customer, in the following cases:
 - 13.2.1. The Customer has failed to provide information or documents to the Bank requested by it, or has provided incomplete, untrue information or false documents;
 - 13.2.2. The Customer has not performed Transactions for more than 12 (twelve) months;
 - 13.2.3. The Bank has suspicions that the Customer is related to money laundering or terrorism or proliferation financing;
 - 13.2.4. If the Customer cooperates or is related with a person who is included in the list of persons, approved by the Bank, with whom the Bank is not cooperating;
 - 13.2.5. If the Customer has tried to perform or has performed fraudulent activities against the Bank, any customer of it or has used operations of the Bank for the performance of such activities;

- 13.2.6. In other events determined by the Applicable legal provisions.
- 13.3. Upon the initiative of the Customer, the Bank shall close Accounts in accordance with the written submission of the Customer, which has been submitted to the Bank at least 10 (ten) days in advance, provided that the Customer has completely fulfilled his liabilities towards the Bank, which are related to the use of the Accounts to be closed.
- 13.4. When closing the Accounts, all commission fees for executed Transactions, maintenance, service and closing of the Accounts, which have not been received until the closing of the Accounts, if any are provided by the Bank's Price List, shall be collected from the Customer.
- 13.5. In the case of closing the FI Account the Customer shall have an obligation to submit the Order to the Bank regarding the transfer of FI present in the FI Account to another account within 30 (thirty) calendar days. In the case that the Customer has not given the Order regarding the transfer of FI within the term referred to in the above-mentioned sentence, the Bank shall alienate the FI owned by the Customer, in accordance with Clause 17.7.1.
- 13.6. The FI Money account shall be closed, in accordance with the procedure set by the Current account opening and service agreement, concluded between the Parties.
- 13.7. Upon closing the FI Account, documents, which the Customer has submitted to the Bank prior to the opening of the FI Account or during the validity period thereof, shall not be returned to the Customer.
- 13.8. Each of the Parties shall be entitled to unilaterally initiate the termination of the validity period of the Agreement by sending a written notification to the other Party 30 (thirty) days in advance.
- 13.9. The Agreement shall only be terminated once the liabilities of the Parties related to all Transactions have been terminated and the Customer has completely settled accounts with the Bank.

14. Payments for the Services of the Bank. Compensation of Expenses

- 14.1. Services, which the Bank provides to the Customer when performing operations with Accounts (opening, maintaining and closing them), as well as executing Orders, shall be the paid services of the Bank, the payment for which shall be set as the commission fee of the Bank.
- 14.2. The commission fee of the Bank shall be set by the Bank's Price List, the power of which in relation to the Customer shall be set according to the Conditions. The Bank shall be entitled to determine adequate and fair compensation for the services of the Bank which are not included in the Bank's Price List, however which have been necessary in order to execute the Order. In the case that the Parties have agreed on compensation due to the Bank prior to the execution of the particular service, the Customer shall not be entitled to dispute the amount of such compensation.
- 14.3. In the case that the Customer has failed to pay the commission fee due to the Bank, the Bank shall be entitled to terminate the provision of particular, or all services of the Bank to the Customer, without warning the Customer of such and without compensating losses to him.
- 14.4. The Customer shall compensate the Bank for all reasonable and provable expenses, which have occurred to the Bank during the course of execution of the Customer's Order and conditions of the Agreement.
- 14.5. The Customer shall irrevocably authorise the Bank to write off from the FI Money account, however in the case of insufficient funds, then from any current account of the Customer, which is opened with the Bank, commission fees and amounts of expenses of the Bank due to the Bank, in the case of the need to perform the exchange of monetary funds, in accordance with the currency exchange rate set by the Bank on the day of performing the exchange.
- 14.6. The respective pay-out (debit) entry shall be made in the particular current account of the Customer regarding the amounts of commission fees and expenses of the Bank set by this section.

15. Procedure for the Review of Complaints and Disputes

- 15.1. The Customer shall submit complaints regarding the operations performed by the Bank or other operations of the Bank, arising from the Agreement, in writing to the Bank. The Bank shall review a complaint of the Customer and shall provide a motivated reply to it:
- 15.1.1. In the case if a Customer is a physical person - not later than within 10 days from the day of receipt of it;

- 15.1.2. In the case if a Customer is a legal person - not later than within 30 (thirty) days from the day of receipt of it.
- 15.2. The Parties agree that any dispute, disagreement or claim arising from this Agreement, related to it or the breach, termination or invalidity thereof shall be finally settled:
- 15.2.1. In the case that the Customer is a physical person or if, according to the Applicable legal provisions, the dispute may not be delivered for settling to the arbitration court - in the court of the Republic of Latvia according to jurisdiction;
- In other cases - upon the choice of the plaintiff – to the Baltic International Arbitration Court (Riga, reg. No.40003759437), Riga International Arbitration Court (Riga, reg. No. 000373885), in accordance with the Rules of the respective arbitration court in the composition of one arbitrator, in Latvian, on the basis of submitted documents (by written procedure), or to the court of the Republic of Latvia, in accordance with the place of location of the legal address of the Bank.

16. Amendments to Conditions and Changes in Bank's Price List

- 16.1. The Bank shall be entitled to unilaterally change the Bank's Price List or amend Conditions, without warning the Customer of such, in the following cases:
- 16.1.1. In the case amendments to Conditions or changes in the Bank's Price List are performed in favour of the Customer (for example, the amount of the commission fee is decreased, the time period for the execution of obligation of the Bank is shortened etc.);
- 16.1.2. In the case that the amendment of Conditions or making of changes in the Bank's Price List is necessary due to the requirements of the Applicable legal provisions (for example, new laws and regulations coming into force or the amending of existing ones);
- 16.1.3. In the case that the Bank launches a new service, which was not offered on the day of entering into the Agreement;
- 16.1.4. In the case that the Customer is not a physical person.
- 16.2. In other cases, not mentioned in Clause 16.1 of the Conditions, the change of Bank's Price List or amendment of Conditions shall only be acceptable upon agreement between the Parties according to the following procedure:
- 16.2.1. Within at least 30 (thirty) days prior to the changes of the Bank's Price List or amendments to the Conditions coming into force (unless the Applicable legal provisions determine a shorter time period for the above-mentioned documents coming into force) the Bank shall notify the Customer regarding the planned amendments and changes and the day of coming into force thereof. In the case if 10 (ten) days prior to the day of changes of the Bank's Price List or amendments of Conditions coming into force the Bank has not received a notification of the Customer regarding the disapproval of the Customer regarding the amendments or changes initiated by the Bank, the changes in the Bank's Price List and/or amendments to the Conditions shall be considered as agreed. Partial approval of amendments and changes shall not be acceptable and shall be deemed as disapproval of all changes in the Conditions and Bank's Price List initiated by the Bank; or
- 16.2.2. When the Parties sign the respective documents.
- 16.3. Changes in the Bank's Price List or amendments to the Conditions agreed in accordance with the above-mentioned procedure, shall be enclosed with the Agreement as an integral part of it upon the coming into force thereof.
- 16.4. In the case that the Bank has received a notification of the Customer regarding the fact that he does not agree with the changes in the Bank's Price List or amendments to the Conditions initiated by the Bank, it shall be considered that the Customer has initiated the termination of the Agreement and in such cases the Parties shall follow the terms and conditions of Section 13 of the Conditions, unless the Parties agree otherwise in writing. The Agreement shall be considered as terminated on the day of the amendments to the Conditions or changes in the Bank's Price List coming into force.
- 16.5. In any of the cases of amendments to the Conditions or changes in the Bank's Price List, the Bank shall post information regarding this on its home page at www.lpb.lv, as well as in each of the customer service departments of the Bank at least 30 (thirty) days prior to the coming into force thereof (unless the Applicable legal provisions stipulate a shorter time period for making amendments to documents). The Customer shall have an obligation to follow information regarding amendments to the Conditions and changes in the Bank's Price List.

17. Other Provisions

- 17.1. The Bank shall ensure the investment services and investment side-services provided in accordance with this Agreement, with proper professionalism and care for the interest of the Customer.
- 17.2. The Customer shall notify the Bank in the case that the Customer is included in the list of internal information holders during the validity period of the Agreement.
- 17.3. The Customer may only transfer (assign) his right to demand against the Bank to a third person upon written consent of the Bank.
- 17.4. The Bank shall be entitled to perform the processing of personal data submitted by the Customer (collection, storage, registration, entering, delivery, transfer etc.) as well as request and receive the above-mentioned data and other information from third parties, in accordance with the procedure stipulated by the Applicable legal provisions, and process them. The Customer agrees with the delivery of his personal data to third persons, if it is required for the recovery of debts from the Customer or execution of the Order at the discretion of the Bank.
- 17.5. All information covered by the Agreement shall be confidential and may only be disclosed to third persons in cases set by the Agreement and the Applicable legal provisions or upon the written consent of the other party.
- 17.6. The Customer agrees that the monetary funds present in the FI Account and FI Money account of the Customer shall be deemed as a financial pledge in favour of the Bank in order to ensure the fulfilment of liabilities of the Customer against the Bank. The security shall refer to all the liabilities of the Customer against the Bank arising from the Agreement, and other agreements concluded between the Customer and the Bank.
- 17.7. In the case that the Customer fails to fulfil his liabilities against the Bank, in accordance with this Agreement or any other agreement concluded between the Parties, the Customer, upon signing this Agreement, shall irrevocably authorise the Bank once the time period referred to in Clause 13.5 has expired without a separate Order and without a previous notification or separate reminder to the Customer:
 - 17.7.1. To overtake the FI of the Customer under its possession and alienate them in favour of the Bank for market price and utilise the acquired monetary funds for the deletion of liabilities of the Customer. The market price shall be determined by the Bank, according to the price of the FI in the Trading venue or, if the FI are not traded on the Trading venue or information on the price in the Trading venue is not available - in accordance with the price of FI outside of the Trading venue (OTC market), or any other information on these or similar FI being at the disposal of the Bank. The Bank shall be entitled to exchange the amount of money acquired as a result of the sale of FI to the currency of liabilities of the Customer, in accordance with the currency exchange rate set by the Bank on the day of exchange. The Bank shall transfer the remaining part from the alienation of FI, which are not required for the deletion of liabilities of the Customer, to the FI Money account.
 - 17.7.2. To use the monetary funds present in the FI Money account of the Customer for the deletion of liabilities of the Customer arising from the Agreement and any other agreement concluded between the Parties.
- 17.8. In the case of death of the Customer the Bank shall be entitled to request a document(s) from persons who submit claims to the Bank for the property of the Customer, certifying them as the heir for the inheritance of the Customer and complying with the requirements of the legal provisions of the Republic of Latvia according to their form and content, and the obligation of these persons shall be to submit such document(s) to the Bank. The Bank shall be entitled to perform verification of the authenticity, validity and completeness of the submitted documents at the expense of these persons.
- 17.9. In the case if one or several provisions of this Agreement shall lose effectiveness or contravene the Applicable legal provisions, it shall not cause the invalidity of the whole Agreement, unless such a void provision significantly changes the meaning of the Agreement. The Parties will make efforts to replace this void provision with a provision which is close to the initial meaning according to the meaning.
- 17.10. The Parties shall send notifications and information in relation to the Agreement to each other, in accordance with the following procedure:
 - 17.10.1. To the Bank - the Customer, upon his choice, shall send via registered mail to the legal address of the Bank or deliver in return for signature to any Customer service department of the Bank;
 - 17.10.2. To the Customer - the Bank, upon its choice, shall send via registered mail to the address of the Customer, specified by the Special Conditions of the Agreement or other written document



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received by the Bank regarding the change of address, or deliver to the addressee in return for signature, or send through the Internet bank (if an Internet Bank agreement has been concluded between the Parties).

- 17.11. In order to avoid doubts, any dispatch shall be deemed as received:
 - 17.11.1. If sent through the Internet bank - on the next day, counting from the day when the information has been sent to the receiving party via Internet bank;
 - 17.11.2. If delivered in person – on the actual day of receipt;
 - 17.11.3. If sent via mail - on the 5th (fifth) day after the delivery thereof to the mail office, unless there is evidence of earlier receipt.
- 17.12. The Parties shall be entitled to record mutual discussions over the phone or verbal discussions in relation to the execution of the Agreement. These records may be used as proof, when settling disputable issues between the Parties and/or third persons regarding the fulfilment of liabilities set by the Agreement.
- 17.13. Terms, the meaning of which are not stipulated by the Conditions, shall have the same meaning as the terms used by the Financial Instrument Market Law.

I have become acquainted with the conditions:

Date: _____

_____/Name, surname, signature/