

BROKERAGE SERVICES RENDERING REGULATIONS

1. TERMS USED IN REGULATIONS

Agreement – the brokerage services agreement consisting of the Application and Regulations.

Application – the application for receiving brokerage services according to the Regulations, Policy, and Tariffs.

Assets – a unity of funds and FI owned by the Client and held on their Investment account and Financial instruments account, as well as on accounts related thereto.

Broker – AS Expobank, unified registration No. 40003043232.

Broker's losses – any uncompensated costs, losses, and liabilities towards third parties, fines and levies, unrealised claims of third parties.

Brokerage services – investment services and accompanying services that the Broker renders to the Client, related to opening and maintenance of the Client's Financial instruments account and Investment account, receipt and execution of the Client's Orders for Transactions with FI and other operations with the Client's Assets, custody and accounting of Client's FI and Assets, execution of Corporate Actions, conclusion of other transactions with FI and the Client's Assets, and execution of other operations, except portfolio management and investment advice related to financial instruments within the meaning of the Law on the Financial Instruments Market of the Republic of Latvia.

Business day (business day) – a business day established according to the regulatory enactments of the Republic of Latvia.

Client – an individual or legal entity that has filled in, signed, and submitted to the Broker the application for rendering brokerage services and is willing to receive brokerage services.

Client identification – the procedure for reviewing identity of the Client's Order and further approval.

Client order's identity – a unity of the fact of the Client's Order and details in the Client's Order, which allows making sure that the Order was really submitted by the Client or one of their Authorised persons.

Client's representative or Client's authorised person (or Authorised person) – the person specified in the Application or in a written power of attorney who is entitled to manage the Client's Assets on behalf of the Client, including to submit orders to the Broker in the Client's name and to represent the Client in any legal relations; if any of the above actions are limited to the Client's authorised person, it should be specified in the Application or in the written power of attorney; rights of representatives of legal entities are equal to rights of Authorised persons.

Client's status – the classification granted to the Client according to provisions of legal acts of the Republic of Latvia regarding Brokerage services rendered by the Broker. The Broker grants the Client the private Client, professional Client, or eligible counterparty status. The Client is entitled to request a change of the granted status to a different status in the manner set by the Broker.

Closing Futures contract position – purchase or sale of Futures contracts, which results in compliance or decrease of the difference between the quantity of the Client's sold and purchased Futures contracts of the same title.

Costs related to Order execution – all actual costs, expenses, justified claims of third parties, and other payments related to the Broker's execution of the Client's Orders.

Current account – any on-demand deposit accounts of the Client opened with the Broker (at least one account) not meant for Transactions with FI.

FI event – any fact or circumstance that affects FI features, as well as actions of FI issuers to fulfil their liabilities towards FI owners (shareholders' meetings, dividend payments, etc.).

FI short selling – the Broker's conducted transaction with the Client where the Client sells FI that are not part of the Client's Assets as of the sale moment, which results in the Client having a FI short position, i.e. liabilities to purchase in future, with the Broker's intermediary, FI of the same features and in the same amount, i.e. to close the FI short position.

Financial instruments (hereinafter FI) – financial instrument within the meaning of the Law on the Financial Instruments Market of the Republic of Latvia;

Financial instruments account (FI account) – the Client's account opened with the Broker and meant for accounting and safekeeping of Client's FI.

Futures contract – a derivative financial instrument, liabilities to purchase or sell a certain amount of assets (financial instruments, stock exchange indexes, currency, metal, oil, and other assets futures for which are sold on global stock exchanges) for a certain price on a certain day in future.

Futures contract open position – a difference between the Client’s purchased and sold Futures contracts of the same title.

Initial margin of Security deposit – the Broker’s approved Security deposit amount that the Client should ensure upon opening a Futures contracts position on the Investment account with the Broker.

Internetbank – remote account management system, with access to maintenance of the current account, payment card account and other accounts, as well as for service rendering, processing of banking operations and online exchange of information between the Client and the Broker using Internet.

Investment account – a special account of the Client’s funds opened with the Broker and meant for accounting the Client’s funds when executing Transactions with FI and other operations.

Margin call situation – the Broker’s claim towards the Client to credit the Security deposit for the Futures contracts open position to the Initial margin level.

Minimal maintenance margin – the Broker’s approved minimal balance of the Security deposit for the Futures contracts open position; when it is reached, the margin call situation occurs.

MTS – the Multilateral Trade System.

Order (application, instruction) – an order to perform a Transaction with FI or another transaction with the Client’s Assets, or another expression of the Client’s will drafted in the Broker’s established form and passed to the Broker by the Client or their Authorised person.

Opening Futures contract position – a purchase or sale of Futures contracts, which results in occurrence or increase of the Client’s Futures contract open position.

Parties – both the Broker and the Client.

Password – a word (a unity of letters and/or digits) that is stated in the Client’s Application or in a written annex thereto and that is required for Client identification upon receipt of their Orders over the telephone; the Parties agree that, in Client identification over the telephone, the correctly called or specified password substitutes the name, surname/title of the legal entity, identity code/registration number, and all other Client details specified in the Application, as well as the Client’s/their representative’s signature ; the Password may be changed upon the Client’s Order.

Policy „Order Execution When Rendering Investment Services” (Policy) – the Broker’s adopted and publicly available document that lays out guidelines and rules the Broker adheres to and complies with when executing Orders and concluding Transactions with FI ; the Policy is an integral part of the Agreement; if amendments are introduced to the Policy and the Broker deems them to be important, the Broker shall inform the Client thereof as described in the Agreement; the current edition of the Policy is available on the Broker’s website (www.expobank.eu) or personally at the Broker’s office.

Regulations – these Brokerage Services Rendering Regulations.

REPO critical coefficient – a coefficient agreed upon with the Broker that the Client specifies in the REPO transaction Order and that determines the critical ratio between the Sale price (amount) of the FI as subject of the REPO transaction and their market price (amount).

REPO discount rate – a coefficient agreed upon with the Broker that the Client specifies in the REPO transaction Order and that determines the Sale price (amount) ratio to the market price (amount) of the FI as subject of the REPO transaction, at the moment of concluding the REPO transaction.

REPO margin call – a percentage ratio between the Sale price (value) of the FI as subject of the REPO transaction and their fair price (market value), at which the Broker makes a claim towards the Client to provide funds or to increase a security deposit of the REPO transaction to the level of the REPO discount rate.

REPO rate – an interest rate agreed upon with the Broker (per cent per year) that the Client specifies in the REPO transaction Order according to which growth of the Repurchase price (amount) of FI as subject of the REPO transaction is calculated against the Sale price (amount) for each day between the Sale date and Repurchase date assuming that there are 360 days in a year.

REPO transaction – a transaction where the Client on a certain day (hereinafter the Sale date) passes to the Broker a certain amount of FI (hereinafter FI as subject of a REPO transaction) at a certain price (hereinafter – the Sale price) for a certain amount (hereinafter the Sale amount) for a certain time (hereinafter the REPO term) and on certain conditions with a duty to buy them back on a certain day in future (hereinafter the Repurchase date) at a preset price (hereinafter – the Repurchase price) for a certain amount (hereinafter the Repurchase amount); the REPO transaction does not provide for passing the title for FI as subject of a REPO transaction from the Client to the Broker, only authorities to manage them are passed.

Security deposit – an amount that the Broker blocks (restricts the Client’s actions with it) as collateral to cover possible losses of the Futures contracts open position. The Security deposit acts as financial collateral and it is pledged to the Broker as financial pledge; the Security deposit is increased by the profit amount or decreased and written off by the loss amount resulting from the Futures contracts open position; after closing the Futures contracts position, the Security deposit amount is released accordingly.

Tariffs – the fees for banking operations and other financial services of AS Expobank (including Brokerage service tariffs) where commission fees are stated that the Broker deducts for the services rendered to the Client, including for conducting Transactions with FI and other operations; the Tariffs is an integral part of the agreement; the Client may review current Tariffs on the Broker’s website (www.expobank.eu) or personally at the Broker’s premises.

Transaction with FI– any transaction (purchase, sale, transfer, receipt, blocking, pledge, and other actions) that the Client takes within the Broker’s rendered services and that have the Client’s FI as the subject.

2. CONCLUSION AND SUBJECT OF AGREEMENT

2.1. The Client fills in and submits to the Broker the Application, as well as documents requested by the Broker.

2.2. The Client’s Application is deemed as the Client’s irrevocable offer to the Broker to enter the Agreement, as well as the Client’s consent to the Tariffs and application of provisions of the Regulations, Policy, and the Broker’s General Regulations for Transactions and annexes thereto to the relations of the Parties. The Client consents that the information provided in the Application is complete and true.

2.3. The Broker reviews the received Application and other documents. When reviewing the Application, the Broker may verify the Client’s provided information.

2.4. The Agreement takes effect after the Broker’s representative signed the Agreement and it is concluded for an indefinite duration provided that the Client has and retains the professional Client or eligible counterparty status that the Broker granted them according to the Regulations.

2.5. The Regulations determine the procedure for opening and maintaining the Client’s Financial instruments account and Investment account, the procedure for submitting and the Broker accepting and executing the Client’s Orders for Transactions with FI and other operations with the Client’s Assets, as well as other aspects of the relations between the Client and the Broker, including the procedure for concluding mutual transactions.

2.6. The Client entitles and authorises the Broker to conduct operations with the Client’s funds and FI, and other operations in the Broker’s name but with the Client’s Order, in their interests, and at their expense and risk, as well as to store (hold) the Client’s funds and FI, including their registration to the Broker’s name but in favour of the Client; to sign any documents, to conclude any transactions, and to represent the Client’s interests in any legal relations in the amount stated in the Regulations in the manner and according to provisions of the Regulations.

3. BROKER UNDERTAKES:

3.1. to open the Investment instruments account and Investment account to the Client, as well as to maintain them and to ensure the Client’s Asset accounting on these accounts;

3.2. to accept for execution and execute the Client’s Orders properly prepared and submitted to the Broker, which contain all required details for Client identification according to provisions of the Regulations and the Broker’s adopted identification procedures;

3.3. to provide to the Client, or to give them an opportunity to review, information on the standing of the Client’s Assets (account statement), as well as other information related to the Client’s operations under the Agreement upon the Client’s request within 3 (three) business days, which the Broker is entitled to provide; and information on Transactions with FI conducted according to the Client’s Order (hereinafter – transaction confirmation) – not later than on the following business day;

3.4. to provide the Client, or to give the Client an opportunity to review, the transaction confirmation as required by the Regulations and in the Broker’s specified form not later than on the following business day after Order execution or, if the Broker receives the transaction confirmation from a third party, not later than on the following business day after receipt of the transaction confirmation from such third party;

3.5. to ensure confidentiality of the Client’s Order execution, information about Client Assets and Transactions with FI and to provide such information solely to the Client or their Authorised persons; providing such information to third parties is only possible when it is clearly stipulated by the active regulatory enactments of the Republic of Latvia or it was agreed upon with the Client;

- 3.6. to show the Client's FI and funds purchased in the Broker's name but at the Client's expense and in their interests, in the Broker's accounting as owned by the Client;
- 3.7. to credit the funds due to the Client and obtained from Client's Transactions with FI (FI, profit, fruit, interest, costs, funds from FI sale, etc.), as well as the Client's funds that, for any reasons, were not used in submitted transactions to the Investment and/or FI account immediately but not later than within 3 (three) business days after the Broker received them, unless Parties directly agreed otherwise;
- 3.8. to request in the Broker's set form information from the Client required and sufficient to determine the Client's status; the Client undertakes to inform the Broker of any changes to such information provided by the Client; if the Client refuses to provide such information or if it is insufficient, or does not contain latest changes, the Broker warns the Client and by signing the Application the Client certifies that they have been warned that the Broker cannot assess the applicability of the services included in the Agreement to the Client and that the Broker shall not be liable for consequences of the Client's refusal to provide such information, of providing incomplete information, or of failure to report changes to the information submitted before;
- 3.9. to deliver all information addressed to the Client under the Agreement using, at its discretion, any details of the Client specified in the Application or using the Internetbank or the SWIFT system provided that the Client and the Broker have entered an agreement on using these systems, or using the details the Parties agreed upon separately or that are specified in the Client's submitted Order; besides, all information provided to the Client this way shall be deemed delivered on the provision date, except mail packages that are deemed received by the Client on the 3rd (third) day after the dispatch day; when providing information to the Client, the Broker, where possible, adheres to the information delivery option specified in the Client's Application;
- 3.10. if the Client specified in the Application that they have Internet access and they agree to receive information online, to provide information not addressed directly to the Client via the Internet; receipt of information electronically does not limit the Client's rights to receive the information addressed to the Client in writing by personally turning to the Broker.

4. BROKER IS ENTITLED:

- 4.1. to introduce and amend Order preparation rules and the Broker's identification procedures informing the Client thereof upon the Client's request or while rendering services;
- 4.2. The Broker may limit Order types offered to a Client (e.g. market price orders, limit orders) even though the Order (with the respective FI) execution place allows submitting other Order types.
- 4.3. The Broker may limit and apply a shorter Order expiry time than the available Order expiry time of the respective Order execution venue where the Order is submitted for execution.
- 4.4. Unless agreed otherwise with a Client, the Broker may publish the Client's limit Order that was not executed immediately passing it to the respective Order execution venue.
- 4.5. to refuse from accepting the Client's Orders for execution if they are not submitted in time, are completed incorrectly, cause concerns in Client Order identity, conflict with the regulatory enactments of the Republic of Latvia or Regulations, or do not meet the current market situation, contain contradicting or insufficient instructions regarding clauses 7.1 and 7.3 of the Regulations, or the Broker technically cannot execute them, or, upon submittal of the Order, the Client has outstanding liabilities towards the Broker, or the services (operations) included in the Order are not listed in the Tariffs;
- 4.6. to refuse from accepting for execution or from execution of the Client's Orders if, under the Agreement, the Client's Assets required for complete execution of such Order are insufficient; however, the Broker may execute the Client's Order in the above situation and, at its discretion, write off the amount required for complete execution of the Order from the Client's Current account without acceptance, besides, the Client entitles the Broker to do so.
- 4.7. while executing the Agreement, including ensuring holding (safekeeping) of the Client's Assets, to use services of such third parties as depositories, brokers, intermediaries, banks, and other agents (hereinafter intermediaries), or through concluding transactions with them and in each case choosing them at its discretion, and the Client authorises the Broker to do so; The Broker shall not be liable for the acts or omissions of the intermediaries and the consequences for the Client of the intermediary's insolvency; the Client agrees that regulatory enactments of other countries may apply to holding (storing) their owned Assets and the Client's rights towards the Assets held in another country may differ from the rights granted by the regulatory enactments of the Republic of Latvia;
- 4.8. to hold (store) the Client's Assets in compliance with the law, on the Broker's own accounts in any country, on accounts of any other companies and the Broker's counteragents, as well as of other parties chosen by the Broker for such storage; the Client undertakes all encumbrance, blocking, enforced alienation risk and other risks related to said storage;

- 4.9. when conducting Transactions with FI, to combine the Client's Orders with the Broker's or other Clients' orders if it is possible and does not contribute to conducting said transactions on less beneficial terms for the Client;
- 4.10. to exchange the Client's funds at the Broker's set rate as of the exchange moment if it is required to execute the Client's Order or cover costs, recovery, or the Client's other liabilities even if not specified directly in the Client's Order; the Client authorises the Broker to take the above actions;
- 4.11. to purchase FI owned by the Broker, its shareholders, or Clients for the Client; purchase the Client's FI in its own, the Broker shareholders' or Clients' ownership; conduct transactions where the Broker, its shareholders, Clients, or employees and authorised persons represent the other party of the transaction; change the Client's FI to FI owned by the Broker or its shareholders provided that all above transactions are conducted at the market price as of the transaction conduction time according to clause 8.10 of the Regulations, unless the Client's Order or a separate agreement between the Parties state otherwise;
- 4.12. to pass any of its authorities, rights, and duties under the Agreement to third parties informing the Client thereof 3 (three) days prior to passing such authorities;
- 4.13. to use Assets, as well as funds on any of the Client's accounts with the Broker, including the Current account, and the Client's other assets as collateral for any of the Client's liabilities towards the Broker, as well as for any other liabilities of the Client faced by the Client in relation to the Agreement or otherwise; the Client authorises the Broker, without additional agreement with the Client, to fully or partially block (restricting the Client's ability to manage) or sell said collateral at a free price if the Client's Assets are insufficient for fulfilment of any of the above liabilities and their fulfilment term has become due;
- 4.14. to conclude transactions beyond the regulated market and in multilateral trading systems.

5. CLIENT UNDERTAKES:

- 5.1. to provide the Broker with true information about their legal status, details, and any other information, confirmations, and legal documents that the Broker requests to ensure the Client's operations;
- 5.2. to promptly notify the Broker of any changes to the information specified in the Client's Application regarding the Authorised person or in any other information or document submitted upon opening of accounts with the Broker or later during mutual relations of the Parties, about the Client's or Authorised person's legal status; until the Broker receives information on above changes, the Broker, when executing the Agreement, is guided by the document and information at its disposal and it shall not be liable for the Client's losses resulting from the Client's failure to report or untimely report of above changes;
- 5.3. to transfer and ensure on its accounts with the Broker Assets required for complete execution of the Client's Order, i.e.: Assets for their Transactions with FI or other transactions stated in the Client's Order, all commission payment to the Broker, as well as all expenses and costs related to Order execution, and other costs and compensation payments according to the Regulations;
- 5.4. to fully reimburse the Broker's losses occurring during execution of the Client's Order and other contractual provisions if such losses did not result from the Broker's fault;
- 5.5. to recognise and accept as binding all actions and operations of the Broker, as well as rights and liabilities resulting therefrom without objections if the Broker acted according to provisions of the Agreement, including execution of the Client's Order, and to the active regulatory enactments of the Republic of Latvia and the Broker did not exceed the authorities granted to it;
- 5.6. not to pass any title to the Assets, not to encumber them with any liabilities without prior agreement with the Broker, and only to act pursuant to the Agreement; the Client certifies and guarantees and the Broker accepts the Client's guaranty that the Assets are the Client's property, they are free from any encumbrance, pledge, arrest, and that the Client has no restrictions to its title to the Assets;
- 5.7. to recognise as binding upon themselves any actions of their Authorised persons and to be fully liable towards the Broker for their actions as if they were their own actions; the Broker shall not be liable for losses caused to the Client by their Authorised persons; it is assumed that the Client's Authorised persons' authorities have legal effect until the Broker will have received from the Client a notification of cancellation or restriction of their authorities.
- 5.8. to request from the Broker and/or review information about the condition of the Client's Assets (account statement) at least once in 30 (thirty) calendar days.

6. CLIENT IS ENTITLED:

- 6.1. to personally or via Authorised persons of the Client to submit Orders to the Broker for Transactions with FI and for other transactions with the Assets according to the Agreement over the telephone (calling at +371 66155777 or +7 495 2499024), using SWIFT, Internetbank, or personally submitting them to the Broker;

- 6.2. to cancel Orders, except Orders that technically cannot be cancelled or that the Broker executed by the cancellation time; in case of Order cancellation, the Client undertakes to reimburse all losses incurred by the Broker due to cancellation of the Client's Order or its execution until the cancellation time;
- 6.3. prior to submitting an Order, to request and receive from the Broker information about the estimated Transaction with FI and other information about services the Broker renders to the Client under the Agreement; under the Agreement, the Broker does not provide the Client recommendations and consultations, and none of the information provided by the Broker shall be deemed to be a recommendation or consultation, which the Client certifies by signing the Application;
- 6.4. A Client may include special provisions in the Order but the Broker warns the Client that:
- 6.4.1. executing such Order, the Broker shall precisely follow the Client's special provisions given in the Order to the best of its abilities;
- 6.4.2. this shall release the Broker from the duty to reach the best result for the Client when executing the Order pursuant hereto
- 6.5. to request and receive from the Broker information about Order preparation requirements, the Broker's adopted identification procedures, Tariffs, as well as rules, regulations, and Clients used on the markets where FI operation would be concluded or the Client's Assets would be allocated, as well as information about the Order execution process.

7. ORDER EXECUTION PROCEDURE

- 7.1. The Client submits and the Broker accepts Orders on the Broker's business days and business hours; besides, any Order for the Broker should clearly state the transaction subject, as well as instructions and details required and sufficient for unequivocal interpretation and execution thereof; corrections, confirmations or repetitions should be marked.
- 7.2. The Broker executes Clients' Orders efficiently and fairly acting as a prudent and careful owner with due professionalism and care. The Broker executes comparable Clients' Orders in their receipt sequence, unless peculiarities of the Orders or current market situation make them impossible to execute, or if the Clients' interests, in the Broker's opinion, do not require other actions to reach the best result.
- 7.3. In the Orders for Transactions with FI, the Client should clearly state the transaction type, name/identification code of the FI and/or funds involved in the transaction and their quantity, the FI price or the mechanism to determine it (market price, etc.); the Order execution term and/or provisions, its submittal date, and other necessary details depending on the specific estimated transaction in the Broker's set manner.
- 7.4. When executing the Client's Orders, the Broker is not responsible for losses, errors, wrong interpretation, etc. resulting from imprecise, unclear, or incomplete instructions of the Client, as well as from distortion of Order text submitted electronically, as well as from other reasons beyond the Broker's control; the Broker also is not responsible for errors and imprecision made by the Client in Order details.
- 7.5. Prior to submitting Orders to the Broker, the Client or their Authorised person should identify themselves with the following details: when submitting an Order to the Broker over the telephone – the Investment account title and/or number and the Password; when submitting an Order to the Broker via the SWIFT electronic system or via Internetbank – the Investment account title and number; when submitting an Order to the Broker in person – the Investment account title and number, signature
- 7.6. Orders on Assets transfer are only permitted in writing. The Client's funds can be transferred to the Client's Current account with the Broker only, except otherwise agreed upon by the Parties.
- 7.7. For protection purposes, the Broker is entitled to request from the Client an additional confirmation at their expense via any other communication channels according to clause 3.9 of the Regulations prior to execution of the Client's Order.
- 7.8. The Broker is entitled to refuse from accepting or executing the Client's Order if the Broker has reasonable concerns regarding the Client Order's identity and the Broker is not responsible for losses the Client might incur as a result of such non-performance.
- 7.9. The Broker is not responsible for possible losses the Client might incur from malicious intent, forgery, or fraud by third parties if the Broker complied with provisions of the Agreement and regulatory enactments.
- 7.10. The Broker is entitled to refuse from accepting the Client's Order over the telephone at any time without explanation.
- 7.11. The Parties agree that negotiations about conduction of Transactions with FI that took place over the telephone have legal effect and they are equal to original documents (submitted and signed in person).
- 7.12. The Broker carries out recording of telephone conversation or electronic communication, copies of which at the Client's request are available for 5 (five) years, but at the request of the competent authority, up to 7 (seven) years. The Parties agree that such telephone conversation records and records of electronic

communications shall be sufficient evidence for both Parties in settling any disputes, including those on Client Order execution or conduction of any other operations under the Agreement.

7.13. The Parties agree that any documents that the Parties have sent to each other or that the Parties have received from each other via the SWIFT system or Internetbank are equal to originals (personally submitted and signed documents) and shall act as reasonable basis for legal liability and, in case of disputes, they shall be deemed as sufficient proof.

7.14. The Broker starts executing an Order at once, immediately after receipt thereof, unless stated otherwise in the Order's provisions. Regarding the Order expiry time, unless stated directly, it is assumed that the Order expiry time is until the end of the business day when it was submitted; regarding other Order provisions, unless stated directly in the Order, the Parties shall adhere to provisions of clause 12.1 of the Regulations. The Broker informs the Client if an Order is not accepted for execution or its execution is refused.

7.15. If a Client submitted a limit Order for shares included in the regulated market and such Order is not executed immediately under current market conditions, the Broker, unless clearly instructed otherwise by the Client, takes actions to ensure possibly prompt execution of said Order disclosing information on the Order to the market by submitting the Order on the respective Trading venue.

7.16. An Order submitted to the Broker in person or via the Internetbank can take a longer time to process prior to execution than an Order submitted over the telephone or electronic trade system.

7.17. The Broker deems Orders submitted by Clients in person to be Orders that are submitted (placed) in cases when the Broker uses an authority granted to it by a Client and/or when the following rights are granted to the Broker in Service agreements, Policy, or other documents resulting from relations between the Broker and Client:

7.17.1. to place a stop loss Transaction to limit a Client's losses;

7.17.2. to alienate a Client's FI, including use of the title to financial collateral;

7.17.3. to close a Client's open position.

7.18. It is deemed that an Order with special provisions is submitted to the Broker, including, if:

7.18.1. the Client submitted the Order via direct access to the market, i.e. submitted the Order to the MTS independently using the electronic system;

7.18.2. the Order is executed outside the business hours of the respective Trading venue.

7.19. The Client undertakes to submit to the Broker a written confirmation of the Order not later than within 3 (three) business days after the order is submitted by telephone; if the Client does not submit the above-mentioned confirmation or submits to the Broker the above-mentioned confirmation, which does not and differs from the terms of the Order given by telephone, the Parties agree and consider that the Client has submitted to the Broker and the Broker has accepted the Order for the terms and conditions agreed by the Parties by telephone.

7.20.. Prior to FI short selling, the Broker may request that the Client provides collateral in the Broker's set type and amount, as well as negotiate other provisions and regulations for FI short selling and closing the FI short position, which is fixed in the Client's Order.

7.21. The Broker may at any time and at its discretion refuse from FI short selling for the Client, as well as to request to close the FI short position fully or partially, unless the Parties agreed otherwise. If the Client fails to fulfil the Broker's request about closing the FI short position until the end of the following business day, the Broker may independently close the FI short position at the Client's expense acting according to clause 4.10 of the Regulations.

7.22. The Broker sends a notification to the Client proving the Client Order execution not later than on the following day after Order execution or, if the Broker receives said confirmation from a third party, not later than on the following business day after receiving said confirmation from such third party. The Broker shall not send the Client notifications confirming Client Order execution if said confirmation contains the same information included in the confirmation that is immediately sent to the Client by the third party.

8. SETTLEMENTS AND BROKER'S REMUNERATION

8.1. The Broker deducts commission remuneration from the Client for Investment account and Financial instruments account maintenance, as well as for Transactions with FI and other services according to the current Tariffs or as separately agreed upon with the Client, including in the Client's Orders.

8.2. The Broker is entitled to establish an appropriate and fair commission remuneration for services not included in the Tariffs and not agreed upon individually yet rendered while executing the Client's Orders or in relation thereto; however, such remuneration should not be below the Broker's actual costs in relation to execution of a specific Order and the Client agrees thereto in advance by signing the Application.

8.3. The Parties may agree upon the Broker's commission remuneration rate for a specific transaction or a type of transactions at a certain rate fixed in the Client's Order or in additional arrangements.

8.4. The Client undertakes to indemnify and the Broker deducts commission remuneration amounts without acceptance, as well as all actual costs, losses, damage, and other amounts related to the Client's Order and execution of the provisions of the Agreement from the Client's Investment account and if funds available thereon are insufficient, the Broker may decide on taking them from the Client's Current account and the Client fully authorises the Broker to do so.

8.5. The commission remuneration for maintenance of the Client's Investment and Financial instruments account is calculated and deducted as a fixed per cent from the net value of the Client's Assets set in the Tariffs; the net value of the Client's Assets is determined as the difference between the value of the Client's Assets and the amount (value) of the Client's liabilities towards the Broker.

8.6. The Order authorising the Broker to conduct Transactions with FI or other operations is also the Client's task to make respective entries (deduction, blocking) on the Client's Financial instruments account and Investment account and no additional permission is required from the Client to make such entries.

8.7. If an entry is erroneously made on the Client's Investment account or Financial instruments account, the Broker is entitled to correct it by a reversing entry (to reset to the initial position) without additional approval of the Client.

8.8. The Broker executes the Client's Orders on Assets transfers immediately but not later than on the following business day after receipt thereof regarding funds and not later than within 5 (five) business days regarding FI if the circulation mode of such FI and current market conditions allow for such transfer; otherwise the Broker executes the FI transfer on terms accepted in international market practice.

8.9. The Broker informs the Client of all FI events applicable to the Client's FI registered for public turnover in the Republic of Latvia, as well as, upon the Client's request, the Broker issues the Client a document proving their title to such FI for a certain period when transactions with these FI are not conducted (FI are blocked on the account), which the Client may use said document to make use of individual FI events (including execute their rights to vote at shareholders' meetings). The Client understands and agrees that, due to peculiarities of FI holding (storing) on foreign markets, the Client may have no opportunities to make use of individual FI events (including execute their rights to vote at shareholders' meetings) and the Broker is not obliged to ensure such opportunities for the Client.

8.10. The Parties have agreed that by preparing the Client's account statement, calculating commissions for maintenance of the Client's Investment account and Financial instruments account, as well as in any other cases, the Broker shall apply the following methods to determine the Assets value:

8.10.1. for the FI traded on the stock exchange (regulated market), the prices/quotes published at the assessment moment thereof are used, for the FI traded on the OTC market (outside the regulated market), the prices/quotes of the Broker's business partners at the Broker's disposal are used;

8.10.2. if the price of FI cannot be determined according to clause 8.10.1 of the Regulations (including lack of market liquidity), the prices and quotes that are the closest to the actual market value, in the Broker's opinion, are used.

8.10.3. determining the FI value includes all outstanding liabilities of the FI issuer towards the FI holder (accrued interest, etc.) even if payment thereof is not due yet.

8.11. In settlements, the Broker is entitled to apply set-off to the Client's liabilities, FI, and funds.

9. FUTURES CONTRACTS

9.1. When opening a Futures contract position, the Client undertake to ensure the initial margin of the Security deposit and the Broker's remuneration amount on the Investment account with the Broker. The initial margin of the Security deposit and the Minimal maintenance margin are set by the Broker and announced to the Client upon the Client's request.

9.2. The Broker may unilaterally change the initial margin of the Security deposit and the Minimal maintenance margin amounts within notice to the Client 1 (one) day in advance. The Broker retains the rights to refuse transactions with Futures contracts to the Client without explaining the reasons thereof.

9.3. If the absolute value of the Client's current loss from an open position of a Futures contract makes up an amount equal to or exceeding the difference between the initial margin of the Security deposit and the Minimal maintenance margin, the Margin call situation occurs.

9.4. If the Margin call situation has occurred, the Client must either ensure on their Investment account an amount required for topping up the Security deposit to the initial margin of the Security deposit until 12.00 (twelve o'clock Latvian time) of the day following the Margin call or close the open Futures contract position.

9.5. If the Client fails to fulfil provisions of clause 9.4 of the Regulations, the Broker may but is not obliged to act as follows after 12.00 (twelve o'clock Latvian time) of the day following the Margin call without warning the Client thereof:

9.5.1. either close the open Futures contract position;

9.5.2. or top up the Security deposit to the initial margin of the Security deposit with funds from any of the Client's accounts with the Broker, including the Client's Current account;

9.6. If the absolute value of the Client's loss from an open position of a Futures contract is 70% (seventy per cent) or more of the initial margin of the Security deposit, the Broker informs the Client of this situation and of the Client's duty to top up the deposit and the Broker is also entitled to close the Futures contract position without warning the Client.

9.7. The Client authorises the Broker to calculate the Security deposit amount, as well as to take actions required to top up/decrease the Security deposit by the profit/loss amount resulting open positions of Futures contracts.

9.8. The Client is fully liable towards the Broker for losses resulting from open positions of Futures contracts, including if these losses exceed the Security deposit amount.

10. REPO TRANSACTIONS

10.1. The Broker executes a specific REPO transaction on the terms provided in the Client's specific Order and Regulations; besides, the Broker retains the rights to refuse the Client conclusion of any REPO transaction without explaining the reasons. Mandatory provisions of any REPO transaction include the FI, as the subject of REPO transaction, FI amount, REPO discount rate, REPO margin call, REPO critical coefficient, REPO term (or Repurchase date) and the REPO rate. If the Client's Order for conclusion of a REPO transaction does not state:

10.1.1. the REPO Sale date, then it is believed that it is the date when the FI as subject of a REPO transaction are credited to the Client's FI account (including settlements for transactions resulting in the Client buying said FI);

10.1.2. the sale price (amount), then it is established according to the REPO discount rate;

10.1.3. the repurchase price (amount), then it is established according to the Sale price (amount), REPO rate, and REPO term.

10.2. According to provisions of any REPO transaction, unless the Parties agreed and the Client's Order states otherwise, the Client undertakes to ensure FI as subject of a REPO transaction on their Financial instruments account on the Sale date and the Broker shall write off such FI and they will fully be passed at the Broker's disposal; after that, the Broker undertakes to transfer the Sale amount to the Client's Investment account on the same business day.

10.3. According to provisions of any REPO transaction, unless the Parties agreed and the Client's Order states otherwise, the Client undertakes to ensure the Repurchase amount on their Investment account on the Repurchase date, which the Broker shall write off; after that, the Broker undertakes to transfer the FI as subject of a REPO transaction to the Client's Financial instruments account on the same date and they then are fully passed to the Client's disposal.

10.4. If the REPO transaction is suspended before the Repurchase date specified in REPO transaction provisions, the Repurchase date is believed to be the REPO transaction suspension date (except cases when the REPO transaction is suspended due to failure to fulfil provisions of clause 10.2 of the Regulations); besides, the Broker calculates the Repurchase price (Repurchase amount) based on the REPO rate for the actual number of days between the Sale date and REPO transaction suspension (cancellation) date.

10.5. If in the timeframe from the Sale date and Repurchase date the FI as subject of a REPO transaction bring any fruit or income (dividend, premium shares), the Broker will credit them to the Client's Investment and/or FI account within 3 (three) business days after receipt thereof or, if the Parties agreed so, uses them to repay the Client's liabilities towards the Broker decreasing the Repurchase amount accordingly.

10.6. If any of the Parties violates REPO transaction provisions stated in clauses 10.2 or 10.3, the other Party is entitled to suspend the REPO transaction and/or require a forfeit of 2% (two per cent) from the Sale amount.

10.7. After the Client's Order and if the Broker agrees with it, the REPO transaction can be suspended before the Repayment date specified in the REPO transaction provisions or its provisions can be changed. According to any REPO transaction provisions, the Broker is entitled to unilaterally suspend the REPO transaction warning the Client 3 (three) business days in advance. According to any REPO transaction provisions, the REPO transaction is suspended on the day of settlements due to occurrence of the FI as subject of the REPO transaction repayment term.

10.8. In the event of the REPO margin call, the Client must ensure until 4 p.m. (four o'clock Latvian time) of the next business day following the REPO margin call, either a sufficient amount on their Investment account (or FI, on the FI account) to increase a security deposit of the REPO transaction, or to terminate REPO transaction.

10.9. If a percentage ratio between the Repurchase price (amount) of FI, as a subject of the REPO transaction and their market price (value) according to the clause 8.10. of the Regulations reaches a level of the REPO margin call, the Broker informs the Client about that situation and the Client's obligation to increase REPO transaction's security deposit according to the clause 10.8. of the Regulations.

10.10. If the Client fails to fulfil conditions of the clause 10.8. of the Regulations, the Broker is entitled, but not obliged, after 4 p.m. (four o'clock. Latvian time) of the next business day, following REPO margin call fixing, without any prior notice to the Client, to perform:

10.10.1. either termination of the REPO transaction;

10.10.2. or to top up the REPO transaction's security deposit to the level of the REPO discount rate with fund from any of Client's accounts with the Broker, including the Client's Current account.

10.11. If pursuant to clause 8.10 of the Regulations the ratio between the Repurchase price (amount) of the FI as subject of a REPO transaction and their market price (value) reaches the REPO critical coefficient value, the Broker is entitled to unilaterally terminate any REPO transaction at any time with notice to the Client about the termination of the REPO transaction.

10.12. If funds on the Client's Investment account are insufficient to fully repurchase the FI as subject of a REPO transaction on the Repurchase date, the Broker may at any time sell all FI as subject of the REPO transaction or a part thereof at a free price, without prior approval with the Client, and to transfer the funds obtained to the Client's Investment account less all amounts due to the Broker in relation to such REPO transaction.

11. RESPONSIBILITY OF PARTIES

11.1. The Broker and/or its employees are not responsible for the Client's losses, except direct losses incurred by the Client from the Broker's deliberate actions of violating or failing to fulfil provisions of the Agreement.

11.2. The Broker may deduct from the Client a penalty of 0.1% (one-tenth per cent) per day of the total amount payable in case of the Margin call situation and/or of any other payment due to the Broker and delayed by the Client. Payment of the penalties and fines does not release the Client from fulfilment of their liabilities, including the liabilities to eliminate the Margin call situation. The Penalty is calculated starting on the day following occurrence of the Margin call situation or of other outstanding liabilities of the Client until full repayment thereof.

11.3. The Client is responsible for their liabilities towards the Broker with all their property; the Broker is not responsible for the Client's liabilities towards third parties.

11.4. All of the Client's money and other funds (also financial instruments) that are or will be placed on the Client's accounts with the Broker shall act as financial collateral and shall be pledged to the Broker as financial pledge that the Broker would use to cover all liabilities towards the Broker, including but not only payment for the Broker's rendered services, the Broker's costs, interest, and losses that might be payable in favour of the Broker.

11.5. The Broker is not responsible for losses incurred by the Client due to fault of intermediaries and other third parties, including their failure to or delayed execution of the Broker's legally reasonable orders with FI or other operations with the Client's Assets placed with the intermediary, as well as the Broker is not responsible for any delays in Order execution, or settlements, or fulfilment of other liabilities under the Agreement where the Broker is not at fault.

11.6. The Broker is not responsible for failure to execute the Client's Order in the cases provided for in these Regulations or regulatory enactments of the Republic of Latvia.

11.7. All documents submitted to the Broker are verified; however, the Broker is not responsible for consequences of possible document forgery, insufficiency, wrong or incomplete preparation and/or interpretation.

11.8. The Broker is released from responsibility for partial or complete failure to fulfil provisions of the Agreement if such failure resulted from force majeure circumstances (fire, flood, earthquake, military actions, terror acts, riots, strikes, and other similar events and actions) that the Broker could not foresee or prevent and that directly affected its ability to fulfil its liabilities under the Agreement.

11.9. The Broker is not responsible for consequences caused by decisions of legislative or law enforcement authorities of the Republic of Latvia if they make it impossible to fulfil its duties according to the Agreement.

11.10. The Client is responsible for authenticity, precision, and completeness of all data provided to the Broker and undertakes to release the Broker and/or its employees from responsibility and compensate any losses incurred by the Client through failure to fulfil the requirements regarding provision of authentic and complete information.

12. GOVERNING LAW, CLAIMS, AND SETTLEMENT OF DISPUTES

12.1. In all relations not covered herein, the Parties shall be guided by legal acts of the Republic of Latvia, as well as respective foreign legal acts and regulations, as well as general practice on the markets where FI operations are conducted or where the Client's Assets are held (stored).

12.2. If according to regulatory enactments of the Republic of Latvia any provision of the Agreement is recognised as null and void, it shall not cause invalidity of other provisions of the Agreement and the Parties undertake to immediately replace the invalid provisions of the Agreement with equivalent.

12.3. The Client submits claims or complaints regarding execution of the Agreement to the Broker in writing not later than 20 (twenty) business days after the Client became aware or was supposed to become aware of errors or inaccuracies in regard to the service, provided by the Broker. The rest of the claims and complaints, which are not related to the correction of errors and inaccuracies, in regard to the execution of the Agreement, are submitted in accordance with the requirements of the regulatory enactments of the Republic of Latvia.

12.4. The Broker is entitled to request and the Client must submit to the Broker proof and documents verifying grounds for all of the Client's claims or complaints.

12.5. The Broker considers the Client's claim or complaint against it within 30 (thirty) calendar days after submittal of the claim or complaint and all documents requested by the Broker in this regard and informs the Client of the outcome in writing.

12.6. If the Client violated the terms or procedure for submitting claims and complaints set forth in clauses 12.3 and 12.4 of the Regulations, the Agreement execution conducted by the Broker is deemed to be proper, fully accepted and approved by the Client.

12.7. All disputes and arguments between the Broker and Client that is a legal entity, including those about compensation of losses, shall be settled in negotiations or in the manner described in clauses 12.3-12.6 of the Regulations and if no agreement is reached within 45 (forty-five) days after the dispute arises, such claims shall be submitted to the Court of Arbitration of the Association of Commercial Banks of Latvia (registered in the Register of Courts of Arbitration under No.40003746396), the claims would be considered in Riga, according to the Articles of Association of this Court of Arbitration, its regulations, and rules on costs of the Court of Arbitration of the Association of Commercial Banks of Latvia, based on written evidence and materials provided (written proceedings), the proceedings language at the Court of Arbitration is Latvian. All disputes and arguments between the Broker and Client that is an individual, including those about compensation of losses, shall be settled in negotiations or in the manner described in clauses 12.3-12.6 of the Regulations and if no agreement is reached within 45 (forty-five) days after the dispute arises, such claims shall be submitted to court of the Republic of Latvia.

13. BY SIGNING THE APPLICATION THE CLIENT CERTIFIES THAT:

13.1. the Client is informed, able to evaluate, and undertakes all risks related to Transactions with FI operations, including the risk of loss due to adverse market situation or adverse price fluctuations for specific assets and FI, due to failure or insolvency of intermediaries or FI issuers involved in the Client's transactions, due to nationalisation or blocking of the Client's Assets, due to insufficient market information, force majeure circumstances, or lack of liquidity on certain markets or specific assets; the Client undertakes all risks in above cases and the Client shall not submit their claims against the Broker regarding possible losses if the Broker properly fulfilled its liabilities towards the Client;

13.2. the Client independently makes all decisions on conduction of transactions. The Broker does not provide the Client with consultations or advice; the Client understands that the Broker is not and shall not be responsible for consequences of the Client's independent decisions;

13.3. the Broker provided the Client with complete information of services being rendered and the procedure of their rendering and the Client consents thereto;

13.4. the Client has read and agrees with the Broker's policy "Order Execution Policy";

13.5. the Client has read and agrees with the costs (Broker Tariffs) they might incur in relation to execution of the Agreement

13.6. the Client is informed of the Client status granted to them.

14. CHANGES (AMENDMENTS)

14.1. The Broker is entitled to unilaterally change (amend) the Regulations, Tariffs, Policy, and General Regulations for Transactions.

14.2. The Broker informs the Client of changes (amendments) to the Regulations, Tariffs, Policy, and General Regulations for Transactions by publishing them in the Broker's premises (Client service area), on the Broker's website (www.expobank.eu), or using other permanent information carrier or Internetbank to make sure that the Client has an opportunity to read them at least 10 (ten) days prior to them taking effect, unless agreed otherwise by the Parties.

14.3. If the Client does not agree with the changes (amendments), the Client may unilaterally terminate the Agreement before such amendments take effect notifying the Broker thereof in writing or in another manner agreed upon by the Parties and fulfilling all their liabilities towards the Broker under the Agreement (including payment of the commission fees). If the Client does not execute their right to unilaterally terminate the Agreement within 10 (ten) days as of the day when the Broker ensured the possibility for the Client to review changes (amendments) to the Regulations, Tariffs, Policy, and General Regulations for Transactions pursuant to provisions of clause 14.2 of the Regulations, it is believed that the Client has silently agreed with the changes (amendments) and thus has certified that the Client has no objections and claims against the Broker regarding such changes (amendments).

14.4. The Broker is entitled to unilaterally change (amend) the Regulations, Tariffs, Policy, and General Regulations for Transactions without prior notice thereof to the Client or without compliance with the notification terms specified in clause 14.2 of the Regulations if editorial amendments are introduced and references are added.

15. MISCELLANEOUS

15.1. The Client has rights for protection of his/her/its deposits and investments, according to the Deposit Guarantee Law of the Republic of Latvia and the Investor Protection Law. 15.2. The Agreement applies and is effective only regarding the Broker's services rendered to the Client or to FI types, for which the Broker granted the professional Client or eligible counterparty status to the Client.

15.3. If, for any reason, the Client lost the Broker's granted professional Client status regarding one of the Broker's rendered services or FI types, for which the Broker granted the professional Client or eligible counterparty status to the Client, the Parties agree and certify that the Agreement shall automatically expire regarding the Broker's services or FI types rendered to the Client, for which the Broker granted the professional Client or eligible counterparty status to the Client as of the day when the Client's said status is lost.

15.4. If as of the Agreement termination date pursuant to clause 15.3 of the Regulations, the Client has open positions for the FI, for which the Broker granted the professional Client or eligible counterparty status to the Client, the Broker is entitled to close such open positions and sell the FI at the market price (if the market price cannot be set, at a price set by the Broker), unless the Parties agreed on another procedure. The Client is not allowed to receive such services from the Broker or open new positions with such FI types, regarding which the Agreement has been terminated.

15.5. The Broker has the right to immediately withdraw unilaterally from the Agreement by notifying the Client thereof in accordance with the procedures specified in the Agreement if the Client for any reason lost the Broker's granted professional Client status regarding all Broker services rendered to the Client or FI types as of the day when said status of the Client is lost. If as of the Agreement termination date pursuant to clause 15.5 of the Regulations, the Client has open positions for the FI, the Broker may close such open positions and sell the FI at the market price (if the market price cannot be set, at a price set by the Broker), unless the Parties agreed on another procedure.

15.6. Any of the Parties may terminate the Agreement with notice thereof to the other Party within 10 (ten) calendar days in advance. The Agreement shall remain effective until the Parties will have fully executed their liabilities towards each other. The Agreement shall be binding for the successors of the rights of the Parties.

15.7. The Broker withdraw from the Agreement without additional notice to the Client if all of the Client's Current accounts are closed. Closure of Current Accounts is conducted in accordance with the Rules for Opening and Servicing an On-demand Deposit Account, which can be found on the Broker's website on the Internet (www.expobank.eu). 15.8. If the Client violates or fails to fulfil any of provision of the Agreement, the Broker is entitled to unilaterally terminate the Agreement by giving a prior notice to the Client, within the term specified in the notice.

15.9. If as of the Agreement termination time, the Client has open Futures contract positions or FI short positions, the Broker independently closes them all; if as of the Agreement termination time, REPO transactions were concluded with the Client, the Broker unilaterally terminates them and the Client had authorised the Broker to do so earlier in the Agreement.

15.10. Prior to termination of the Agreement, the Client undertakes to submit to the Broker an Order for FI transfer from the Financial instruments account. If the Client does not submit such Order, the Broker is entitled to sell the Client's FI at the market price (if the market price cannot be set, at a price set by the Broker) and to transfer the funds obtained, as well as all balances on the Client's Investment account, to the Client's Current account and then close the Client's Investment and Financial instruments accounts. The Client's authorization for the Broker to perform the above mentioned activities is included in the Application.

15.11. If as of the Agreement termination time, there are Assets operations with which were suspended by competent state authorities due to an institutional decision or other reasons beyond the Broker's control, the Agreement shall be suspended for the period of persistence of such circumstances after fulfilment of provisions of clauses 15.9 and 15.10 of the Regulations, as long as, in the Broker's opinion, it is necessary, except cases related to storage of the Client's Assets, including the Client's duty to pay commission remuneration and compensate all costs to the Broker.

15.12. In case of linguistic or interpretation disputes, contradictions or claims, the Regulations in Latvian, general legal principles of the Republic of Latvia and court practice shall prevail.