

**1. GENERAL PROVISIONS****Terms used in the Agreement:**

**Bank** - AS Expobank, reg. No. 40003043232;

**Customer** – a person who opened a current account with the Bank and who enters the Agreement on performing non-cash currency transactions;

**Parties** – the Bank and the Customer together;

**Account** – any current account the Customer opens with the Bank;

**Business day** – the day when the Bank performs banking transactions, including conclusion of transactions covered herein; and regarding the payment currency – the day when banks of respective countries – issuers of currencies (the currencies involved in transactions) are open for performing full-featured settlements and transactions;

**Value date** – the Business day when settlements related to Non-cash currency transaction are carried out; the date that the Parties agree upon on the Transaction date;

**Transaction date** - the date when the Parties concluded a Non-cash currency transaction;

**Confirmation** – a written document proving the fact of conclusion of the Non-cash currency transaction and containing all substantial provisions of the Non-cash currency transaction by agreed upon by the Parties;

**Regulations** – the General Regulations for Provision of Banking Services of the Bank;

**Non-cash currency transaction** (hereinafter – **NCT**) – a Currency transaction or Derivative currency transaction

**Currency transaction** - a transaction of buying or selling non-cash currency for another non-cash currency according to the Established exchange rate or a rate agreed upon by the Parties where the settlements take place:

- on the Value date that coincides with the Transaction date (TOD);

- on the Value date that is the Business day following the Transaction date (TOM);

- on the Value date that is the second Business day after the Transaction date (SPOT);

**Derivative currency transaction** (hereinafter – **DCT**) – a transaction of buying or selling a non-cash currency for another non-cash currency with settlements on a certain future date (*forward*), but not sooner than the third Business day as of the Transaction date, at a rate set and agreed upon by the Parties upon conclusion of the Transaction; or a *swap* transaction consisting of two opposing Currency transactions for the same amounts but with different settlement dates of such Currency transactions at exchange rates set and agreed upon by the Parties upon conclusion of the *swap* transaction.

**NCT currency** – any currency exchanged by the Bank;

**Established exchange rate** – an exchange rate unilaterally set and quoted by the Bank for execution of Currency transactions for all currencies exchanged by the Bank, which the Bank can freely changed during a Business day;

**Arranged exchange rate** – an exchange rate agreed upon by the Bank and the Customer over the telephone;

**Dealer** – a Bank employee authorised to conclude Non-cash currency transactions on behalf of the Bank;

**Order (limit order)** – An instruction for buying or selling a currency from or to the Bank at a rate set by the Customer. Orders are executed in future when the exchange rate reaches the level specified in the Order and are valid until their full execution or cancellation;

**Collateral** – an amount of primary reserve claim of the Bank towards the Customer, allocated to the Collateral account to guarantee fulfilment of the Customer's liabilities under Derivative currency transactions, and blocked by the Bank on the Collateral account until fulfilment of the Customer's liabilities under Derivative currency transactions;

**Minimal required coverage** – a minimal Collateral amount reaching which an Insufficient collateral situation (*margin call*) occurs. The Minimal required coverage makes up 50% (fifty per cent) of the Collateral;

**Insufficient collateral (margin call)** – the Bank's requirement to the Customer to increase their Collateral and supplement the Collateral account to the initial Collateral level set by the Bank;

**Collateral account** – a funds account opened by the Bank for allocation of the Customer's Collateral;

**Instruction** – the Customer's written instruction to conduct an exchange (execution of a NCT) that includes substantial provisions of the NCT.

1.1. The Customer's signature certifies that they have read the Agreement, terms and conditions hereof, the Regulations stated in clause 1.4 hereof and the Pricelist, understand them and agree with them, acknowledge them as binding upon themselves and undertake to comply with them.

1.2. The Customer's signature certifies that they understand, undertake and evaluate all risks related to NCTs and Orders, as well as fully understand and agree that conclusion of NCTs and Orders is related to use of electronic information transmission tools, telecommunications and software and that emergencies or failures of said communication channels might make execution of an NCT and/or Order impossible and that the Bank shall not be liable for such non-execution.

1.3. The Agreement takes effect once it has been signed by the Customer and the Bank.

1.4. Legal relations between the Parties are regulated by the Regulations as far as stated otherwise in the Agreement. In case of conflicts between provisions of the Regulations and of the Agreement, the latter shall prevail.

1.5. According to the Financial Instruments Market Law of the Republic of Latvia and Directive 2004/39/EC (MiFID), DCTs are equal to financial instrument transactions. Under this Agreement, the Customer willing to execute transactions with financial instruments (execute Derivative currency transactions) should fill in and submit to the Bank the Customer Form (for provision of broker services) in the form set by the Bank. The Bank will classify the Customer pursuant to the information provided in the Form and grant the Customer a status matching their professional level.

1.6. The Bank's policy includes provision of services related to financial instrument transactions only to customers that can be granted the professional customer or business partner status. If the Bank cannot grant one of these statuses to a potential customer, such customer cannot execute DCTs under this Agreement with the Bank.

1.7. The customer who is granted the professional customer or business partner status is notified thereof by the Bank and signs an Agreement on granting the professional status with the Bank.

1.8. The Customer accepts and agrees that the Customer's and Bank's operations under Derivative currency transactions (derivative financial instruments) are regulated by this Agreement, Regulations on provision of the Bank's broker services and by the Policy of order execution when providing the Bank's investment services. These documents are publicly available and are published on the Bank's website [www.expobank.eu](http://www.expobank.eu).

1.9. The Customer is responsible for authenticity and completeness of the data submitted to the Bank. The Customer should promptly notify the Bank of any changes to any information stated herein. In case of providing untimely, untrue or incomplete data, the Customer shall compensate the Bank all losses incurred by it due to that and the Bank is not responsible for the Customer's losses incurred due to untimely, untrue or incomplete information.

1.10. The Customer must pay the Bank a commission fee for the Bank's rendered services according to the Pricelist effective at the time, as well as compensate the Bank all expenses incurred by the Bank due to actions required to fulfil the Customer's Instructions and Orders and any other related expenses according to the Regulations. The Customer pays the commission fees and compensates expenses in the currency stated in the Pricelist or set by the Bank. The Bank may receive a fee for every service and executed transaction without the Customer's consent, without their Order or prior notice according to the Pricelist, as well as other amounts due to the Bank in relation to the services rendered to the Customer. The Bank writes off such amounts from any of the Customer's accounts with the Bank, besides, the Bank deducts the fee for the service rendered first and then executes the Customer's Instruction and/or Order.

1.11. The Bank accepts the Customer's applications (Instructions and Orders) for exchange (execution of NCTs) pursuant to terms and conditions of agreements entered by the Customer and the Bank, Regulations, Pricelist, the procedure described by the Bank's regulatory documents, as well as requirements of legal acts of the Republic of Latvia.

1.12. The Bank may amend these terms and conditions at any time with a written (also electronic) notice to the Customer 10 (ten) days prior to such amendments taking effect. If the Customer has not objected in writing (also electronically) to amendments to the terms and conditions within 10 (ten) days after the notice, it is considered that the Customer has agreed thereto. If the Customer objects to amendments to the terms and conditions, the Customer may unilaterally terminate the Agreement prior to the amendments taking effect. The Agreement is terminated not later than within 10 (ten) days after receipt of the Customer's notice. The Customer must fulfil all their liabilities towards the Bank before termination hereof. The Bank may unilaterally amend the Regulations, Pricelist and the Bank's regulatory documents as described in the Regulations.

**2. PROVISIONS FOR CONCLUDING AND EXECUTING NCT**

2.1. The Bank unilaterally determines the quoted Established exchange rate. The Bank and the Customer agree upon an exchange rate for performing an NCT that may vary from the Established exchange rate.

2.2. Upon conclusion of an NCT, the Parties agree upon substantial provisions thereof that must include:

2.2.1. amount and name of the currency to be bought or sold;

2.2.2. currency buying/selling rate;

2.2.3. type of NCT (TOD, TOM, SPOT, Swap, Forward, Order)

2.2.4. Value date;

2.2.5. Customer's current account with the Bank for NCTs;

2.2.6. Collateral amount, if provided under the Agreement.

2.3. Under the Agreement, the Customer may conclude NCTs with the Bank:

2.3.1. over the telephone with a Dealer (the Bank Dealer's telephone numbers +371 67043516, +371 67043539, +371 67043515);

2.3.2. by submitting a written Instruction/Order to the Bank in the form established by the Bank or in free form as per the Bank's requirements according to provisions of clause 2.7 hereof. Such Instruction/Order should include all substantial NCT provisions listed in clause 2.2 of the Agreement.

2.4. An NCT is considered concluded when:

2.4.1. the moment when the Instruction has been submitted to the Bank if the NCT is executed at the Established exchange rate; or

2.4.2. the Parties have agreed upon all substantial provisions of the NCT listed in clause 2.2 of the Agreement.

The concluded NCT obliges the Customer to buy or sell the currency pursuant to the Agreement.

2.5. When concluding an NCT over the telephone, the Dealer identifies the Customer asking the following information - the Customer's title, the Customer's current account number with the Bank or the Customer's identification number with the Bank and the Customer's password stated herein. The Parties agree on substantial provisions of the NCT mentioned in clause 2.2 of the Agreement.

2.6. The Customer is aware and agrees that the Bank records all telephone conversations between the Customer and the Bank on electronic carriers. In case of arguments regarding an NCT concluded over the telephone, the Parties shall recognise records of conversations with information mentioned in this clause hereof as unconditional proof of NCT conclusion and its provisions.

2.7. Immediately after concluding an NCT over the telephone pursuant to clause 2.5 hereof but not later than 5:00 p.m. Latvian time on the NCT conclusion day, the Customer shall submit to the Bank an NCT confirmation according to provisions of clause 2.12 hereof, represented by a written Instruction in the form established by the Bank or in free form as per the Bank's requirements stating all substantial provisions of the NCT listed in clause 2.2 hereof. Failure to submit the Instruction to the Bank does not release the Customer from the liabilities under the NCT. The NCT is considered concluded even if the Customer's confirmation is not submitted to the Bank within the term specified in this clause. The Bank may unilaterally recognise an NCT as not concluded and cancel it pursuant to clause 5 hereof.

2.8. If the Customer failed to agree upon an exchange rate with the Dealer over the telephone, the Customer may submit an Instruction to the Bank and ask there to conclude and execute the NCT at a special rate different from the Established exchange rate. In its term, having received said Instruction the Bank may unilaterally decide to execute the NCT at the special rate stated in the Customer's Instruction or to conclude and execute the NCT at the Established exchange rate.

2.9. If the Customer failed to state the exchange rate in the Instruction, the NCT is concluded at the Established exchange rate.

2.10. If the Bank detects that the substantial NCT provisions in the confirmation received by the Bank differ from those agreed upon over the telephone, the Parties settle their dispute on the same day. The Bank electronically notifies the Customer of such differences and the Customer should resend the Instruction with the transaction provisions agreed upon over the telephone upon conclusion of the NCT.

2.11. If the Bank can execute an Order, the Customer may submit it. To ensure fulfilment of the Customer's liabilities, the Bank blocks on the Customer's Account an amount equivalent to the Order amount required for execution of the Order and deducts the Order execution fee (commission). Once the exchange rate reaches the value specified in the Order, the Order is executed automatically. The Customer may revoke an unexecuted Order by submitting a respective instruction.

2.12. The Customer sends the Instruction/Offer to the Bank by using remote account management tools (via the Online Bank authorised with the electronic signature) or by sending a written document bearing the Customer representative's seal and signature.

2.13. When concluding a NCT, the Customer must ensure funds on the Customer's account sufficient for execution of the NCT and for allocation of the Collateral amount on the Collateral account.

2.14. The Bank's liabilities under NCTs are only due when the Customer has fulfilled their liabilities.

2.15. An NCT is considered executed after the settlements according to provision of the transaction concluded.

### **3. ADDITIONAL PROVISIONS FOR CONCLUDING AND EXECUTING DCT**

3.1. For the purposes of conclusion of DCTs, the Bank opens the Customer the Collateral account and the Customer must ensure the Collateral amount set by the Bank on the Collateral account.

3.2. The minimum DCT amount is USD 100,000.00 (one hundred thousand US dollars) or an equivalent amount in another currency.

3.3. If the market value of a DCT changes so that the absolute amount of current loss reaches or exceeds the difference between the Collateral and the Minimum required coverage, the Bank notifies the Customer of Insufficient collateral (margin call). Notice to the Customer about changes to the DCT market value is a right and not an obligation of the Bank. The Customer must independently follow the DCT market value. If the DCT market value decreases to the Insufficient collateral (margin call) level, the Customer must supplement the Collateral account to reach the Collateral level.

3.4. In case of current losses with the absolute value of 70% (seventy per cent) or more of the Collateral, the Bank may close DCT positions without notice to the Customer.

3.5. If the amount of funds earned from DCT execution and the Collateral account balance do not allow compensating the Bank's loss, the Bank may compensate its loss by writing off any other monetary and other funds of the Customer with the Bank pursuant to the Regulations.

3.6. The Customer's all monetary and other funds (including financial instruments) that are or will be available on the Customer's Collateral account with the Bank shall act as financial collateral and are pledged to the Bank as financial pledge that the Bank uses for fulfilment of the Customer's liabilities, for coverage of all liabilities of the Customer towards the Bank, including but not only fee for the Bank's rendered services, expenses, costs, interest and losses of the Bank that are due in favour of the Bank.

### **4. CANCELLATION OF NCT**

4.1. The Customer may ask to cancel an NCT concluded over the telephone on the Transaction date before the NCT confirmation has been sent to the Bank in a written Instruction and after the NCT cancellation has been agreed upon with the Dealer over the telephone. In this case, the Customer must submit to the Bank an Instruction for completion of the NCT and the NCT cancellation letter stating information identical to that in the Instruction; the Customer should state "Cancel NCT" in the "Information for the Bank" field. The Bank may reject the Customer's NCT cancellation or cancel the NCT and the Bank may write off all expenses and losses of the Bank resulting from the NCT cancellation without the Customer's consent and the Customer's order.

4.2. Only NCTs that have not been executed may be cancelled.

### **5. RIGHTS OF BANK**

5.1. The Bank may reject execution of an NCT. In this case, the Bank is not obliged to explain the rejection reason to the Customer.

5.2. The Bank is entitled not to execute a concluded NCT and cancel it in the following cases:

5.2.1. if the Bank does not receive the Customer's Instruction until 5.00 p.m. Latvian time of the Transaction date;

5.2.2. if NCT provisions stated in the Instruction contradict provisions of the concluded NCT the Parties agreed upon over the telephone or the written Instruction does not meet the Bank's requirements;

5.2.3. sufficient funds for execution of the Customer's liabilities under the NCT on the Customer's account;

and the Bank is not obliged to inform the Customer of its decision.

5.3. If the NCT is not performed and is cancelled in the cases listed in clause 5.2 hereof, the Bank may write off all expenses and losses of the Bank resulting from the NCT cancellation without the Customer's consent and the Customer's order from any of the Customer's accounts with the Bank. The volume of the Bank's expenses and losses mentioned in this clause is calculated taking into account the difference between the Arranged exchange rate and the rate the Bank applies to perform the opposite currency exchange.

### **6. FINAL PROVISIONS**

6.1. When concluding a NCT, the Customer undertakes all risks related to the NCT that may cause losses to them.

6.2. Each Party independently controls use of communication tools and remote account management tools. The Parties undertake responsibility for actions of the persons who have access to remote account management systems. The Parties are responsible and liable for the NCTs concluded by any persons who have acquired access to said systems pursuant to this Agreement.

6.3. The Parties undertake responsibility for failure to fully or partially fulfil their liabilities under the Agreement in accordance with provisions hereof and effective legal acts of the Republic of Latvia.

6.4. Throughout execution hereof, the Parties act according to current material and procedural legal norms of the Republic of Latvia. The Parties shall settle all disputes arising throughout validity hereof in negotiations. If a decision acceptable for both Parties cannot be reached in negotiations, the Parties may file such dispute, at the claimant's choice, in court of the Republic of Latvia or in the Court of Arbitration of the Association of Commercial Banks of Latvia (registered with the Arbitration Court Register under the No. 40003746396). If the respective dispute is passed to the Court of Arbitration of the Association of Commercial Banks of Latvia, such dispute shall be considered in Riga, pursuant to the Statutes, rules and regulations on the ACBL Court of Arbitration costs, in the presence of one arbitrator, based on written evidence and files (proceedings in writing) submitted; the language of the proceedings shall be Latvian.

6.5. The Agreement is signed for an indefinite term.

6.6. Each of the Parties may unilaterally terminate the Agreement without explaining the termination reason and with notice to the other Party 10 (ten) days in advance.

6.7. The Agreement is terminated automatically if the Bank terminates business relations with the Customer and all of the Customer's accounts with the Bank are closed.

6.8. In any case, termination of the Agreement shall not release the Customer from the liability to pay the Bank all commission fees due to it, compensate all expenses, cover all losses and fulfil all liabilities that have arisen during validity hereof.

6.9. The Agreement is prepared in 2 (two) copies in English with equal legal effect. One copy is stored with the Bank and the other – with the Customer.

6.10. If any clause of the Agreement becomes null and void or comes into conflict with legal requirements due to amendments to legal acts of the Republic of Latvia, only such clause will become null and void, whereas the remaining part hereof shall remain effective.