

## **General conditions of the contract for financial transactions and posting of collaterals**

### **1. General provisions**

- 1.1.** The Contract provides the procedure for Transactions between the Bank and the Client and for posting of collateral(s) for these Transactions, the rights and obligations of the Contracting Parties arising from the Transactions, and the liability of the Contracting Parties in case of failure to fulfil or improper fulfilment of obligations. The Contract applies to Securities only in the framework of transactions with derivative instruments.
- 1.2.** A precondition for the conclusion of the Contract is an Account held by the Client in the Bank, and on the basis of the nature of the Transactions also a securities account or a deposit account opened in the Bank at the request of the Bank, and a duly filled Form submitted to the Bank by the Client upon such request of the Bank.
- 1.3.** The conclusion of Transaction(s) and posting of collateral(s) is based on the conditions of the Contract.
- 1.4.** In case of contradictions between the conditions of the Contract and the conditions of a Transaction, the conditions of the Transaction shall prevail.
- 1.5.** Each Transaction is a separate agreement between the Contracting Parties.
- 1.6.** The Bank shall have a discretionary right to decide, which currencies, securities or other Financial Assets shall be used in Transactions. The Bank shall have the right to opt out from Transactions with certain Financial Assets at any time. The Bank shall also have the right to establish or modify existing restrictions, limits (incl. transaction or position limits) and requirements (including requirements to the Collateral) concerning the Transaction, including the volume of Transactions and/or term of performance, and to restrict or prohibit making of a certain Order, depending either on the type or the time of making the Transaction Order, on the classification of the Client, on the financial instrument or the Transaction value.
- 1.7.** In all the relationships between the Contracting Parties, which are not governed by the Contract or Transaction(s), the provisions of the General Conditions of the Bank and the legislation of the Republic of Estonia shall apply.
- 1.8.** By signing the Contract the Client confirms that the terms and conditions of the Contract were disclosed to the Client in writing or in another durable medium available to the Client in a reasonable time prior to the conclusion of the Contract, and the Client accepts them and undertakes to fulfil them.
- 1.9.** A Client as a consumer confirms supplementarily by signing the Contract that the Bank has informed them, including the following:
  - 1.9.1. the Bank seat, where a Client as a consumer can submit complaints;
  - 1.9.2. about service options;
  - 1.9.3. liability of the Bank and the scope thereof;
  - 1.9.4. about the terms and conditions for cancellation of the Contract.
- 1.10.** In case of a Professional Client the Bank expects the Professional Client to have for the respective Transaction or Security the relevant level of knowledge and experience that is in conformity with their investment objectives, and the Professional Client to be financially capable of bearing the related risks. The Client is obliged to inform the Bank of changes, which could affect their treatment as a Professional Client.
- 1.11.** On the basis of the Contract the Bank does not provide the Client with portfolio management, investment counselling or tax counselling services, wherefore the Client shall have independent responsibility for making the decisions related to their assets, incl. becoming familiar with the information required for making investment decisions and arranging the conclusion of Transactions with the financial instruments included in their assets.
- 1.12.** The Client may communicate with the Bank and receive documents and information in the Estonian and/or English and/or Russian language.
- 1.13.** The titles of Contract chapters and clauses are only intended for facilitating the reading thereof and shall have no significance whatsoever for the interpretation of the contents of chapters or clauses.
- 1.14.** If the text of the Contract refers to parts, chapters or clauses, then the parts, chapters or clauses of this Contract are meant, unless there is a direct reference to another document.
- 1.15.** The words and concepts written with the initial capital letter in the Contract text, Transactions and Transaction statements are used in the meaning provided in clause 2 of the general conditions of the Contract, unless it appears otherwise from the context. Words in singular can have a plural meaning and vice versa, as required by the context..
- 1.16.** The Bank confirms that the Bank holds an activity license. Supervision over the Bank is conducted by the Financial Supervision Authority (located at Sakala 4 Tallinn 15050 Estonia; [www.fi.ee](http://www.fi.ee)).

## 2. Concepts

- 2.1. **Form** – a form with questions to estimate the competence and suitability of the Client (including experience, knowledge, investment objectives, etc.) in order to determine the scope of provision of the investment service according to the Securities Market Act § 87 clause 1.
- 2.2. **Bank Account** – a bank account tied with the Contract, opened for the Client in the Bank. In case of insufficient funds on the Bank Account for making a respective payment under the Contract, the Bank shall have the right to deem other bank accounts of the Client which are unnamed in the Contract as the Bank Account and to transfer the respective payments to the account(s) of the Bank from the bank account(s) of the Client which are unnamed in the Contract.
- 2.3. **Professional Client** – a Client, who fulfils the conditions of a professional client provided in the Securities Market Act and is qualified to make their own decision over the relevance or suitability of their investment decision and the entailed risks and/or whom the Bank has classified as such. A Professional Client may apply for their treatment as a Retail Client for all or part of the investment services and/or Securities, if they consider themselves incapable of adequate assessment or management of risks related to an investment service, Security and/or Transaction. The Bank shall notify the Client about the change in the status.
- 2.4. **EMIR** – the Regulation No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and its sub-instruments.
- 2.5. **Financial Asset** – currency, Security, interest rate, credit, index, raw material or rights and obligations related thereto or a combination of several of those aforementioned or other assets/indicators/variables forming the basis of the Transaction and commonly used as an underlying asset on international financial markets.
- 2.6. **Price List** – payment rates established by the Bank for the payment for services by the beneficiary of the respective service. The Bank may change the Price List. The Price List is published on the Bank Website.
- 2.7. **Client** – a legal or natural person who has concluded a Contract with the Bank. Clients are again divided into Retail Clients and Professional Clients.
- 2.8. **Correction Event** - each of the following events: a change in the index calculation method or in its composition; merger, division, restructuring, termination, bankruptcy, increase and decrease of the stock capital of an issuer; increase and decrease of the nominal value of the security which is the object of the Transaction; replacement of one currency with another; trade interruption on a regulated securities market or in a multilateral trading facility; another event in which case the performance of the Transaction under the agreed conditions is temporarily or continuously impossible for reasons beyond the control of the Parties. Occurrence of force majeure events shall not be deemed as a Correction Event.
- 2.9. **Contract** – this contract for Financial Transactions and posting of collaterals together with its existing or possible future concluded appendixes.
- 2.10. **Contracting Party** – the Bank or the Client.
- 2.11. **Contracting Parties** – the Bank and the Client together.
- 2.12. **Bank Website** – the Bank website [www.versobank.com](http://www.versobank.com) and its sub-pages.
- 2.13. **Banking Day** – a day, when monetary markets and credit institutions are open for making transactions in Estonia and in other countries of currencies in which the transaction is performed.
- 2.14. **Bank** –Versobank AS (registry code 10586461)
- 2.15. **Procedures** – procedures for the best execution of Client orders for the execution of purchase or sales orders for securities at the best possible conditions, published on the Bank Website.
- 2.16. **Collateral** - means a Collateral Deposit or Financial Asset pledged for the benefit of the Bank by the Client (or a third party) for the fulfilment of Client's obligations arising from Transactions, or another asset accepted by the Bank or collaterals posted for due fulfilment of Client's obligations arising from Transactions.
- 2.17. **Collateral Deposit** – means financial resources transferred by the Client to the Bank as a prepayment, collateral transfer, financial asset or in any other form to guarantee the fulfilment of Client's obligations arising from Transactions.
- 2.18. **Collateral Amount** – available unpledged monetary resources on the Bank Account of the Client as stipulated in the Contract, necessary for securing the Transaction(s). The Bank shall have the right to make transfers to the Collateral Deposit on account of the Collateral Amount.
- 2.19. **Collateral Contract** – is a contract according to which the Client or a third party pledges Financial Assets or other assets accepted by the Bank or posts collateral in another way for the purpose of securing the due fulfilment of Client's obligations resulting from a Transaction.

- 2.20. Retail Client** - a Client who meets the criteria of a retail client stipulated in the Securities Market Act and who is not expected to have adequate knowledge or experience to assess by themselves the suitability of their investment decision with their financial situation and investment objectives or to weigh by themselves all the risks entailed with the investment and/or whom the bank has classified as such. The status of a Retail Client provides the person with more extensive investor protection.
- 2.21. Transaction(s)** - Transactions concluded for Financial Assets (including derivatives) on the basis of the Contract.
- 2.22. Transaction Confirmation** – a confirmation delivered by the Bank to the Client about the conclusion of a Transaction on the basis of a Transaction Order.
- 2.23. Transaction Order** – instruction given by the Client to the Bank pursuant to the conditions of the Contract for the conclusion of a Transaction.
- 2.24. Security** – a transferred proprietary right, obligation and/or contract provided in the Securities Market Act § 2, enabling the conclusion of Transactions.
- 2.25. Value Date** – a Banking Day when monetary transactions are made according to the conditions of the Transaction.
- 2.26. Transfer Order** – an irrevocable transfer instruction from the Client as a mandator and remitter to the Bank as an account manager and beneficiary under the Contract for the transfer of amounts under the Contract by the Client from the Client's Bank Account(s) in the Bank to the account(s) of the Bank and from the Client's account to the Collateral Deposit.

### 3. Risks

- 3.1.** Conclusion of Transactions may entail material risks for the client. The value of transactions is affected by several factors, such as the variability of currency exchange rates, interest rates, security rates and prices of goods. In the conclusion of transactions the financial loss resulting from a Transaction can be substantially higher from the invested assets.
- 3.2.** The Client confirms that the bank has informed them prior to the conclusion of the Contract about the risks entailed with Transaction(s) and the Client has fully understood these. The information about the risks entailed with financial instruments is also published on the Bank Website.

### 4. **Conflict of interests**

- 4.1.** In the conclusion of transactions the Bank may become the counterparty of a Transaction and/or in the conclusion of a Transaction hold interests that are contrary to the interests of the Client. By signing the Contract the Client gives an explicit consent to the Bank not to inform the Client of a situation, where the other party in a Transaction concluded on the basis of an order of the Client is the Bank and/or the Bank holds interests that are contrary to the interests of the Client.
- 4.2.** The Client confirms that each time prior to the conclusion of a Transaction, they have become familiar with the Procedures and a summary description of the Procedure for avoiding conflicts of interests, which are published on the Bank Website and are available on paper in the service premise of the Bank, and accepts these.

### 5. **Transaction procedure**

- 5.1.** The Bank shall receive Transaction Orders and conclude Transactions with the Client on every Banking Day from 09.00 to 17.00.
- 5.2.** Outside the time period named in clause 5.1 the Client can conclude Transactions only by a relevant consent of the Bank..
- 5.3.** Transaction Orders delivered outside the time period named in clause 5.1 shall be executed by the Bank at the earliest opportunity. The Bank shall not be liable for damages that could be incurred by the Client for later execution of such Transaction Order.
- 5.4.** For the delivery of a Transaction Order, the Client shall contact the Bank by telephone or through another means of communication accepted by the Bank, and shall submit to the Bank the material conditions of the desired Transaction and other data requested by the Bank. The Bank shall have the right to request from the Client the codes necessary for the identification of the Client and other identifiers that would enable identification of the Client.
- 5.5.** In case the Client submits a Transaction Order to the Bank in a way other than by telephone, the Transaction Order submitted by the Client shall be deemed received by the Bank from the moment, when the Bank has confirmed receiving thereof. Should the Client doubt if the Bank has received the Transaction Order, the Client undertakes to contact the Bank on its own initiative by telephone to verify the circumstances.
- 5.6.** The Client is obliged to ensure that Transaction Orders are submitted to the Bank in the name and on behalf of them only by authorised persons. The Bank shall be justified to proceed on the basis of

- each Transaction Order submitted in a way named in the Contract, for which the Bank can presume in good faith that it was submitted by the Client. In case of reasonable doubt the Bank may contact the legal representative of a Client with legal personality, or the Client itself, who is a natural person, and request a confirmation for the Transaction Order.
- 5.7.** Upon receipt of a Transaction Order, the Bank shall identify the Client with care and attention that is generally applied in the provision of investment services.
- 5.8.** Prior to the execution of a Transaction Order the Bank shall have the right to request and the Client shall be obliged to submit to the Bank the documents that prove the legal origin of the money and/or Securities to be used in the Transaction. The Bank shall have the right to abstain from executing the Transaction Order, should the Client not prove pursuant to the request of the Bank the legal origin of the money and/or Securities to be used in the Transaction.
- 5.9.** If the Transaction Order submitted by the Client is inadequate, the Bank shall have the right to decide on the method of execution of the Transaction Order, proceeding from practice or custom, or have the Transaction Order not executed. The Bank shall not be liable for possible damages incurred by the Client from an executed or non-executed Transaction Order in a case named in this subsection.
- 5.10.** The Bank may refuse from accepting a Transaction Order of the Client in full or in part, notifying the Client thereof in a reasonable time, including in case the specific Transaction and/or service is by the professional estimation of the Bank not suitable and/or relevant for the Client, considering the type, knowledge and experience of the Client. The Bank is not, among other, obliged to accept a Transaction Order and/or shall have the right to not to execute a received Transaction Order, should at least one of the circumstances named below occur:
- 5.10.1. The Client has a debt to the Bank, arising from the Contract or a Transaction or another contract concluded with the Bank,
- 5.10.2. The Transaction Order does not correspond to the conditions of the Contract or to the requirements of legislation or to the legal instruments or procedures of stock exchanges, securities transfer organisations or other competent authorities,
- 5.10.3. the Transaction Order does not indicate explicitly the will of the Client,
- 5.10.4. the Transaction Order contains obvious errors in information,
- 5.10.5. the Bank has reasonable doubt of the identity of the Client or Client's representative,
- 5.10.6. the Client has failed to fulfil by the date set by the Bank the request of the Bank to submit supplementary data and/or documents that are regarded by the Bank as necessary for the execution of the Transaction Order,
- 5.10.7. The Client has failed to fulfil obligations under the Contract and/or the Bank has a reason to believe that the Client will be unable to fulfil obligations under the Transaction,
- 5.10.8. The Transaction Order cannot be executed on account of a market situation and/or other circumstances beyond the control of the Bank;
- 5.10.9. The respective accounts of the Client are lacking funds for the execution of the Transaction Order, including for the provision of the prescribed Collateral or for the payment of the service fees of the Bank;
- 5.10.10. The Bank has submitted to the Client or has received from the client a notice for the cancellation of the Contract;
- 5.10.11. The Bank has a reason to believe that the client has submitted the Transaction order for the purpose of market abuse.
- 5.11.** The Transaction Orders for Securities by a Retail Client shall be executed by the Bank pursuant to the Procedures.
- 5.12.** The Transaction Orders for Securities by a Professional Client shall be executed by the Bank pursuant to the Procedures, except in case the Bank lists the price unilaterally or conducts negotiations with the Professional Client over the conditions of a respective Transaction to which one of the parties is the Bank.
- 5.13.** If the Bank has given to the Client a deadline for the elimination of circumstance(s) that hinder the execution of a Transaction Order and the Client has failed to eliminate duly the above-named circumstance by the due term set by the Bank, the Transaction Order shall be deemed cancelled.
- 5.14.** A Transaction shall be deemed concluded and shall enter into force from the moment of reaching an agreement over the material conditions of the Transaction. Transactions shall be concluded, irrespective of whether the Bank had received the Transaction Confirmation. After reaching an agreement over the Transaction conditions, the Client shall not have the right to refuse from the execution of the Transaction or to request modification of its conditions. Should the Client have doubts over the conclusion or performance of the Transaction, the Client undertakes to contact the Bank by telephone for the verification of circumstances.

- 5.15.** By submitting a Transaction Order the Client confirms that:
- 5.15.1. they accept the recording and tape-recording of delivered messages concerning the Transactions and Transaction Orders submitted by them, including telephone calls, and the use of these recordings as well as Transaction Orders and Transaction Confirmations sent by fax or e-mail as evidence of the conclusion and contents of Transactions and in case of disputes arising from Collateral;
  - 5.15.2. they are aware of the financial risks which the Transactions entail and consider the legislation applicable to the Transactions, the practice of the respective market, procedures of the trading place and depository, and their knowledge and experience with the Financial Instruments that form the basis of the Transaction.
- 5.16.** The Bank shall have the right to forward the Transaction Order of the Client for execution to a third party who provides investment services, or to provide the Client with an access to some trading venue either directly or through a third party.
- 5.17.** If the Client has not specified the term of validity of the Transaction Order submitted to the Bank for Transaction mediation, then in general the Transaction Order submitted by the Client shall be valid until the end of the normal working hours of the workday when the Transaction Order was submitted.
- 5.18.** The Bank may be the other party in a Transaction mediated to the Client on the basis of a Transaction Order. The Client agrees that the Bank is not obliged to inform the Client of a situation, where the other party in a Transaction mediated to the Client on the basis of a Transaction Order is the Bank itself.
- 5.19.** The Bank shall not be responsible for damages or costs incurred by the Client due to changes in the price of the Financial Asset or in other market conditions in the period between receiving and executing the Transaction Order.
- 5.20.** In case of a Correction Event the Bank shall have the right to correct the conditions of an unfinished Transaction without a Transaction Order from the Client, for the purpose of restoring the initial ratio of obligations arising from the Transaction to the Contracting Parties, or the content, proceeding from the good custom and practice valid on international financial markets. Upon the correction of Transaction conditions the Bank shall inform the Client of the nature of the Correction Event and about the changes in the conditions of the Contract.
- 5.21.** The Bank shall formalise a Transaction Confirmation about the performed Transaction and forward it to the Client generally on the day of performing the transaction either by e-mail, through the internet bank or another agreed means of communication, except in case the Client has opted out from receiving the Transaction Confirmation or if issuing of the Transaction Confirmation is not required by the nature of the Transaction or by law. Transaction Confirmations sent by e-mail or through the internet bank shall be deemed received on the day of sending. If the day of sending is not a Banking Day, the Transaction Confirmations shall be deemed received on the first Banking Day following the day of sending. In general, a transaction confirmation does not require the signature of the Bank.
- 5.22.** If the Client has not provided their e-mail address to the Bank or if e-mails cannot be delivered to the provided e-mail address, the Confirmation is available for the Client on paper in the Bank at the address Hallivanamehe 4, Tallinn, Estonia.
- 5.23.** The Transaction Confirmation is a supplementary evidence of the terms and conditions of the respective Transactions, but it does not replace or change the terms and conditions agreed on upon receiving the Order. In case of contradictions between the terms and conditions described in the Transaction Confirmation and those agreed on upon receiving the Order, the Contracting Parties shall proceed from those agreed on upon receiving the Order, incl. using the recording(s) of respective phone call(s) or data from the electronic system used for receiving the Order.
- 5.24.** The Bank is not obliged to indicate in the Transaction Confirmation if the Bank had been the other party in the Transaction and/or if the Bank has interests contrary to the interests of the Client.
- 5.25.** If the Client has not notified the Bank about a non-conformity between the data contained in the Transaction Confirmation and the agreed terms and conditions in 24 hours from submitting the Transaction Confirmation, it is deemed that the Client has accepted the data contained in the Transaction Confirmation and the Transaction is deemed confirmed by both Contracting Parties. The Client should consider that even in case of duly submitted notification to the Bank about disagreement with the data presented in the Transaction confirmation, the Bank may be unable to change the Transaction.
- 5.26.** The Client undertakes to notify the Bank immediately, if a Transaction Confirmation forwarded to the Client by the Bank is inaccurate or if the Client cannot receive the Transaction Confirmation. The Client is responsible for damages incurred with the failure to notify about incurred damages.

5.27. The Client undertakes to confirm the Transaction Confirmation immediately, but not later than on the next Banking Day by fax or through e-mail or submit an original signed Transaction Confirmation, unless agreed otherwise by the Contracting Parties about the procedure of giving the consent to data contained in a Transaction Confirmation. If a Transaction Confirmation has been sent by fax or through e-mail, the Client is obliged to submit to the Bank a Transaction Confirmation supplied with original signatures upon first such request of the Bank. Failure to return the Transaction Confirmation shall not render the Transaction void.

## 6. Liability of the Client

- 6.1. The Client decides, whether the specific Transaction should be concluded or not, and shall be liable for the selected type of Transaction.
- 6.2. The Client shall be liable for all damages and/or expenses arising from Transactions, irrespective of whether the Bank had or had not recommended to the Client the conclusion of the respective Transaction.
- 6.3. The Client shall be responsible for finding the information relevant to the issues named in this clause and for consulting with financial counsellors if needed. The Bank shall not be responsible for contacting the Client concerning the information about the market, currency and/or stock exchange, including in relation to loss arising from Transaction(s).

## 7. Representatives of the Client

- 7.1. The representatives of the Client, their specimen signatures and contact details are fixed in the Contract. In the Contract the Client shall have the right to specify limitations to the scope of representation of the representatives. In case there are no limitations specified to the scope of representation, each of the representatives shall have the right to represent the Client in relationships with the Bank in all agreements and Transactions concluded under the Contract, incl. to initiate Transactions and sign Transaction Confirmations.
- 7.2. The Client shall have the right to cancel authorisations granted to representative(s) and/or to appoint new representatives. The Client is obliged to inform the Bank in writing of any changes in and/or to the persons with representation right, presenting the documents underlying the changes in and to the representation right to the Bank in writing. If the above-named documents have been submitted to the Bank at conditions satisfactory to the Bank, supplementary formalisation of an Appendix to the Contract about changes in representation right is not necessary, except in case of the appointment of a new representative named in clause 7.4 of the general conditions of the Contract.
- 7.3. Cancellation, changing a representation right and/or granting new authorities shall enter into force in relation to the Bank upon receipt of the Client's written notice by the Bank, this also in case the notice about the change in representation authority has been published in *Ametlikud Teadaanded*, an entry is made in a public register, information thereof has been published in mass media and/or there is an effective judicial decision about the representation right.
- 7.4. The notice about the appointment of a new representative should state the first name and surname of the new representative, their personal ID code, the date of birth in case the former is missing, postal address, telephone number and e-mail address. Additional persons shall be regarded as the representatives of the Client from the moment the Bank has received the respective written notice from the Client and the specimen signature of the new representative has been fixed in the Contract.

## 8. Responsibilities of the Client

- 8.1. The Client is responsible for:
  - 8.1.1. following the provisions in the Contract and in the General conditions of the Bank;
  - 8.1.2. making sure that there are funds on their Bank Account(s) that are required for the performance of Transaction(s) or other non-monetary funds accepted by the Bank, not later than on the Value Date of the Transaction;
  - 8.1.3. notifying the Bank immediately of all the changes in the data presented to the bank, in the form provided in the Contract;
  - 8.1.4. A Professional Client is responsible for notifying the Bank of changes that could affect their treatment as a Professional Client. Should it come to the knowledge of the Bank that the Client no longer meets the criteria established for Professional Clients, the Bank shall apply to the Client the provisions of Retail Clients according to the changed circumstances.
  - 8.1.5. Present financial statements to the Bank for proof of their solvency upon such request of the Bank;

- 8.1.6. establish Collateral(s) for the benefit of the Bank as a security for due fulfilment of obligations under the Contract, pursuant to the conditions provided in the Contract and with due dates and in amounts prescribed by the Bank.
- 8.1.7. inform the Bank immediately in writing about the following events:
  - 8.1.7.1. judicial, execution or bankruptcy proceedings have been initiated against the Client;
  - 8.1.7.2. existence of other circumstances that could hinder and/or impair the due fulfilment of Client's Contractual obligations to the Bank;
  - 8.1.7.3. the Client with legal personality is undergoing a merger, division or restructuring;
  - 8.1.7.4. the competent organ of the Client with legal personality adopts the decision to terminate and wind up the Client and/or files an application to a court of law for declaring themselves bankrupt.

## **9. Settlements on the Bank Account of the Client**

- 9.1.** Under the Contract the Client as a mandator and remitter shall provide the Bank as the account manager and payment beneficiary with an irrevocable transfer instruction for the transfer of amounts paid under the Contract from the Client's Bank Account(s) in the Bank to the account(s) of the Bank and from the Client's Bank Account to the Collateral Deposit for the fulfilment of the obligations of the Client and execution of the rights of the Bank, and convert the money on the Bank Account(s) from one currency to another as needed pursuant to the exchange rates and service fees in the price list of the Bank. The transfer instruction is valid until the expiry of the Contract.
- 9.2.** The Bank shall conduct all the calculations required for determining the amount of obligations arising from Transactions and ancillary activities (incl. provision of a Collateral, changes to it or amounts due to be paid in case of extraordinary cancellation of the Contract) or for determining the value of rights. In case of references to a certain index value, a certain interest rate, market price or exchange rate of a certain Financial Asset, such index value, interest rate, market price or exchange rate of a Financial Asset shall be determined by the Bank in good faith according to their own professional assessment.
- 9.3.** The Bank is not obliged to credit or debit the securities account and/or the Bank Account of the Client before the Bank has received from the settlement system operator, payment agent or depository who operates in the respective market a confirmation acceptable for the Bank about the final execution of the Transaction and/or settlement. In case of Transactions with certain Financial Assets, the Client should consider that there may be delays in the settlement of Transactions due to the practice prevailing in the market.
- 9.4.** A Party shall settle the payment obligation arising from a Transaction executed under an Order in the currency in which such payment obligation is expressed, unless established otherwise in the conditions of the Transaction.
- 9.5.** The Client undertakes to keep on their Bank Account monetary resources that are sufficient for the settlement of payments and/or fees arising from the Contract and Transactions.
- 9.6.** Should the Client fail to fulfil their financial obligations to the Bank under the Contract by the due term, the Bank shall have the right to terminate the Contract and/or Transaction(s) and set off the liabilities of the Client, incl. loss arising from closing the Transaction(s) from the monetary recourses in the Collateral Deposit of the Client.
- 9.7.** If the resources in the Collateral Deposit of the Client are insufficient for due fulfilment of the liabilities of the Client under the Contract, the Bank shall have the right to execute any recovery, set-off or pledge right held by the Bank in relation to any assets of the Client that are in the possession of the Bank.
- 9.8.** Should the Bank have a reasonable doubt about the legitimacy of the origin of the money used for settlements, the Bank may request from the Client information and/or documents that prove the legitimacy of the origin of the money. Until the delivery of the requested information and/or documents the Bank shall have the right to refrain from executing the orders of the Client.
- 9.9.** If a Transaction contains reciprocal obligations of the Contracting Parties, subject to settlement on the same day, the Bank shall have the right to request a prepayment from the Client. Should the Client fail to settle the prepayment named in this subsection as due, the Bank shall not undertake to be the first to pay its obligation under the respective Transaction..
- 9.10.** The Bank shall have the right, but not the obligation, to perform a Transaction or another activity on the account of the Client without a Transaction Order of the Client, should this be necessary in cases provided in legislation or reasonably required for the protection of the interests of the Client or for the prevention of a violation or redressing the violation of an obligation of the

Client. The Bank shall have the right to make correction entries in the Client account(s) without a Transaction Order of the Client, should the Bank discover an error in the execution of a Transaction Order or if an entry has been made in the Client account without a legal basis. The Bank shall inform the Client about correction entries made and shall store the information about all errors and correction entries.

#### **10. Set-offs in a transaction**

- 10.1.** If a Transaction contains same types of claims of the Contracting Parties, which are subject to settlement on the same day, the Bank may set off the difference of the respective claims or balance by debiting to the Client account or by crediting from the Client account. The amount subject to payment from the Client to the Bank or from the Bank to the Client is calculated by the Bank.
- 10.2.** If two or more Transactions have been concluded under the Contract, which by the estimation of the Bank are of the same type, and the reciprocal obligations of the same type are to be settled on the same day, the Bank may decide to set off the amounts to be paid.
- 10.3.** In case of a set-off the Bank informs the Client thereof by fax, e-mail or through the internet bank, delivering a respective statement of holdings to the Client. By signing the Contract the Client gives their consent to the Bank for set-offs in the way named in this clause. The notice of a performed set-off (statement of holdings) delivered to the Client shall be deemed by the Contracting Parties as an evidence of a set-off in disputes between the Contracting Parties.

#### **11. Procedure for calculating the size of Collateral Amount**

- 11.1.** In cases determined by the Bank the Client is obliged to provide the Bank with Collateral for securing the fulfilment of (payment) obligations arising from the Client Contract and Transaction(s). The size of the required Collateral Amount shall be established by the Bank as a percentage or an amount on the basis of amounts to be paid by the Client to the Bank on account of performed or currently valid Transactions of the Client. The Collateral Amount is determined by the Bank, proceeding from the nature of the respective Transaction, the duration thereof and size of risks entailed.
- 11.2.** All calculations concerning the calculation of the Collateral Amount are made by the Bank.
- 11.3.** The Bank shall notify the Client about the size of the Collateral Amount upon receipt of an Order, unless agreed otherwise by the Contracting Parties.
- 11.4.** The Client undertakes to ensure the existence of the Collateral Amount on their Bank Account in the Bank in the amount of the Collateral Amount stated by the Bank in the Transaction Confirmation or in another way and by the due date in conformity with the Contract.
- 11.5.** In case the Bank Account of the Client is lacking funds in the scope of the Collateral Amount requested by the Bank, the Client is obliged to install immediately supplementary funds to the Bank Account of the Client whereby the Collateral Amount would meet the requirements provided in the Contract and be in conformity with the requirements stated by the Bank.
- 11.6.** Should the ratio of the Collateral Amount calculated from the market price drop during the Transaction below the minimum level established by the Bank, or if such circumstances are revealed in the course of the Transaction, which by the estimation of the Bank will have a major impact on the ability of the Client to fulfil the obligations arising to them from such Transaction, the Client is obliged to provide the Bank with a supplementary Collateral upon the request of the Bank and under the conditions stated by the Bank.
- 11.7.** According to the irrevocable Transfer Instruction by the Client, named in clause 9 of the General Conditions of the Contract, the Bank shall have the right to transfer amounts from the Collateral Amount installed on the Bank Account of the Client to the Collateral Deposit in the amount of the Collateral Amount and/or to encumber with statutory lien the Collateral Amount installed on the Collateral Deposit at the discretion of the Bank and in the scope and under the conditions determined by the Bank.

#### **12. Agreement for posting Collateral**

- 12.1.** The Bank shall inform the Client in a format which can be reproduced in writing or through another means of communication accepted by the Contracting Parties about their request for posting a Collateral and/or a supplementary collateral and shall determine the size thereof and the term during which the Client undertakes to post the Collateral and/or supplementary collateral for the benefit of the Bank.
- 12.2.** The Bank shall formalise the Collateral Deposit or another Collateral in the scope of the Collateral Amount as the Collateral. The Collateral Deposit and posting thereof is governed by the Contract.



- Another collateral is posted with a Collateral Contract concluded separately between the Parties and such other collateral shall be subject to the regulations of the Collateral Contract.
- 12.3.** The interest rate to be paid to Collateral Deposit shall be established by the Bank. The Bank shall have the right to change the named interest rate at any time. The accumulated interest (if any) shall be transferred to the Client Account, when the amounts installed in the Collateral Deposit are returned to the Client.
- 12.4.** As a rule, the term of the Collateral Deposit is determined by the term for filing the Bank claim. In case the Client fails to fulfil duly the payment obligations assumed with the Contract and Transactions, the Bank shall have the right to set off its claims from the Collateral Deposit.
- 12.5.** In case the Client fails to provide the Bank with due and sufficient Collateral and/or supplementary collateral, the Bank may regard all or part of the concluded Transactions as terminated without cancelling the Contract with the objective of reducing the claim for Collateral down to the amount equal with the actual Collateral posted by the Client for the Bank. In the case named in this subsection the Bank shall have the discretionary power to determine the parts and the procedure for deeming Transactions terminated, and deeming of Transactions terminated or closing of Transactions shall not be regarded as a violation of the Contract by the Bank and the Bank shall not be responsible for losses and/or costs arising therefrom. The rights of the Bank arising from this subsection may also be applied in case the Bank has been unable to contact the Client in a reasonable time.
- 12.6.** In case the Bank requests from a Client with legal personality the provision of Collateral and/or supplementary collateral:
- 12.6.1. For the purpose of posting a Collateral and/or supplementary collateral, the Bank shall transfer the funds of the Client on account of the Collateral Amount which is on the Bank Account of the Client to the Collateral Deposit in the scope and under the conditions named in the request for Collateral posting and shall confirm the transfer of the financial resources of the Client in a respective Transaction Confirmation. Pursuant to clause 9 of the General Conditions of the Contract, the Client shall submit a relevant irrevocable Transfer Instruction with unspecified term to the Bank for debiting the Bank Account of the Client and the Bank shall encumber the Collateral Deposit with Collateral (statutory lien) for the benefit of the Bank.
- 12.6.2. The whole Collateral Deposit shall be encumbered with Collateral.
- 12.6.3. The Bank and the Client agree that the value of the object of Collateral is the value of financial resources in the Collateral Deposit.
- 12.6.4. In case of Securities of the Client, a respective Collateral Contract for posting the Collateral shall be concluded between the Contracting Parties through the Transaction Confirmation in a format which can be reproduced in writing. If the Client has not disputed the Collateral Contract during the day of receiving the Transaction Confirmation, the Contracting Parties are deemed to have an agreement for encumbering the securities with statutory lien concerning the securities fixed in the Transaction confirmation and in relation to other conditions related to the Collateral.
- 12.7.** In case the Bank requests the provision of Collateral and/or supplementary collateral from a natural person considered as a Client:
- 12.7.1. For the purpose of posting a Collateral and/or supplementary collateral, the Bank shall transfer the funds of the Client on account of the Collateral Amount which is on the Bank Account of the Client to the Collateral Deposit in the scope and under the conditions named in the request for Collateral posting and shall confirm the transfer of the financial resources of the Client in a respective Transaction Confirmation. Pursuant to clause 9 of the General Conditions of the Contract, the Client shall submit a relevant irrevocable Transfer Instruction with unspecified term to the Bank for debiting the Bank Account of the Client and the Bank shall encumber the Collateral Deposit with statutory lien.
- 12.7.2. The whole Collateral Deposit shall be encumbered with statutory lien for the benefit of the Bank.
- 12.7.3. If the Client has not disputed the amount of the Collateral and/or supplementary collateral transferred by the Bank during the day of receiving the Transaction Confirmation, they are deemed to agree with the debiting of the Client's financial resources by the Bank that were fixed in the Transaction Confirmation for the purpose of providing collateral and/or supplementary collateral. The Bank shall separate the amount of the Collateral from the other financial resources of the Client.
- 12.7.4. In case of a natural person considered as a Client, a separate respective pledge contract for posting Securities as a Collateral is concluded between the Contracting Parties through the Transaction Confirmation in a format which can be reproduced in writing.

- 12.8.** If the Client is not the owner of the pledged Securities, the Transaction Order for pledging the Securities is given by the owner of the Securities.
- 12.9.** The entitlement of the Bank to sell the object of pledge commences from the day following the due date for execution of a claim secured with a Bank pledge under the Contract and the Bank and the Client agree that in case the Bank becomes entitled to sell, it shall set off the claim from Client's financial resources in the Collateral Deposit.
- 12.10.** The Client shall not have the right to request transferring the funds from the Collateral Deposit to Client's another account in the Bank or to another account in another credit institution, also to reduce the amount in the Collateral Deposit before the Client has fulfilled and completely satisfied all the Client obligations arising from the secured Transaction, or the Bank has waived the statutory lien.
- 12.11.** The Bank shall have the right to waive the statutory lien at any moment of validity of the Contract, notifying the Client thereof in writing.
- 12.12.** Provided that no obligations arising from any Transaction are secured with the Collateral pledge, the Client shall have the right to request termination of the Collateral pledge, notifying the Bank thereof in writing at least 3 (three) Banking Days in advance, unless the Contracting Parties have agreed otherwise.
- 12.13.** Upon termination of a Transaction under the Contract the Bank shall have the right for the Set-off provided in clause 10 of the General Conditions of the Contract and satisfy their claims against the Client on account of the financial resources in the Collateral Deposit..
- 12.14.** Should the Collateral be inadequate for the satisfaction of the claim of the Bank, the Bank shall have the right to make a claim for payment from other assets of the Client. In addition to the rights provided above the Bank shall have the right to withhold the funds required for the liquidation of Client's debt from payments received for the Client from third parties.
- 12.14.1. If Securities are the object of Collateral, the Bank shall sell these securities in the event of realisation of the Collateral for the best possible price in the order selected by the Bank with the method selected by the Bank;
- 12.14.2. If some other asset is the object of Collateral, the Bank shall sell it in the event of realisation of the Collateral at their own choice in a way permitted in legislation and/or according to what has been agreed between the Contracting Parties in the Collateral Contract;
- 12.14.3. Unless provided otherwise in legislation, the Bank shall have the right to acquire and/or retain the securities, money which are the object of Collateral, or financial claims of the Client against the Bank, and not to fulfil the obligation of re-transfer, notifying the Client thereof immediately in the event of realisation of Collateral.
- 12.15.** The Bank shall have the right to dispose on a discretionary basis the Collateral Amount or Securities delivered to them as Collateral, incl. posting as a collateral for securing the obligations of the Bank to third parties. In case of Collateral disposal the Bank shall ensure that the object has similar value when returned to the Client on the day of termination of the Collateral.
- 12.16.** The pledge of securities is released by the order of the Bank.
- 12.17.** In cases provided in legislation the Bank is obliged to execute a Transaction on account of the Client in order to fulfil the legal orders of a bailiff, trustee in bankruptcy, etc.

### **13. The right of the Bank to cancel the Contract**

- 13.1.** Should the Client commit a fundamental breach of the Contract, the Bank shall have the right to cancel without prior notice the Contract together with all the Transactions concluded with the Client or only the Transaction underlying the breach, if they submit a written cancellation notice to the Client.
- 13.2.** The Contracting Parties regard any of the circumstances named below as a fundamental breach of the Contract:
- 13.2.1. undue fulfilment of a payment and/or transfer obligation agreed in the Transaction, incl. lack of funds on Client's Bank Account in the Bank or in the possession of the Bank on the Value Date;
- 13.2.2. Failure to fulfil by the due date or undue fulfilment of the obligations of the Client under the Contract, incl. the obligation of posting the Collateral, incl. lack of the funds on Client's Bank Account that are required for Transactions and/or lack of the Collateral Amount in the scope requested by the Bank;
- 13.2.3. the Client refuses to confirm the Transaction in writing after reaching the oral agreement, or does not return the signed Transaction confirmation by the due term;
- 13.2.4. an application is filed to a court of law to declare the Client bankrupt;

- 13.2.5. a body with relevant authority in the Client with legal personality adopts the decision to terminate its activities without a legal succession or to file an application to a court of law for declaring themselves bankrupt;
- 13.2.6. the Client fails to fulfil duly the obligations to the Bank arising from any contract concluded between the Client and the Bank;
- 13.2.7. in case of other circumstances that could by the estimation of the Bank set the fulfilment of Client's Contractual obligations to the Bank at risk or the Client is by the estimation of the Bank in a situation, where the performance of the Contract is not possible.
- 13.3.** The Bank shall have the right to stop the provision of services and/or execution of a Transaction for the Client under the Contract in case of outstanding financial obligations of the Client that arise from any contract(s) concluded between the Bank and the Client, including the Contract.
- 13.4.** In case of extraordinary cancellation of the Contract the Bank shall provide the Client with no more services and all the Transactions shall be deemed terminated and the due date for the fulfilment of all the obligations of the Contracting Parties arrived as of the date of cancellation, unless the Contracting Parties agree otherwise for some Transaction.
- 13.5.** Proceeding from the provisions in the Contract or legislation, the Bank shall calculate the amounts due to be paid to one another on the basis of Transaction(s) as of the date of termination of the Transaction(s). The present value of amounts due in the future on the basis of a Transaction is determined by the Bank, proceeding from its professional estimation. The Bank shall total all the payment obligations arising from Transactions conducted between the Bank and the Client. Due amounts expressed in different currencies on the basis of Transactions may be converted by the Bank into the official currency of Estonia.
- 13.6.** In case of cancelling the Contract and/or a Transaction, the Bank shall have the right to set off all reciprocal (summed) claims resulting from the Contract pursuant to clause 10 of the General Conditions of the Contract.
- 13.7.** In case of extraordinary cancellation of the Contract and/or a Transaction the Client shall compensate the Bank for all the costs arising from the cancellation and the whole loss incurred by the Bank with the early termination of the Transaction as a result of changes in currency exchange rates and market prices between the early termination of the Transaction and the day of making the calculations by the Bank.

#### **14. Transactions with derivative instruments**

- 14.1** The provisions in this chapter shall apply when the Client concludes a non-market derivative transaction with the Bank in the meaning of Regulation No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and its sub-instruments (EMIR). In order to comply with the conditions of EMIR, the Client is obliged to inform the Bank if the Client is a financial counterparty or a non-financial counterparty under EMIR. Should the Client not provide the Bank with such information, the Bank shall presume that the Client is a non-financial counterparty under EMIR. The Bank considers itself as a financial counterparty in the framework of EMIR.
- 14.2** If the Client is a non-financial counterparty under EMIR, the Bank shall presume that the Client does not exceed the clearing threshold provided in EMIR, will conduct Transactions only for risk mitigation (including the mitigation of risks directly related to business activities and financing activities) and is the beneficiary (holder of rights and obligations) in the Transaction. If any of these presumptions is incorrect (or becomes incorrect), the Client is obliged to inform the Bank thereof with each Order presented to the Bank.
- 14.3** If the Client is a financial counterparty under EMIR, they shall be obliged to inform the Bank of their type of financial counterparty, and the Bank shall presume that the Client is the beneficiary (holder of rights and obligations) in the Transaction. If this presumption is incorrect (or becomes incorrect), the Client is obliged to inform the Bank thereof with each Order presented to the Bank.
- 14.4** According to the provisions of EMIR, the Contracting Parties are obliged to report the conclusion of, changes to and termination of derivative transactions to the trade repository.
- 14.5** The Bank shall report derivative transactions both in the name of the Bank and the Client, unless the Client has notified the Bank of their wish to report the derivative transaction. The capacity of the Bank to report Derivative Instruments in the name of the Client may be contingent on the fulfilment of certain preconditions by the Client.
- 14.6** For reporting a derivative transaction in the name of the Client, the Bank shall have the right to request and the Client shall be obliged to submit to the Bank the whole information required

by the Bank for reporting the derivative transaction. The information should be submitted to the Bank by the due date specified by the Bank.

**14.7** Should the Client fail to fulfil the assumed obligation to report a derivative transaction, to forward the information required for reporting a derivative transaction or commit a breach of EMIR provisions, the Bank shall have the right to refuse to execute derivative transactions with the Client, to report derivative transactions on behalf of the Client, or to cancel the Contract concluded with the Client.

**14.8** The Bank shall present to the Client a consolidated overview of derivative transactions under EMIR in compliance with EMIR provisions with the frequency provided in EMIR and through the channels that are used for the delivery of Transaction Confirmations under the Contract. Should the Client disagree with the data contained in the confirmation, they shall be obliged to notify the Bank thereof in 2 (two) working days from receiving the confirmation. If the Client has not notified the Bank about the non-conformity of the data contained in the confirmation with the data of the Client in 2 (two) working days from receiving the confirmation, it is deemed that the Client has agreed with the data in the confirmation and the portfolios of the Client and the Bank shall be deemed brought into conformity in the meaning of EMIR.

**14.9** In disputes concerning derivative transactions under EMIR and issues related to derivative transactions, the provisions in Chapter 23 of the Contract shall be followed.

## **15. Forwarding of open positions**

**15.1.** The Bank shall have the right to conduct without an order of the Client a swap Transaction in the scope of an open position arising from Transactions, aimed at forwarding the open position to the future, in case the Client:

15.1.1. has assumed an open position with a Transaction by selling or buying the underlying asset of the Transaction and on the Value Date of the Transaction there are insufficient funds on the Bank Account of the Client for settlements under the Transaction and

15.1.2. has not conducted a counter Transaction with the Bank for closing the open position as of the same Value Date and

15.1.3. the underlying asset of the Transaction is for unspecified term and

15.1.4. the nature of the Transaction allows such forwarding and

15.1.5. the Bank has established such internal limits (incl. transaction or position limit) and claims (including claims to Collateral) that allow conducting a Transaction that allows the forwarding and

15.1.6. the Client has expressed the will to forward the position.

**15.2.** The swap Transaction named in clause 15.1 of the Contract consists of two chronologically consecutive Transactions with a contrary content, where the first transaction (Initial Swap Transaction) is contrary to the Transaction that created the open position and has the same Value Date. The second swap Transaction (Secondary Swap Transaction) has the same volume as the Initial Swap Transaction, but a contrary content and a future Value Date.

**15.3.** The transactions, which are the content of a swap transaction, are executed by the Bank pursuant to the currently valid swap exchange rates listed by the Bank, receiving from the Client or paying to the Client forward rates. Forward rates are calculated by the Bank.

**15.4.** By signing the Contract the Client provides the Bank with their consent and authorisation to conduct open position forwarding swap Transactions at conditions established by the Bank.

**15.5.** The Bank shall have the right to cancel forwarding an open position of the Client or to close the open position with a counter Transaction, should the Bank have a reasonable doubt that the Client will be unable to fulfil the obligations arising from the Contract or the Client has violated the conditions of the Contract.

## **16. Service fees and payment procedure**

**16.1.** The Client is obliged to pay to the Bank for the services provided under the Contract according to the Price List of the Bank.

**16.2.** For services not fixed in the Price List the Client shall pay according to the expenses incurred by the Bank.

**16.3.** The Client accepts that the Bank submits to them detailed information about the expenses and fees related to services provided under the Contract for each Transaction and activity, if the Client expresses such wish.

**16.4.** The Bank shall have the right to reduce unilaterally the fees and expenses provided in the Price List without prior notice to the Client.

- 16.5.** The Bank shall have the right to increase unilaterally the fees provided in the Price List and/or establish a fee for investment services arising from the Contract and not fixed in the Price List by notifying the Client about the changes in the Price List in advance in writing before the respective change enters into force, following the time limits established in the legislation of the Republic of Estonian and in the General Conditions of the Bank. The Client shall have the right to cancel the Contract within the time limit provided in this sub-clause, should they disagree with the respective change in the Price List.
- 16.6.** The Bank shall debit from Client's Bank Account without an additional transfer instruction of the Client the service fees for services provided to the Client, also interest on arrears and penalties due from the Client pursuant to the Price List of the Bank, General Conditions of the Bank and the Contract.
- 16.7.** The Bank shall have the right to pay a fee to a third party and/or receive a fee from a third party in relation to provision of investment services under the Contract, if the fee improves the quality of the service provided to the Client and does not harm the interests of the Client and prior to the provision of the respective investment service the Bank has presented to the Client clearly and in full the existence and size of the fee, or the methodology for calculating the fee in case there is no concrete amount.

## **17. Liability of the Contracting Parties**

- 17.1.** In case of lack of financial resources on the Bank Account(s) of the Client and/or other account(s) of the Client in the Bank for fulfilling the Client's obligations arising from the Contract, the Client shall be liable for the fulfilment of their obligations with all the assets in their ownership that can be subjected to a recovery claim according to the legislation of the Republic of Estonia and shall undertake to compensate the Bank for all the damages incurred by the Bank through the failure of the Client to fulfil its obligations under the Contract.
- 17.2.** In case of delay with the fulfilment of obligations due to the lack of funds on the accounts of the Client, the Bank shall have the right to calculate and the Client shall be obliged to pay interest for amounts in arrears for each delayed day in a amount accounting for 0.2% (zero point two per cent) per day.
- 17.3.** The Client shall be responsible for the correctness of data submitted to the Bank and is obliged to compensate the Bank for damages incurred as a result of presented false data, failure to inform about changes in data and/or failure to formalise changes as required.
- 17.4.** The Bank shall be liable for damages caused to the Client with the performance of the Contract in case these were caused directly by illegal and wrongful acts or failure to act by the Bank.
- 17.5.** The Bank shall not be liable:
- 17.5.1. to Client for risks related to investment activities, incl. for possible loss resulting from currency risk and other market risks;
  - 17.5.2. for non-execution of a Transaction in case the account(s) of the Client lack funds necessary for the execution of the Transaction on the Value Date of the Transaction;
  - 17.5.3. for loss caused to the Client with delay with the execution of a certain transaction or provision of service for reasons beyond the control of the Bank, if the acts of the Bank can be excused and/or were caused by force majeure events;
  - 17.5.4. for loss incurred by the Client as a result of false data presented by the Client, failure of the Client to inform about changes in data and/or to formalise changes as required;
  - 17.5.5. if the Bank refuses to accept Transaction Orders or delays with the execution thereof in cases provided in the Contract.
- 17.6.** Payment of the interest on arrears by the Client shall not exempt the Client from compensation of all the damages to the Bank resulting from Client's violation of the Contract.
- 17.7.** The Bank shall not provide investment and/or tax and/or legal counselling services under the Contract.

## **18. Delivery of notices and documents**

- 18.1.** Unless provided otherwise in the Contract, all the notices and documents related to the Contract should be delivered to the other Contracting Party in writing or in a format which can be reproduced in writing through the internet bank of the Bank, by e-mail, fax or post or personally to the address indicated in the Contract.
- 18.2.** Changes in the address and/or numbers of the means of communication should be communicated to the other Contracting Party immediately at least in a format which can be reproduced in writing.
- 18.3.** Notices are deemed received, if delivered to the address or a number of a means of communication stated in the Contract.

- 18.4. Notices delivered by post are deemed received by the Client, when three (3) days have passed since sending the notice to the latest address provided by the Client to the Bank in case the Client is a resident of the Republic of Estonia, and two (2) weeks in case the Client is a non-resident of the Republic of Estonia.
- 18.5. A notice is deemed delivered by the Bank to the Client, when it has been delivered to at least representative of the Client.
- 18.6. The Bank has the right to request from the Client an original copy of a document sent by e-mail.
- 18.7. Both Contracting Parties may request presentation in a written formal form of a notice delivered to them by telephone.
- 18.8. The Bank may refuse to accept a notice, if the Bank has doubts about the existence of representation authority of the sender of notice, authenticity of signature and/or if the text is partially illegible. In such event the Bank undertakes to inform the Client immediately of the shortcomings.

## **19. Changes to the Contract**

- 19.1. The special conditions of the Contract can only be changed with a written agreement between the Contracting Parties, except in case the change results from amendments in or passing of legislation of the Republic of Estonia.
- 19.2. All changes in the special conditions of the Contract are valid only if effected as Appendixes to the Contract and signed by duly authorised representatives of the Contracting Parties.
- 19.3. The General Conditions of the Contract and the appendixes thereto are changed by the Bank unilaterally on a regular basis and the Client shall have no legitimate expectation for non-modification or maintained validity of any provision. A conflict between some provision of the Contract and valid legislation as a result of an amendment in the legislation of the Republic of Estonia shall not affect the validity of other provisions. By mutual agreement the Contracting Parties undertake to replace the invalid provision of the Contract with a valid provision.
- 19.4. All Transactions concluded before the respective changes have entered into force shall be governed by the regulations in those General conditions of the contract for financial transactions and posting of collaterals that were valid at the time of conclusion.

## **20. Validity of the Contract**

- 20.1. The Contract has been concluded for unspecified term.
- 20.2. The Contract shall also be valid for the legal successors of the Contracting Parties.
- 20.3. The Contracting Parties shall have the right to cancel the Contract at any time by notifying the other Contracting Party thereof in writing at least thirty (30) days in advance, on the condition that the Contracting Parties have no unfulfilled obligations to one another as a result of executed Transaction(s).
- 20.4. The Bank shall have the right for extraordinary termination of the Contract in case bankruptcy proceedings are initiated against the Client either by the Client or a third Party, notifying the Client thereof in writing seven (7) Banking Days in advance.
- 20.5. In case of cancelling the Contract, the Contracting Party shall submit to the other Contracting Party a notice in writing or in a format which can be reproduced in writing.
- 20.6. Transactions concluded during the validity of the Contract and unfinished by the moment of Contract expiry together with the rights and obligations arising therefrom shall be governed by the provisions of the Contract until the Parties have fulfilled all the obligations arising from the Transactions.

## **21. Confidentiality**

- 21.1. The content of the Contract and the information obtained during the performance of the Contract are confidential, except for such information that is subject to mandatory disclosure under the legislation of the Republic of Estonia.
- 21.2. Disclosure of Contract related confidential information to third parties is permitted only by a prior written consent of the other Contracting Party.
- 21.3. The obligations provided in sub-clauses 21.1 and 22.2 of the general conditions of the Contract shall remain valid for the Contracting Parties also after the expiry of the Contract.

## **22. Declarations of the Contracting Parties**

- 22.1. The Contracting Parties declare that:
  - 22.1.1. The Contracting Parties are persons with passive legal capacity according to the laws of the Republic of Estonia and have unrestricted rights and authorities for concluding the Contract and for fulfilling the obligations assumed with the Contract;

- 22.1.2. The Contract establishes a completely binding and unconditional obligation for the Client;
- 22.1.3. The representatives of the Contracting Parties are persons with active and passive legal capacity and have carefully read the text of the Contract prior to signing the Contract and find that it corresponds to their actual will in all aspects;
- 22.1.4. No prohibition of business has been applied to the representative of the Contracting Parties.

**22.2. In addition to the above-said the Client declares that**

- 22.2.1. The Bank has informed the Client upon such request of the Client at least in a format which can be reproduced in writing about the certain client type under which the Client belongs, pursuant to the Securities Market Act and the internal procedure rules of the Bank, and about the right of the Client to apply for casting under another type and the possible entailed restrictions in the level of regulative protection for the Client;
- 22.2.2. The obligations assumed by the Client with the Contract and Transactions are binding for the Client;
- 22.2.3. The Client is subject to the execution of the court judgements of the courts of the Republic of Estonia without restrictions;
- 22.2.4. With the conclusion of the Contract and Transactions, the Client commits no violation of the legislation applicable to the Client or contracts concluded by the Client with third parties;
- 22.2.5. The Client is aware that the Bank assesses the relevance of investment products/services (knowledge and experience of the Client) according to the requirements of the Securities Market Act and the general conditions of the Bank.
- 22.2.6. The Client has submitted to the Bank accurate and valid information (including in the Form) about the experience, expertise and investment goals of the Client;
- 22.2.7. The Client is aware that in case the information submitted by the Client to the Bank is inaccurate or insufficient, the Bank may be unable to make an adequate assessment of Client's experience, expertise and/or suitability to consume some of the investment services and/or ancillary services provided by the Bank and/or conduct Transactions with some specific Financial Asset and the Bank may not be able to inform the Client of all the risks relevant for the Client;
- 22.2.8. By submitting their e-mail address to the Bank the Client confirms to have no wish to receive information related to investment services on paper and gives their consent to the Bank for the delivery of the named information to them by e-mail or through the Bank Website.
- 22.2.9. The Client confirms to have continuous access to the internet.
- 22.2.10. Each time prior to the conclusion of a Transaction, the Client has become familiar with the Procedures and a summary description of the Procedure for avoiding conflicts of interests, which are published on the Bank Website, and accepts these and the publishing of these Rules only on the Bank Website; the Client also accepts that the Client is notified only on the Bank Website in case these are changed by the Bank;
- 22.2.11. The Client has become sufficiently familiar with applicable legislation, the provisions, practices and procedures of stock exchanges, securities transfer organisations and other competent authorities, undertakes to meet the requirements stipulated for the execution of Transactions, observe all the restrictions valid for the execution of Transactions and keep themselves informed about changes in legislation as well as bear all the risks and damages resulting from not being informed and/or non-fulfilment of legislation and procedures by the Client;
- 22.2.12. Conditions of the Contract have been made available to the Client in writing or in another format which can be reproduced in writing and is accessible to the Client in a reasonable time prior to the conclusion of the Contract and they accept these and undertake to fulfil these;
- 22.2.13. The Client accepts that their Transaction Order is executed outside the regulated market;
- 22.2.14. The Bank has given the Client a clear warning that if the provision of an investment service and/or ancillary service is related to a less complex Security, wherein a Transaction Order related to the Security is received and/or executed in the name or on account of the Client and the named service is provided by the initiative of the Client, the Bank shall not assess the relevance of such service and/or Security and the interests of the Client may have a lower level of regulative protection;
- 22.2.15. The Client has been provided with the whole information of the Bank as requested in the legislation of the European Union and in the Securities Market Act and in resulting legislation on the Bank Website as follows:
  - 22.2.15.1. information about the Bank;
  - 22.2.15.2. information about the services of the Bank (including a summary description of the policy for avoiding conflicts of interests);

- 22.2.15.3. information about the nature and risks of the financial instruments;
- 22.2.15.4. information about the maintenance and protection of the money and Securities of the Client;
- 22.2.15.5. information about possible costs and/or related fees.
- 22.2.16. The Client shall not require presenting of the information named in clause 22.2.15 on paper and the Client has had sufficiently time to become familiar with the above-named information and the Client has been aware of the named information/data prior to the conclusion of the Contract and/or provision of service and the Client has been notified in advance of changes in the information;
- 22.2.17. By signing the Contract the Client gives an explicit consent to the Bank not to inform the Client of a situation, where the other party in a Transaction concluded on the basis of an order of the Client is the Bank;
- 22.2.18. Prior to the provision of an investment service and/or ancillary service, the Client has been informed by the Bank on paper in sufficient detail about the general nature and/or source of a conflict of interests, if the measures fixed by the Bank in the Procedure for avoiding conflicts of interests do not entail concrete means for avoiding the threat of harming the interests of the Client;
- 22.2.19. The representative(s) of the Client hold all the rights to represent the Client in the conclusion of Transactions and signing of Transaction Confirmations pursuant to the provisions of the Contract;
- 22.2.20. in case a natural person considered as a Client is married and/or divorced and the asset necessary for the execution of a Transaction Order is part of the joint assets of the spouses, the Client has the approval of the spouse or the former spouse for conducting Transactions with the named asset;
- 22.2.21. all agreements provided in the Contract, by which the Client assigns the rights to the Bank to debit funds from the Bank Account and to conclude transactions in the name and on account of the Client with the Bank and/or third parties, are valid;
- 22.2.22. The Client is aware and accepts that the Bank shall have the right to request from the Client at any time posting of Collateral and/or supplementary collateral for securing the fulfilment of obligations of the Client under a Transaction and the Contract;
- 22.2.23. The Client is aware and accepts that the Bank does not need to disclose immediately a Transaction Order with the price determined by the Client for a Security traded on a regulated market, which is not executed immediately at prevailing market conditions, except in cases where the Bank deems such disclosure necessary and/or disclosure is requested by the Client;
- 22.2.24. By signing the Contract the Client accepts that Transaction Confirmations will be delivered to the Client according to clause 5 of the general conditions of the Contract;
- 22.2.25. The Client is aware that the Bank cannot guarantee faultless operation of the computer and/or other communication systems used by the Bank and/or a third party in the execution of Transactions, wherefore the Bank cannot exclude possible delays in receiving and sending of Transaction Orders and/or in the execution of Transactions, and the Client accepts that they have accounted for such risk when sending Transaction Orders and admit such possibility;
- 22.2.26. The Client is aware that the Bank cannot entirely exclude the intrusion of third parties into the execution of Transactions via the Bank Website, monitoring and/or affecting in any other way Transactions against the will of the Client and/or Bank and the Client accepts that the named risk will be born by the Client;
- 22.2.27. The Client is aware and accepts that the Bank may be obliged to present information about the Client and Transaction to persons with such legal authorisation pursuant to valid legislation;
- 22.2.28. By signing the Contract the Client provides the Bank with a consent in the meaning of the Securities Market Act § 82<sup>8</sup> (3) 2) to provide the information which the Bank is obliged to submit to the Client, including pursuant to the requirements provided in Securities Market Act § 86 and 87 and in the Minister of Finance Regulation No. 57 of November 14, 2007 "Requirements for provision of information and reports to clients in relation to provision of investment services" § 4 subsection 1, over the Bank Website.
- 22.2.29. The Client is aware of the schemes for deposit guarantee and investor protection valid in the Republic of Estonia;
- 22.2.30. The assets used by the Client for Transactions have not been derived from crime and the Client is not submitting Transaction Orders for the purpose of market abuse;
- 22.2.31. The Client accepts the recording of communications concerning the Contract, Transactions and Collateral and the use of these recordings and reproductions of the recordings as evidence of



the conclusion and conditions of Transactions, also about the orders for posting Collaterals or changing the amount thereof;

**22.3.** With each delivery of a Transaction Order and conclusion of a Transaction the Client confirms that all the declarations named in clause 22.2 are valid and none of the following events or circumstances events have occurred:

- 22.3.1. execution of the Contract and/or Transaction has become unlawful for the Client;
- 22.3.2. a Client with legal personality has undergone a merger, division or restructuring;
- 22.3.3. the competent organ of the Client with legal personality has adopted the decision to wind up its activities without a legal successor or has filed an application to a court of law for the declaration of bankruptcy;
- 22.3.4. an application has been submitted to a court of law for initiating the bankruptcy proceedings of the Client.

### **23. Final provisions**

**23.1.** Disputes arising from the Contract shall be settled by way of negotiations between the Contracting Parties.

**23.2.** The Client shall have the right to lodge a complaint to the Bank about the activities of the Bank in the execution of Transactions. The Bank shall reply to the complaint, excluding complaints lodged on the basis of EMIR, in 15 (fifteen) Banking Days from the receipt of the complaint.

**23.3.** In case of a dispute over Transactions based on EMIR, the Contracting Parties shall strive to solve it as soon as possible. If the dispute has not been solved in 5 (five) Banking Days from the receipt of the notice initiating the dispute, the Contracting Parties may, depending on the circumstances of the dispute, solve the dispute upon such agreement by asking for the opinion of other market participants, by escalating the dispute to the leading employees in their organisation or by applying other methods for the settlement of disputes according to the market practice.

**23.4.** In case of failure to reach an agreement through negotiations, the dispute shall be solved by filing a claim to Harju County Court.

**23.5.** Disputes arising from EMIR may be addressed to a court of law if not settled in 15 (fifteen) working days since the beginning of the negotiations. With the conclusion of the client contract the Client gives their consent to the Bank to notify a competent supervision authority about the ongoing disputes and the related circumstances in compliance with EMIR conditions.

**23.6.** The law of the Republic of Estonia shall apply to the Contract and the legal relationships established with the Contract.

The Contract has been concluded in 2 (two) copies with equal legal power, one of which shall remain with the Bank and the other with the Client.