

Terms and conditions of master agreement on financial transactions

Valid starting
19.08.2024

1. DEFINITIONS AND INTERPRETATIONS

1.1. Terms have the following definitions in these terms and conditions:

- 1.1.1. **Settlement Date** is the date on which the settlement of funds or securities entries arising from the Transaction take place;
- 1.1.2. **Professional Client** is a professional investor as specified in the Securities Market Act or trader of commodities and commodities derivative securities on the market or a company that meets at least two of the following criteria: (i) its balance sheet total is equal to or exceeds 20 million euros; (ii) its net turnover is equal to or exceeds 40 million euros; (iii) its equity is equal to or exceeds 2 million euros; also ordinary clients which the Bank begins to treat as a Professional Client based on the client's request;
- 1.1.3. **Exchange** is a regulated market, multiparty trading system, organized trading system or other trading environment where Securities can be traded or, where relevant, a clearing house serving an exchange.
- 1.1.4. **OTC Derivative** is a derivative, the transaction conducted with which does not take place on a regulated market as defined in article 4(1)14) of Directive (EC) 2004/39/EC of European Parliament and of the Council and which is treated by article 19 (6) of this directive as an equivalent of a regulated market;
- 1.1.5. **EMIR** is the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as periodically amended or re-established;
- 1.1.6. **EMIR regulations** are implementing acts issued on the basis of or in accordance with EMIR (including delegated technical standards or applied technical standards) as periodically amended or re-established;
- 1.1.7. **Financial counterparty** is a person belonging to the financial sector as defined in article 2 (8) of EMIR including investment firm, bank or other credit institution, insurance company or other insurance undertaking, UTCITS and its management company, employer pension collection agency or alternative investment fund;
- 1.1.8. **Non-financial counterparty** is a company founded in the EU and which is not a financial counterparty;
- 1.1.9. **Forward** is a Transaction where one Party is obliged to purchase and the other Party is obliged to sell Securities or currency at a future date at the price agreed on the day the Transaction was entered into;
- 1.1.10. **Price list** is the Bank's price list;
- 1.1.11. **Index** is a numerical indicator that expresses the aggregate value at a given time of Securities or other assets expressly agreed between the Parties;
- 1.1.12. The terms and conditions for provision of **investment services** are the Bank's corresponding conditions;
- 1.1.13. **Transaction confirmation** is a document concerning material terms and conditions of a Transaction concluded;
- 1.1.14. **Client** is a natural or legal person that has entered into an Agreement with the Bank;
- 1.1.15. **Clearing** is a process of determining positions, including calculation of net obligations, and ensuring that financial instruments, cash or both are available for hedging risks arising from said positions. The process is carried out by a central counterparty (CCP) who has been authorized under Article 14 of the EMIR or who has been recognized under Article 25 of the EMIR;
- 1.1.16. **Third country person** is a legal person founded outside the European Union and which is not a financial counterparty;
- 1.1.17. **Account** is an account opened by the Bank for a Client and on which the Client's funds, securities and/or other assets are held;
- 1.1.18. **Master Report** is a document that specifies key financial data on all valid Transactions between Bank and Client involving OTC Derivatives not subject to central clearing;
- 1.1.19. **Order** is an order submitted by Client or the Client's Authorized Representative to the Bank whereby Client requests the Bank to carry out a Transaction or other operation related to Service;
- 1.1.20. **Correction Incident** is any of the following events: change in the Index calculation method or composition thereof; merger, division, restructuring, dissolution or bankruptcy of issuer, or issuer's share capital increase or decrease; increase in face value of collateral constituting an object of Transaction; replacement of one currency with another; interruption in trading on the Exchange; other event in which case it is temporarily or continuously impossible under circumstances beyond the control of the Parties to fulfil the Transaction in accordance with the agreed conditions. Force majeure shall not be considered a correction incident.
- 1.1.21. **LEI** is a unique (temporary or permanent) code for identifying Bank or Client, respectively, issued by persons or institutions recognized accordingly;
- 1.1.22. **Agreement** is the Financial Transaction Master Agreement between the Parties;
- 1.1.23. **Transaction Being Terminated** has the meaning as defined in clause 12.7;
- 1.1.24. **Terminating Party** has the meaning as defined in clause 12.5;
- 1.1.25. **Terminating Transaction** has the meaning as defined in clause 12.7;
- 1.1.26. **Banking Day** is any day on which Banks are open to perform bank operations in Estonia;
- 1.1.27. **Bank** is AS LHV Pank;
- 1.1.28. **Party** is the Bank and/or Client;
- 1.1.29. **Competent Institution** is an Estonian or non-Estonian person or government institution in public or private law which on the basis of agreement concluded with market participants or authorization granted by market participants organizes in the corresponding state or financial centre the functioning of a certain field of financial services or which carries out supervision over such a field. Such a person may be a central bank, supervisory authority, Exchange organizer, securities register operator, organizer of settlement system;
- 1.1.30. **Reportable Transaction** is a Transaction with Derivatives between Bank and Client subject to reporting obligation under EMIR rules;
- 1.1.31. **Party in Violation** has the meaning as defined in clause 12.5;
- 1.1.32. **Spot** is a Transaction where one Party is obliged to purchase and the other Party is obliged to sell one currency at an agreed exchange rate for another currency on the day on which the Transaction was entered into or, provided a corresponding limit or Collateral exists and pursuant to standards applicable on international financial markets, after the day on which the Transaction was entered into;
- 1.1.33. **Swap** is a Transaction where (i) one Party ("X") is obliged to purchase and the other Party ("Y") is obliged to sell agreed Securities, currency or other assets on the day on which the Transaction was entered into or, having an acceptable limit or Collateral and pursuant to standards applicable on international financial markets, after the day on which the Transaction was entered into, for an agreed-upon price and (ii) on an agreed day in future, Y has the obligation to purchase and X has the obligation to sell the same Securities, currency or other assets for the price agreed on the day on which the Transaction was entered into;
- 1.1.34. **Swaption** is a Transaction where one Party has the right and the other Party has the obligation to conclude a Swap transaction on the agreed-upon conditions and on a future date;
- 1.1.35. **Collateral** is funds, Securities or other assets deemed acceptable by the Bank to be pledged or ceded by Client or third party to the Bank for the purpose of providing collateral to the Bank in order to fulfil Client's obligations;
- 1.1.36. **Notice** is a notification or document aimed at summoning a legal consequence related to the Agreement;
- 1.1.37. **Service** is currency, deposit or Securities transaction effected by the Bank to the Client on the basis of the Agreement (including an OTC Derivative Transaction) and auxiliary investment service related to the investment services in question or other accompanying service;
- 1.1.38. **Terms of Service** are the conditions for the corresponding Service whereby the Bank establishes the content of the Service and the detailed conditions and procedure for the Service and these form an integral part of the Agreement;
- 1.1.39. **Transaction** is a transaction concluded by Client on the basis of an Order or agreement to intermediate such transaction, which is the content of the corresponding Service;

- 1.1.40. **Termination of Transaction** has the meaning as defined in clause 12.8;
 - 1.1.41. **Terms and Conditions** are these terms and conditions of Financial Transaction Master Agreement, which are referred to in the Agreement and are an integral part of the Agreement;
 - 1.1.42. **Derivative Instrument** is a derivative security or derivative contract pursuant to applicable legal acts (including article 2(5) of EMIR));
 - 1.1.43. **Security Element** is a password or other similar element assigned to the Client or Authorized Representatives which the Bank may request from the Client for additional identification of Client or Authorized Representatives upon receiving an Order. Security Elements assigned to Client or Authorized Representatives pursuant to Agreement are listed in the Agreement;
 - 1.1.44. **Authorized Representative** is the natural person specified in the Agreement who has been authorized by the Client to execute Transactions, sign Transaction Confirmations and exercise other rights arising from the Agreement and to assume obligations on behalf of the Client;
 - 1.1.45. **Security** has the meaning as defined in the Bank's terms and conditions for provision of Investment Services (including Derivative Instruments);
 - 1.1.46. **General Terms and Conditions** are the Bank's general terms and conditions.
- 1.2. Terms not defined above shall have the meanings as defined in the General Terms and Conditions or the Terms and Conditions for Provision of Investment Services. If terms lacking more specific definitions are used, they shall be considered to have the meanings attributed to them by professional financial market parties in executing the corresponding type of transactions. If a term lacks a specialized definition in a given field, it shall be considered to have the conventional meaning.
 - 1.3. If a term is defined in a Transaction executed on the basis of the Agreement or in a Transaction Confirmation issued or other document differently to its definition in the Terms and Conditions, it shall be considered to have the meaning assigned to it in the given Transaction, Transaction Confirmation or document if not in contravention with the essence and general content of the Agreement.
 - 1.4. If the context so requires, words in the plural may also signify the singular and vice versa.
 - 1.5. Unless specified otherwise in the Terms and Conditions, a reference to a time shall mean local Estonian time.
 - 1.6. If reference is made in the Terms and Conditions or Terms of Service to standards and practices, this shall be construed as meaning standards and practice on the relevant financial markets, not standards and practice between the Parties, unless clearly agreed otherwise.

2. GENERAL PROVISIONS

- 2.1. To enter into Agreement and conduct Transactions, the Client must have an open Account in the Bank, unless agreed otherwise by the Parties.
- 2.2. On the basis of the Agreement, the Bank shall enable the Client to perform the following Transactions:
 - 2.2.1. Spot Transactions with currency pairs accepted by the Bank;
 - 2.2.2. Forward Transactions with the Bank with underlying assets accepted by the Bank;
 - 2.2.3. Swap Transactions with the Bank with underlying assets accepted by the Bank;
 - 2.2.4. providing term deposit by the Bank;
- 2.3. The Agreement governs relations between the Bank and Client in connection with provision of Services by the Bank to the Client, and establishing Collateral and performance of Transactions on the basis of Client's Orders and liability of the Parties in case of failure to perform Agreement as required. The Terms and Conditions are an integral part of the Agreement and shall be applied to all Transactions performed during the term of validity of the Contract, Services provided to the Client and questions related to Collateral to the extent not agreed otherwise between Bank and Client.
- 2.4. The content of each Service and the detailed conditions and procedure for the Service may be defined more precisely with corresponding Terms of Service, which are an integral part of the Agreement. The Bank's terms and conditions of term deposits apply to deposits. The Parties may agree on Transactions with regard to which the Bank has not established Terms of Service.
- 2.5. In addition to Terms and Conditions and Terms of Service, the following conditions shall also be applied to the Agreement in the appropriate scope and/or in parts not regulated by them. These conditions are an integral part of the Agreement and are published on the Website:
 - 2.5.1. General Terms and Conditions;
 - 2.5.2. Terms and conditions for provision of investment services;
 - 2.5.3. Price List;
 - 2.5.4. other documents specified in all of the above conditions, in the appropriate scope.
- 2.6. The Client has read and is aware of all of the above conditions and consents to the Parties' rights and responsibilities stemming therefrom.
- 2.7. The Parties are aware that in addition to the Agreement, they must proceed from the following restrictions, conditions and procedures upon performance of Agreement and Transactions:
 - 2.7.1. terms and conditions of Securities (including Derivatives) constituting object of a Transaction;
 - 2.7.2. legal acts (including foreign legal acts) applicable to Securities constituting object of a Transaction;
 - 2.7.3. rules of Exchanges and other trading systems, securities registers, CCPs and trade repositories relevant to the Securities constituting object of Transaction.
- 2.8. Regardless of the terms and conditions of Contract, Client does not have the right to perform a Transaction or to require Bank to perform it or provide Service and the Bank has no obligation to provide Service or perform Transaction, among other cases, if the performance of the relevant Transaction or intermediation thereof contravenes the restrictions, terms and conditions and procedures referred to in clause 2.7.
- 2.9. The Bank has the right to decide at its own discretion the currencies, Securities or other assets in which regard to provide Services. Among other things, the Bank has the right to forgo provision of Services or to stop providing Service with regard to a certain asset. Additionally, the Bank has the right at any time to establish or change existing restrictions, limits (including transaction or position limit) and requirements with regard to Services, including volume of Transactions and/or fulfillment term and to restrict or prohibit submission of certain Orders depending on the type of Order or the time it was submitted, the categorization of the Client, the Security, or the value of Transaction.
- 2.10. Delays in exercising any right in the Agreement, Terms and Conditions or Terms of Service shall not mean waiving such a right, and the separate or partial exercise of a right shall not preclude later exercise of the right or of any other right. The invalidity or nullity of any provision in the Agreement, Terms and Conditions or Terms of Service shall not result in invalidity or nullity of other provisions in the Agreement, Terms and Conditions or Terms of Service shall.
- 2.11. Different standard units of settlement may be used on different Exchanges or other financial markets for a similar Security or other asset. If a unit of a Security or other asset is referred to in the Agreement or Transaction, these are the units of settlement used on the Exchange or financial market where the given asset is traded or intended to be used in the given market's rules or regulations.

3. REPRESENTATIVES, AUTHORIZATION FOR PERFORMING TRANSACTIONS AND CONCLUDING AGREEMENTS

- 3.1. The names, personal data and contact information for the Client's Authorized Representatives are set out in the Agreement. Upon receiving a request from the Bank to that effect, the Client is obliged to promptly submit to the Bank additional information concerning Authorized Representatives and legal representatives (including signature samples).
- 3.2. The Authorized Representative has the autonomous right to exercise any of the Client's rights arising from the Agreement. Among other things, the Authorized Representative is entitled to submit Orders, enter into Transactions (including with OTC Derivatives), establish Client assets as Collateral, perform queries, receive information and notices etc. The right to amend the Agreement and annexes thereto (including Authorized Representatives) belongs solely to the Client personally, the Client's legal representative and other persons for whom the right stems explicitly from the authorization granted to that person in a form acceptable to the Bank.
- 3.3. The Client has the obligation to notify the Bank promptly of changes in the Authorized Representatives' data. The Bank has the right to treat persons specified in the Agreement as Authorized Representatives until the time when the Bank receives a notice signed by the Client regarding expiry of the person's powers and has sent a confirmation to the Client regarding that fact. The obligation of notification of the Client set forth in the previous sentence also applies if an entry has been made into a public register regarding the right of representation, data have been published in mass media including *Ametlikud Teadaanded*, or a court judgement has entered into force regarding right of representation. To add Authorized Representatives, Client shall submit a signed notice requesting the addition of powers for the corresponding person accompanied by all of the data and documents required by the Bank, and the Bank has sent a confirmation to the Client regarding that fact. The Bank is entitled to verify the authenticity of the notice and to require that the person submitting the notice identify themselves in an extent acceptable to the Bank.
- 3.4. The Bank shall not be held liable for any losses sustained by the Client in connection with Transactions or Orders given in relation to Collateral if the Transactions/Orders were made by the Authorized Representative prior to the Bank receiving the notice terminating the Authorized Representative's powers. The Client is obliged to compensate the Bank for all losses borne by the Bank in connection with violation of notification obligations specified in clause 3.3 by the Client.

4. SUBMISSION AND RECEIPT OF ORDERS

- 4.1. The Client shall give the Bank Orders for performing Transactions or carrying out other procedures in writing, by email, by phone or using another electronic data communication channel accepted by the Bank. The Bank shall have sole discretion not to accept Orders conveyed via a certain communication channel. The Bank cautions the Client that email is not a secure communication channel and that the Bank cannot guarantee the security of information sent via email or take responsibility for Bank representatives receiving emails.

- 4.2. The Client is obliged to ensure that solely persons with the corresponding right to do so give Orders to the Bank for and on the Client's behalf. To ascertain that a person submitting an order has the right, the Bank is entitled to use Security Elements. The Client and Authorized Representatives are obliged to keep Security Elements issued to them in a manner that guarantees their confidentiality and prevents their use by unauthorized persons. The Client and Authorized Representatives are obliged to notify the Bank promptly whenever Security Elements may have been lost or learned by unauthorized persons. Upon receiving a corresponding notice, the Bank shall block receipt of Orders via the relevant communication channel until new Security Elements have been issued to the Client or Authorized Representatives.
 - 4.3. Upon receiving an order, the Bank shall identify the Client or the Authorized Representative by using all of the care and attention generally to be applied in providing investment services as well as appropriate technical means (such as phones with caller ID, telephone numbers connected to voice recording systems and other means). The Bank is entitled to act upon any Order given in a manner described in clause 4.1 of the Terms and Conditions where the Bank can in good faith assume that the Order was placed by the Client or Authorized Representative. Among other things, the Bank has the right to presume that the Order was given by the Client or Authorized Representative if the Order was sent by a person who identified himself or herself as a person possessing authorization in accordance with the Agreement and the Order is sent from a telephone number or email address specified in the Agreement and/or a person who correctly uses the Security Elements issued to him or her.
 - 4.4. Before fulfilling an Order from a Client sent by email or conveyed orally and/or for additional verification of the data contained in the Order, the Bank has the right to double-check the content and data of the Order by calling the Client back at the phone number specified in the Agreement for submission of Orders by the Client. The Bank shall fulfil the Order if the Client confirms the Order data after the data are repeated back over the phone by a Bank representative. The Client agrees that in each instance, the person who receives an Order from the phone number specified in the Agreement for submission of Orders by the Client has the right to confirm or reject the Order. If the requested data or confirmations are not provided to the Bank and/or the Bank representative has a suspicion regarding the identity of the person purporting to be the Client or Authorized Representative, the Bank has the right not to accept and fulfil the Order.
 - 4.5. In the event of a justified suspicion as to the identity of the person submitting the Order or their powers, the Bank has the right, although not the obligation, to contact the legal person who is the legal representative of the Client or the natural person who is the Client and ask them to accept the Order; or to apply other security measures acceptable to the Bank (including asking for Security Element). If the Order is emailed to the Bank, the Bank may request to repeat confirmation over the phone and/or digital signing of the Order submitted by the Client.
 - 4.6. Orders may be submitted during ordinary business hours on any Banking Day, these being defined precisely on the Bank's Website. An Order sent at a time different from the above shall be considered sent on the Banking Day immediately following submission of Order. Submission of Orders at a different time is possible only upon separate agreement between the Parties. On Banking Days preceding national and/or public holidays, the Bank has the right to unilaterally change the time of receiving Client's Orders from the one agreed in this clause.
 - 4.7. In placing an Order, the Client must specify to the Bank the material conditions of the Transaction it desires and other data required by the Bank. Depending on circumstances related to a specific Transaction, Security, Client or markets, or pursuant to applicable legal acts, the Bank has the right to request additional information, applications or confirmations from the Client or conclusion of additional agreements. An Order shall be deemed submitted as of the moment that the Client has submitted all of the data and documents required by the Bank in an acceptable form for the Bank. The Client undertakes to ensure that the Orders it gives are in conformity with legal acts, conditions and rules applicable to Transactions and standards and practice on the relevant financial market.
 - 4.8. An agreement to perform or intermediate a Transaction shall be considered concluded and in effect at the moment that the Parties reach agreement on material conditions of the relevant Transaction and the Bank accepts the Order.
 - 4.9. If the Client submits the order to the Bank in a manner other than by phone, the Order shall be deemed accepted as of the moment that the Bank has confirmed receipt (phone call from Bank representative, confirmation sent by email regarding receipt of Order – not including automatic confirmation – response to a real-time online chat environment etc.). If the Client is uncertain whether the Bank has received the Order, the Client undertakes to contact the Bank by phone to verify circumstances.
 - 4.10. If the Client has not set a term of validity for the Order submitted to the Bank, the Order shall be in force until the close of ordinary business hours of the Bank on the Banking Day on which it was submitted.
 - 4.11. The Bank has sole discretion to decline to accept the Order, and does not need to state a reason to the Client. The Bank shall notify the Client promptly of its refusal to accept an Order.
 - 4.12. The Bank has the right to record all Orders placed by phone and other phone communication (including phone conversations) and to use the recordings for substantiating the Orders placed by the Client and if necessary other procedures and for resolving disputes between the Parties.
- 5. FULFILMENT OF ORDERS AND PERFORMANCE OF TRANSACTIONS**
- 5.1. The Bank has the obligation to fulfil only Orders that meet these Terms and Conditions and which were placed by the Client or Authorized Representatives and which were placed from phone number(s) or email address or other agreed communication channels for submitting Orders as specified in the Agreement and/or which are confirmed by the Client in the manner specified in clauses 4.3 and 4.4 of the Agreement.
 - 5.2. Unless otherwise provided by the Agreement, the Bank shall fulfil the Order in the optimum manner possible for the Client, based on the Bank's rules on optimum fulfilment, if this is appropriate.
 - 5.3. The Client is obliged to contribute in reasonable manner to the fulfilment of the Order and to create all of the prerequisites within its control necessary for the Bank for the optimum fulfilment of the Order.
 - 5.4. The Client's counterparty in Transactions conducted with OTC Derivatives is the Bank and the Parties shall negotiate the conditions of the Transaction mutually and independently. In the case of such Transactions, the Bank shall provide Service on conditions that are economically justified from its perspective and the Bank shall not proceed from the principles of optimum fulfilment of Order, unless during the Transaction the Bank forwards the Client's Order to a third party for fulfilment. Unless provided otherwise by legal acts or due to the nature of the Transaction, the Bank is not obliged to notify the Client separately of a situation where the counterparty to the Transaction is the Bank itself.
 - 5.5. The Bank shall fulfil the Order if the available funds and/or Securities on the Account are sufficient to execute the Transaction on the day on which the Transaction is executed. The Client undertakes to ensure that there are funds sufficient for executing the Order on the Account. Upon accepting an Order, the Bank has the right to place a hold on the funds and/or Securities on the Client's Account necessary for fulfilling the Order. Should the Order be cancelled or the fulfilment be unsuccessful, the Bank shall lift the hold on the funds.
 - 5.6. The Bank shall fulfil an accepted Order as soon as possible. The Bank shall not be liable for losses that may be incurred from a delay in fulfilment of Order, such as potential losses incurred by the Client if the Transaction counterparty fails to submit a Transaction counter order or submits it late. The Bank shall not be liable for losses or expenses borne by the Client during the period between acceptance and fulfilment of Order due to changes in the price of Securities or other market conditions.
 - 5.7. Pursuant to EMIR Regulations, the financial counterparty and non-financial counterparty have the obligation to confirm Transactions conducted with OTC Derivatives (including amendment and termination thereof) through a central counterparty if they are of a speculative nature or their total face value exceeds the clearing threshold. The Client is obliged to keep track of its positions in OTC Derivatives and to notify the Bank if it exceeds the corresponding thresholds provided in the EMIR and/or it incurs a clearing obligation.
 - 5.8. The Bank shall organize clearing on behalf of the Client only if the Parties have concluded a special corresponding agreement.
 - 5.9. The Bank has the right but not the obligation to conduct a Transaction or other operation for the Client without Client Order if this is necessary in cases provided for in legal acts or if it is reasonably necessary for protecting the Client's interests or prevention of breach of Client's obligation or for redressing a breach. The Bank is entitled to make correction transfers on the Client's Account without Client's Order if the Bank discovers an error in fulfilment of Order or if a transfer was made on the Client's Account without legal basis. The Bank shall notify the Client of the correct entries and retain information on all errors and correction transfers.
 - 5.10. The Bank has the right to halt fulfilment of Order if the fulfilment of Order is not, in the Bank's estimation, in conformity with applicable legal acts, regulations established on the corresponding market, rules, standards or practice of relevant market participants or fulfilment of such an Order would clearly be harmful for the Client. The Bank shall notify the Client promptly that the fulfilment of Order has been halted and the reasons for it. If the Client has not, within a reasonable period, eliminated the circumstance due to which fulfilment of Order was halted, the Order shall be considered cancelled. The Order shall be considered cancelled immediately if in the Bank's reasonable opinion, it is not possible for the Client to eliminate the circumstance on the basis of which fulfilment of Order was halted.
 - 5.11. In addition to the grounds established in the General Terms and Conditions and the conditions for provision of investment services, the Bank has the right at any time to refuse to fulfil and/or forward Order in the following cases, although not limited to them:
 - 5.11.1. the Bank has a justified suspicion regarding the identity of the person placing the Order, their powers or intentions and/or if the Order is partially illegal or misleading due to technical transmission errors or other reasons and/or if the Bank is not able to promptly receive confirmation from the Client in accordance with the Agreement;
 - 5.11.2. the account necessary for settlement related to the corresponding Transaction has not been opened for the Client;
 - 5.11.3. a Client who is a legal person lacks a valid LEI code (including a case where the LEI code has expired);
 - 5.11.4. the Client has an indebtedness to the Bank or third party that has arisen during use of the services provided by the Bank;
 - 5.11.5. the circumstances on the basis of which service was provided to the Client have changed materially;

- 5.11.6. the Client's corresponding Accounts have insufficient funds for fulfilment of Order, including for establishing the required Collateral or for paying the Bank fees related to the Transaction;
- 5.11.7. upon fulfilment of Order, the value of Collateral would fall below the level established in the Agreement;
- 5.11.8. the Transaction requested by the Client is not in conformity with the Agreement, Terms and Conditions, Terms of Service, other applicable Bank conditions or applicable legal acts or rules established by a Competent Institution or it is not consistent with good practices or recognized standards and practice on the market;
- 5.11.9. the Transaction requested by the Client is not in conformity with the limits established by the Bank on volume, object or fulfilment term or other requirements or if the Bank does not offer currency, deposit or OTC Derivative on the conditions requested by the Client;
- 5.11.10. there is grounds for premature cancellation of Agreement or Transaction;
- 5.11.11. the Bank has reason to believe that the Client is not able to perform the obligations arising from the Transaction or the Client has failed to perform obligations arising from the Agreement;
- 5.11.12. the Order cannot be reasonably expected to be fulfilled due to the market situation or other circumstances beyond the control of the Bank;
- 5.11.13. the Bank develops a justified suspicion that the Order was placed on the basis of inside information or for the purpose of market manipulation;
- 5.11.14. the Bank has submitted to the Client or received from the Client a notice of cancellation of Agreement.
- 5.12. If the Bank refuses to fulfil the order, the Client shall be notified thereof as soon as possible.
- 6. CONFIRMATIONS**
- 6.1. The Parties are obliged to confirm reciprocally conditions of all transactions conducted with OTC Derivatives (including in the event of renewal), not cleared by the central counterparty.
- 6.2. Immediately after a Transaction is executed, the Bank shall send the Client a Transaction Confirmation as a document in a written form or form reproducible in writing to the Client's email address. If it is not possible to send email to the email address communicated by the Client to the Bank, the Transaction Confirmation is available at the Bank, at the address Tartu mnt 2, Tallinn. By agreement between the Parties, the Bank may also send a Transaction Confirmation in another manner.
- 6.3. The Client undertakes, during the term for response to the Transaction Confirmation, to approve the Transaction Data submitted by way of the Transaction Confirmation or to challenge them, sending the signed Transaction Confirmation to the email address specified therein. If the Client returns the signed Transaction Confirmation during the term for reply, which is not explicitly disputed, or if the Client has not approved or challenged the data set forth in the Transaction Confirmation in a timely manner, the Client shall be considered to have accepted the conditions of the Transaction stated in the Transaction Confirmation. The Transaction Confirmation is solely an additional proof of the conditions of the corresponding Transaction and non-consent shall not affect the validity or enforceability of the Transaction.
- 6.4. The term for responding to the Transaction Confirmation is:
- 6.4.1. The 2nd (second) Banking Day following the day on which the Transaction is executed (T+2), if the Client is a non-financial counterparty below the clearing threshold set forth in the EMIR regulations;
- 6.4.2. The next Banking Day following the day on which the Transaction is executed (T+1), if the Client is a financial counterparty or a non-financial counterparty that meets the clearing threshold set forth in the EMIR regulations.
- 6.5. If the Transaction is conducted after 16:00 by the local time of the Bank and/or Client's location jurisdiction, the Client must respond to the Transaction Confirmation as soon as possible, and no later than the Banking Day following the term for response to the Transaction Confirmation. In calculating the term for responding to the Transaction Confirmation, only days considered working days both in the jurisdiction of the location of the Bank and the Client shall be considered Banking Days.
- 7. CORRECTION OF TRANSACTION CONDITIONS**
- 7.1. Should a correction incident occur, the Bank has the right, in the absence of Client Order, to change the Transaction terms with the purpose of restoring the initial relationship or content of obligations arising for the Parties from the Transaction, proceeding from good practices on international financial markets.
- 7.2. Should the terms and conditions of the Transaction be corrected, the Bank shall notify the Client in a form reproducible in writing of the nature of the Correction Incident and changes to the Transaction conditions.
- 8. CALCULATIONS, SETTLEMENTS, CALCULATION OF TRANSACTIONS**
- 8.1. The Parties are obliged to remit payments on conditions and terms agreed in the Transaction and according to procedure set forth in the Agreement.
- 8.2. Unless agreed otherwise in the Agreement or Transaction, the Bank shall execute all calculations necessary for determining the amount of obligations or value of claims arising from all Transactions executed in the context of the corresponding service and accompanying procedures (including for providing Collateral, changing it or for determining amounts payable in the event of extraordinary cancellation of Agreement). If any Transaction or Terms of Service refers to a certain index value, certain interest rate, certain asset's market price or exchange rate, the value of such index, market price of such asset or exchange rate shall be determined by the Bank in good faith relying on its professional judgment, taking into account practices valid on international financial markets.
- 8.3. Interest related to Agreement and Transactions shall be calculated based on valid practice on international financial markets or agreement between the Parties.
- 8.4. Unless agreed otherwise, Bank shall organize settlements related to Agreement and Transactions by either crediting or debiting the Account on the Settlement Dates specified in the Transaction and in accordance with procedure set forth in the Agreement. If the Bank does not debit the Client's account in a timely manner, that does not mean that the Bank has opted not to carry out said debiting. In such a case, the Client shall not be considered to have been late in paying or transferring Securities if the funds on the Client's Account would have allowed the debiting to be carried out in a timely manner.
- 8.5. The Bank is not obliged to credit or debit the Client's account before the Bank has received confirmation acceptable to the Bank from the settlement system organizer, paying agent or Fund Manager operating on the relevant market that the Transaction and/or settlement has been completed with finality. When conducting Transactions with certain Securities (such as bonds), the Client must take into account that due to standard market practice there may be delays settling Transactions.
- 8.6. Unless set forth otherwise in the Terms of Service or conditions of a corresponding Transaction, a Party must perform the payment obligation arising from a Transaction executed on the basis of an Order in the currency in which the payment obligation is expressed.
- 8.7. If the execution of reciprocal payments arising from one or more Transactions in the same currency fall on the same Banking Day, the Bank may debit or credit the Client's Account by the difference or balance between the relevant payments. The calculation of a sum payable to the Bank by the Client or to the Client by the Bank shall be carried out by the Bank, which shall send the relevant balance statement to the Client.
- 8.8. The documentation of Transactions by the Bank and retention of the relevant information shall take place in accordance with procedure set forth by the Bank pursuant to applicable legal acts.
- 8.9. The Bank shall keep accounting of Transactions concluded by the Client and not all Transactions will necessarily show up in the Account. The Bank shall regularly, at the interval specified in EMIR regulations and not less frequently than once a year, present to the Client a Master Report on material conditions of Transactions conducted with OTC Derivatives between the Client and Bank on the basis of Agreement. Material conditions shall include, inter alia, the value of OTC Derivatives and other conditions the Bank deems important, including the Client's LEI code, Transaction entry into force date, planned final date, payment or settlement deadlines, face values of OTC Derivatives and currency, underlying assets, positions for the Parties, definition of calculation of working days, fixed or floating interest rates related to OTC Derivatives. The Bank may present the Master Report as a single statement or as multiple separate statements (in the latter case, each statement shall be considered a Master Report). The report shall have a data resolution and comprehensiveness deemed reasonable by the Bank and allow for the conformity of data to be verified.
- 8.10. Upon receiving the Master Report, the Client must assess the conformity of the data in the report against the Client's accounting documents and data to determine any discrepancies in material conditions of Transactions conducted between the Parties. The Client must notify the Bank within 5 (five) Banking Days of receiving a given Master Report whether it confirms the data therein or notify the Bank of discrepancies in the data in the Master Report. The corresponding notification must be sent by email to the email address specified for this purpose by the Bank. If the Client has not notified the Bank of any discrepancies within 2 (two) Banking Days, the Client will be considered to have confirmed the data in the Master Report. In case of discrepancies in the data in the Master Report, the Parties shall attempt to resolve them through mutual consultations, using data updated or corrected in the course of consultations.
- 9. REPORTING**
- 9.1. Pursuant to EMIR requirements, both Parties to Transactions with Derivatives are obliged to report execution, amendment or termination of such Transactions to the trade repository.
- 9.2. If unique identification codes must be generated and agreed on for reporting a Transaction with Derivatives to the repository, the Bank shall generate the unique identifiers and notify the Client thereof.
- 9.3. Unless agreed otherwise between the Parties, the Client hereby authorizes the Bank to perform the aforementioned reporting obligation pursuant to EMIR regulations. The Bank shall perform the reporting obligation in good faith pursuant to its best understanding of the circumstances related to the Reportable Transaction. When using its discretion, it shall draw on the professionalism and care characteristic of a major financial institution.
- 9.4. The Bank shall hereunder perform the reporting obligation on behalf of the Client solely if the Client is a non-financial counterparty whose volume of Transactions is below the clearing threshold set forth in the EMIR regulations; if the Client no longer meets the above classification, the Bank's role in performing the EMIR reporting obligation on behalf of the Client hereunder shall not be valid.

- 9.5. To perform the EMIR reporting obligation related to Transactions with Derivatives, a Client who is a legal person must have a valid LEI code and communicate it to the Bank. The Bank may assist the Client with Pank in acquiring a LEI code or other acceptable identification code.
- 9.6. The Client undertakes to refrain from performing a reporting obligation arising from EMIR regulations unless the Bank states that it cannot perform the reporting obligation on behalf of the Client in a timely manner. In such a case, the Client has the right to perform the reporting obligation related to the Reportable Transaction itself. The Client undertakes to immediately notify the Bank if it has independently reported a Reportable Transaction to the trade repository.
- 9.7. To perform the reporting obligation, the Client shall undertake, on the Bank's request, to forward to the Bank, confirm or verify data necessary for timely performance of reporting obligations pursuant to this Agreement and the EMIR regulations. The Bank may obtain data and information from other parties (including but not limited to the trading venue, CCP or similar financial market infrastructure). The Bank has the right to require that all such data and information be accurate, complete and not misleading. The Bank has the right to use such data and information for completing the relevant report and the Bank is not obliged to check such data or information.
- 9.8. The Bank has the right to refuse to report a Reportable Transaction for the Client if the Client fails to timely provide the data or information requested by the Bank and the Bank shall not be liable for losses arising therefrom.
- 9.9. The Client undertakes to notify the Bank without delay if the data or information it provides (including with regard to LEI code) or representations provided (including with regard to its classification) are not up to date, complete or accurate or prove misleading. To resolve such circumstances, the Parties shall undertake to exert reasonable efforts, acting in good faith and in the economically most expedient manner.
- 9.10. If the Bank learns of a material error in data reported to the trade repository on the basis of this Agreement or other hindrance in submission of data, it shall notify the Client thereof and the at the Bank's request the Parties shall undertake to make reasonable efforts to rectify such errors and eliminate obstacles, acting in good faith and in the economically most expedient manner. Pursuant to requirements stemming from regulations, the Bank may notify the Competent Institution of the above circumstances.
- 9.11. The Client undertakes to work with the Bank in every way to respond to queries and inspections from the Competent Institutions relate to Reportable Transactions, including to promptly forward the documents, materials and information requested by the Bank.

10. COLLATERAL

- 10.1. At the request of the Bank, the Client is obliged to establish Collateral for securing performance of all of the obligations arising from the Agreement and Transactions. The Bank has the right to unilaterally determine what sort of Collateral it accepts, and the levels of Collateral. The Bank has the right at any time to change what form of collateral is acceptable and the required level of collateral. Among other things, it may do so depending on factors related to the Client or the specific Transaction or developments on the financial market. The Bank has the right but not the obligation to enable the Client to substitute the collateralized Asset.
- 10.2. In accepting an Order for execution of Transaction, the Bank shall determine the Collateral required for execution of the Transaction and its level and notify the Client thereof in the manner agreed upon for submission and receipt of Orders.
- 10.3. If necessary due to legal acts applicable to the collateralized assets or the rules of depositors and settlement systems or other requirements applicable to assets, the Bank has the right, pursuant to circumstances and the Client undertakes to render all manner of assistance in performing or to perform itself all procedures for pledging and/or ceding the collateralized asset (including making entries in registers, announcing cession etc.). At the request of the Bank, the Client is obliged to establish Collateral in some other manner by separate agreement acceptable to the Bank.
- 10.4. Unless agreed otherwise, upon establishing Collateral the Client shall forfeit the right to independently use or dispose of the collateralized asset (among other things, the Client shall not have the right to transfer or encumber the asset in any way to the benefit of third parties). If the Client fulfils the obligations arising from Agreement and the Transactions as required, it shall retain the rights arising from the collateralised asset, including the rights to paid interest and dividends and other disbursements.
- 10.5. If, due to a valuation of the Collateral and calculations performed by the Bank the ratio of the value of the Collateral to the obligations arising from the Agreement and Transactions has fallen below the limits established by the Bank, the Bank has the right to make a margin call; i.e., to request the Client to immediately increase the Collateral or partial or complete closure of risk exposures arising from Transactions to ensure that the value of the Collateral meets the limit established by the Bank. The Client undertakes to comply with the Bank's request no later than the next Banking Day after the request was made, unless specifically agreed otherwise.
- 10.6. If the Client has failed to duly perform obligations arising from the Agreement or Transactions to the Bank or the value of the Collateral has dropped below the minimum established by the Bank, the Bank has the right, without specific consent or order from the Client, to offset any and all claims (including penalty, late interest and interest claims) against the Collateral. Among other things, the Bank has the right to purchase Securities for performing the Client's obligations arising from Transactions and for closing position.
- 10.7. The Bank shall liquidate the collateralized asset at its own discretion unless legal acts provide for an imperative obligation to realize the asset in a specific manner. Among other things, the Bank has the right to acquire and/or retain the collateralized Securities, funds or claims against the Bank, performing an offsetting in the relevant amount to the Client's obligations unless this is prohibited by legal acts. The Bank shall notify the Client immediately of such offsetting.
- 10.8. Should Collateral be insufficient, the Bank has the right to debit the Client's other Accounts at the Bank in the amount of the claims in order to extinguish all claims arising from the Agreement and Transactions (including penalty, late interest and interest claims).
- 10.9. All valuations of Collateral and calculations of rights and obligations arising from the Agreement shall be performed by the Bank. The Bank shall use its sole discretion to determine which Securities or other assets are to be realized. At the request of the Client, the Bank shall present an overview of the valuation of the Collateral and principles and circumstances underlying the calculations of claims and liabilities.

11. FEES

- 11.1. In performing Transactions, the Client is obliged to pay the Bank a service fee (if the Bank has established such a fee) pursuant to the agreement between the Parties and in the absence of an agreement pursuant to the Price List that was current at the time the Transaction was executed.
- 11.2. In addition to fees payable via or to the Bank (including taxes), other fees or taxes may also be payable by the Client in connection with the Transaction or Service. Among other things, the Client undertakes to pay the Bank and compensate all payments and expenses related to performance of reporting obligation arising from EMIR regulations on behalf of the Client, including fees and expenses changed by trade repositories and third-party service providers.
- 11.3. The service fee shall be paid in accordance with procedure prescribed by the Bank. The Bank has the right to add service fee to sums payable by Client under the Transaction or debit the Client's Account separately. The Client consents for the Bank to present detailed information to Client concerning expenses and fees related to Service for every Transaction and procedure if the Client expresses a desire to that effect.

12. TERMINATION OF AGREEMENT AND/OR TRANSACTION

- 12.1. The Parties have the right to terminate the Client Agreement (i.e. at any time and for any reason) under ordinary procedure, notifying the counterparty at least 7 (seven) Banking days in advance in writing or a form reproducible in writing. The Client Agreement shall expire at the end of the term for advance notification or at a later date specified in the Notice. The ordinary termination of Agreement is allowed only if the Client has no current Transaction on the basis of the Agreement at the moment of termination.
- 12.2. The Parties have the right to extraordinarily terminate a Transaction and/or Agreement with good reason without adhering to the advance notification term requirement. In this case, the counterparty shall be notified in writing or a form reproducible in writing and the grounds and circumstances for termination shall be indicated therein.
- 12.3. In addition to the grounds for extraordinary termination of Agreement set forth in the General Terms and Conditions and the conditions for provision of Investment Service, "good reason" shall also include, inter alia, the following circumstances:
 - 12.3.1. non-performance of obligations arising from Agreement or Transaction (including payment commitment) by a Party;
 - 12.3.2. the confirmation provided by the Client upon entering into Agreement or Transaction proves to be completely or in part false or misleading;
 - 12.3.3. the Client's failure to comply by the deadline with a margin call from the Bank requesting to establish or increase the Collateral;
 - 12.3.4. the Client's failure to perform transactions or procedures required by the Bank to establish Collateral;
 - 12.3.5. the Client's breach of the conditions on Collateral;
 - 12.3.6. invalidation of the Collateral or declaration of Collateral as void (including in part) before all of the obligations arising from the Agreement and Transactions have been performed as required;
 - 12.3.7. the Client has, in connection with the Agreement, given the Bank inaccurate information or failed to submit information known to the Client;
 - 12.3.8. occurrence of economic event(s) that are viewed by the Bank as having a material, negative impact on the Client's ability to perform obligation assumed under Agreement and Transactions;
 - 12.3.9. performance of Agreement or Transaction becomes unlawful for the Client;
 - 12.3.10. a Client who is a legal person lacks a valid LEI code (including a case where the LEI code has expired);
 - 12.3.11. a Client who is a legal person undergoes merger, division or restructuring;
 - 12.3.12. a temporary trustee in bankruptcy is appointed for the Client; liquidation, enforcement, reorganization or debt restructuring proceedings or other similar insolvency proceeding commences;
 - 12.3.13. foreclosure, seizure or confiscation of Client's assets begins in a manner or volume that in the Bank's reasonable opinion may have material unfavourable impact on the Client's economic health or the performance of obligations arising from Agreement or Transactions;

- 12.3.14. a competent body of a Client who is a legal person adopts a resolution to wind up activity without a legal successor;
- 12.3.15. death or limitation of capacity to act of a Client who is a natural person;
- 12.3.16. the Client fails to perform as required obligations arising from other agreements with the Bank or from agreements concluded with companies in the same consolidation group as the Bank;
- 12.4. The emergence of grounds for termination of a Transaction specified in clauses 12.3.9 through 12.3.13 requires the Client to immediately notify the Bank in the manner specified in the Agreement.
- 12.5. A Party in regard to whom one or more of the grounds for termination of Transaction listed in clause 12.3 become evident shall be considered to be a Party in Violation and the counterparty shall be considered a Terminating Party.
- 12.6. In the event of grounds for termination becoming evident, the Terminating Party shall be entitled to prematurely terminate one or more of the Transactions concluded between the Parties. If the Bank is the Terminating Party, the Bank has the right to decline fulfilment of an accepted Order. If all Transactions executed on the basis of the Agreement are terminated, the Agreement shall likewise be terminated. Upon termination of Agreement, Services will cease to be provided to the Client and all Transactions shall be considered terminated as of the day of cancellation.
- 12.7. A Transaction (**Transaction Being Terminated**) shall be terminated by executing a Transaction in the reverse direction (**Terminating Transaction**). A Transaction in the reverse direction is construed as a Transaction where, compared to the Transaction Being Terminated, the Bank and Client are interchanged. The Bank has the right to conclude, on the behalf of and at the expense of the Client, such Transactions that are necessary for carrying out the premature termination of the Transaction.
- 12.8. If the Terminating Party is the Bank, the Bank has the right to terminate the Transaction Being Terminated also by closeout (**Closeout of Transaction**) in which case the Transaction Being Terminated is not conducted but rather the Client's position is closed immediately taking into account the value of the Security constituting the object of the Transaction at the moment of termination of Transaction. Upon Closeout of Transaction, settlements related to termination of Transaction generally take place immediately after Closeout of Transaction.
- 12.9. Sums the Terminating Party is obliged under the Transaction Being Terminated and Terminating Transaction to pay to the Party in Violation shall be subtracted from the sums that the Party in Violation is obliged under the Transaction Being Terminated and Terminating Transaction to pay to the Terminating Party. If this difference has a positive value, the Party in Violation is obliged to pay the Terminating Party sums in the extent of the positive value; if the difference is negative in value, the Terminating Party is obliged to pay the Party in Violation sums in the extent of the negative value.
- 12.10. Proceeding from the provisions of the Agreement or legal acts, the Bank shall calculate the sums payable to each other as of the date of the termination of Transaction(s) on the basis of Transaction(s). To determine the present value of sums payable in future on the basis of Transaction, the Bank shall proceed from its professional judgment and the standards and practice on the relevant financial market, unless provided otherwise in the Terms of Service. The Bank has the right to convert sums payable to a freely convertible currency of its choosing. The conversion shall be based on the exchange rate that the Bank uses to conduct currency exchange transactions as part of its ordinary business activity.
- 12.11. In the event of extraordinary cancellation of Agreement and/or Transaction, the Client shall compensate to the Bank all expenses related to cancellation and all losses borne by the Bank in connection with premature termination of Transaction due to changes in exchange rates and market price between the day of premature termination of Transaction and the date on which the Bank performs calculations.
- 12.12. Upon termination of Transaction, the Bank shall perform all computations related to termination of Transaction and notify the Client if necessary of the amount of any amounts payable and the payment deadline.
- 12.13. The Bank shall sum up payment obligations stemming from all Transactions conducted between Bank and Client. In the event of cancellation of Agreement and/or Transaction, the Bank has the right to offset as a current account for the purposes of Section 203 of the Law of Obligations Act all mutual (aggregated) claims arising on the basis of Agreement; the restrictions on offsetting set forth in subsections 200 (2), (3) and (4) of same Act shall not be applied. The Parties shall be considered to have rescind the obligation to mutually hand over Securities or other assets if such an obligation existed under the terms of the Transaction. To confirm this, the Bank shall present a balance statement to the Client in writing or in a form reproducible in writing. If the Client does not contest the balance within three working days, the balance shall be considered to be correct.
- 12.14. Amounts available from the other Party on the basis of Agreement and unpaid by the time of expiry of Agreement must be paid by the obliged Party to the other Party within 5 (five) Banking Days after the expiry of the Agreement.
- 12.15. Upon termination of Transaction by mutual agreement, the Parties shall likewise proceed from the provisions of clauses 12.7 through 12.14 .
- 12.16. In terminating and mutually performing Transactions and Services concluded on the basis of Agreement, the Parties shall proceed from the conditions of the Agreement as long as the mutual requirements are completely fulfilled. Following cancellation of Agreement, the Parties shall have the right to all remedies for legal protection arising from legal acts and the Agreement. After cancellation of Agreement, Parties shall retain the right of claim to, inter alia, damages, late interest and other contractual payments.

13. LIABILITY

- 13.1. The Parties shall undertake to perform obligations arising from Agreement as required and in a timely manner.
- 13.2. The Parties shall be liable for breach of Agreement and/or Transactions conducted thereunder in accordance with procedure and in the extent set forth in the conditions applicable to the Agreement and legal acts.
- 13.3. The Bank shall not be liable for the following, inter alia:
 - 13.3.1. breach of Agreement if caused by discontinuation or hindrance of the Bank's activity by third parties, force majeure, actions of Competent Institutions, Client's actions, Correction Incidents other circumstances beyond the control of the Bank;
 - 13.3.2. damage incurred by Client upon fulfilment or transmission of Order or refusal to accept, transmit or fulfil Order;
 - 13.3.3. damage or expenses arising from refusal to perform on behalf of the Client the reporting obligation arising from EMIR regulations and connected to Reportable Transactions;
 - 13.3.4. for services provided and information transmitted via the Bank by third parties unless the Bank has outsourced an activity related to Service. The Bank shall not be liable for damage caused by action or omission or insolvency on the part of third parties, or for violation of Transaction by a third party counterparty to the Transaction where the Transaction was intermediated to the Client on the basis of an Order. In the event of violation of Transaction by a third party, the Bank shall make all reasonably possible efforts to help the Client resort to legal remedies to redress the damage on condition that Client compensates the Bank for all expenses incurred by this activity.
- 13.4. The Client undertakes to compensate the Bank for expenses and damage borne by the Bank in connection to provision of Service in relation to claims brought by third parties, unless the claims were due to the intentional action of the Bank or gross negligence in provision of Service. Among other things, the Client undertakes to indemnify and compensate the Bank for all damage and expenses (including tax liabilities and reasonable legal assistance costs) arising for the Bank in connection with untrue or deficient representations, data or information or failure of the Client to perform obligations arising from Agreement or legal acts (including EMIR regulations).
- 13.5. Rights arising from Client assets held on representative account(s) shall belong to the Client, and the obligations arising from such assets shall also be borne by the Client. If the Bank seeks to collect a respective obligation of the Client from the assets of other clients held by the Bank or on behalf of the Bank, the Bank has the right to promptly pursue collection from the Client of such collectible assets and to deduct it from the Client's account.
- 13.6. In the event of failure to timely perform an obligation arising from Agreement or Transaction to make payment or transfer Securities, the Party in delay is obliged to pay the counterparty late interest pursuant to the late interest rate on the current account established in the Price List for each day of delay in payment of transfer. In case of delay in transferring Securities, the basis for calculating late interest shall be the market price of the relevant Securities on the day of the transfer as determined in the Transaction. If it is not possible to ascertain the market price of the Security, the Bank shall determine the price used as the basis for calculating late interest pursuant to international practice.
- 13.7. If the Client has insufficient funds in the Bank for eliminating indebtednesses, the Bank has the right to satisfy every Client indebtedness incurred on the basis of the Agreement from the Securities held on the Client's account or otherwise at the expense of the Client's assets held with the Bank. The Bank has the right to realize the quantity of Securities necessary to discharge the Client's indebtednesses at the best price the Bank estimates can be obtained at that time for the given quantity of Securities. The Bank thereafter shall offset the amounts received against the Client's indebtednesses and transfer the remaining amounts to the Client's Account.
- 13.8. If the performance of obligations arising from the Agreement or Transaction is delayed due to force majeure, the term for performance of obligations shall be considered to be extended by the time the obstacles endure and not by more than 7 (seven) Banking Days. After the term has elapsed, the Party whose actions were hindered shall be considered Party in Violation and the other Party has the right to prematurely terminate the Transaction as prescribed in the Agreement.

14. CONFIDENTIALITY

- 14.1. The Parties undertake to keep confidential the special conditions agreed in the Agreement, the conditions of Transactions and information learned regarding the other Party in the course of performance of Agreement and Transactions, unless:
 - 14.1.1. the obligation to divulge information stems from legal acts or enforceable court decisions;
 - 14.1.2. the disclosure of information is necessary for performance of Agreement or Transaction;
 - 14.1.3. if the disclosure of such information is allowed on the basis of the General Terms and Conditions or principles of processing Client Data.

- 14.2. Without restriction of the foregoing, the Parties hereby consent to disclosure and retention of information related to Reportable Transactions in the extent required or allowed by EMIR regulations or which is done on the basis of such regulations. The Parties shall ensure that any third party with regard to which they have a duty of confidentiality in relation to information to be disclosed on this basis has given the necessary consent for the disclosure of such information.
- 14.3. The duty of confidentiality specified in Chapter 14 shall remain in force indefinitely following the expiry of the Agreement.

15. APPLICABLE LAW AND RESOLUTION OF DISPUTES

- 15.1. In performing and interpreting the Agreement, Parties shall proceed from the legal acts in force in the Republic of Estonia.
- 15.2. In the event of a dispute, the disputing Party shall promptly convey to the other party a notice in which it defines in as great detail as possible the circumstances of the dispute (including the Transactions related to the dispute).
- 15.3. The Parties shall make an effort to resolve all disputes arising from Agreement and Transactions within a reasonable time period through negotiations in good faith, exchanging relevant information and trying to find and use other appropriate measures for resolving the specific dispute.
- 15.4. If a dispute related to an OTC Derivative (including in regard to validity, assessment or existence of collateral for Transactions conducted with such instruments) is not resolved within 5 (five) Banking Days of receipt of notice, Parties shall in addition to the dispute resolution procedures specified in clause 15.3 send it to the Compliance unit or equivalent unit and to the head of business unit responsible for the field, taking into account the structure of the Parties' organization and in cooperation with the relevant units, apply the appropriate measures to resolve the dispute as quickly as possible (taking into account, inter alia, market practice, and asking for the opinion of other market participants where necessary). If the dispute has not been resolved within 15 (fifteen) days of submission of the notice of contestation, the Parties shall have the right to turn to the courts or extrajudicial dispute resolution body pursuant to the dispute resolution agreement. The Client grants the Bank consent to notify Competent Institutions of persistent disputes and their circumstances pursuant to the provisions of the EMIR regulations.
- 15.5. If no agreement is achieved, disputes shall be resolved in Harju County Court. If the Client is not a natural person with Estonian citizenship or a legal person founded and registered in Estonia, the Bank has the right to turn to a court of arbitration to resolve the dispute. In such a case, the dispute shall be finally resolved by the court of arbitration of the Estonian Chamber of Commerce and Industry, in harmony with its rules, and the Parties shall view said court as an arbiter for the purposes of the General Part of the Civil Code Act and the Code of Civil Court Procedure, and this agreement as an arbitration agreement for the purposes of the Code of Civil Court Procedure.

16. COMMUNICATION BETWEEN THE PARTIES

- 16.1. If the Agreement or Terms and Conditions do not call for a different form or transmission methods for notices, a Notice related to the Agreement shall be sent in writing or a manner reproducible in writing to the Counterparty's Authorized Representative. Emailed notices shall be considered received on the same day they were sent, while notices sent by registered mail shall be considered received on the 5th (fifth) Banking Day after being mailed. Information related to the Agreement posted by the Bank on its Website or on the internet bank shall be considered received by the Client on day it was published. Notices of an informative nature with no legal bearing may be conveyed in other ways as well.
- 16.2. If a notice addressed to the counterparty must, on the basis of the Agreement, be in written form, it must be signed by the Party or its Authorized Representative in addition to complying to other requirements specified in the Agreement. A holographic signature on a Notice may be supplanted by a mechanically reproduced signature if the counterparty does not immediately call for a holographic signature. A mechanically reproduced signature for the purposes of the Agreement shall be considered to be a signature stamp or the printed or hand-lettered impression of the signature, unless the Party knew or should have known that such an impression of a signature was made against the will of the signatory.
- 16.3. The Bank has the right to present a Notice addressed to the Client to any Authorized Representative specified in the Agreement unless agreed otherwise in the Agreement. The Client undertakes to send Notices to the Bank's contact details specified in the Agreement. Notices sent to other contact details shall not be considered received by the Bank.
- 16.4. The Client is obliged to notify the Bank promptly of any changes in the contact details. Until a given notice is received, Notices shall be considered received by the Client if sent to the contact details specified in the Agreement. The Bank shall notify the Client of changes in contact details via corresponding Notices sent by post or email.

17. TRANSFER OF RIGHTS AND OBLIGATIONS

- 17.1. The Bank has the right to transfer its rights and obligations arising from Agreement and Transaction to trustworthy financial institutions, notifying the Client thereof. If the Client fails to duly perform obligations arising from Agreement and Transaction, the Bank has the right to transfer its rights and obligations to any person. The Client hereby grants consent for transfer of the abovementioned obligations to third parties on conditions set forth in the Agreement.
- 17.2. The Client has the right to transfer its rights and obligations arising from Agreement and Transaction solely with advance consent from the Bank provided in a form reproducible in writing.

TERMS OF SERVICE FOR CURRENCY FORWARD AND SWAP TRANSACTIONS

1. Definitions

- 1.1. **Base Currency** is the currency agreed in conducting the Transaction, which is exchanged for the Price Currency with the corresponding Forward Transaction or Primary Swap Transaction or Secondary Swap Transaction;
- 1.2. **Base Price** is the exchange rate between the Base and Price Currency agreed for the corresponding Forward Transaction or Primary Swap Transaction or Secondary Swap Transaction;
- 1.3. **Base Value** is the quantity of Price Currency in a given Forward Transaction or Primary Swap Transaction or Secondary Swap Transaction, which based on the agreed Base Price must be paid for acquiring a set quantity of Base Currency in such a Forward Transaction or Primary Swap Transaction or Secondary Swap Transaction;
- 1.4. **Forward** is a Base and Price Currency exchange transaction fulfilled on an agreed Banking Day in future;
- 1.5. **Price Currency** is the currency agreed in conducting the Transaction, and which is exchanged for the Base Currency of the corresponding Forward Transaction or Primary Swap Transaction or Secondary Swap Transaction;
- 1.6. **Present Value** is the quantity of Price Currency that at a given point in time should, based on the Market Price, be paid for a quantity of Base Currency set by a Forward Transaction or Primary Swap Transaction or Secondary Swap Transaction;
- 1.7. **Swap Transaction** is a Transaction consisting of two chronologically sequential Base and Price Currency exchange transactions with a direction opposite to each other, in which the first exchange transaction (Primary Transaction) is fulfilled on the day of on which the Swap is concluded or on an agreed Banking Day in future and in which the second exchange transaction (Secondary Transaction) is fulfilled on the day on which the Primary Transaction is fulfilled on the agreed Banking Day following the day of fulfillment of the Primary Transaction;
- 1.8. **Transaction** is a Forward or Swap Transaction;
- 1.9. **Transaction Account** is the Client's Account used for settlements related to the Transaction;
- 1.10. **Transaction term** is the interval from the date of conclusion of the Transaction until the Value Date for fulfilment of, respectively, the Forward Transaction or Secondary Swap Transaction;
- 1.11. **Market Price** is the market exchange rate between the Base and Price Currency of the Forward Transaction or Secondary Swap Transaction at a given point in time;
- 1.12. **Value Date** is the Banking Day on which the transfer of funds specified in the Transaction or other operation set forth in Terms of Service is effected.

2. Course of Transaction

- 2.1. The material conditions of a Forward Order are:
 - 2.1.1. Specification of Base Currency buyer and seller;
 - 2.1.2. Denomination and quantity of Base Currency;
 - 2.1.3. Base Price;
 - 2.1.4. Denomination of Price Currency;
 - 2.1.5. Value Date of fulfilment;
 - 2.1.6. Specification of Transaction accounts.
 - 2.2. In a Swap Order, agreement in the conditions set forth in the subclauses of clause 2.1 must be achieved with regard to both Primary and Secondary Transaction.
 - 2.3. The material conditions for the agreement on providing Collateral are the quantity of Collateral Asset, Value Date, repayment date, interest rate, period of the Collateral and final amount to be repaid, if the Collateral is repaid in full.
 - 2.4. On the Value Date of fulfilment of Forward Transaction and Primary Swap Transaction and Secondary Swap Transaction:
 - 2.4.1. if the Base Currency buyer is the Bank, the Bank shall transfer the Base Value to the Client's Transaction Account and debit simultaneously the agreed quantity of Base Currency from the Client's Transaction Account;
 - 2.4.2. if the Base Currency buyer is the Client, the Bank shall debit the corresponding Base Value from the Client's Transaction Account and transfer simultaneously the agreed quantity of Base Currency to the Client's Transaction Account.
 - 2.5. Should the Transaction be terminated prematurely, the Bank shall close the corresponding post-Transaction position, determining the Present Value of the Forward Transaction or Secondary Swap Transaction to be prematurely terminated.
 - 2.6. If the Present Value is greater than the Base Value of the corresponding transaction, the Base Currency seller shall compensate the Transaction counterparty for the sum by which the Present Value exceeds the Base Value of the corresponding Transaction; or if the Present Value is lower than the Base Value of the corresponding Transaction, the Base Currency buyer shall compensate the Transaction counterparty for the sum by which the Present Value is lower than the base Value of the corresponding Transaction.

3. Collateral

- 3.1. At the Bank's request, the Client shall guarantee fulfilment of payment obligations arising from the Forward Transaction or Secondary Swap Transaction with Collateral, which shall be money transferred to the Bank or other Collateral acceptable to the Bank (including the one specified in clause 10 of the Agreement).
- 3.2. The initial size of Collateral is the quantity of Base or Price Currency designated by the Bank. Unless agreed otherwise by the Parties, the Bank shall debit or place a hold on the Collateral on the Client's corresponding Transaction Account on the day on which the Transaction is concluded.
- 3.3. The Client is obliged to increase the Collateral in the extent indicated by the Bank whenever the Client's mathematical loss arising from a Transaction in progress is at a given point in time greater than 50% of the Collateral provided for such a Transaction in progress, unless the Parties have agreed on a different level. The Client shall be considered to be making a mathematical loss on the basis of a Transaction if (i) the Present Value of a Transaction in a Transaction in which the Client is the Base Currency buyer is lower than the Base Value of the corresponding Transaction; or (ii) the Present Value of the Transaction in a Transaction where the Client is the Base Currency seller is greater than the Base Value of the corresponding Transaction.
- 3.4. In the case set out in clause 3.3. the Collateral shall be increased each time by the amount of the mathematical loss in the corresponding Transaction.
- 3.5. If the Client's mathematical loss arising from a Transaction in progress at a given point in time is 75% or more of the Collateral provided for such a Transaction in progress the Bank has the right to immediately terminate the Transaction prematurely. In regard to the potential loss amount, the Bank shall debit the Client's available funds or offset the sum payable by the Client against the Collateral.