

# General Rules for CBL Funds Nominee Accounts

## 1. DEFINITIONS

- 1.1. **Account** – the Client’s account opened at the CBL as nominee account of the Client as nominee under the Agreement where CBL’s Funds are accounted for and held in custody.
- 1.2. **Agreement** – the documents regulating services for CBL Funds Nominee Accounts, which determines the mutual legal relationship between the Parties, including (a) Application Form for CBL Funds Nominee Accounts (Application Form); and (b) General Rules for CBL Funds Nominee Accounts (General Rules).
- 1.3. **Application** – application of the Client to open/close/terminate the Account/Accounts for relevant client or sub-distributor of the Client as nominee.
- 1.4. **Application Form** – Application Form for CBL Funds Nominee Account submitted and signed by the Client.
- 1.5. **Assets** – shares/certificates of the Funds held in the Account by the CBL, but are owned by the Client or clients/sub-distributors of the Client or beneficial owners represented by the Client or clients/sub-distributors of the Client.
- 1.6. **Business Day** – any calendar day, which is or which may be officially designated as a working day in the Republic of Latvia and which is specified by the CBL as its business day.
- 1.7. **CBL** – “CBL Asset Management” Ieguldījumu pārvaldes akciju sabiedrība, Reg.No: 40003577500.
- 1.8. **Client** – a person being provided with the CBL Funds Nominee Accounts service based on the Agreement concluded with the CBL.
- 1.9. **Client’s Status** – the status of a retail client, professional client or an eligible counterparty assigned to the Client by the CBL pursuant to the Financial Instruments Market Act (Finanšu instrumentu tirgus likums) of the Republic of Latvia.
- 1.10. **Client’s Representative** – a natural person authorized to represent the Client with regard to the Agreement, including the submission of the Orders, acting under a Power of Attorney issued by the Client or under other document certifying the right of representation that is approved by the CBL.
- 1.11. **Confirmation** – a notice, which is given by the CBL to the Client on the execution of an Order and which contains information of Transaction executed.
- 1.12. **Description of policy on conflict of interest while providing investment services** – the document titled “*Description of policy on conflict of interest while providing investment services*” published on the *Investment portfolios* section of the CBL’s Website.
- 1.13. **Description of risks related to financial instruments** – the document titled “*Description of risks related to financial instruments*” published on the *Investment portfolios* section of the CBL’s Website.
- 1.14. **Description of statuses assignable to clients** – the document titled “*Description of statuses assignable to clients*” published on the *Investment portfolios* section of the CBL’s Website.
- 1.15. **Events** – any fact or circumstances that has impact on the characteristic of the Fund (such as merger or reorganization of the Fund) or any there offer related to the Fund.
- 1.16. **Fee** – remuneration for services provided by the CBL, which are due from the Client to the CBL pursuant to the Agreement and/or any other separate agreement.
- 1.17. **Fees Schedule** – the General Fees Schedule and/or the Special Fees Schedule applicable to the Client.
- 1.18. **Financial Instruments Market Act** – *Financial Instruments Market Act (Finanšu instrumentu tirgus likums)* of the Republic of Latvia.
- 1.19. **Fund/Funds** – any UCITS fund/funds managed and issued by the CBL.
- 1.20. **General Fees Schedule** – the fees schedule published on the CBL’s website.
- 1.21. **General Rules** – these General Rules for CBL Funds Nominee Accounts of the CBL.
- 1.22. **Identification** – set of means and measures performed by the CBL in order to verify the identity, legal capacity, capacity to act and the scope of authority of the Client (or its representative) under the presented documents.
- 1.23. **Information about the asset management services provider** – the document titled “*Information about the asset management services provider*” published on the *Investment portfolios* section of the CBL’s Website.
- 1.24. **Intermediary** – a depository attracted by the CBL for the custody of the Assets, which is only the AS “**Citadele banka**”, licensed credit institution and registered in the Republic of Latvia under Reg.No. 40103303559, address: Republikas laukums 2A, Rīga, LV-1010, LATVIA, and/or **Nasdaq CSD SE**, registered in the Republic of Latvia under Reg.No. registered in the Republic of Latvia under Reg.No. 40003242879, licensed under the European CSDR (Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012), supervised by the Baltic supervision authorities cooperating in accordance with CSDR and serves as the sole central registrar of financial instruments issued by companies and governments in the Baltic financial market.
- 1.25. **Laws** – laws and regulations applicable to a Party, including legislative acts of the European Union and binding regulations issued by the Financial and Capital Market Commission (Finanšu un kapitāla tirgus komisija) of the Republic of Latvia.
- 1.26. **LEI code** – a unique 20-character identity code defined by ISO 17442 that identifies distinct legal entities, which engage in global financial market; one unique LEI code can be assigned to each legal entity.
- 1.27. **Means of Communication** – the means of communication between the Parties specified by this Agreement, including those provided by the Special Arrangements of the Agreement (including sending the information to the Client’s e-mail address, by facsimile, by mail or via the Online banking).
- 1.28. **Online banking** – the remote account management system of the AS “**Citadele banka**”, Reg.No. 40103303559, to be used for Identification of Orders, applications etc. submitted by the Client.
- 1.29. **Order** – the Client’s order drawn up according to the requirements of the CBL and submitted to the CBL for carrying out Transactions.
- 1.30. **Parties** – the Client and the CBL.
- 1.31. **Party** – the Client or the CBL.
- 1.32. **Privacy Protection Rules** - the document titled “*Privacy Protection Rules*”, which is published on the “*Privacy policy*” section of the CBL’s Website.
- 1.33. **Procedure for Reviewing Suggestions and Complaints** – the document titled “*Procedure for Reviewing Suggestions and Complaints*” published on the CBL’s Website providing the procedure of reviewing suggestions and complaints (disputes) submitted by the Clients of the CBL.

1.34. **Report** – a document prepared in accordance with the requirements of the Laws, which provides information on the Assets and the balances of the Account, including the deals executed during the Reporting period, as well as the balance of the Assets of the Account at the end of the Reporting period.

1.35. **Reporting period** – the period of time from the first until the last day for which the Report is being prepared to the Client.

1.36. **Special Fees Schedule** – a fees schedule for the services provided by the CBL, which is different form the General Fees Schedule and which has been separately agreed with the Client in writing.

1.37. **Transaction** – the Client’s transaction with Fund executed via the CBL, including the purchase and redemption of the shares/certificates of the Fund and transfer between the Accounts.

1.38. **Transaction Execution Policy** – the document titled “*Transaction Execution Policy for Provision of Services*”, which is published on the CBL’s Website and which regulates the execution and performance of transactions.

1.39. **Website** – the website of the CBL at [www.cblam.lv](http://www.cblam.lv).

**2. GENERAL PROVISIONS**

2.1. CBL opens and services the Account/Accounts, accepts and executes Orders, and provides any other services to the Client as provided by the Agreement.

2.2. Any Account shall be opened to the Client only as nominee account.

2.3. No account/accounts for cash/money assets shall be opened and serviced by the CBL under this Agreement.

2.4. Only shares/certificates of the Funds managed and issued by the CBL shall be held in the Account. The current Funds list can be found on the CBL’s Website.

2.5. Any transfers of the shares/certificates of the Funds to/from the Accounts from/to another accounts (except transfers between the Accounts) are allowed only with prior and separate approval of the CBL and in such case the Client is obligated to cover all CBL’s transfer and such like expenses.

2.6. The Transaction Execution Policy, Description of policy on conflict of interest while providing investment services and other documents related to the services provided by this Agreement are available to the Client for inspection on the CBL’s Website. Any information concerning investment services and investor protection that is available electronically may be requested and received by the Client during the effective period of the Agreement in paper form at the CBL.

2.7. Upon the CBL request, the Client is obligated immediately provide the CBL information about the Client’s clients/sub-distributors or their represented beneficial owners, whose Assets are or potentially will be deposited in the Account. Such information shall include identification data of such person, as well as copies of documents, which confirm such information.

2.8. These General Rules shall be considered as an annex and integral part of the Agreement concluded between the Parties, which are accepted as binding and applicable by the Party at the moment of signing the Application Form.

2.9. The CBL is entitled to unilaterally amend the provisions of these General Rules pursuant to the procedure set by the Agreement. Unless before the effective date of the amendments to the General Rules the Client submits its objections in writing to the e-mail address of the CBL [asset@cbl.lv](mailto:asset@cbl.lv), or via Online banking, it shall be considered that the Client has agreed to the said amendments and accepted them. Shall the CBL receive the objections sent to its e-mail address [asset@cbl.lv](mailto:asset@cbl.lv) or via the Online banking but the Parties fail to execute a mutual written agreement in this regard, the amendments shall take effect on the date specified therein and the respective Party shall be entitled to unilaterally terminate the Agreement with immediate effect pursuant to the procedure set by these General Rules.

2.10. If the provisions of the General Rules are contrary to the provisions set by the Application Form, the provisions of the General Rules shall be applied insofar as:

- (a) the provisions of the General Rules are more advantageous to the Client than those stipulated by the Application Form, and/or
- (b) they have been included in the General Rules pursuant to the requirements of the Laws.

2.11. If Agreement requires execution of Agreement’s provision to be amended in writing, it shall be considered that it can also be amended

electronically if Identification of the Client can be ensured. Identification of the Client shall be considered as ensured if the Client authenticated itself by means of the Online banking. If the Client transmitted the order to the CBL electronically as mentioned before, *inter alia* ordered to change the form of receiving Report, and the CBL accepted such a request by executing such a change, it shall be considered, that Parties have agreed on such amendments of the Agreement in writing.

2.12. Requirements provided by the Laws of the Republic of Latvia shall be applicable to interpretation, verification of the legal effect and any other legal aspects of these General Rules or any other part of the Agreement.

2.13. The person signing the Agreement on the Client’s behalf by the virtue of his/her signing undertakes in his/her capacity as an individual (natural person) all the Client’s obligations provided by the Agreement and is liable for fulfilment of such obligations with all his/her property, as well as undertakes to compensate to the CBL all its damages and expenses related to the Agreement, if at the moment of the concluding of this Agreement this person is not authorized to represent the Client or exceeds his/her powers of authorization or is acting contrary to the interests of the represented Client.

2.14. The Client hereby warrants and affirms that during the effective period of the Agreement the Client:

- (a) without a prior consent of the CBL will not transfer, pledge or otherwise encumber the Assets;
- (b) will accept all the transactions with the Assets executed by the CBL as well as any rights and obligations resulting therefrom, provided that the CBL has acted in accordance with the Agreement;
- (c) will immediately notify the CBL of any changes in the information specified by the Agreement or related to it;
- (d) will provide the CBL with all the required information and documents as well as carry out any other activities in order to ensure the provision of services and performance of the Agreement;
- (e) will follow and get acquainted to all the amendments made to these General Rules;
- (f) will ensure that all the Client’s representations and other information provided by the Client with regard to this Agreement, including the information on the Client and is beneficiaries, experience in the field of investments, as well as on the position of the Client’s assets is going to be true, complete and up-to-date;
- (g) will not transfer, pledge or otherwise encumber the Client’s Assets for the benefit of third parties;
- (h) affirms that the money assets to be transferred for the Assets, including their origin and source will be legal, and neither the Laws nor agreements with third parties will be violated as a result of their transfer and it will not be related to money laundering;
- (i) will provide the CBL with all the necessary documents requested by it in order to ensure the Identification of the Client and its representatives as well as verification of the scope of authorization and powers of such representatives;
- (j) will not use the Assets for any unlawful purposes;
- (k) affirms that all the documents and information provided by the Client to the CBL will be true, complete and legally valid.

2.15. If requested by the CBL, the Client, which is legal entity, immediately notifies the CBL in writing about either the LEI code assigned to the Client or its absence. By accepting these General Rules, *inter alia* in the case specified by this Article of the General Rules, the Client, which is legal entity, during the effective period of the Agreement irrevocably authorizes the CBL to arrange and/or maintain the LEI code of the Client. Nothing provided by this Article of the General Rules shall be considered as a commitment of the CBL to perform activities mentioned before.

2.16. The Agreement may cover service for Account or for several Client’s Accounts.

2.17. The CBL does not provide any investment advice nor recommendations, including to any potential Client.

**3. ACCOUNT, ACCOUNT OPENING, SERVICING AND CLOSING. HOLDING OF THE ASSETS.**

3.1. In order the Account is opened the written Application for Account opening shall be submitted by the Client to the CBL considering all specifications required by the CBL.

3.2. The CBL agrees/rejects in writing the opening of the Account no later than in 5 Business Days after receiving of the Application.

3.3. The Account shall be considered as opened if the CBL informs the Client about this in writing, inter alia by providing the number of such Account.

3.4. The Client and/or clients/sub-distributors of the Client are beneficial owners of the shares/certificates of the Funds and/or represent final investors, and the CBL only holds such shares/certificates in custody.

3.5. The CBL executes the closing of the Account after receiving of the corresponding Application by the Client, if there are no Assets in such Account.

3.6. If so requested by the CBL, the Client is required to provide separate order in a required form and other specifications for any money transfer to the account of another bank or such like institution, including money assets transfers either in respect of the Events and/or of redemption/sale of shares/certificates of the Fund.

3.7. All operations/transactions with Assets are recorded in the Account.

3.8. Order serves as the basis for accounting entries in the respective Account, transfer of Assets from or to the Account.

3.9. Any transfers of the shares/certificates of the Funds according to the Client's Order shall be made only from/to Accounts, and any transfers of the shares/certificates of the Funds from/to Account to/from another non-CBL's account is made only upon separate approval by the CBL.

3.10. The CBL ensures custody of the shares/certificates of the Funds using the services provided by Intermediaries. A list of Intermediaries is provided by the Annex of the Transactions Execution Policy. Upon the Client's request the CBL provides the Client with information as to which of the shares/certificates of the Funds are held in the custody of which Intermediary. The Intermediary themselves may involve other person (sub-custodian) in the provision of the Funds custody services.

3.11. The CBL is entitled to hold the shares/certificates of the Funds in an account opened with the Intermediary in the name of the CBL together with Funds owned by other clients of the Client without identifying the individual clients or by opening a sub-account for each client. The CBL notifies the Intermediary in the event it holds Funds with the Intermediary for the benefit of CBL's client/clients. By signing this Agreement the Client certifies that it has read the information on the safe custody of Funds provided by the CBL, including the information on custody of the Funds owned by the Client in nominal accounts.

3.12. The CBL is entitled to keep a record of the Client's clients/sub-distributors/beneficial owners in the Funds pursuant to the applicable laws of the Republic of Latvia by reflecting such ownership in an accounting entry in the Account.

3.13. The CBL is not entitled to use the Client's Assets for its own transactions with the Intermediary unless the Parties agreed separately in writing.

3.14. Where the CBL/Intermediary is required pursuant to the applicable laws of the Republic of Latvia or any other country, or pursuant to a special agreement, to deduct a tax, duty or another deduction from the Client's income or other transfers, the amount to be transferred to the Client shall be reduced for the amount of such retention and expenses.

3.15. The CBL is entitled to make correction to any entries in the Account without Client's approval where such entries have been made as a result of mistake or technical error, or where such correction are made by the Intermediary.

3.16. The CBL is entitled to block the Account or restrict any activities with Assets in any of the following cases:

- (a) the CBL suspects money laundering, connection with financing of terrorism and/or other violations of laws or regulations;
- (b) where provided by the laws, including upon request by the governmental or judicial authorities.

#### 4. ORDERS

4.1. The Client's Order executed by the Means of Communication specified by the Agreement, certifies that such Order was authorized by the Client. The CBL is not obliged to verify the validity and scope of the authority of the user of the above mentioned Mean of Communication.

4.2. Client's disclosure of the Mean of Communication provided by the previous Article to any person related to the Client shall be considered as the Client's authorization for that person to submit the Order under this Agreement, including at the Client's expense.

4.3. All operations made under this Agreement using the specified Means of Communications, including if carried out by an unauthorized person, are binding to the Client.

4.4. Any Orders submitted using the specified Means of Communication

have the same legal effect as those signed manually by the Client itself. Any such Orders are sufficient to incur the Client's liability and to be used as evidence, including in court.

4.5. Any Order shall be filled clearly and precisely according to the requirements of the Agreement and other requirements laid down by the CBL.

4.6. The following information shall be specified by the Client in the Order:

- (a) Order type (purchase/redemption/transfer);
- (b) Fund's name, stating the information which allows it to be clearly identified (ISIN code etc.);
- (c) number/numbers of the Account/Accounts for respective Order;
- (d) any other information that the Client or the CBL deems necessary or which is related to the execution of the Order.

4.7. The Client is obligated to provide documents, if such requested by the CBL for the execution of the Order.

4.8. The CBL is entitled to interpret any definitions and abbreviations used in the Orders in line with the common market practices.

4.9. The submission of an Order to the CBL serves as a confirmation that the Client has acquainted itself and consents to the Transaction Execution Policy, Fund's prospectus and rules, and General Rules effective at the time of submission of an Order.

4.10. The CBL is entitled not to accept an Order, refuse to execute it or to suspend the execution of an accepted Order upon the occurrence of any of the following circumstances:

- (a) there is no Account opened for particular client/sub-distributor of the Client or it is closed/blocked under conditions of the Agreement;
- (b) the CBL has a reasonable suspicion that the Order has not been submitted by the Client; and/or
- (c) the Order has been submitted not in compliance with the requirements of the Agreement or other requirements of the CBL or requirement of the applicable law; and/or
- (d) the provisions of the Agreement do not provide for the performance of the activities specified by the Order; and/or
- (e) the current amount of Funds in the Account is not sufficient for the complete execution of the Order; and/or
- (f) the current amount of money transferred to the account specified by the CBL in the relevant currency is not sufficient for the complete execution of the Order; and/or
- (g) the CBL suspects that activities stated in the Order are related to money laundering or any other illegal activity; and/or
- (h) the submission or execution of the Order is not possible due to technical reasons; and/or
- (i) the CBL is unable to service the Fund specified in the Order; and/or
- (j) if there is disagreement between the Parties concerning the terms of the Order or the fact of submission of the Order or similar circumstances; and/or
- (k) due to any other conditions that, in the opinion of the CBL, prevent or complicate the execution of the Order, or may affect the interests of the Party adversely; and/or
- (l) the Client is in breach of the Agreement or other contractual relations between Parties;
- (m) in any other cases referred to in the Agreement or any other agreements between the Parties.

4.11. When executing the Orders, the CBL shall comply with law of the Republic of Latvia and of the respective foreign countries and observe fair market practices. Any Order shall be executed in accordance with the Transaction Execution Policy, terms of Fund prospectus and rules, and market practices.

4.12. In order to cancel/change an Order, the Client shall submit a relevant Order. The Client may cancel/change an Order only with the consent of the CBL, provided that the Order has not yet been executed. Where the Order has already been executed, it is binding for the Client.

4.13. The Client is obliged to execute all instructions required by the CBL (including, but not limited to transfer money assets to the Fund's account; provide its account number for the transfer of money for redemption of the Fund; and such like). The CBL is not liable for execution of Order, if above mentioned instructions are not met.

**5. INFORMATION EXCHANGE. MEANS OF COMMUNICATION.**

- 5.1. In order to exchange information, submit the Orders and Confirmations or other documents, the Parties employ the Means of Communication elected by the Client for the Agreement.
- 5.2. Any personally addressed information shall be communicated to the Client by the CBL using one of the Client's Means of Communication known to the CBL.
- 5.3. The CBL is entitled to communicate any information not addressed personally to the Client by publishing it on the Website if the Client has access to the Internet. The Parties agree that by giving notice of its e-mail address the Client confirms that the Client has access to the Internet and the Client agrees to receive information from the CBL by electronic means.
- 5.4. Any CBL's information shall be deemed communicated to and received by the Client as of the moment when it is communicated through the Means of Communication, delivered to the Client in person or published on the Website. Where the information is sent to the Client via post, it is deemed to have been received by the Client on the seventh (7) day after the date of postage regardless of actual receipt. The Client is obliged to examine carefully the information communicated to the Client or published on the Website and to follow any changes thereto.
- 5.5. No information provided by the CBL may be considered as an advice or recommendation to the Client to make or not to make investments in the Funds.
- 5.6. Each Party is entitled to record telephone conversations and other conversations between the Parties and to use such recordings as evidence, including in court, for the settlement of any disputes between the Parties and/or any third parties. The Client is obliged to inform the Client's Representative that conversations may be recorded.
- 5.7. The Client is aware that the use of such Means of Communication as e.g. the use of email for communication between the Parties, and sending any data via email involves data transmission risk and during the transmission information may be distorted or become known to third parties. The Client undertakes this risk.
- 5.8. The Client shall carefully become acquainted with all the information provided to it, including the information published on the CBL's Website, and follow any modifications thereto.
- 5.9. If under the Agreement the CBL is entitled to provide information to the Client in several forms and/or by several Means of Communication, the information shall be considered as provided by the CBL if it has been done by at least one of the respective forms or means.
- 5.10. For the exchange of information, the Parties shall use the language elected by the Client. The Client is aware that the core working language of the CBL is Latvian and therefore not all of the documents can be made provided to the Client in other languages.
- 5.11. The Client shall ensure that the CBL is able to reach the Client by the Means of Communication at any time. The CBL shall not be held liable for any damage incurred by the Client where the CBL had attempted to reach the Client by the Means of Communication but the Client was not reachable.
- 5.12. The documents submitted by the Client by the Means of Communications shall have the same legal effect as the documents signed in person, provided the Client has been authenticated as the submitter of the document.
- 5.13. On the CBL's request, the Client shall submit to the CBL the original of any document submitted by Means of Communication, including the documents, which are confirmed by the Client's own signature.
- 5.14. The Client shall immediately notify the CBL on any changes in the Identification data of the Client or in any other information specified in the Agreement and on the CBL's request to provide all the necessary information and documents, executing them in accordance with the requirements set forth by the CBL.
- 5.15. If the Client has access to the Online banking of the AS "Citadele banka", registered in the Republic of Latvia under Reg.No. 40103303559, address: Republikas laukums 2A, Rīga, LV-1010, LATVIA, the Orders, Order Confirmations and Applications to open/close the Account can be provided by such Online banking as well.
- 5.16. The information sent to the Client shall be considered as received by the Clients, if it is sent via the Bank's Online banking and/or to the address and/or e-mail address specified by the Agreement.

**6. CBL'S FEE AND FEES SCHEDULES. COSTS AND OTHER EXPENSES**

- 6.1. The Client shall pay to the CBL the remuneration specified by the

Agreement in accordance with the Fees Schedule.

- 6.2. The Fees for the services are charged in accordance with the General Fees Schedule unless the Special Fees Schedule provides otherwise. If the Parties have agreed to a Special Fees Schedule, all fees provided by the General Fees Schedule, which are not specified by the Special Fees Schedule, shall be applicable to the Client.
- 6.3. The CBL is entitled to amend unilaterally the General Fees Schedule pursuant to the procedure specified by the General Rules. Unless the CBL receives the Client's objections sent to its e-mail address [asset@cbl.lv](mailto:asset@cbl.lv) or via Bank's Online banking until the effective date of the amendments, it shall be considered that the Client has accepted the respective amendments. Shall the CBL receive the Client's objections against the amendments to the General Fees Schedule sent to its e-mail address [asset@cbl.lv](mailto:asset@cbl.lv) or via Bank's Online banking until the effective date of the amendments, the Parties shall either agree on a Special Fees Schedule applicable to the Client or, shall the Parties fail to reach such an agreement, the amendments to the General Fees Schedule shall take effect on the specified date and the Client may unilaterally terminate the Agreement pursuant to the procedure prescribed therein.
- 6.4. The applicable Fees is due no later than at the first day of the next month.
- 6.5. The CBL is entitled, including without separate Order, to write off the fees, taxes, duties and other charges, if applicable from the amounts transferred from/to the Client in respect to Orders. If not covered separately by the Client, the CBL is entitled to cover Fees and other applicable expenses from the Assets.
- 6.6. The Client shall compensate all expenses incurred by the CBL, which are related to the services provided by the Agreement.
- 6.7. The applicable taxes, duties or other similar expenses, if any, are not included in the remuneration of the CBL and/or third parties.
- 6.8. In addition to the Fees, the Client shall compensate the CBL for any other expenses specified by the Agreement which incurred in the course of providing the services (including but not limited to the taxes, duties and similar charges payable by the Client, service fees other third parties). The CBL is entitled to cover the expenses specified by this Article from the money assets provided by the Client and/or Assets without the Client's additional consent.
- 6.9. Prior to concluding the Agreement as well as throughout all its validity period, the CBL ensures that adequate information is available to the Client, enabling to assess the nature of the services being provided by the CBL, the risks related thereto, costs and associated charges, including information on the CBL, the investment strategies offered by it and the risks associated with investments in the respective financial instruments or with the specific investment strategy, including by publishing and providing regular updates of information published on the CBL's Website.
- 6.10. If the applicable laws require the CBL to provide the Client mandatory information, such can be provided by the CBL in the Report and/or in any other separate document (for example by the *ex post* information on costs and associated charges).
- 6.11. Information of CBL funds target markets, commissions and ongoing charges, as well as Key Investor Information Document (KIID) for each Fund are available on the CBL's Website.

**7. RISKS RELATED TO THE INVESTMENTS**

- 7.1. By entering the Agreement, including by becoming acquainted and accepting these General Rules, the Client and the person signing the Agreement on the Client's behalf affirms that the Client possesses sufficient knowledge and experience in order to assess and undertake the risks related to the investments in the shares/certificates of the Funds, including the risk of complete or partial loss of capital, which is related to the following main risks:
- (a) **Economic risk** – possibility to suffer additional expenditures and/or loss due to adverse events of economic nature; the economic risk is related to: **price risk** – possibility to suffer additional expenditures and/or loss due to Financial instruments' price fluctuation; **currency risk** – possibility to suffer additional expenditures and/or loss due to adverse exchange rate fluctuations, including where the investment currency differs from the Base Currency of the Investment Portfolio, which may increase or reduce the profit or loss generated in non-Base Currency; **interest rate risk** – possibility to suffer additional expenditures and/or loss due to adverse market fluctuations resulting in changes of interest rates in the financial markets; Economic risk has impact either on the generated income and the value of the Investment Portfolio;
- (b) **Inflation risk** – possibility to suffer additional expenditures and/or loss due to deflation of currency and decrease of its purchasing power;

(c) **Liquidity risk** – possibility to suffer additional expenditures and/or loss due to insufficient market liquidity, that is difficulty or impossibility of selling the currency or the Financial instruments within the desired time and in the desired amount; in respect of certain Financial instruments the liquidity can result from overdue or incomplete fulfillment of obligations by the business partners; Liquidity risk can be related to certain Financial instruments and/or their respective market or to overall market liquidity shortage (liquidity crisis); in some cases liquidity risk may result in impossibility of selling Financial instruments, which, in turn, may cause breach of the Investment Policy, as well as create obstacles for withdrawing the Investment Portfolio completely or in part;

(d) **Financial instrument risk** – depends on the category of the Financial instruments involved: shares, bonds, money market instruments, derivative Financial instruments and such like; certain Financial instruments are highly volatile, which may contribute to the expected return but may also generate loss;

(e) **Financial instrument issuer risk** – possibility to suffer additional expenditures and/or loss due to value decrease or loss of the Financial instruments resulting from the failure of the respective issuer to meet its obligations, its poor financial performance, insolvency and such like;

(f) **Industry risk** – possibility to suffer additional expenditures and/or loss due to fluctuations specific to Financial instruments in certain industries; this risk can be mitigated by investing the Investment Portfolio Assets in a variety of economy sectors;

(g) **Intermediary/Bank risk** – possibility to suffer additional expenditures and/or loss due to an action or omission of an Intermediary/Bank (including amendments in the terms of providing service, fraud, negligence, improper custody of Assets held by Intermediary/Bank and such like) or due to the flaws in the system of safe custody of Financial instruments on behalf of third parties in certain countries;

(h) **Intermediary/Bank insolvency risk** – complete or partial loss, or continuous inaccessibility of the Client's Financial instruments, impeded or impossible execution of orders, impossibility to exercise rights vested in the Financial instruments (for example voting rights) or unavailability of information, which is caused by the insolvency (bankruptcy) or other similar proceedings suspending the operation of the Intermediary/Bank holding the Client's Financial instruments or involved in the execution of orders; the custody of the Financial instruments can be subject to the foreign Laws or market practice, which is significantly different from the Laws or market practice effective in the Republic of Latvia, moreover, the Client's rights to the Financial instruments can be affected by unanticipated resolutions of the legislative, executive and/or judicial authorities of the respective country; the Client may fail to recover the Financial instruments, yet, in the course of the insolvency proceedings of the Intermediary/Bank their value may be completely or partially compensated in money after the value of the Financial instruments is assessed in accordance with laws and regulations of the respective country; in the case of Intermediary's insolvency or other similar proceedings, there is a risk that neither the Financial instruments nor their value in money can be recovered;

(i) **Non-performance risk** – possibility to suffer additional expenditures and/or loss due to non-performance of obligations assumed by a market participant towards the Client or the CBL for the Client's benefit, or insolvency of such market participant, or suspension of its operation;

(j) **Legal risk** – possibility to suffer additional expenditures and/or loss due to any amendments to the Laws or implementation of any resolutions/enactments of legislative, executive or judicial authorities resulting in seizure or other types of blocking regarding to the Assets (including held by an Intermediary), which prevents the free disposal of Assets;

(k) **Foreign laws application risk** – possibility to suffer additional expenditures and/or loss due to application of the Laws or market practice of the country where the Intermediary is registered, which are significantly different from the Laws and market practice of the Republic of Latvia regarding to the custody or bookkeeping of the Financial instruments, as well as actions, omissions and liability of the Intermediary or sub-Intermediary engaged by the Intermediary for the purposes of custody, and the Client's right to the Financial instruments can be affected by unanticipated resolutions of the legislative, executive or judicial authorities of these foreign countries;

(l) **Country or political risk** – possibility to suffer additional expenditures and/or loss due to any trade or circulation restrictions imposed in respect of the Assets as a result of events affecting political or economic stability or further development of the country or region, including corruption in the administrative or financial system of the country, introduction of economic sanctions against the country as a whole or against any specific individual or legal entity, including to combat terrorism and/or money laundering;

(m) **Operational risk** – possibility to suffer additional expenditures and/or

loss due to a failure of electronic or other systems, flaws in financial and capital market infrastructure, network disruption, as well as faults of Deals execution technologies, Management, recording and control procedures or action/omission of the staff and/or unlawful activities of third parties, including fraud, forgery and such like;

(n) **Communication risk** – possibility to suffer additional expenditures and/or loss due to disruptions in operation of software or electronic devices for the Client or a third party, data transmission error, unauthorized access, distortion of information to be submitted and such like;

(o) **System risk** – possibility to suffer additional expenditures and/or loss due to the problems with technical equipment or communication devices of Intermediaries or other institutions involved in Management of the Investment Portfolio, impeding timely execution of settlements or Deals;

(p) **Information risk** – possibility to suffer additional expenditures and/or loss due to unavailability of actual and complete information on the prices of Financial instruments, currency exchange rates, or trends of the financial and capital market.

7.2. By putting Order regarding shares/certificates of the Fund, the Client undertakes all investments' risks specified by such Fund prospectus and/or rules and all damages caused therefore to Client or its related person by such risks thereof.

7.3. By signing the Agreement, including by becoming acquainted and accepting these General Rules, the Client affirms that:

(a) the Client has read the Description of risks related to financial instruments, which is available on the CBL's Website;

(b) the Client has been provided with complete and comprehensive information on the risks related to the investments in the shares/certificates of the Funds, and the Client is aware that listing of all the risks is impossible and the CBL can only disclose the most substantial of them;

(c) the Client undertakes all the risks related to the investments in the shares/certificates of the Funds, including the risks provided by the Chapter 7 of the General Rules, and hereby waives any claims against the CBL with regard to recovery of losses/damage incurred due to occurrence of any of such risk events.

7.4. If a professional client or eligible counterparty status is assigned to the Client, it shall be considered that the Client has sufficient experience and knowledge to understand all investment risks, including those specific to the particular shares/certificates of the Funds.

## 8. TERMINATION OF AN ACCOUNT

8.1. The Client is entitled to terminate the Account at any time by submitting a respective Application to the CBL.

8.2. Termination of the Account is performed pursuant to the following procedure and subject to the following:

(a) the Client shall submit to the CBL the Application on termination of the Account/Accounts;

(b) the CBL immediately commences the realization of all of the Assets in particular Account/Accounts;

(c) the CBL is entitled, at its own discretion, carry out the activities, which are necessary for the realization of the Assets (including but not limited to the sale/redemption of the shares/certificates of the Funds);

(d) after realization of all the Account's Assets, as well as assessment and withholding of all the applicable Fees, taxes, duties and other charges, the money balance is transferred to the Client's account specified by the Client;

(e) if the CBL, due to any circumstances beyond its control, cannot realize the Investment Portfolio in full within 10 (ten) Business Days of the receipt of the Application, the CBL immediately notifies the Client about this; in this case the CBL realizes the Assets to the extent it is possible and ensure that until the scheduled date of termination of the Account and/or Agreement the available part of the amount is transferred to the Client's account specified by the Client, but the remaining part will be transferred after realization of the respective Assets;

(f) the Account and/or Agreement shall not be terminated if there are Assets, whose realization is impossible or impeded due to the circumstances beyond the CBL's control, remain in the Account; in the case specified by this Article, the Agreement shall remain in effect to the extent necessary for the maintenance and termination of the Account, including but not limited to the Client's obligation to pay the Fees to the CBL and to cover any expenses related to;

(g) circumstances beyond control of the CBL, due to which realization of the Account's Assets is impossible or impeded, provided by the Article 8.2. of the General Rules, include but are not limited to the following

- arrest, blocking or similar circulation restrictions imposed on the Assets; and/or
- early redemption of the Financial instruments is impeded; and/or
- the Bank does not provide execution of deals with the respective financial instrument;

(h) before any money assets are transferred to the Client, any Fees and other expenses, which are due, shall be withheld (included but not limited to the taxes and fees charged to the Client, service charges of third parties).

8.3. Shall the Client be willing to follow different procedure for the termination of the Account, including that all or part of financial instruments of the account are transferred to the Client, the Client shall conclude a prior separate agreement with the CBL in this regard in writing.

8.4. The Client is aware and agrees that the CBL is entitled to consider that the Client has submitted the Application on the termination of the Account/Accounts (which means, inter alia, that the CBL is entitled to apply the provisions of Articles 8.2.(b) – 8.2.(h). of the General Rules as well), if at least one of the following circumstances has occurred:

- (a) the Client has performed any activities with regard to the Account without the consent of the CBL; and/or
- (b) the Client has violated the provisions of this Agreement (including provisions of these General Rules) and has not remedied such violation within one month of the receipt of the CBL's respective written notice; and/or
- (c) the total balance of the Assets on the Account Accounts is less than EUR 1000; and/or
- (d) in other cases specified by the Agreement, including these General Rules, including in the case of termination of the Agreement.

## 9. EVENTS RELATED TO FINANCIAL INSTRUMENTS

9.1. The CBL is not obliged to notify the Client about any Events and the Client is obliged to obtain information about Events by itself using public sources of information, if so not required by the agreements between the Parties in writing.

9.2. If dividends, coupons or such like payments are applicable in respect of the Financial instruments of the Client's Assets, they shall be paid to the Client. If so requested by the CBL, the Client is required to provide separate order in a requested form and other specifications for any money transfer to the account of bank or such like institution.

9.3. Upon acquiring information about an Event, by the Client itself or from the CBL, the Client is obliged to assess it and to take a decision independently on the action to be taken. The information received from the CBL cannot be considered as advice or recommendation to take or not to take any action.

9.4. The CBL shall not be liable for any damages or expenses of the Client that may arise as a result of execution or non-performance of an Event.

9.5. If so agreed by the Parties in writing, the CBL represents the Client, including by executing voting rights, in the meetings of the investors, courts and such like.

## 10. CONFIRMATIONS

10.1. A Confirmation shall be available to the Client no later than on the Business Day following the conclusion of the Transaction specified in the Order.

10.2. Where the Client finds any discrepancies between the Transaction specified in the Order and in the Confirmation, the Client is obliged to notify the CBL thereof immediately but no later than within one Business Day.

10.3. Receipt of a Confirmation alone does not mean that the ownership rights of the Assets referred to in the Confirmation are acquired. The ownership right of the shares/certificates of the Funds are acquired only when they have been recorded in the Account, as confirmed by an Account Report.

## 11. INVESTMENT PORTFOLIO REPORTS

11.1. During the effective period of the Agreement, the Client:

- (a) is provided with the monthly Account Report prepared by the CBL free of charge, which includes financial information of the Account's Assets as at the last date of the respective month, the report of transactions executed

by the CBL, as well as other information for such a report as required by the Laws;

- (b) upon the Client's written request the Client may be provided with different type of report, statement or extract prepared by the CBL for Fee specified by the Fees Schedule.

11.2. The CBL ensures that the Report is prepared not later than within 10 (ten) Business Days after the end of the month of the Report.

11.3. The CBL provides the Report to the Client by means specified by the Agreement, unless the CBL and the Client have separately agreed otherwise in writing.

11.4. The Client's duty is to go over contents of the Report. Shall the Client disagree with any of the CBL's actions indicated in the Report, the Client is entitled to submit to the CBL the claims in writing within 30 (thirty) calendar days after the Report is sent. After expiry of this period, all the activities of the CBL shall be considered as accepted by the Client and duly performed and the Client waives any claims against the CBL in this respect.

11.5. The CBL sends the monthly Account's Report in at least one of the ways elected by the Client of the Application Form:

- (a) by e-mail to the address indicated by the Client;
- (b) at the CBL's office on Client's request;
- (c) via the Online banking;
- (d) other form, if agreed between Parties in writing.

11.6. If the Client has access to the Online banking, when concluding the Agreement or during the effective period of the Agreement, the Client is entitled to elect to receive the monthly Report prepared by the CBL by the means of the Online banking of the AS "Citadele banka". The CBL is not responsible for any of the reports prepared by the AS "Citadele banka", including their content or accessibility by the Client.

11.7. Shall the CBL and the Client conclude a separate written agreement in this regard, the CBL sends the monthly Report by mail charging the Fee specified by the said agreement and/or the Fees Schedule.

11.8. Any requirements to the contents, frequency, deadlines, means of communication, delivery and such like of the Report, which are not provided by the General Rules or the Laws – including separate report for each transaction of the Account – are applicable only if so agreed between the Parties in Special Provisions of the Agreement.

11.9. Where the Client chooses to receive the Report by mail or the manner of receipt thereof is not specified, the CBL shall send the Report by mail.

## 12. LIABILITY OF PARTIES

12.1. The Parties are liable for non-performance or undue performance of the Agreement pursuant to the requirements of the Laws of the Republic of Latvia.

12.2. Each Party shall indemnify the other Party for any damage, which it has caused to the other Party, in accordance in the order and in extent provided by the Laws of the Republic of Latvia.

12.3. The CBL is not liable for the damages suffered by the Client or its represented persons due to any reasons beyond the control of the CBL and/or where the CBL has acted in the framework of the Agreement and the Laws of the Republic of Latvia.

12.4. The CBL shall not undertake any liability with regard to the obligations or duties, as well as damage incurred by the Client or its represented persons due to any action/omission performed by the institutions providing money transfers or the Intermediaries, or any other third persons.

12.5. The Client is liable for the accuracy, completeness and timely updating of the data provided to the CBL, including but not limited to the information on the Client's knowledge and experience in the field of investments. The Client compensates to CBL all damages caused as a result of providing untimely, inaccurate or incomplete information.

12.6. Where the Client refuses to provide, completely or partially, the information requested by the CBL and/or required under the Agreement, or fails to inform timely the CBL about any changes in the above-mentioned information, the CBL shall not be responsible for any consequences incurred due to the lack of respective information at the CBL's disposal. The Client is aware, that in case of submission of untrue or incomplete information, as well as not updated on time, the CBL is unable to completely evaluate the Client's suitability or adequacy of the provided services.

12.7. The CBL shall not undertake any liability for damages and/or expenses incurred by the Client or its represented persons if:

- (a) they were caused by an action/omission of third parties, including the institutions providing money transfers and Intermediaries, including if they fail to perform legally grounded orders of the CBL regarding to execution of transfers and performing settlements; and/or
- (b) they were incurred due to initiated insolvency (bankruptcy), bankruptcy protection or similar proceedings in respect of a third party, including the institution providing money transfer or the Intermediary, as a result of which its operation has been restricted and/or the Assets have been lost or any dealing with them has been limited; and/or
- (c) the settlement for transfers or transfer of the shares/certificates of the Fund is violated or failed due to the fault of the Client or a third party; and/or
- (d) such damages and/or expenses were caused due to the execution of the Agreement, unless of the bad faith or gross negligence of the CBL's; and/or
- (e) such damages and/or expenses were caused as a result of application of the foreign Laws or market practice, including the Laws on imposition of restrictions regarding to circulation or transfers of the Assets, currency exchange, etc.; and/or
- (f) such damages and/or expenses were caused due to materialization of risk events specified by the Agreement, including price fluctuations of the financial instruments; and/or
- (g) such damages and/or expenses were caused due to execution or non-execution of the Events, as well as where the Client is not informed of such an Event and/or an offer related to the respective securities; and/or
- (h) the Client transferred, pledged or otherwise encumbered the Assets for the benefit of a third party; and/or
- (i) due to the action taken by governmental authorities and/or other parties, the Assets or its portion has been blocked, seized, subject to enforcement, etc.; and/or
- (j) such damages and/or expenses were caused as a result of the Client having breached the Agreement, including these General Rules; and/or
- (k) the damages and/or expenses are due to the CBL's reliance to the information provided by the Client (including information provided before entering in the Agreement) and/or due to the non-updating of such information in a timely manner; and/or
- (l) any other case specified by the Agreement has occurred.

12.8. The Parties shall not be held liable for non-performance of the obligations set forth by the Agreement if:

- (a) it was caused by an event of *force majeure*: natural disaster, fire, acts of war or terrorism, revolts, strikes, disruption of communication or information systems, amendments or supplements to the Laws or adoption or coming into force of such new enactments, rulings of the state, government or governmental authorities, as well as other similar events, which the Parties could not have foreseen or prevent and due to which the provision of services specified by the Agreement became impossible; and/or
- (b) there are substantial adjustments to the laws of the Republic of Latvia or another country, including regarding to the operation of foreign currency exchange and stock exchange.

12.9. If either Party cannot perform its obligations due to events of *force majeure*, the respective Party shall notify the other Party within 5 (five) Business Days in writing about occurrence or coming to an end of the said events. As soon as the said events have stopped to exist, the respective Party shall perform its obligations under the Agreement without delay.

12.10. If the event of *force majeure* lasts more than 3 (three) months, the Party is entitled to terminate the Agreement.

12.11. Event of *force majeure* is not considered as justification for payments off the existing debts of the Party or any expenses, which have already been ascertained.

12.12. The CBL shall not be held liable for the damages and/or expenses incurred by the Client if the Client has failed to get acquainted with the provisions of the Agreement (including but not limited to the General Fees Schedule and these General Rules) and/or information contained therein.

### 13. TAXES AND DUTIES

13.1. Within the scope of this Agreement, the CBL does not provide any tax advice or its estimation, and shall not be considered as the Client's representative in taxation matters.

13.2. All taxes, duties and other payments arising out of the transactions or Events shall be made by the Client or its representative independently, except where the obligation to make such a deduction, pursuant to applicable laws of the Republic of Latvia, the country of registration of the Intermediary, falls on:

- (a) the CBL or the CBL has undertaken it;
- (b) the Intermediary or a third party that ensures or makes payment/transfers of the funds due to the Client.

13.3. The Client shall submit, upon request by the CBL and within the term of no less than five (5) Business Days, documents and information prepared in the form requested by the CBL that:

- (a) is necessary to calculate or withhold taxes, duties or any other payments incurred by the Client according to applicable laws of the Republic of Latvia or of the Intermediary, or to certify that such payments have been made, or that the Client's income or transactions are/are not subject to such taxes, duties or any other payments;
- (b) are required for the provision of services, acquisition, renewal, verification of Client's data, verification of the source of origin of the Assets.

13.4. The Client agrees that:

- (a) the CBL is entitled to process the documents received from the Client and the data contained therein, as well as to forward them to the respective third parties, including the money transfer institutions and the Intermediary, as well as the supervisory or tax authorities of the country of registration of the issuer of the financial instruments or Intermediary engaged by the CBL;
- (b) the CBL is entitled unilaterally and without any further consent /from the Assets of the Client or its representatives to withhold any fines, taxes or other expenses incurred as a result of the Client's failure to provide the documents requested under the Agreement before the date specified by the CBL.

### 14. CONFIDENTIALITY AND PROCESSING OF CLIENT DATA

14.1. Any information provided by one Party to the other Party shall be deemed confidential and shall not be disclosed to third parties, unless the respective information:

- (a) is publicly available; and/or
- (b) is being disclosed to a person authorized by the Client; and/or
- (c) concerns the existence, amount, grounds or collateral of the Client's debt and is being disclosed for the purposes of debt collection or to the Bank of Latvia (*Latvijas Banka*) under the on the Credit Register Regulations (*Kredītu reģistra noteikumi*) adopted by the Bank of Latvia (*Latvijas Banka*); and/or
- (d) is being disclosed to the money transfers institution, Intermediary or to the municipal, supervisory or judicial (arbitration) authorities of the Republic of Latvia or other countries, provided it is necessary for performance of the Agreement or where such information is being disclosed in accordance with the Laws of the country of registration of the issuer of financial instrument or Intermediary holding the Assets; and/or
- (e) is being provided to the money transfer institution, the Intermediary or to the competent tax or other supervisory authorities of the Republic of Latvia or other countries in order to apply due taxes or duties with regard to transactions or other income related to the Assets; and/or
- (f) is disclosed pursuant to the Laws, the Agreement (including these General Rules) and/or the Privacy Protection Rules; and/or
- (g) the Client's separate consent is provided in this regard.

14.2. In case of doubt information and documents shall be considered as confidential and shall not be disclosed.

14.3. The applicability period of confidentiality requirements provided by the Agreement shall be unlimited. The confidentiality requirements shall remain effective either during the effective period of the Agreement and after the Agreement's termination as well.

14.4. The Client shall undertake full responsibility for the treatment of the confidential information by its representatives/employees, including after termination of respective employment or representation relations.

14.5. The Client agrees to a mutual exchange of information between the CBL and the Intermediary with regard to transactions, the Client's accounts and any other information, which is necessary for the CBL in order to perform the Agreement.

14.6. The CBL informs that the processing of the natural person data in

the CBL is carried out in accordance with the Privacy Protection Rules approved by the CBL.

14.7. The CBL is entitled to process data of the Client and the Client's representative, including storage, transfer, request and receipt of personal data from any third parties and databases set up pursuant to the Law. In cases and in accordance with the procedure set out by the Laws the CBL is entitled to publish as well as disclose details of the Order, transaction and other information of the Client or its representatives to fulfil the duties provided for the CBL by the Laws. The CBL may involve third parties for performance of such actions and transfer the required information to such parties.

14.8. The purpose of data processing is provision of the services specified by the Agreement. The CBL shall be considered as the administrator of personal data processing.

14.9. The Privacy Protection Rules of the CBL is available to the Client on the CBL's Website or the office premises of the CBL. The CBL is entitled to unilaterally make amendments to the Privacy Protection Rules.

14.10. The CBL is entitled to exchange information related to the Agreement and/or its services with the Intermediary, including any information about the accounts of the Client and transactions performed, and as well to submit to the Intermediary copies of this Agreement and documents related to it.

14.11. The Parties acknowledge that they are considered as independent controllers for the processing of personal data under the Agreement and, in connection with the processing of personal data, the Parties undertake to take all necessary technical and organizational measures to ensure that processing comply with the requirements of the legislation in force. The Parties agree that, in accordance with the requirements of the law, they will ensure that the data subjects are informed of the processing of their personal data under this Agreement and will, if necessary, obtain the consent of the data subject to the processing of his or her personal data for that purpose/s.

## 15. PREVENTION OF CONFLICTS OF INTERESTS

15.1. In the course of the providing services under this Agreement, a conflict of interests may arise between the CBL and the Client or between the clients of the CBL.

15.2. The CBL strives to take all the necessary and possible measures in order to identify and avoid or manage the conflicts of interests, which may arise between the CBL (including its employees and executives) and the Client, as well as between the Client and other clients of the CBL or related persons in the course of providing services under the Agreement. The CBL performs all the necessary and possible activities in order to identify and/or prevent the conflicts of interests, which may arise in the course of providing the services specified by the Agreement between the Client and the CBL (including its officials and employees) and/or other clients of the CBL.

15.3. For the purposes of identification and avoiding of the conflicts of interests, the CBL has adopted the *Policy on Conflicts of Interests*, which description can be found by the Client at the office premises of the CBL or on the CBL's Website.

15.4. The Client is aware and agrees that in the course of the providing service the CBL executes the buying and redemption of the shares/certificates of the Funds established and/or managed by the CBL.

## 16. CBL'S KEY INFORMATION

16.1. The key information of the CBL – name: "CBL Asset Management" Ieguldījumu pārvaldes akciju sabiedrība; registered office and headquarters address: Republikas laukums 2A, Rīga, LV-1010, LATVIA; telephone: (+371) 67010810; facsimile: (+371) 67778622; registered with the Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu reģistrs) on 11 January 2002 under unified registration No 40003577500.

16.2. The CBL holds Investment Management Services License No 06.03.07.098/285 dated 15 February 2002 issued by the Financial and Capital Market Commission (Finanšu un kapitāla tirgus komisija), re-registered with the Licenses Registry of the Financial and Capital Market Commission on 10 December 2004, 30 September 2005, 5 December 2005 and 5 August 2010.

16.3. The CBL operates under supervision of the Financial and Capital Market Commission of the Republic of Latvia (Latvijas Republikas Finanšu un kapitāla tirgus komisija), address: Kungu iela 1, Rīga, LV-1050, LATVIA, telephone: (+371)-67774800; facsimile: (+371)-67225755; e-mail: [fktk@fktk.lv](mailto:fktk@fktk.lv); internet website: [www.fktk.lv](http://www.fktk.lv).

## 17. CLAIMS AND DISPUTES RESOLUTION PROCEDURE

17.1. The Parties shall resolve their mutual claims and disputes pursuant to the procedure set forth by the Agreement.

17.2. The CBL is entitled to request the Client to submit additional documents and information for ascertaining and evaluating the circumstances set forth by the claim, including to submit original of a duly executed statement of the claim.

17.3. The CBL reviews the Client's claim within 30 (thirty) days of the receipt of the claim and all documents and information requested by the CBL in accordance with the Agreement. The CBL is entitled extend the above-mentioned period for providing its reply to a maximum of 2 (two) months of the receipt of the claim by notifying the Client thereof in writing if the CBL requires more time to ascertain and/or clarify the circumstances set forth by the claim.

17.4. The CBL provides its reply to the Client's claim to its mail, e-mail or via the Online banking.

17.5. If the claim has been found justified, the recognized amount of damages shall be compensated within 20 (twenty) days of providing the reply to the Client's claim.

17.6. The Client may request that its claims or disputes are reviewed pursuant to the terms specified by the CBL's *Procedure for Reviewing Suggestions and Complaints*.

## 18. TERMINATION OF AGREEMENT

18.1. The Agreement shall be terminated pursuant to the procedure set forth by the Agreement.

18.2. The Client's notice on the unilateral termination of the Agreement submitted in accordance with the requirements of the General Rules shall be at the same time be considered as a Client's Order on termination of the all its effective Accounts as well as the Client's consent to the application of provisions of the Articles 8.2.(b). – 8.2.(h). of the General Rules.

18.3. Unilateral termination of the Agreement initiated by the CBL shall be carried out in accordance with the following procedure:

(a) the CBL shall provide written notice at least one-month prior to the planned termination of the Agreement, informing the Client of its intention to terminate the Agreement;

(b) during the one-month period from sending the above-mentioned CBL's notice, the Client is entitled to provide written instructions to the CBL in respect of transmitting/transferring all the Assets from the Accounts to other settlement and/or financial instruments accounts specified by the Client;

(c) shall the Client fail to submit the respective instructions with regard to all of the Assets within the period of time specified by the Article 16.3.(b). of the General Rules and/or if after expiry of the said period any Assets still remain in the Client's Account/Accounts, it shall be considered that the Client has submitted its Order on termination of the all its effective Accounts and the termination of the Agreement, and the CBL is entitled to perform the termination of the Account/Accounts and Agreement pursuant to the procedure set out by the Articles 8.2.(b). – 8.2.(h). of the General Rules.

18.4. The CBL is entitled to initiate termination of the Agreement immediately pursuant to the procedure specified by the General Rules, including Articles 8.2.(b). – 8.2.(h). of the General Rules, as soon as one of the following events has occurred:

(a) all effective Account/Accounts are terminated by the Client; and/or

(b) the balance on the all effective Account/Accounts has been zero for over a year; and/or

(c) the CBL reasonably suspects that the Account is being used for money laundering or is connected with financing of terrorism; and/or

(d) the CBL and/or the Intermediary has received a request from the competent governmental authorities/officials with regard to debt collection in respect to the Assets or encumbrances of the Accounts; and/or

(e) the Client does not provide its consent and/or submits objections regarding to the amendments of those General Rules, the General Fees Schedule and/or other parts of the Agreement; and/or

(f) insolvency or bankruptcy protection proceeding has been initiated or announced in respect of the Client; and/or

(g) the Client violates any provision of the Agreement or fails to perform any of its obligations to the CBL, and has not prevented such violation/failure within 10 (ten) Business Days of the respective written



notice given by the CBL to the Client.

18.5. In all cases where the Agreement is terminated, the due Fees and all other expenses specified by the Agreement (including but not limited to taxes and fees charged to the Client, service fees of the third parties) shall be withheld from the amount of money transferrable to the Client.

18.6. In the cases of termination of the Agreement specified by the General Rules, the CBL is entitled consider the Agreement to be terminated as soon as no financial instruments remain in all effective Account/Accounts.

## 19. WARRANTIES AND REPRESENTATIONS

19.1. By accepting those General Rules, the Client warrants and represents that:

- (a) the Client is aware about all information provided regarding custody of the Assets, including in respect to the custody of the Assets in the nominal account/accounts;
- (b) only clients/sub-distributors, which are categorized as professional clients or eligible counterparties under applicable law will be provided by the Client for the deposit of shares/certificates of the Funds;
- (c) all required applicable anti money laundering and counter terrorism financing laws are and will be fulfilled regarding its clients/sub-distributors/beneficial owners of the Assets and as well any Assets in the Accounts;
- (d) no Client's beneficial owners of the Assets are and will be citizens or tax residents of the USA, as well as the Assets will not be related to trade or commerce performed and taxable in the USA;
- (e) all required and applicable permits, licenses and authorizations are and will be obtained either from supervising authorities or Client's clients/sub-distributors and beneficial owners for holding and administration of the Assets in the Accounts;
- (f) has received in writing and got acquainted with the General Rules, has understood their content and accepted all the legal rights and obligations of the Client and the CBL provided, including the CBL's rights to unilaterally amend the General Rules;
- (g) has received in writing and got acquainted with the General Fees Schedule of the CBL, has understood its content and accepted all the legal rights and obligations in respect to it, including the CBL's rights to unilaterally amend the General Rules;
- (h) has got acquainted, is aware and undertook the risks specified by the Chapter 7 of the General Rules, which *inter alia* may cause full or partial loss of the Assets;
- (i) is aware that the CBL is not providing any cash/money assets accounts servicing nor any money assets payment services;
- (j) undertakes all the obligations arising from the transactions with the Assets executed by the CBL provided that the CBL has acted in accordance with the Agreement, as well as all the obligations and duties related to the shares/certificates of the Funds acquired as a result of such transactions and/or Events related to the Funds;
- (k) has been informed of the Client's Status assigned to it by the CBL, including its investor protection level provided by the laws of the Republic of Latvia, as well as of the procedure under which the status assigned to the Client can be changed, if necessary, by concluding a separate agreement thereof between the CBL and the Client;
- (l) agrees on the Client's Status assigned to the Client;
- (m) has received, got acquainted and accepted the CBL's "*Transaction Execution Policy for Provision of Services*", "*Description of policy on conflict of interest while providing investment services*", "*Description of risks related to financial services*", "*Procedure for Reviewing Suggestions and Complaints*", "*Information about the asset management services*

*provider*", "*Description of statuses assignable to clients*", "*Privacy Protection Rules*", "*Information of CBL funds target markets, commissions and ongoing charges*" and *Key Investor Information Documents (KIIDs)*" for every applicable Fund;

- (n) has provided accurate information about itself and its clients/sub-distributors and their investment experience;
- (o) agrees that prior to entering the Agreement the CBL has provided sufficient information to enable the Client to assess fully and comprehensively the nature of the services, shares/certificates of the Funds and the financial risks related to them, costs and associated charges, including such information is sufficient to assess fully and comprehensively the nature of the services, financial instruments and the financial risks related for clients/sub-distributors of the Client;
- (p) has been informed about Intermediaries of the CBL and agrees on their depository functions provided by the Agreement, as well Client is informed about its entitlement to request additional information about Intermediary;
- (q) prior to concluding the Agreement, the CBL has provided information on the occasions, when the Client's complaints and claims arising from the Agreement have to be reviewed by out-of-court resolution, as well as on the procedure of reviewing such complaints and claims;
- (r) the origin, source, transfer and usage of the all assets transferred for the shares/certificates of the Funds will be lawful and will not violate any provisions of laws or agreements with third parties, and will not be related to money laundering, terrorism financing or any other illegal activity;
- (s) will not transfer, pledge or otherwise encumber all or any part of the Assets without prior agreement with the CBL;
- (t) that all the documents and information provided by the Client to the CBL is and will be true, complete and legally valid;
- (u) the Client recognizes the Agreement as fair, mutually beneficial, enters into it of its own will and undertakes to be bound by it.

## 20. MISCELLANEOUS.

20.1. The Client's Status assigned to the Client by the CBL (private client, professional client or eligible counterparty) is specified on the Application Form. Information on the measures taken for protection of the Client's interests according to the Client's status is available on the CBL's Website.

20.2. The headings and sections of the Agreement are for convenience of reference only and do not affect the interpretation of provisions of its respective Articles. If one or several provisions of the Agreement become illegal, invalid or unenforceable, that shall not affect or restrict the validity, lawfulness or enforceability of any other provision of the Agreement.

20.3. The Party undertakes to inform immediately the other Party in writing of any changes in its identification data or contact information specified by the Agreement. The information shall be considered as provided if it has been delivered to the mail or e-mail address of the Party specified by the Agreement or notified as provided by the Agreement.

20.4. In the course of performing the services, the CBL seeks to achieve the best possible results for the Client in compliance with its Transaction Execution Policy available on the CBL's Website.

20.5. The CBL is participant of the investor-protection scheme according to the *Investor Protection Act (Ieguldītāju aizsardzības likums)* of the Republic of Latvia. Information about amounts of compensation for non-executed investment service, as well as order for obtaining of compensation provided by the *Investor Protection Act (Ieguldītāju aizsardzības likums)* is provided on the CBL's Website in document "*Information about the financial instrument portfolio management services*".

20.6. If several persons are indicated by the Agreement as the Client, each of such person can be separately considered as the Client by the CBL.