

SECURITIES ACCOUNT

TERMS AND CONDITIONS OF THE AGREEMENT

Valid from 07.04.2008.



1. Terms used in the present Terms and Conditions

Account Statement (AS) – a statement, which indicates Securities of the Client registered in the SA, the quantity thereof and value in money terms, in actual market prices on a day stated in such an Account Statement, as well as Transactions made in a stated period.

Agreement – an agreement, which has been concluded between the Client and the Bank and which stipulates mutual obligations of the Bank and the Client with regard to opening, keeping and servicing of a Securities Account, as well as the procedure for making agency transactions with Securities. Application – an application signed by a Client for conclusion of an Agreement; in case of conclusion of such an Agreement, the Bank shall sign the Application and issue return one counterpart of the same to the Client. The Application shall be deemed as an integral part of the Agreement and, when signed by the Contracting Parties, shall serve as proof of conclusion thereof.

Application for Ibanka – an application confirmed by a Client for conclusion of an Agreement for Ibanka. The Application shall be deemed as an integral part of the Agreement and, when confirmed by the Contracting Parties, shall serve as proof of conclusion thereof.

Authorization Code – code on the code card or generated by Digipass, with which Application to Ibanka is confirmed and Orders in Ibanka are filled in to and accepted by the Bank for execution.

Bank – AS “SEB banka”.

Client – a private person or a legal entity who has concluded the Agreement with the Bank and who has been classified as a Client in accordance with the Financial Instrument Market Law.

Client Automatic Purchase Orders – a term less order submitted by a Client, which provides regular purchase of Securities on indicated dates.

Client Order (Order) – expressed will of a Client, on the basis of which execution of a Transaction shall be started. An Order is submitted by the Client, by filling in an Application form in person or by submitting an Application to the Bank by any telecommunication means, facsimile, electronic mail or other electronic communication means, as well as via Ibanka. Ibanka Order shall be deemed as delivered when it has been confirmed with Authorization Code.

Contracting Parties – signatories to the present Agreement: a Client and the Bank. Financial Instrument – in accordance with the valid Financial Instrument Market Law, an agreement which creates financial assets for one party and financial obligations or capital securities for the other party.

Ibanka – information and settlement system of the Bank on the Internet.

Operating Account (OA) – an Operating Account(s) of a Client with the Bank, which has (have) been indicated by the Client in his Application or in his Application for Ibanka for settlement operations for Transactions. In case, if OA currency is different than currency of payment for a Security Transaction, the Bank shall make exchange of the relevant currency amount into the payment currency according to currency exchange rates used by the Bank on the Settlement Day.

Policy for Execution of Orders – policy for execution of Orders, which has been developed by AS “SEB banka” for transactions with financial instruments.

Pricelist – the Single Pricelist of Services approved by the Board of Directors of the Bank, which determines a commission for services provided by the Bank.

Record – an entry, which has been made in registration of Securities recorded on SA.

Regulated Market – totality of organizing, legal and technical activities, which makes making of open and regular transactions with financial instruments feasible.

Regulatory Enactments – within the present Terms and Conditions, regulatory enactments shall mean laws, regulations, provisions and other regulatory enactments of institutions which regulate the security market of Latvia and abroad, stock exchanges, other organized points of trading, transaction organizations, central depository and equivalent institutions.

Security – a Financial Instrument, which, according to the present Terms and Conditions, certifies obligations of an issuer thereof to a possessor of the document. Securities are not printouts on paper and shall exist as an entry according to the provisions of the Regulatory Enactments.

Security Account (SA) – account, which has been opened by a Client with the Bank, according to the present Terms and Conditions, and where Client's owned Securities have been recorded.

Security Events – any facts or circumstances, which influence characteristics of Securities, as well as action of an issuer by fulfilling their obligations to the owner of the Securities (payment of dividends, change of par value of stocks, consolidation and division of Securities issue, repayment of bonds, etc.).

Security Transaction (Transaction) – legally permitted and possible transaction or operation with Securities, including purchase and sale of Securities and related rights.

Settlement Day (S day) – a day of cancellation of funds/Securities from OA/SA or transferring of the same for Transactions. The third working day of the Bank after a Trading Day shall be deemed as a Settlement Day unless a separate agreement has been made with a Client about another procedure of payments.

Source Document – a document, as well as an Order on the basis of which Transactions are executed and Records are entered.

Terms and Conditions – the present terms and conditions of the Securities Account Agreement, which have been approved by the Board of Directors of the Bank and which shall apply to relations of the Contracting Parties.

Trading Day (T day) – a day when a Transaction is concluded by executing an Order.

2. General Terms and Conditions

2.1. The present Terms and Conditions and Regulatory Enactments shall be applicable to legal relations of the Client and the Bank that follow from opening and use of a Security Account.

2.2. Use and service of Ibanka in the Banka shall be made according to valid terms and conditions of the Ibanka Agreement approved by the Board of Directors of the Bank.

2.3. All notifications and documents related to the Agreement shall be sent to a Client in the Latvian language.

2.4. The Bank shall provide Securities Account services according to a licence for provision of investment services and investment auxiliary services, which has been issued by the Financial and Capital Market Commission (Kungu iela 1, Riga).

3. Conclusion of the Agreement

3.1. A Client shall acquaint himself with the Terms and Conditions, Application, Pricelist, and the policy for execution of Orders.

3.2. A Client shall fill in and sign an Application for the Bank, submit documents requested by the Bank or fill in and confirm an Application for Ibanka, if it has been connected previously.

3.3. By filling in an Application for Ibanka, a Client shall confirm the same with Authorization Code to be used at respective session of using Ibanka. Authorization Code:

3.3.1. substitutes the Client's signature on his Application;

3.3.2. is sufficient and appropriate authorization of a Client to the Bank for opening

a SA.

3.4. A Client's Application or an Application for Ibanka shall be deemed as an irrevocable offer of the Client to the Bank to conclude an Agreement, as well as consent of the Client to application of the Pricelist and the Terms and Conditions to relations of the Contracting Parties. The Client shall confirm that information provided in such an Application or an Application for Ibanka is complete and authentic.

3.5. The Bank shall review a received Application or an Application for Ibanka, as well as any other submitted document. During reviewing of an Application or an Application for Ibanka, the Bank shall be entitled to verify information submitted by the Client and to request additional information from competent state administration authorities in accordance with the procedure and in the scope provided for in Regulatory Enactments.

3.6. In case of confirmation of an Application or Application for Ibanka, the Bank shall open a Securities Account for a Client.

3.7. The Agreement shall enter into force from a date of confirmation of the Application by an authorized official of the Bank and it has been concluded undefined period.

3.8. In case, if an Application has been filled in and confirmed via Ibanka, the Agreement shall enter into force when a confirmation has been sent to the Client about opening of a SA and the such confirmation shall contain the following information:

3.8.1. branch of the Bank, which shall serve the SA;

3.8.2. SA number;

3.8.3. date of entering into force of the Agreement.

3.9. By concluding the Agreement, the Client agreed that the Bank is entitled to transfer personal data of the Client to the third parties insofar as it is necessary for fulfilment of the contractual obligations.

4. Rights, obligations and liability of the Bank

4.1. The Bank shall assume liability for accounting of Client's Securities, which have been recorded in an SA, according to the Terms and Conditions with the whole property of the Bank.

4.2. The Bank shall provide consultation necessary for making of Transactions in matters related to drawing up and correct filling in of documents. Any consultation shall not be deemed and cannot be deemed as advice or recommendation of the Bank to make a Transaction or to refrain from making a Transaction.

4.3. The Bank shall ensure acceptance of timely and quality Orders, registration and execution thereof according to the Policy for Execution of Order. By submitting an Order to the Bank, a Client agrees with the Policy for Execution of Order developed by the Bank.

4.4. A Client shall agree that an Order may be executed outside a regulated market.

4.5. The Bank shall provide relevant information to the Client about execution of Orders. The Client shall be entitled to request and the Bank shall be entitled to provide information about the course of execution of the Client's Orders.

4.6. The Bank shall a notification to a Client, which confirms execution of the Orders, not later than on the next day after execution of the Order or, if the Bank has received such confirmation from the third party, not later than on the next working day from receipt of confirmation from the third party. The Bank shall not send confirmation, if it contains the same information as in the confirmation sent by the third person to the Client immediately.

4.7. In case, if an Order has been submitted to a branch of the Bank and the Client has not indicated otherwise, notification shall be sent to electronic mail address of the Client or via fax, according to contact information of the Client which has been provided in section “How to contact you” of his Application. In case, if an Order has been submitted via Ibanka, the Bank shall ensure an opportunity to receive notification about execution of the Order, by using Ibanka.

4.8. In case, if a Client has not submitted reasoned complaints about the status of a portfolio of securities, registered in the SA, within twenty days from a day when the Bank or the third party has sent a notification to the Client (Clause 4.6), the Contracting Party shall deem the same as confirmation of the Client to such status of the portfolio of securities, registered in the SA.

4.9. In case, if Orders of the Client apply to investment units of investment funds or shares thereof in collective investment company and such Orders are executed in periodical manner, the Bank shall be entitled not to fulfil Clause 4.6 and issue an AS to the Client once in six months.

4.10. In case, if a Client does not have Ibanka connection, the Bank shall ensure opportunity for the Client to receive AS to on a quarterly basis or upon a request of the Client. 4.11. In case, if a Client does have Ibanka connection, the Bank shall issue AS in a branch of the Bank only upon a request of the Client. The Client has been informed that SA data can be always viewed in Ibanka. 4.12. The Bank shall not disclose any details to any third party about Transactions made by the Client and the situation in the SA, with the exception of cases provided for Regulatory Enactments that are binding to the Bank.

4.13. The Bank shall be the holder of Securities recorded in an SA however not the possessor thereof, and the Bank shall deal with Securities owned by the Client only by consent of the Client and with assignment of the Client, with the exception of cases provided for in the Terms and Conditions and Regulatory Enactments.

4.14. The Bank shall be liable for registration of Securities of the Client starting from a moment of receiving of documents that certify the ownership of the Client to the Securities.

4.15. The Bank shall be entitled to make, unilaterally, amendments to the Terms and Conditions, as well as the Pricelist and the Policy for Execution of Order by notifying the Client thereof at least 14 (fourteen) calendar days prior to entering into force of such amendments or additions, by placing relevant information in the premises of the Bank as well as in its homepage: www.seb.lv

4.16. In case, if the Client has not submitted a notification to the Bank about termination of the Agreement by a day of entering into force of amendments or additions made in accordance with the procedure stated in Clause 4.15 hereof, it shall be deemed that the Client has agreed with such amendments or additions.

4.17. The Bank shall be liable for execution of Orders and registration of Securities however shall not be liable for non-execution or incomplete execution of Orders, errors, delays in settlements or other operations, inaccuracies and other shortcomings, which have arisen as a result of submission of incompletely or erroneously completed documents or Orders by the Client, due to the third party, as well as for damage caused by communication organizations.

4.18. The Bank shall not be liable for partial fulfilment of its obligations or for failure to fulfil the same, due to effect of force majeure or violent circumstances, which it was unable to forecast, prevent or influence with any reasonable means.

4.19. The Client shall himself assume all risks related to investments in Securities and he shall be fully aware of and undertake the same. When making decisions about investments in Securities, the Bank recommends to the Client to take into account risks characteristic to a particular security, investment service or investment strategy, which are related to, for instance, the financial instrument market, liquidity thereof, interest rates, issuer solvency, currency exchange rates, possible obligations, place of execution of a transaction, legal and tax matters. The

Bank shall not be liable for decrease in the value of such investments.

5. Security transactions and liability of the Client

5.1. The Client shall be entitled to submit Orders to the Bank. Acceptance of Orders shall not be deemed as a promise to execute the same and the Client shall agree that an Order may be executed also only partially.

5.2. The Client shall be entitled to submit Orders also by using facsimile and electronic mail or by giving an Order by phone, by making a written agreement with the Bank in advance. In such cases, the procedure for exchange of information between the Bank and the Client shall be regulated by a separate agreement.

5.3. The Client shall be entitled to submit Orders by using Ibanka, only for the types of transaction offered by Ibanka. An Order shall be deemed as submitted to Ibanka at a moment when it has been confirmed with the Authorization Code. The Client shall submit a written Order to the branch of the Bank, which serves a relevant SA, for a Transaction, which is offered by the Bank but cannot be executed via Ibanka.

5.4. In case, if an Order has been given on a day, which is not a working day of the Bank, the Order shall be executed on the next working day of the Bank.

5.5. The Contracting Parties shall be entitled to record any telephone conversation between the Contracting Parties on magnetic tape or any other manner, as well as in case, if communication between the Contracting Parties has occurred via electronic mail, to save all information related to Orders in electronic format and to use such data records as means of proof.

5.6. When making Transactions by the agency of the Bank, Regulatory Enactments that regulate all turnover of a specific Security shall be binding to the Client. The Client shall be liable for obtaining of information about such Regulatory Enactments and compliance with the same.

5.7. The Client shall be entitled to pledge Securities recorded in an SA, hereinafter referred to as a Pledge, by concluding a pledge agreement with the pledgor. By pledging Securities, the Client shall submit one original counterpart of a pledge agreement to the Bank and terms of reference of pledge, which have been signed by the Client and the Pledgee jointly. All possible income from pledged Securities and other related rights should be included in a Pledge.

5.8. The Bank shall make any Transactions with a Pledge and repayment of the Pledge on the basis of terms of reference, which have been signed by the Client and the Pledgee jointly and which has been certified by a notary or an official of the Bank, or on the basis of a document issued by a legal institution binding to the Bank.

5.9. The Bank shall not be liable for any damage which has incurred to the Client, the Pledgee or the third parties due to counterfeit documents or signatures to the Bank, unless evident, and due to false data in such documents.

5.10. The Bank shall be entitled not to accept an Order for pledging Securities recorded in a SA, if it deems such Transaction as insecure for itself.

5.11. Automatic Orders for purchase of Securities shall be submitted for undefined period. If the Client wants to cancel an automatic Order for purchase of Securities, he shall submit an application to the Bank.

5.12. The Client shall provide authentic information and shall inform the Bank in writing about any changes in the details given in the Agreement or other documents submitted to the Bank, not later than within three working days from a moment of such changes.

6. Procedure of payment for Transactions and commissions

6.1. The Bank shall charge a commission from OA for opening of a SA, maintenance of a SA and other provided services, in accordance with the present Terms and Conditions and the Pricelist.

6.2. At the moment of submission of an Order, the Client shall ensure funds on his OA necessary for execution of a Transaction and other commissions stated in the Pricelist, otherwise an Order shall not be accepted from the Client or shall not be executed.

6.3. Clients of the Bank may submit a written request to the Bank to accept Security Purchase Orders for execution without provision of funds in OA, which shall be confirmed or rejected by the Bank in writing and according to its own opinion. In case of confirmation, the Bank and the Client shall agree in writing about a special procedure of payments.

6.4. Partial payment for purchase of Securities is not permitted and shall be deemed as non-payment.

6.5. Payments for purchase and sale of Securities shall be made on a Settlement Day. In case if the Client has received confirmation as stated in Clause 6.3, an amount necessary for payment for such a Transaction and the Bank commissions must be transferred to the OA not later than on the Settlement day by 11:00, unless a separate written agreement has been concluded about another procedure of payment between the Client and the Bank. Security Purchase Order of the Client shall be deemed as an assignment of the Client to the Bank to make a payment for Security Purchase Transaction of the Client from the funds in OA as of the Settlement Day. Such an Order shall be deemed as contractual obligations of the Client and thus cannot be cancelled unilaterally.

6.6. In case of purchase of a Security, the Bank shall deduct funds from OA as of a Settlement Day according to actual execution of a purchase Transaction.

6.7. In case, if there are no funds in the OA to pay for an executed Transaction as of a Settlement Day, the Bank shall block the Client's Securities acquired with such a Transaction in the SA or shall block other Securities registered in the SA for guaranteeing the fulfilment of the Client's obligations in necessary amount and the Client shall pay a penalty to the Bank in the amount of 0.1% (zero point one per cent) for each day of delay from any non-transferred money amount. Payment of a penalty shall not release from fulfilment of obligations.

6.8. In case, if the Client has not made full payment for purchase of Securities as of a Settlement Day, such act of the Client shall be deemed as an assignment of the Client to the Bank to deal with any Client's Securities, which are unpaid and have been blocked in the SA in accordance with the procedure provided for in Clause 6.7, according to its own discretion, and to cover all payments due from the Client from such funds: first, penalty, then purchase price of Securities and Bank's commissions. Such an order shall be deemed as contractual obligation of the Client and thus cannot be cancelled unilaterally. The present clause shall not apply to clients who have written agreement with the Bank about another procedure of payments, according to the provisions of Clause 6.3.

6.9. In case, if there are insufficient funds in the Client's Operating Accounts with the Bank, an Application of the Client in such a case shall be deemed as an order give by the Bank to deal with Securities, which have been recorded in the Client's SA, according to its own discretion and to transfer such funds for fulfilment of the Client's obligations. Such an Order shall be deemed as contractual obligation of the Client and thus cannot be cancelled unilaterally. The Bank shall inform the Client, at least five days in advance, about sale of Securities, which are recorded in the Client's SA, according to the provisions of this Clause.

6.10. In case, if income of the Bank from sale of Securities, which have not been paid by the Client and are blocked in the SA, reach or exceed a money amount necessary for payment of a penalty, the same Securities and the Bank's commissions, any balance shall be transferred to the OA on a Settlement Day corresponding to sale of the Securities. In such case, a penalty shall be calculated until a Settlement Day for sale of the Securities, according to the amount stated in Clause 6.7.

6.11. In case, if income from sale of Securities, which have not been paid by the Client, is insufficient for payment of a penalty, the same Securities and the Bank's commissions, the Bank shall be entitled and, with the present Agreement, an Order is given by the Client to sell, according to the discretion of the Bank, to sell other Securities that are recorded in the SA and owned by the Client or to deduct necessary amounts from any other future payments and funds in any Operating Account of the Client with the Bank. In such a case, the Client shall pay a penalty

in the amount stated in Clause 6.7 herein until a day of full settlement of a main debt and it shall be calculated from a total initial amount of the debt.

6.12. In case, if the Client has received confirmations as provided for in Clause 6.3 and if the Client has sold a Security prior to a Settlement Day corresponding to T Day of the Security however has not paid for the purchase on the Settlement Day, the Bank shall be entitled to deduct such payment and any penalty, without any additional procedures, from a money amount that has been transferred to the OA on a Settlement Day of T Day of the purchase, unless another procedure of payment is provided for in a separate written agreement between the Client and the Bank.

6.13. In case of sale of a Security, all amounts due to the Client for sale of the Security shall be transferred to the OA on a Settlement Day of the corresponding Trading Day unless another procedure of payment is provided for in a separate written agreement between the Client and the Bank.

6.14. The Bank shall be entitled to use Securities registered in the SA and/or income from sale of the Client's Securities in order to cancel other financial obligations of the Client, when term of payment has expired and following from other services used in the Bank (for instance, loan payment).

7. Service of Security events

7.1. Money amounts due to the Client and related to dividend payments and payments of fixed income Security interests and principals shall be transferred to the OA within one working day of the Bank upon receipt of necessary financial coverage from an income disbursement agent.

7.2. The Bank shall deduct taxes, duties and other payments upon transferring dividends and other income to the OA, in accordance with Regulatory Enactments.

7.3. The Bank shall divide new issues of Securities, additional issues and other income of the Client in form of Securities between the SA according to calculations made by an issuer of such Securities. Division of such Securities shall be made within one working day after transferring of the Securities to the relevant SA in the Bank.

7.4. A Client who wishes to participate in meeting of owners of securities shall submit a written order to the Bank about blocking existing Securities in the SA, by indicating quantity thereof. The Client shall be liable for observance of the terms of security blocking, which have been determined by the issuer of the securities.

7.5. The Client has been informed and agrees that any issuer of a Security and market supervision institutions shall be entitled to request a list of owners of each specific Securities from the Bank where the Client will be also included, without any individual approval.

8. Holding of Securities

8.1. The Bank may use a foreign bank or a financial institution (Custodian Bank) for holding, registration of and payment for foreign securities of the Client. The Bank shall make decisions independently about selection of a Custodian Bank, by carefully and regularly evaluating services provided by such a Custodian Bank. Upon a request of the Client, the Bank shall provide information about selected Custodian Banks. The Bank shall be entitled to allow a Custodian Bank to use services provided by other foreign banks or securities institutions for ensuring of holding of securities.

8.2. With necessary diligence, the Bank may entrust a Custodian Bank to exercise responsibilities, which the Bank has undertaken in relation to holding of Securities of the Client. Upon a request of the Client, the Bank shall provide information, which is available to it, about holding, registration of foreign securities and procedure of payment in a particular Custodian Bank. The Client shall be informed in case if the service level in the Custodian Bank limits the possibilities of the Bank to provide services for holding of securities according to the Agreement.

8.3. The Client has been informed that legal acts of foreign states may be applied to holding of Securities in a Custodian Bank where the stated Client's rights may differ from the rights provided for in legal acts of Latvia.

8.4. A Custodian Bank shall hold foreign Securities on behalf of the Bank and for assignment of the Client. The Bank shall inform the Custodian Bank that its held foreign securities are owned by the Clients of the Bank and not by the Bank itself. In such a case, the Client agrees that his Securities are kept in one account with the Custodian Bank together with Securities of other Clients of the Bank. 8.5. The Client has been informed that a Custodian Bank is not always able to ensure that Securities, which are held on behalf of the Bank and for assignment of the Client, can be identified separately from Securities owned by the Custodian Bank or the Bank. Thus, in case of bankruptcy of the Bank or a Custodian Bank or in case of other events of similar legal effect, foreign legal acts may limit the rights of the Client in order to request recovery of his Securities and the Securities may be included in liquidation assets of the Bank or a Custodian Bank.

8.6. In case, if an account must be opened on behalf of the Client with a Custodian Bank as a result of requirements of a particular market, the Bank shall do the same without any additional instructions of the Client. In such cases, the Bank shall be entitled to receive all information and notifications from issuers, depositories, clearing organizations with regard to Securities of the Client. The Client must give all necessary instructions to the Bank with regard to such Securities.

8.7. Upon a request of the Client, the Bank shall provide information whether the Client is entitled to request recovery of his Securities from the Bank or a Custodian Bank in case of bankruptcy or in case of other events of similar legal effect.

8.8. The Bank shall confirm that Securities are separated in its internal registration as the property of the Client.

8.9. The Bank confirms that any securities, which are held directly by the Bank, are not subject and will never be subject to any claims or rights from the party of the Bank, its creditors or administrators in case of bankruptcy of the Bank or in case of other events of similar legal effect.

8.10. In case of insolvency, bankruptcy or cancellation of the licence of the Bank, the interests of the Client shall be protected in accordance with legal acts of Latvia and the Regulation of the Latvian Central Depository.

9. Closing of the SA

9.1. The SA may be closed on the basis of a written application from the Client or his authorized person, an order binding to the Bank or in accordance with another procedure provided for in Regulatory Enactments. The present Agreement cannot be terminated via Ibanka.

9.2. In case, if there has been no Securities balance in the SA for six consecutive months, if the Client has no obligations to the Bank following from the present Terms and Conditions, and if any unfinished Securities events do not apply to the SA or there are no funds in the OA for payment of charges related to keeping of the SA, the Bank shall be entitled to deem the present Agreement as cancelled and to close the SA.

9.3. By concluding a SA on the basis of an instruction of the Client or other persons, all payments, which are outstanding until closing of the SA, shall be deducted from the OA.

10. Disputes and applicable law

10.1. Any dispute, discrepancy or claim, which has arisen from the present Agreement, which concerns the same or violation termination or invalidity of the Agreement, shall be settled in court of respective competence in accordance with Regulatory Enactments.