

## CONDITIONS OF PROVISION OF INVESTMENT SERVICES OF LUMINOR BANK

These Conditions of Provision of Investment Services shall be applied to the relationships of the Parties with regard to the Provision of Services under the Agreements between the Bank and the Client stipulating that the Conditions of Provision of Investment Services or the Conditions of Provision of Investment Services (D) shall be applied.

### 1. TERMS USED IN THE CONDITIONS OF PROVISION OF INVESTMENT SERVICES

1.1. The capitalized terms used in these Conditions shall have the below meanings, unless the context provides for another meaning:

Questionnaire	A document in the form and content acceptable to the Bank in which the Client provides information on its knowledge and experience related to specific kind of investment services or financial instruments.
Bank	Luminor Bank AS, reg. No 11315936, address: Liivalaia 45, 10145, Tallinn, Estonia, registered with Estonian Commercial Register, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch, reg. No 304870069, address: Konstitucijos ave. 21A, 03601 Vilnius, Lithuania
Bank's internet website	The Bank's internet website <a href="http://www.luminor.lt">www.luminor.lt</a> .
General Rules	The general rules on provision of the Bank's services approved by the Bank and announced publicly on the Bank's internet website, with all amendments and/or supplements.
Business Day	A calendar day, except for the public holidays of the Republic of Lithuania and rest days.
Financial Instrument	As defined in the Law.
Description of the Nature and Inherent Risks of the Financial Instruments	The generalized Description of the Nature and Inherent Risks of the Financial Instruments prepared by the Bank, with all amendments and/or supplements, announced on the Bank's internet website ( <a href="https://www.luminor.lt/en/information-investors-mifid">https://www.luminor.lt/en/information-investors-mifid</a> )
Conflict of Interest Management Policy	The Conflict of Interest Management Policy in providing Investment Services approved by the Bank and announced publicly on the Bank's internet website ( <a href="https://www.luminor.lt/en/information-investors-mifid">https://www.luminor.lt/en/information-investors-mifid</a> ), with all amendments and/or supplements.
Investment Services	As defined in the Law.
Conditions of Provision of Investment Services, or the Conditions	These Conditions of Provision of Investment Services approved by the Bank and announced publicly on the Bank's internet website ( <a href="https://www.luminor.lt/en/information-investors-mifid">https://www.luminor.lt/en/information-investors-mifid</a> ), regulating provision of the Investment and Ancillary Services, with all amendments and/or supplements.

Law	Law of the Republic of Lithuania on Markets in Financial Instruments No X-1024 of 18th of January, 2007, with subsequent amendments and/or supplements.
Price-list	The price-list of the Investment and Ancillary Services provided by the Bank and announced publicly on Bank's internet website ( <a href="https://www.luminor.lt/en/information-investors-mifid">https://www.luminor.lt/en/information-investors-mifid</a> ), containing all information on the prices of the Bank's services and the related fees and other expenses, with all amendments and/or supplements.
Client	A natural or legal person to whom the Bank provides the Investment and/or Ancillary Services or who applies to the Bank for the Investment and/or Ancillary Services.
Conditions of Provision of the Particular Services	The conditions of provision of certain Investment and/or Ancillary Services provided by the Bank.
LEI code	The unique international alphanumeric code of 20 characters formed exactly in accordance with Standard ISO 17442 and in line with the respective guidelines of the Financial Stability Council and assigned to the legal entity. The term of the LEI code also comprises the term of the pre-LEI (pre-legal entity identifier) code.
Fees	The taxes, interest, commission, repayable financing amounts, expenses and other payments due by the Client collectively referred to as the fees.
Ancillary Services	As defined in the Law.
Services	The Investment Services and the Ancillary Services.
Execution of Orders Policy	The Policy of Execution of Orders on Financial Instruments approved by the Bank and announced publicly on the Bank's internet website ( <a href="https://www.luminor.lt/en/information-investors-mifid">https://www.luminor.lt/en/information-investors-mifid</a> ), with all amendments and/or supplements.
Inducement Policy for the Provision of Investment and Ancillary Services	The Inducement Policy for the Provision of Investment and Ancillary Services approved by the Bank and announced publicly on Bank's internet website ( <a href="https://www.luminor.lt/en/information-investors-mifid">https://www.luminor.lt/en/information-investors-mifid</a> ), with all amendments and/or supplements.
Agreement	The agreement made by the Bank and the Client on provision of the Investment and/or Ancillary Services.
Party or Parties	The Bank and the Client individually or collectively.

1.2. Unless the Conditions provide otherwise, words used in the singular form shall also mean the plural, words of one gender shall also include the respective words of any other gender, words meaning persons shall also include legal and other than legal persons, and a reference to the entirety shall also mean a reference to any of its part; and (in each particular instance) vice versa.

1.3. Titles of items and other provisions of the Conditions shall be written only for the sake of convenience and shall have no impact on the interpretation of the Conditions.

## 2. CONDITIONS OF PROVISION OF INVESTMENT SERVICES AND RELATED DOCUMENTS

2.1. These Conditions shall apply to the relationships of the Parties in provision by the Bank of the Investment and/or Ancillary Services to the Clients.

2.2. The Bank shall provide the Investment Services and/or Ancillary Services to the Client in a honest, correct and professional manner taking into account the best interests of its clients, in compliance with the Agreement, these Conditions, Conditions of Provision of the Particular services (if applicable), laws and regulations.

2.3. The specificity of provision of separate Investment and/or Ancillary Services shall be stipulated in the Agreement signed by and between the Bank and the Client and/or the Conditions of Provision of the Particular Services.

2.4. The Bank shall provide the Investment and/or Ancillary Services in compliance with the Conflict of Interest Management Policy approved by the Bank.

2.5. The Bank shall execute the Clients' orders on the Financial Instruments in compliance with the Execution of

2.6. In compliance with the requirements of legal acts and in order for the Client to be able to make a reasonable investment decision, the Bank shall present to the Client the Description of the Nature and Inherent Risks of the Financial Instruments, which the Client must familiarize with himself before making the decision on investments. The Description shall be adapted to a non-professional client.

2.7. The Bank shall present to the Client, in compliance with the requirements of legal acts, the Policy of Incentive Payments that provides for the Bank's policy pertaining to the remuneration, commission or other monetary or non-monetary benefit paid or provided by third persons or other persons acting for the benefit of such third persons where it is related to the Services provided by the Bank to its Clients.

2.8. In addition to these Conditions, the relationships of the Parties under these Conditions and all other conditions on provision of services made between the Bank and the Client and Agreements on provision of the Bank's services to the Client shall also be subject to the General Rules that are an integral part of the Agreements.

2.9. The Agreement, the Conditions of Provision of Investment Services, the Conditions of Provision of the Particular Services, the Price-list, the Execution of Orders Policy and the General Rules shall constitute the entire agreement between the Client and the Bank on the provision of the Investment and/or Ancillary Services stipulated in the Agreement.

2.10. Before making the Agreement, the Bank shall present to the Client the Conditions of Provision of Investment Services, the Conditions of Provision of the Particular Services, the Description of the Nature and Inherent Risks of the Financial Instruments, the summary of the Conflict of Interest Management Policy, the Execution of Order Policy, the Price-list, the Inducement Policy for the Provision of Investment and Ancillary Services and the General Rules that are published on the Bank's internet website. The conditions of the Agreement and the Conditions of Provision of the Particular Services shall also be made available to the Client. The Client by signing the Agreement shall acknowledge that he has received the documents indicated in this clause and got familiarize with it.

2.11. The Client shall be deemed to have accepted the conditions of the General Rules, the Conditions of Provision of Investment Services, the Conditions of Provision of the Particular Services, the Execution of Orders Policy and the Price-list by signing the Agreement.

2.12. In the event of any discrepancy between the General Rules and these Conditions of Provision of Investment Services, the Conditions of Provision of Investment Services shall apply. In the event of any discrepancy between the General Rules, the Conditions of Provision of Investment Services and the Conditions of Provision of the Particular Services, the Conditions of Provision of the Particular Services shall apply. In the event of any discrepancy between the conditions of the Agreement and the General Rules, the Conditions of Provision of Investment Services, the Conditions of Provision of the Particular Services, the Order Execution Policy or the Pricelist, the conditions of the Agreement shall apply. In the event of any discrepancy between the Lithuanian text of the documents and their translation into a foreign language, the Lithuanian text shall prevail, unless the Agreement provides otherwise.

### **3. LEI CODE**

3.1. Each legal entity intending to receive the Investment Services from the Bank shall have and present its valid LEI code to the Bank. If the Agreement with the legal entity does not contain the LEI code and/or if the legal entity has lost its valid LEI code, the Bank shall have the right not to provide the Services to such legal entity and/or refuse to provide the Services until it has obtained and presented the valid LEI code to the Bank.

### **4. CATEGORISATION OF THE CLIENTS**

4.1. The Bank shall ascribe the Clients to the following categories: non-professional clients, professional clients or eligible counterparty, and shall indicate in the Agreement, or notify the Client individually on the category the Client is ascribed to, in compliance with the Client Classification Guidelines that are available to the Client in the Bank's internet webpage

### **5. INFORMATION ON THE CLIENT'S KNOWLEDGE AND EXPERIENCE IN THE INVESTMENT FIELDS**

5.1. The Bank shall, in the cases and in accordance with the procedure established by legal acts, collect information on the Client's knowledge and experience in the investment field pertaining to the particular Services and Financial Instruments. To this end, the Bank shall have the right to request the Client to provide the required information by completing the Bank's Questionnaire.

5.2. If the Client fails to complete and/or present the Questionnaire and/or presents an incorrectly completed Questionnaire such refusal by the Client to fill in and/or provide the required information or not providing all the required information prevents the Bank from determining whether specific Investment Services and Financial Instruments are appropriate to the Client and as a result, the Bank shall have the right to refuse to provide certain Services to such Client.

5.3. The Client understands that the information provided in the Questionnaire must be accurate, correct, complete and up-to-date. The Bank shall have the right to rely on the information contained in the Client's Questionnaire and shall not be obligated to verify it, except for the cases where the Bank is or should be aware of the fact that the information is manifestly outdated, incorrect or incomplete. In order to make sure if the information provided to the Bank is reliable, the Bank shall have the right to verify the consistency of the information provided by the Client by comparing it to the information known by the Bank from other sources.

5.4. If the information indicated by the Client in the Questionnaire changes, the Client undertakes to notify the Bank immediately to that effect and submit an updated Questionnaire to the Bank.

## 6. HOLDING OF CLIENTS' FINANCIAL INSTRUMENTS AND FUNDS

6.1. When holding Financial Instruments belonging to the Clients, the Bank shall undertake measures to safeguard the ownership rights of the Clients. The Bank shall enter in the accounts its own Financial Instruments and the Financial Instruments of each Client separately.

6.2. The Bank shall have no right to use the Financial Instruments belonging to the Client, except with the Client's express consent.

6.3. The Client's Financial Instruments issued by issuers registered in foreign states may be held in custody to other than the Bank by another Financial Instrument custodian. When choosing and monitoring periodically another Financial Instruments custodian the Bank shall act properly, prudently and with due professionalism and care. On the Client's request, the Bank shall provide the Client with information on the custodian of the Financial Instruments belonging to the Client.

6.4. Another person to whom the Clients' Financial Instruments may be transferred for holding in custody may be established only in such state where specific regulation apply to the protection of another person's financial instruments and supervision and such specific regulation and supervision shall be applied in respect of the person to whom the Clients' Financial Instruments are transferred for holding.

6.5. The Bank shall not transfer the Client's Financial Instruments for holding to persons that are established in a non EEA Member State, where storing and protection of another person's financial instruments is not specifically regulated. The Bank may derogate from this requirement if:

6.5.1. due to the nature of the Financial Instruments or investment services pertaining to them, such Financial Instruments must be held in custody by a person located in such non EEA Member State;

6.5.2. the Financial Instruments are held in the name of the professional Client who directs itself in writing for the Bank to hold in custody the Financial Instruments with the third person located in such non EEA Member State.

6.6. The Client is informed and by signing the Agreement agrees that the Financial Instruments belonging to the Client may be held in custody an omnibus account opened with another Financial Instrument custodian. In case of absence of possibilities to hold the Client's Financial Instruments in the omnibus account opened with another Financial Instrument custodian, the Client's Financial Instruments may be held in custody in the financial instrument account opened by another Financial Instrument custodian on behalf of the Bank or another Financial Instrument custodian. The Bank shall notice the Client that while holding the Client's Financial Instruments in the omnibus account or on behalf of the Bank or another Financial Instrument custodian in the opened Financial instruments account, such Financial Instruments may be subject to claims against another client, the Bank or another Financial Instrument custodian. The Bank shall not assume any liability pertaining to holding the Financial Instruments with and/or on behalf of the third person.

6.7. Financial Instruments belonging to the Client and held in custody with the third person, in accordance with the requirements of the national legal acts applicable to the third person, may be not separated from the Financial Instruments belonging to the Bank or third person, and the Client shall be noticed by Bank that such Financial Instruments may be subject to claims against another client, the Bank or another Financial Instrument custodian.

6.8. Where the law of a non Member State is applied in respect of the accounts in which the Financial Instruments belonging to the Client are accounted for, the rights granted by the Financial Instruments belonging to the Client may change accordingly.

6.9. The funds available in the Client's accounts opened with the Bank, deposits, securities, other assets receivable from the Bank, including the Client's rights of claim against the Bank, are considered to have been pledged to the Bank as the security for the fulfilment of the Client's obligations under any Agreement.

6.10. If the Client is not a natural person, the funds (in any currency) available in the Client's accounts opened with the Bank, other funds receivable from the Bank and financial instruments (as it is defined in the Law on Financial Collateral Arrangements of the Republic of Lithuania), are considered to be financial collateral without title transfer securing the fulfilment of the Client's obligations under the Agreement.

6.11. If the Agreement does not state otherwise, the Client is authorized to freely dispose the pledged funds (under financial collateral) or financial instruments (by changing or withdrawing the financial collateral), as long as the Bank does not use its right under the Agreement or legislation to restrict Client's right to dispose funds or financial instruments.

6.12. The Bank shall have the right to set-off the Bank's and Client's claims in accordance with the procedure established in the General Rules. The Bank may also have the other rights stipulated in this clause in respect of the Client's Financial Instruments, if such rights are stipulated in the Conditions of Provision of the Particular Services and/or the Agreement.

6.13. In accordance with the Law, the Bank shall have the right to use Client's funds.

6.14. In order to ensure safety of the Financial Instruments and funds belonging to the Clients, the Bank shall implement the proper activity organization policy and procedures, have sound administrative and accounting procedures, internal control mechanisms, effective procedures for risk assessment, and effective control and safeguard arrangements for information processing systems, and shall undertake any and all other required actions.

6.15. The Bank shall have the right, in accordance with the procedure established by legal acts, to provide the below information on the Clients' Financial Instruments and funds to persons entitled to receive such information, including the Bank of Lithuania:

6.15.1. internal accounts and information that facilitates identification of balances of the funds and Financial Instruments kept on behalf of each Client;

6.15.2. information and data on the Bank's accounts in other banks where the Clients' funds are kept and information on the

appropriate agreements with other banks;

6.15.3. information and data on accounts with other persons with who the Clients' Financial Instruments are hold in custody and information and data on the respective agreements with such other persons;

6.15.4. data on the third persons to who the functions related thereto are delegated and comprehensive information on the delegated functions;

6.15.5. information on the main persons participating in the related processes, including the persons responsible for the supervision of the compliance with the requirements pertaining to the protection of the clients' assets;

6.15.6. the agreements that are important for establishing the Clients' ownership right to the assets held in custody.

6.16. The Bank shall not lend its Clients' Financial Instruments held in custody to other persons and shall not use them for any other purposes.

## **7. INSURANCE OF LIABILITIES TO INVESTORS**

7.1. The Bank complies with all obligations to investors that apply to the Bank's activities and the description of which is provided in Appendix no. 1.

## **8. BANK FEES AND OTHER PAYMENTS TO THE BANK**

8.1. For using the Services the Client shall pay to the Bank the Bank fees, interest, commission and make other payments stipulated in the Price-list and/or the Conditions of Provision of the Particular Services and/or the Agreement.

8.2. For using the Services the Client shall pay to the Bank immediately after the provision of the Services, unless the Agreement and/or the Conditions of Provision of the Particular Services and/or the Price-list provide otherwise.

8.3. The Bank shall provide the Client with information on all expenses and other payments, including expenses and payments related to the Investment services and Financial instruments that occur irrespective of the inherent market risk, on an aggregate basis, in order for the Client to understand all expenses and cumulative impact of the expenses on the return on investment, and at the Client's request, the Bank shall disclose the expenses and payments in detail. Such information shall be provided to the Client on a regular basis, not less than once per year and shall be provided throughout the Client's investment period. The Client shall repay within the set terms the financing amounts received from the Bank and pay other expenses pertaining to provision of the Services (notary fees for notarial acts, stamp duties, court costs, property evaluation expenses, expenses of document copies, issuance of certificates, insurance contributions, dues established by the state, stock exchange or other entities, etc.). In case such expenses are covered by the Bank, the Client shall compensate to the Bank the incurred expenses with the procedure established by the Bank.

8.4. The Client shall transfer the Fees to the Bank's account indicated in the Agreement or shall accumulate them in the Client's account indicated in the Conditions of Provision of the Particular Services and/or the Agreement and shall ensure the possibility to debit them. The Bank shall debit the Fees from the Client's accounts indicated in the Conditions of Provision of the Particular Services and/or the Agreement, and in case of absence of possibilities to debit the Fees from these accounts, the Bank shall have the right to debit them from other Client's accounts opened with the Bank. Funds shall be debited in the currency stipulated in the Conditions of Provision of the Particular Services and/or the Agreement or any other currency applying the exchange rate applied by the Bank. The Bank's right to debit the Fees from the Client's accounts shall be valid until payment of all Fees to the Bank. The Client shall ensure the availability of an amount sufficient for debiting the Fees in the Client's accounts indicated in Conditions of Provision of the Particular Services and/or the Agreement at maturity thereof. The Bank shall debit the Fees in the sequence selected by the Bank. The Bank shall also have the right to request from the Client to pay the Fees to the Bank in cash or transfer them to the account indicated by the Bank.

## **9. PROVISION OF INFORMATION, NOTIFICATIONS AND STATEMENTS**

9.1. The Bank shall provide to the Client notifications (reports) on the provided Services within the terms and in accordance with the procedure established in the Conditions of Provision of the Particular Services and/or the Agreements. The notifications shall contain the results and nature of the Investment Services provided to the Client, as well as the information on the expenses pertaining to conclusion of the transactions and provision of the Services to the Client.

9.2. Any other notifications and information to be provided under the Agreements and/or legal acts shall be provided by the Bank to the Client in the manner and within the terms stipulated in the Conditions of Provision of the Particular Services and/or the Agreement. If the Conditions of Provision of the Particular Services and/or the Agreement contain several possible manners of receipt of the notifications, the Bank shall have the right to send notifications in any manner specified in the Client's Conditions of Provision of the Particular Services and/or the Agreement at the Bank's choice. If the Conditions of Provision of the Particular Services and/or the Agreement do not provide for the periodicity of provision of notifications, the Bank shall provide notifications to the Client in accordance with the periodicity established in the legal acts, and if the legal acts do not establish any mandatory terms, the Bank shall provide notifications with its selected periodicity.

9.3. In addition to the manner of receipt of information and notifications indicated in the Agreement, the Bank shall have the right to provide information to the Client in any other manner selected by the Bank (e.g., by sending information by post, email, fax, other telecommunication terminals equipment, internet banking means, and also by publishing the information in the Bank's internet website, other mass media and/or by any other means and manners).

## 10. CONFIRMATIONS

10.1. The Parties confirm to each other that:

10.1.1. they have all powers and authorizations to enter into the Agreements and fulfil the obligations assumed under such Agreements;

10.1.2. they have obtained all permits, confirmations, consents and approvals that must be obtained in accordance with the applicable legal acts;

10.1.3. the confirmations contained in these Conditions of Provision of Investment Services and the Agreements are true at the moment of signing the Agreement and shall remain true throughout the period of provision of the Investment Services and/or Ancillary Services.

## 11. LIABILITY

11.1. The Parties' liability shall be established in compliance with the Agreement and/or laws of the Republic of Lithuania.

11.2. The Parties shall indemnify each other for direct losses arising out of failure to fulfil or improper fulfilment of the obligations. The Bank shall not be liable for the Client's losses arising through the fault of the Client and/or third persons and/or the legitimate actions of the Bank.

11.3. The Client understands and confirms that transactions regarding the Financial Instruments are related to risk and in certain cases it is possible to lose the entire invested amount, therefore, before making an investment decision, the Client familiarized himself with all the characteristics of the Financial instrument and/or transaction and related risks. In making such transactions the Client shall assume the possible risk of losses and shall not make any claims to the Bank with regard to the losses incurred.

11.4. The Bank shall not be liable for any investment losses incurred by the Client, i.e. losses resulting from negative changes in the markets of the Financial Instruments, exchange rate changes, inflation and other risks. The Bank shall not be liable for any change in the liabilities of the tax environment, and for the solvency of the issuer or third person, for work of the operator of the regulated market, multilateral trading system or organized trading system or settlement systems and shall not be obligated to compensate for losses incurred by the Client resulting from an act or omission by the issuer, its representatives, payment agents, operators of the regulated market, multilateral trading system or organized trading system and/or settlement systems, or other third persons or through the Bank's actions (if any) undertaken reasonably by the Bank in response to the act or omission by the third persons.

## 12. FINAL PROVISIONS

12.1. The Client shall have the right to transfer its rights and obligations arising out of these Conditions and the Conditions of Provision of the Particular Services and/or the Agreements only upon obtaining a prior written consent of the Bank. The Bank has the right, without the separate consent of the Client, to transfer its rights and/or obligations arising from these Conditions and Conditions of Provision of the Particular Services and/or Agreements to any regulated financial institution.

12.2. The Conditions of Provision of Investment Services shall be effective for an indefinite period.

12.3. The Bank has the right to:

12.3.1. amend these Conditions of Provision of Investment Services, the Execution of Orders Policy, Conflicts of Interest Management Policy and its summary, Description of Financial Instruments and Related Risks, Inducement Policy for the Provision of Investment and Ancillary Services, the Price-list or Agreements, including the Conditions of Provision of the Particular Services as their integral part in the cases and in accordance with the procedure established in the General Rules and/or the Conditions of Provision of the Particular Services. The Bank shall notify the Client on the amendments within the terms and procedure established in the General Rules and/or the Conditions of Provision of the Particular Services. These amendments shall be binding on the Client and apply to all Agreements made between the Bank and the Client.

12.3.2. on its own initiative, without obtaining separate individual consent from the Customer, to dispose of the Customer's investment fund units/shares for which the Bank receives any fees, commissions or any non-monetary benefit inducements), in order to substitute aforementioned fund shares against shares of investment fund(s) managed by the same investment fund management company for which the Bank will not receive inducements. The Bank will make the substitution free of charge for the Customer notifying the Customer at least 14 calendar days in advance. The notification shall include information regarding the investment fund shares to be substituted and the investment fund shares to be acquired as a result of the substitution.

## 13. INFORMATION ON THE BANK

13.1. Luminor Bank AS (reg. No 11315936, address: Liivalaia 45, 10145, Tallinn, Estonia, registered with Estonian Commercial Register (the Bank)), represented within the Republic of Lithuania by Luminor Bank AS Lithuanian Branch (branch code in the Register of Legal Entities of the Republic of Lithuania 304870069, address: Konstitucijos ave. 21A, 03601 Vilnius, Lithuania (the Branch)). The Bank's website [luminor.lt](http://luminor.lt); E-mail of the Branch [info@luminor.lt](mailto:info@luminor.lt), Tel. no. 1608. The Bank is supervised by „Finantsinspekcioon”, the Estonian Financial Supervisory Authority. The banking license number Nr. 4.1-1/54; The Branch's Supervisory Authority - the Bank of Lithuania; address Totorių str. 4, Vilnius, website: [lb.lt](http://lb.lt), Tel. No. (8 5) 268 0029, Fax No. (8 5)

268 0038, e-mail: [info@lb.lt](mailto:info@lb.lt). In case of any change in the Bank's or the Branch's name or the details above the Bank will publish that on the Bank's Internet website.

13.2. The Clients may contact the Bank with regard to the information on the provision of the Bank's Services by telephone number 1608 (from abroad +370 5 2393444) or to any client service unit of the Bank or any other contacts specified in the Conditions of Provision of the Particular Services or the Agreement, if applicable. The information on the Investment Services provided by the Bank, addresses of the Bank's divisions, officials' telephone numbers and other contact data shall be published in the Bank's internet website.

13.3. The Client may communicate with the Bank and receive documents and information in Lithuanian and other language stipulated in the Agreement.

13.4. Information between the Bank and the Client may be transferred in the manners stipulated in the General Rules and the Agreement, and the Client's orders regarding the Financial Instruments may be placed and received in the manners stipulated in the Conditions of Provision of the Particular Services and/or the Agreement.

## **14. ANNEXES**

Annex No. 1. Investor Compensation Scheme

## INVESTOR COMPENSATION SCHEME

### **1. Investor Compensation Scheme:**

- 1.1. Client's Financial Instruments under management of and cash transferred to the Bank under the Agreement shall be considered as investments falling under Estonian Investor Compensation Scheme.
- 1.2. The main goal of the Investor Compensation Scheme is to protect the investors of Republic of Lithuania who are Clients of Luminor bank AS.
- 1.3. Tagatisfond (The Estonian Guarantee Fund – hereinafter Fund) shall guarantee, under the conditions and to the extent provided by the Guarantee Fund Act, protection of funds of the Clients of Luminor Bank AS, Luminor Bank AS Lithuanian branch (investors).

### **2. Compensation for Investments:**

- 2.1. Investments (as specified in clause 2.5 below) made through Luminor shall be guaranteed and compensated for the investors out of the Investor Protection Sectoral Fund (investorikaitse osafond) in accordance with the provisions of the Estonian Guarantee Fund Act and in their value as at the date of compensation (as specified below) but not more than in the amount of 20,000 euros.
- 2.2. Given that Luminor, as a credit institution, provides the investment services, the obligation of the Fund to compensate for the investments under the conditions and pursuant to the procedure provided for in the Guarantee Fund Act arises on the date on which Luminor deposits become unavailable.
- 2.3. In addition to the provisions of clause 2.2 above, the Estonian Financial Supervision Authority (*Finantsinspeksioon*) may, by a resolution thereof, deem the date of compensation to have arrived if Luminor fails to return to investors the securities or money belonging to such investors and if circumstances become evident which indicate the insolvency of the Luminor.
- 2.4. Fund is not required to compensate for investments under the conditions and pursuant to the procedure provided by Guarantee Fund Act, if Luminor is unable to perform the obligations it has assumed due to international sanctions implemented with regard to it or with regard to persons directly or indirectly related to it.
- 2.5. For the purposes of Guarantee Fund Act, an investment is a claim which is based on an agreement between the Parties or on legislation and pursuant to which Luminor is required to:
  - a) repay the money owed to or belonging to Client and held or managed for their account by Luminor in connection with the provision of investment services specified in § 43 and clause 1 of § 44 of the Estonian Securities Market Act;
  - b) return to the Client the securities owed to or belonging to them and held, managed or administered for their account by the Luminor in connection with the provision of investment services specified in § 43 and clause 1 of § 44 of the Estonian Securities Market Act.
- 2.6. Investments belonging to professional investors<sup>1</sup> or any of the following persons shall not be guaranteed or compensated:
  - a) the state;
  - b) a local government;
  - c) a legal person, which principal and permanent activity of which is to acquire holdings or conclude one or more of the transactions and operations specified in clauses 6 (1) 2)-12) of the Credit Institutions Act of the Republic of Estonia.
  - d) a company belonging to the same consolidation group as the given investment institution;
  - e) a member of the supervisory board or management board or an auditor of the same investment institution or a company belonging to the same consolidation group as the investment institution, and a person holding at least five per cent of the share capital of the investment institution or a company belonging to the same consolidation group as the investment institution;
  - f) a close relative of a person specified in section e) above or a third party acting on behalf of such person.
- 2.7. Investments subject to compensation on the basis of §§ 52 and 53 of the Securities Register Maintenance Act of Republic of Estonia shall not be guaranteed or compensated for on the basis of Guarantee Fund Act.
- 2.8. No compensation shall be paid to the following investors:
  - a) An investment the owner of which has liabilities that have fallen due to Luminor shall not be compensated to the extent of such liabilities.



- b) Investments confiscated on the basis of a judgment of conviction in a court case concerning money laundering or terrorist financing shall not be guaranteed. If the disposal of the investment has been restricted by the precept of the Estonian Financial Intelligence Unit or the investment has been seized in criminal proceedings of a court case concerning money laundering or terrorist financing, the compensation for the investment shall be suspended until the precept has been revoked or the judgment has entered into force.
- c) Investments belonging to persons subject to international sanctions as at the date of compensation. A person in which a qualifying holding is held by or which is controlled by a person subject to an international sanction is also deemed to be a person subject to an international sanction.

### **3. Amount of Compensation:**

Investments are guaranteed and compensated for to the extent of their value as of the compensation date, but not more than in the amount of 20,000 EUR per investor in any one investment institution.

### **4. If the claim rights are held by a group of persons:**

Compensation for joint investments shall be granted to the investors in equal parts unless otherwise agreed upon between the investment institution and the investors. For the purposes of the Guarantee Fund Act, a joint investment is an investment which is jointly owned by two or more persons. For the purposes of compensation for a joint investment, each owner of the joint investment shall be deemed to be an investor.

### **5. Term of payment of compensation:**

Compensation shall be paid to an investor not later than within one month after determination of the value of the investment subject to compensation by Fund. Fund may extend the term under extraordinary circumstances and with good reason. A term may be extended by up to three months at a time, but not for more than a total of twelve months. In the event no compensation is paid to the customer within the terms indicated above, the customer should contact the Fund, because the investor's entitlement to a compensation remains valid for 5 years after the date set in clause 2.2. of this Annex, following which the investors may lose their right to claim the compensation. For more details please visit [www.tf.ee](http://www.tf.ee).

### **6. Currency of payment of compensation:**

The value of a foreign currency and securities nominated in a foreign currency is converted into Euros on the basis of the foreign exchange reference rate of the European Central Bank as of the compensation date (on Euro cent basis – to two decimal places and rounded off in accordance with the mathematical rules).

### **7. Additional information**

Detailed information on the conditions for liabilities to investors and the cases where compensation to certain investors is not paid and where insurance benefits are not paid to certain investors is provided in the internet website of Guarantee Fund at [www.tf.ee](http://www.tf.ee).