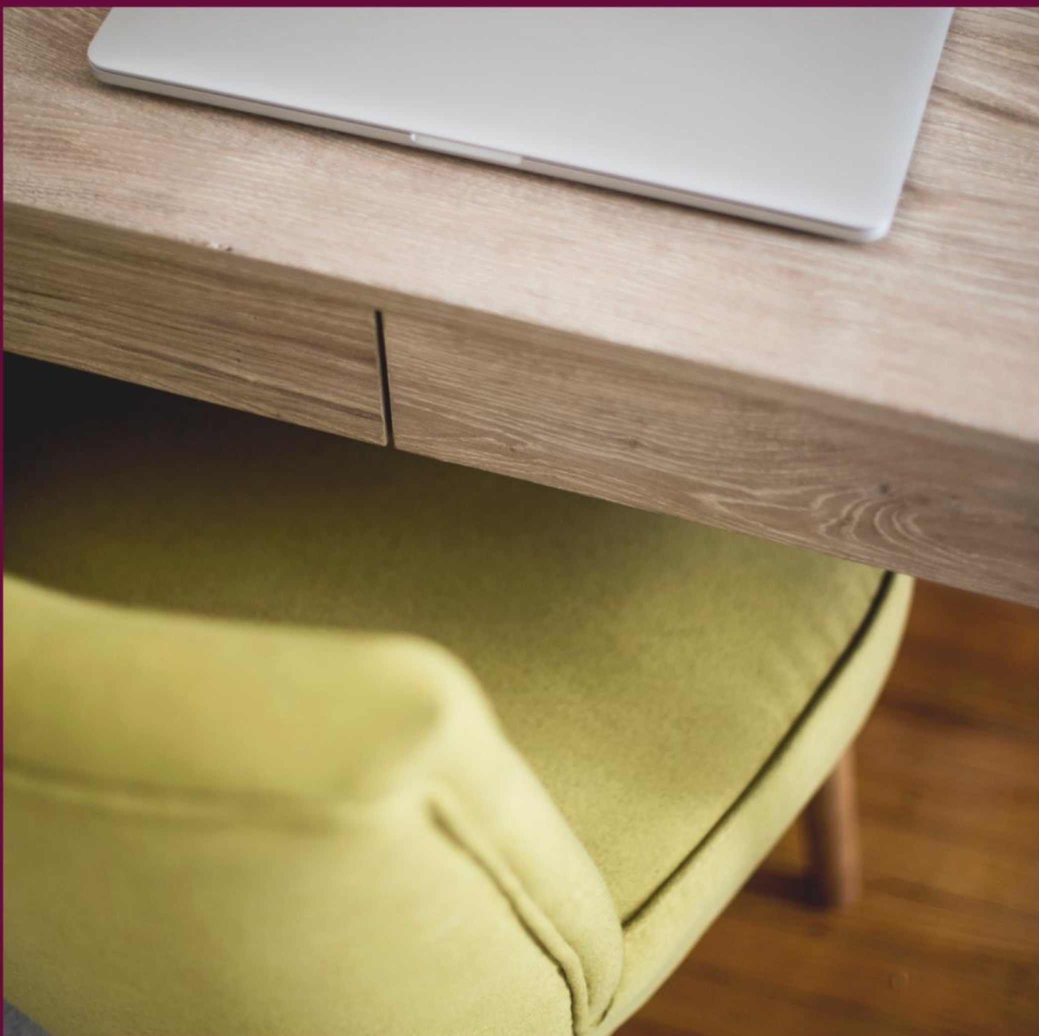
Information to investors (MiFID)



Luminor

Translation from Lithuanian

Effective from 1 February 2019

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Investing involves risks. The value of the investment during the investment period may increase or decrease, and the return is not guaranteed. In certain cases the investor may lose the invested sum and loses may accumulate in excess of the initial investment. Further information about Luminor Bank AS Lithuanian branch investment services, terms and conditions, price lists and the related risks can be found at www.luminor.lt/en/information-investors-mifid .

Luminor

Translation from Lithuanian

Effective from 1 February 2019

1. POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS

1. GENERAL PROVISIONS

1.1. This Policy for Execution of Orders in Financial Instruments provides an overview of how Luminor Bank AS (the Bank) executes orders on behalf of clients or transmits orders to other entities for execution (the Policy).

1.2. The Bank has a general duty to act honestly, fairly and professionally, taking into account client's best interest. In relation to order execution, the Bank is required to take all sufficient steps to obtain the best possible result to a client on a continuous basis (known as Best Execution).

1.3. The Policy is issued pursuant to, and in compliance with, the Markets in Financial Instruments Directive 2014/65/EC (MiFID II) and implementing legislation.

1.4. The Policy applies to retail (non-professional) and professional clients.

1.5. A summary of the Policy specifically intended for retail (non-professional) clients and the Policy can be found at https://www.luminor.ee/en/private/important-information-investor. The summary will also provide a link to the most recent execution quality data for each execution venue listed in this Policy, as soon as such information is available.

1.6. Upon acceptance of a Client order and when there is no specific Client instruction regarding the execution method, the Bank will execute an order in accordance with this Policy.

1.7. The appendices of the Policy cover the below listed classes of financial instruments and specify how orders are executed with respect to such financial instruments, order types available, priority of execution factors, the order execution process, as well as which execution venues are used and how execution effectiveness is monitored:

- Equities – shares and depository receipts;
- Debt instruments – bonds and money market instruments;
- Interest rate derivatives – swaps, options and other;
- Currency derivatives – forwards, swaps, options and other;
- Commodities derivatives – futures, swaps and other;
- Contracts for difference;
- Structured financial instruments;
- Exchange traded products – exchange traded funds, exchange trades notes and exchange traded commodities;
- Units of collective investment undertakings.

1.8. The client is familiarised with this Policy when entering into legal relations with the Bank. The client also confirms that he/she/it has been familiarised with the Policy and consents to it when placing an order with the Bank.

1.9. In scope of portfolio management service, the client authorizes the Bank to execute financial instrument orders on client's behalf according to the rights and limitations listed in the portfolio management agreement. The orders placed as a result of a portfolio manager's decision to trade financial instruments on a client's behalf may be transmitted for execution to financial intermediaries or executed by the Bank as the client's counterparty.

2. BEST EXECUTION

2.1. Best Execution is the process by which the Bank seeks to obtain the best possible result when executing client orders. The definition of best possible result will vary as the Bank must take into account a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that it receives and the markets in which it operates. These factors are further described in the Policy.

3. EXECUTION FACTORS

3.1. The Bank has considered a number of factors that might be important to clients when the Bank executes their orders:

- Price – the market or fair price at which an order is executed;
- Costs – charges that may be incurred in executing the order in a particular way. Where the Bank applies different fees depending on the execution venue, it will explain these differences in sufficient detail in order to allow the client to understand the advantages and the disadvantages of the choice of a single execution venue;
- Speed of execution – the time it takes to execute the order;
- Likelihood of execution and settlement – the likelihood that the Bank will be able to complete the transaction;
- Size and nature – the way that the Bank executes an unusual order (for example, the one that is larger than the normal market size or has unusual features such as shortened or extended settlement period) may differ from the way it executes a standard order;
- Other factors – any other factors relevant to the order (for example, market impact – the effect that executing client's order, or showing it to market participants, might have upon the market).

3.2. When the Bank executes orders on behalf of retail (non-professional) clients, Best Execution is determined on the basis of the total consideration paid by the client. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether Best Execution has been achieved, the Bank does not take into account its standard charges that will be paid by the client irrespective of how the order is executed.

3.3. When the Bank executes orders on behalf of professional clients, it will use reasonable judgement to weigh different execution factors at the time of execution in accordance with execution criteria (see Section 4 below). Even where it seems that the price of financial instruments was not the best available, the order may still be considered executed on the terms most favourable to the client.

4. EXECUTION CRITERIA

4.1. The relative importance that the Bank attaches to the execution factors listed in Clause 3.1 above in any particular case may be affected by the following execution criteria:

- Client Characteristics – the type of the client: retail (non-professional) or professional;
- Order Characteristics – such as potential to have an impact on the market;
- Financial Instrument Characteristics – such as liquidity and whether there is a recognised centralised market;
- Venue Characteristics – particular features of the liquidity sources available to the Bank.

5. THE SCOPE OF BEST EXECUTION

5.1. The Bank will always apply Best Execution to orders submitted by retail (non-professional) and professional clients dealing in financial instruments, except for the situation described in Clause 5.3.

5.2. The Bank will also apply Best Execution when a professional client Requests for Quote (RFQ) and relies on the Bank to protect its interests in relation to pricing and other important elements of the transaction. All the following factors will need to be satisfied for the Bank to owe a duty of Best Execution for a professional client:

- A professional client initiates the RFQ;
- A professional client is not able to “shop around” – when it is reasonable to assume that the Bank is the only counterparty available to the trade;
- A professional client does not have access to market prices;
- The Bank has expressly agreed to provide Best Execution to professional client.

5.3. If a retail (non-professional) or professional client gives specific instructions to the Bank regarding the order submitted, the Bank shall – to the fullest possible extent – execute the order in accordance with those specific instructions. The Bank may only deviate from such specific instructions where, due to specific circumstances, this is required for the interests of the client, and the Bank did not have a possibility to inquire the client in advance or did not receive the response on time. In such a case the Bank shall collect and keep the proof of the terms of the execution of the order (which shall be submitted to the client upon request), and notifies the client as soon as possible that the order is executed on terms different than those instructed. Where specific instructions cover only certain elements of the client’s order, the Bank maintains an obligation to achieve the Best Execution with respect to the elements of the order not covered by the client’s instructions. **The Bank hereby warns the client that such specific instructions may prevent the Bank from taking actions established in the Policy and applied by the Bank for the purposes of achieving the Best Execution.**

6. EXECUTION ON A TRADING VENUE

6.1. When the Bank accepts an order in financial instruments which are admitted to trading on a Regulated Market (RM), Multilateral Trading Facility (MTF) or Organised Trading Facility (OTF), it usually executes order on the trading venue itself acting as an agent on behalf of the client or, if the Bank is not a member of any relevant trading venue, it transmits the order to another entity (broker, credit institution or investment firm) for execution.

6.2. The Bank may as well execute an order over the counter (OTC), as discribed in Section **Error! Reference source not found.** of the Policy.

7. EXECUTION THROUGH EXECUTION ENTITIES

7.1. Where the Bank does not have a membership of the trading venue relevant for the order, such order will be transmitted to an execution entity, which will execute the order on such a trading venue, or alternatively transmit the order to another third party for execution.

7.2. When executing client orders by transmitting to third parties, the Bank takes all sufficient measures to select execution entity, which provides Best Execution on a continuous basis.

8. EXECUTION ON OWN ACCOUNT

8.1. While dealing on own account, the Bank might deal with multiple clients or counterparties on the same financial instrument at the same time. The Bank might as well hold significant positions in such financial instruments and carry on hedging or trading activities which might have impact on the market.

8.2. The Bank acts as a principal (deals on own account) to the client in (i) trades for OTC instruments; (ii) trades where the Bank is a market maker in financial instruments admitted to a trading venue; and (iii) where the Bank acts as systematic internaliser (when dealing systematically and substantially on own account the Bank will in certain financial instruments be acting as a systematic internaliser when executing client orders). In all cases the Bank owes the duty of Best Execution to a client, except for the situations described in Section **Error! Reference source not found.** of the Policy.

8.3. The Bank adopts the following approach to the construction of the price of the transaction when trading on own account. The total execution price provided to a client is made up of the base price plus costs and charges:

- The base price is the price that the Bank would face to hedge the transaction in the inter-bank market, whether realised or estimated. The base price includes any adjustments for the Bank's view of market risk factors and how the Bank seeks to position itself in the market according to such risk factors; and
- Costs and charges, which are the difference between the base price and the total execution price for the client. This includes all costs and charges that are related to the transaction performed by the Bank and other parties.

9. EXECUTION OVER THE COUNTER (OTC)

9.1. Based on this Policy, client orders may be executed over the counter (OTC). It is deemed that the clients are informed and give their consent to the Bank to execute orders over the counter (OTC) when entering into contractual relations with the Bank and / or when submitting client orders. Client orders can be executed over the counter (OTC) for both: (i) financial instruments which are not admitted to trading or traded on a trading venue and (ii) financial instruments which are admitted to trading or traded on a trading venue. In both cases the Bank owes the duty of Best Execution to the client, except for situations described in Section **Error! Reference source not found.** of the Policy. Where financial instruments are admitted to trading or traded on a trading venue, client orders may only be executed over the counter if such execution of orders would ensure the best result for the client.

9.2. The Bank may execute orders over the counter (OTC) on own account or with another counterparty.

9.3. While executing orders OTC, the Bank checks the fairness of the price proposed to the client by gathering market data used in estimation of the price of such instrument and, where possible, by comparing it with similar or comparable products.

9.4. Clients should be aware of the following risks associated with executing orders OTC:

- Counterparty risk, where counterparty fails to complete the transaction in part or in full;
- Execution at a substantially different price form the quoted bid or offer or the last reported price at the time of order entry, as well as partial execution or execution of large orders in several transactions at different prices;
- Delays in executing orders for financial instruments, where the Bank has to search for counterparties or market makers;
- Opening price that may substantially differ from the previous day's close price;
- Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which may prevent the execution of client orders.

10. SELECTION OF EXECUTION VENUES AND EXECUTION ENTITIES

10.1. The Bank's policy is that the number of execution venues used shall be sufficient to continuously ensure Best Execution to the Bank's clients.

10.2. When selecting suitable execution venues and entities for execution of orders, the Bank will take sufficient efforts to select execution venues and entities that consistently allow the best result to be achieved.

10.3. The Bank takes the following qualitative and quantitative factors into consideration when selecting suitable execution venues and entities:

- Liquidity – that is spread, depth and market share;
- Costs applied by an execution venue;
- Likelihood of execution and settlement;
- Other relevant factors.

10.4. Selection of execution entities to which the Bank transmits orders is carried out via regular reviews of the execution entities' ability to provide Best Execution and their ability to enable the Bank to fulfil its obligations under Best Execution.

10.5. When selecting execution entity, the Bank will, in addition to the above mentioned factors, consider factors that the Bank deems important from time to time. Such factors could, for example, be the Bank's general assessment of and confidence in the execution entity and trading venues the execution entity has access to.

10.6. For the purposes of delivering Best Execution where there is more than one competing venue, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed in this Policy that is capable of executing that order, the Bank's own commissions and the costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.

10.7. Information about the execution venues used by the Bank and the methods for executing different client orders with different financial instruments are provided in Annexes to this Policy.

11. ORDER HANDLING

11.1. Comparable orders of clients shall be executed on the basis of the time priority principle (sequentially), except where such execution is impracticable taking into consideration the characteristics of the relevant order and (or) the prevailing market conditions, or where the interests of the client require otherwise, and where the breach of the principle can be reasoned. Client orders shall be executed with priority over the Bank's own orders.

11.2. In cases where a client does not give specific instructions, the Bank shall commence the execution of the order immediately after the receipt of the order from the client.

11.3. If client orders are received outside the marketplace's opening hours, the orders will normally be executed when the marketplace reopens.

11.4. Where due to any objective reasons which are beyond the Bank's control the execution of the client's order cannot be commenced (e.g. where the client does not have sufficient funds to settle for the order) or the order cannot be executed within a reasonable time due to the unfavourable market conditions (reduction of price, absence of supply etc.), the Bank will refuse to accept the order where the relevant circumstances already exist at the time when the order is submitted, or, if the order is already submitted, inform the client immediately and ask for specific instructions for further handling of the order.

11.5. Unless the laws provide otherwise, in the case of a client limit order in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, the Bank shall, unless the client expressly instructs otherwise, take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants (including by transmitting the client limit order to a trading venue).

11.6. Following execution of a transaction on behalf of a client the Bank will provide a confirmation of the execution of the order and will, inter alia, inform the client where the order was executed and what costs and charges where applied.

12. AGGREGATION, ALLOCATION AND SPLIT OF ORDERS

12.1. The Bank shall execute an order of each client separately except in the cases specified in Clauses **Error! Reference source not found.** and / or **Error! Reference source not found.** herein below.

12.1.1. Where any contract(s) in financial instruments entered into by a client via the Luminor Trade platform (e.g. future contract(s) or contract(s) for difference (CFD)) expire(s) and the client does not close the contract (s) and does not give the Bank any instruction(s) to close such contract(s) within the time stipulated by the Bank for the closing of open contract (s), the Bank may close such contract(s) of the client by means of aggregation of such contracts with other similar orders regarding the closing of such contracts of other clients, if the Bank believes such aggregation will not prejudice the interests of any client.

12.1.2. In other situations when it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated.

12.2. The Bank notifies the client about its intent to aggregate an order and discloses to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order.

12.3. An aggregated order fully executed at a single price is allocated pro rata to the volume of primary orders at a single price of such aggregated order. An aggregated order executed in several transactions and at different prices is generally allocated pro rata to the volumes of primary orders at the weighted average price of such aggregated order. An aggregated order executed partially is allocated by the Bank pro rata to the volume of primary orders at the price of such aggregated order executed partially.

12.4. The Bank may split an order of a client regarding the financial instruments traded on a regulated market, a multilateral trading facility and / or an organised trading facility.

12.5. The Bank shall not aggregate the clients' orders with its own orders under any circumstances.

12.6. The Bank shall provide any additional information requested by the client about the aggregation and (or) splitting of the client's order within 15 (fifteen) business days from the date of the client's written request. The client may submit a written request for the detailed information in person at any branch of the Bank or via the internet bank.

13. REVIEW AND REPORTING

13.1. The Bank monitors and evaluates the effectiveness of the Policy on an ongoing basis, and, in particular, monitors the execution quality of the entities identified in the Policy, and if any defects are detected – corrects them without any delay.

13.2. The Policy must be reviewed at least once per year or in connection with the important changes in the financial instruments markets or whenever a material change occurs that impacts parameters of Best Execution listed in Clause 3.1 of this Policy and thus affects the Bank's ability to achieve the Best Execution (including addition or removal of execution venues). The Bank will notify its clients about any material changes in the Policy and publish the updated version of the Policy in the website of the Bank. The Bank will annually summarise and publish on its website, per class of financial instrument, the top five execution venues and entities in terms of trading volumes for all executed or transmitted client orders and information on quality of execution obtained. Periodic reports on the quality of execution to be published by the Bank shall include details about price, costs, speed and likelihood of execution for individual financial instrument. Reports shall be prepared separately for the top five execution venues and the top five entities (brokers) to which client orders were routed during the relevant period. The Bank shall also publish for each class of financial instruments, a summary of the analysis and conclusions it draws from their detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

14. FINAL PROVISIONS

14.1. Any amendments to the Policy shall approved by the Management Board.

Luminor

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Effective from 1 February 2019

ANNEX NO. 1 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS

ORDER EXECUTION VENUES

1. Orders in financial instruments submitted by the retail (non-professional) and professional clients will be executed in the execution venues specified below:

1.1. Orders in shares of companies of the Baltic States – on NASDAQ stock exchanges in Vilnius, Tallinn and Riga, and Nordea Bank Abp;

1.2. Orders in financial instruments that are traded on the regulated markets and (or) multilateral trading facilities, placed via the Luminor Trade platform, – Saxo Bank A/S;

1.3. Orders in exchange traded funds (ETF) other than those placed via the Luminor Trade platform, – via BNY Mellon Capital Markets EMEA Limited, HSBC Trinkaus & Burkhardt AG, Nordea Bank Abp, and NASDAQ stock exchanges in Vilnius, Tallinn and Riga;

1.4. Orders in shares of companies that are traded on the regulated markets and (or) multilateral trading facilities, other than those of the Baltic States and those placed via the Luminor Trade platform – via Nordea Bank Abp;

1.5. Orders in collective investment undertakings units – via HSBC Trinkaus & Burkhardt AG, Nordea Investment Funds S.A., Nordea Funds Ltd., DNB Asset Management S.A.;

1.6. Orders in debt securities:

1.6.1. Orders in government debt securities of the Baltic States issued locally – via Luminor Bank AS, AB SEB Bankas and “Swedbank”, AB;

1.6.2. Orders in government debt securities of the Baltic States other than those specified in Clause 1.6.1 herein above – via Luminor Bank AS, Bloomberg Multilateral Trading Facility, and others;

1.6.3. Orders in non-Baltic debt securities – via Luminor Bank AS, Bloomberg Multilateral Trading Facility, and others;

1.7. Orders in structured financial instruments – via Nordea Bank Abp.

2. Where client orders cannot be executed in any of the venues specified in Clause 1 of this Annex to the Policy due to reasons beyond the Bank’s control, such orders can also be executed in other execution venues provided that such order execution does not prevent the Bank from obtaining the best possible result for the client in accordance with the terms and conditions of the Policy.

ANNEX NO. 2 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS

ORDER EXECUTION

1. Equities – shares listed on OMX Nasdaq Baltic exchanges

1.1. Intended for

Retail (non-professional) and professional clients.

1.2. Financial Instruments and Transactions in Scope

Purchase and sale of shares on OMX Nasdaq Baltic Exchange List.

1.3. Financial Instruments and Transactions not in Scope

Purchase and sale of foreign shares and funds.

1.4. Execution Method

The Bank acts as agent and executes orders with Baltic shares on Nasdaq Baltic Exchanges (Vilnius, Riga and Tallinn).

1.5. Order Types Available

Limit Orders. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

1.6. The Bank's Selected Execution Venue

Bank executes orders on:

- Nasdaq OMX Baltic (RM);
- First North (MTF);
- Nordea Bank Abp.

1.7. Benchmarking and Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

1.8. Execution Factors for Retail (Non-Professional) Clients

For retail (non-professional) clients sending order for execution will follow a simple predifined automated order routing logic. Total consideration is considered to be the most important factor, the other factors shall only be analysed if total consideration is similar in several execution venues. In such a case, the ranking of execution factors would be as follows:

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution;
4. Size of order;
5. Other factors.

1.9. Execution Factors for Professional Clients

For professional clients that are typically trading larger size and with higher complexity, their specific instructions are taken into consideration. Higher complexity is defined as orders that potentially could have market impact if routed directly to the market and therefore would require pre-trade analysis and considerations related to selection of suitable strategy. The ranking of execution factors is:

1. Price;
2. Size of order;
3. Other factors (market impact);
4. Costs;
5. Speed;
6. Likelihood of execution.

The Bank reserves the right to use its own judgement on the order of priority of the above list of factors if a specific situation or circumstance is evaluated to require such change of order priorities.

2. Bonds

2.1. Intended for

Retail (non-professional) and professional clients.

2.2. Financial Instruments and Transactions in Scope

Purchase and sale of sovereign and corporate bonds.

2.3. Financial Instruments and Transactions not in Scope

N/A

2.4. Execution Method

The Bank usually trades bonds as a principal to clients (on own account). In exceptional circumstances, for instance when working with large orders in highly illiquid bonds, the Bank may execute an order as agent.

Pricing and execution of bonds orders is a manual process. The market is characterised by indicative OTC prices.

The Bank may source liquidity from:

- Its own trading book;
- Other dealers in the market, such as:
  - AB SEB Bank;
  - “Swedbank”, AB;
  - Danske Bank A/S;
  - AB Šiaulių bankas;
  - Nasdaq OMX Baltic exchange for listed bonds;
  - Bloomberg Multilateral Trading Facility;
  - Goldman Sachs International;
  - UniCredit Bank AG;
  - Raiffeisen Bank International AG;
  - Commerzbank AG;
  - JP Morgan Chase Bank;
  - Societe Generale SA.

2.5. Order Types Available

Limit Orders. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

Request for Quote (RFQ). An RFQ is a client’s request for the Bank’s price on a specific bond. The Bank will provide Best Execution for RFQ by pricing the transaction fairly and as soon as possible for the specified volume given market conditions.

2.6. The Bank’s Selected Execution Venue

Bank‘s execution venues:

- Luminor Bank AS ;
- Nasdaq OMX Baltic exchange for listed bonds;
- Bloomberg Multilateral Trading Facility.

2.7. Benchmarking and Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

2.8. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the bonds and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution;
4. Size of order;
5. Other factors.

3. Interest Rate Derivatives – Interest Rate Swaps and Options

3.1. Intended for

Retail (non-professional) and professional clients.

3.2. Financial Instruments and Transactions in Scope

Transactions for interest rate swaps and options.

3.3. Financial Instruments and Transactions not in Scope

N/A

3.4. Execution Method

The Bank trades interest rate derivatives as a principal to clients (on own account) being an execution venue itself.

Th Bank reviews its prices against prices available to it in the inter-bank market to ensure that its mid points are within the best bid and offer prices available to it.

3.5. Order Types Available

Request for Quote (RFQ). The Bank will provide prices for interest rate derivatives to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration. If a client wishes to trade, he/she/it may elect to do so at the price the Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

3.6. The Bank's Selected Execution Venues

- Luminor Bank AS;
- DNB Bank ASA.

3.7. Benchmarking and Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

3.8. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.

4. Currency Derivatives – FX Forwards and FX Options

4.1. Intended for

Retail (non-professional) and professional clients.

4.2. Financial Instruments and Transactions in Scope

Transactions in FX forwards and options.

4.3. Financial Instruments and Transactions not in Scope

Currency Derivatives traded via Luminor Trade platform such as FX Rolling spot, FX forwards and FX Options.

4.4. Execution Method

The Bank trades curency rate derivatives as a principal to clients (on own account) being an execution venue itself.

The Bank reviews its prices against prices available to it in the inter-bank market to ensure that its mid points are within the best bid and offer prices available to it.

4.5. Order Types Available

Request for Quote (RFQ). The Bank will provide prices for currency derivatives to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration. If a client wishes to trade, he/she/it may elect to do so at the price Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

4.6. The Bank's Selected Execution Venue

- Luminor Bank AS;
- DNB Bank ASA;
- Barclays PLC;
- Nordea Bank Abp.

4.7. Benchmarking and Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

4.8. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.

5. Currency derivatives – Rolling Foreign Exchange Spot traded via Luminor Trade

5.1. Intended for

Retail (non-professional) and professional clients.

5.2. Financial Instruments and Transactions in Scope

Purchase and sale of rolling foreign exchange spot contracts via Luminor Trade.

5.3. Financial Instruments and Transactions not in Scope

- Spot foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.
- Transactions undertaken to roll forward the value date of a client position which do not result in a change to the client's FX market exposure.

5.4. Order Types Available

An Immediate or Cancel (IOC) Market Order is similar to a standard Market order (described below). It is an instruction to trade immediately on the best available terms. However, the Bank will not continue to work the order if it is unable to perform it immediately within three seconds.

A Market Order is a traditional "at best" instruction to trade as much of the order as possible on the best available terms in the market. A market order will normally be filled immediately (or failing that in a relatively short time). Financial institutions are required to execute market orders as soon as reasonably possible without regard to price changes.

A market order will be treated as good for the day. If it can't be filled in full immediately, the Bank will continue to work the order until the official close of the relevant market.

Immediate or Cancel (IOC) Limit Order is an order to trade at the price the client sees on his/her/its screen if it is still available subject to a defined tolerance.When placing an IOC Limit order, a client may specify a tolerance. Tolerance can be specified either as a fixed price increment or as a percentage of the current market price. If the client specifies a tolerance, order may be filled at a worse price than the client had seen on the screen, provided the price difference does not exceed the client's specified tolerance.

If a better price is available, client order will get the full benefit of the available improvement by filling the client order at the better price no matter how much better it is.

A Limit Order is an order to trade at a specified price or better if it is possible to do so within a specified time. The following order durations are available:

- Day Order (DO): Valid until the official close of trading on the day the order is placed (or on the subsequent business day for orders accepted during the weekend).
- Good Till Date (GTD): Valid until the official close of trading on a date of the client's choice.
- Good Till Cancelled (GTC): Valid indefinitely unless or until specifically cancelled by the client.

Where an order is attached to an open position, it will automatically be cancelled if the position is closed.

A limit order will be triggered when the market price reaches the limit price. At any time when there is not enough liquidity available to fill the order in full at the specified price or better, the remaining order will revert to a "resting order".

A Stop Order is usually used to close a position when the market is going against it with a view to prevent further losses. It may also be used to open a position when the market moves through a chosen level.

A stop order may have a duration similar to a limit order (described above).

Where an order is attached to an open position, it will automatically be cancelled if the position is closed.

A stop order to sell will be triggered when the offer price at which the client could undertake a transaction of equivalent size reaches the specified price level. Once triggered, the order will be treated as a market order.

A stop order to buy will be triggered when the bid price at which the client could undertake a transaction of equivalent size reaches the specified price level. Once triggered, the order will be treated as a market order.

This arrangement is designed to protect clients from the risk that their stop order is executed as a result of spreads widening without the market actually moving. This can happen around the release of economic statistics or at times of reduced liquidity such as during a value date roll or during the close and opening of the market.

Clients should note, however, that this means a stop order will never be executed at their specified level but always at a price that is worse for the client (typically the spread away from the client's stop level).

The trigger level for a stop order can be specified to trail the market. In this case, when the market moves in the client's favour, the trigger level for the order moves the same way. The trigger level for a trailing stop moves in steps which are defined when the order is placed.

When a stop order is triggered it will be executed at the first possible opportunity on the best terms immediately available in the market. This means that the client is exposed to the risk of a worse fill in gapping or illiquid markets.

A Stop Limit Order rests in the same way as a stop order. However, once triggered, rather than executed at the next available price it is converted to a limit order at a pre-agreed limit price. From that point on, the order is treated as a limit order.

This type of order gives the client some protection from a bad fill in a gapping or illiquid market. However, that protection comes at a cost. In some circumstances the order may not be executed at all.

Trailing Stop Limit orders are not available.

5.5. The Bank's Selected Execution Venue

Bank trades as a riskless-principal with respect to Rolling FX Spot trades with clients thus being an execution venue itself.

5.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

5.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

6. Currency derivatives – Foreign Exchange Forwards traded via Luminor Trade

6.1. Intended for

Retail (non-professional) and professional clients.

6.2. Financial Instruments and Transactions in Scope

Purchase and sale of foreign exchange forward contracts.

6.3. Financial Instruments and Transactions not in Scope

Foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.

6.4. Order Types Available

Immediate or Cancel (IOC) Market Order – see Rolling Foreign Exchange Spot (Section 5 above) for details.

Immediate or Cancel (IOC) Limit Order – see Rolling Foreign Exchange Spot (Section 5 above) for details.

6.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal with respect to Foreign Exchange Forwards trades with clients thus being an execution venue itself.

6.6. Monitoring

Bank routinely monitors the effectiveness of order execution by chosen execution entities.

6.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

7. Currency derivatives – Foreign Exchange Options traded via Luminor Trade

7.1. Intended for

Retail (non-professional) and professional clients.

7.2. Financial Instruments and Transactions in Scope

Foreign Exchange Vanilla options.

7.3. Financial Instruments and Transactions not in Scope

Barrier and Binary Touch Options.

7.4. Order Types Available

Dealing on Quotes. The Bank will provide prices for foreign exchange options to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration.

If a client wishes to trade, he/she/it may elect to do so at the price the Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

7.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal with respect to Foreign Exchange Options trades with clients thus being an execution venue itself.

7.6. Monitoring

Bank routinely monitors the effectiveness of order execution by chosen execution entities.

7.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

8. Contracts for difference – CFD Equities traded via Luminor Trade

8.1. Intended for

Retail (non-professional) and professional clients.

8.2. Financial Instruments and Transactions in Scope

Purchase and sale of contracts for differences based on individual shares.

8.3. Financial Instruments and Transactions not in Scope

N/A

8.4. Order Types Available

Market Order. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the client's own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

Immediate or Cancel (IOC). An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately performed is cancelled. IOC order may be performed completely or partially, or it may not be performed at all.

Stop Order. Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

Trailing Stop Order. The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

Stop Limit Order. A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

8.5. The Bank's Selected Execution Venue

Bank trades as a riskless-principal to CFD equity trades with clients thus being an execution venue itself.

8.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

8.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

9. Contracts for difference – CFD Indices traded via Luminor Trade

9.1. Intended for

Retail (non-professional) and professional clients.

9.2. Financial Instruments and Transactions in Scope

CFDs based on stock indices.

9.3. Financial Instruments and Transactions not in Scope

N/A

9.4. Order Types Available

Market Order. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

Immediate or Cancel (IOC). An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately performed is cancelled. IOC order may be performed completely or partially, or it may not be performed at all.

Stop Order. Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" market order until the stop price is reached or breached.

Trailing Stop Order. The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

Stop Limit Order. A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies.

9.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal to CFD Index trades with clients thus being an execution venue itself.

9.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

9.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

10. Contracts for difference – CFD Commodities traded via Luminor Trade

10.1. Intended for

Retail (non-professional) and professional clients.

10.2. Financial Instruments and Transactions in Scope

CFDs based on commodity futures.

10.3. Financial Instruments and Transactions not in Scope

N/A

10.4. Order Types Available

Market Order. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/it order the client should contact the Bank immediately.

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention.

Immediate or Cancel (IOC). An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately filled is cancelled. IOC order may fill completely or partially, or it may not fill at all.

Stop Order. Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

Trailing Stop Order. The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

Stop Limit Order. A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies.

10.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal to CFD Commodity trades with clients thus being an execution venue itself.

10.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

10.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

11. Structured Products

11.1. Intended for

Retal (non-professional) and professional clients.

11.2. Financial Instruments and Transactions in Scope

Structured products are defined as a note with an embedded derivative in the form of structured credit, structured equity, complex rate risk, FX risk or any combination/hybrid of these and it can be issued by Nordea Bank Abp or arranged by Nordea Bank Abp.

11.3. Financial Instruments not in Scope

Structured products issued not by Nordea Bank Abp.

11.4. Order Types Available

Request for Quote (RFQ). An RFQ is a client's request for the Bank's price on a specific bond. The Bank will provide Best Execution for RFQ by pricing the transaction fairly and as soon as practicable possible for the specified volume given market conditions.

11.5. The Bank's Selected Execution Venue

The Bank trades structured products as an agent to the clients.

The Bank's execution entity:

- Nordea Bank Abp..

11.6. Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

- Prices of structured products are benchmarked by execution entity Nordea Bank Abp to reference data applicable for the relevant instrument or underlying exposures where possible. Where no directly applicable reference data of sufficient quality is available, Nordea Bank Abp internal valuation models are used. This process is reviewed and monitored by the Bank based on information provided by Nordea Bank Abp.

11.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the structured products and the costs relating to execution):

1. Price and costs (total consideration);
2. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.

12. Commodity derivatives

12.1. Intended for

Retail (non-professional) and professional clients.

12.2. Financial Instruments and Transactions in Scope

OTC transactions in commodity swaps and options for hedging purposes.

12.3. Financial Instruments and Transactions not in Scope

The Bank does not support physical delivery of the underlying security on expiry of futures. Therefore, the Bank advises clients to take note of the expiry and first notice dates (FND) of any futures in which they have positions and ensure they are closed before the appropriate day, as described below.
If the FND is before the expiry date, positions need to be closed the day before the FND. If the expiry date is before the FND positions need to be closed no later than on the expiry date.
If futures positions are not closed before the relevant date, the Bank will close the position on the client's behalf at the first available opportunity at the prevailing market rate. Any resulting costs, gains or losses will be passed on to the client.

12.4. Execution Method

The Bank trades commodity derivatives as a principal to clients (on own account) being an execution venue itself.
The Bank reviews its prices against prices available to it in the inter-bank market to ensure that its mid points are within the best bid and offer prices available to it.

12.5. Order Types Available

Request for Quote (RFQ). The Bank will provide prices for commodity derivatives to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration. If a client wishes to trade, he/she/it may elect to do so at the price Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

12.6. The Bank's Selected Execution Venue

- Luminor Bank AS.

12.6. Benchmarking and Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

12.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price;
2. Costs;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Speed;
6. Other factors.

ANNEX NO. 3 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS

RECEPTION AND TRANSMISSION OF ORDERS

1. Equities – shares and depositary receipts traded via Luminor Trade

1.1. Intended for

Retail (non-professional) and professional clients.

1.2. Financial Instruments and Transactions in Scope

Purchase and sale of non-Baltic cash equities and equity-like products.

1.3. Financial Instruments and Transations not in Scope

Equities traded outside Luminor Trade platform.

1.4. Order Types Available

Market Order. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the client's own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

Immediate or Cancel (IOC). An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately performed is cancelled. IOC order may be performed completely or partially, or it may not be performed at all.

Stop Order. Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" market order until the stop price is reached or breached.

Trailing Stop Order. The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

Stop Limit Order. A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

1.5. The Bank's Selected Execution Entity

The Bank trades as an agent with respect to cash equity trades with clients. The Bank transmits all client orders to Saxo Bank, which has access to a number of Smart Order Routers that are able to check multiple different execution venues when trying to execute a cash equity order.

The Bank's execution entity:

- Saxo Bank A/S.

1.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

1.7. Relevant Execution Factors

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the shares and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;

5. Other factors.

2. Equities – Shares traded via Nordea direct market access (DMA)

2.1. Intended for

Retal (non-professional) and professional clients.

2.2. Financial Instruments and Transactions in Scope

Purchase and sale cash equities and equity-like products via Nordea direct market access (DMA).

2.3. Financial Instruments not in Scope

Equities traded outside direct market access (DMA) agreement.

2.4. Order Types Available

Market order. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered.

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

2.5. Bank's Selected Execution Entity

The Bank trades as an agent with respect to cash equity trades with clients. The Bank transmits all client order to Nordea Bank Abp, which has access to a number of multiple different execution venues for cash equities.

The Bank's execution entity:

- Nordea Bank Abp.

2.6. Monitoring

Bank uses governance framework and control process for monitoring effectiveness of order execution arrangements in Equity like products. Execution quality (price analysis) is verified by the Bank using information of Transaction Cost Analysis (TCA) tool received from Nordea Bank Abp. TCA is used for verification of Best execution, where emphasis is to verify execution at the best available prices at the time of execution.

2.7. Relevant Execution Factors

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the shares and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

3. Commodity and Equity derivatives – Futures traded via Luminor Trade

3.1. Intended for

Retail (non-professional) and professional clients.

3.2. Financial Instruments and Transactions in Scope

Purchase and sale of futures for speculative and hedging purposes.

3.3. Financial Instruments and Transactions not in Scope

The Bank does not support physical delivery of the underlying security on expiry of futures. Therefore, the Bank advises clients to take note of the expiry and first notice dates (FND) of any futures in which they have positions and ensure they are closed before the appropriate day, as described below.

If the FND is before the expiry date, positions need to be closed the day before the FND. If the expiry date is before the FND positions need to be closed no later than on the expiry date.

If futures positions are not closed before the relevant date, the Bank will close the position on the client's behalf at the first available opportunity at the prevailing market rate. Any resulting costs, gains or losses will be passed on to the client.

3.4. Order Types Available

Market Order. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention.

Stop Order. Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

Trailing Stop Order. The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

Stop Limit Order. A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

3.5. The Bank's Selected Execution Entity

The Bank trades as an agent with respect to futures trades with clients. The Bank transmits all orders to Saxo Bank, which routes client orders to the electronic order book of the relevant exchange. Price formation will be according to the rules of the exchange.

The Bank's execution entity is:

- Saxo Bank A/S.

3.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

3.7. Relevant Execution Factors

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;

5. Other factors.

4. Exchange traded products – Exchange Traded Funds

4.1. Intended for

Retail (non-professional) and professional clients.

4.2. Financial Instruments in Scope

Exchange traded funds.

4.3. Financial Instruments not in Scope

Exchange traded funds via Luminor Trade platform.

4.4. Order Types Available

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention. Where a limit order is placed in a share admitted to trading on a regulated market, the Bank shall not be obliged to publish that limit order if it cannot be immediately executed under prevailing market conditions.

4.5. The Bank's Selected Execution Venue

The Bank trades as agent with respect to cash equity trades with clients. The Bank transmits client orders to the following execution entities:

- BNYM Capital Markets;
- HSBC Trinkaus und Burkhardt AG;
- Nordea Bank Abp;
- Nasdaq OMX Baltic.

4.6. Monitoring

Bank routinely monitors the effectiveness of order execution by chosen execution entities.

4.7. Relevant Execution Factors

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

5. Other instruments – units in collective investment undertakings

5.1. Intended for

Retal (non-professional) and professional clients.

5.2. Financial Instruments and Transactions in Scope

UCITS and non-UCITS collective investment undertakings.

5.3. Financial Instruments not in Scope

N/A

5.4. Order Types Available

Limit Order. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

5.5. Bank's Selected Execution Entity

The Bank trades units in collective investment undertakings as an agent to the clients. When Bank receives subscription and redemption orders from its customers with respect to units/shares in investment funds, it will execute such orders by placing the order with the fund management company (or other company assigned by fund management company).

The Bank's execution entities:

- HSBC Trinkaus und Burkhardt AG;
- Nordea Investment Funds S.A.;
- Nordea Funds Ltd.;
- DNB Asset Management S.A.

5.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

5.7. Relevant Execution Factors

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

Luminor

Translation from Lithuanian

Effective from 1 February 2019

2. CONDITIONS OF PROVISION OF INVESTMENT SERVICES (D)

OF LUMINOR BANK AS LITHUANIAN BRANCH

These Conditions of Provision of Investment Services (D) shall be applied to the relationships of the Parties with regard to the Provision of Services under the Agreements between the Bank (the present name Luminor Bank AS Lithuanian branch, the former name AB DNB bankas) and the Client:
1. made until 30-09-2017 (inclusively) stipulating that the Conditions of Provision of Investment Services shall be applied;
2. made on 01-10-2017 and later, if they (or their annexes) stipulate that 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 capitalised 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 in the investment field and, if applicable, the financial situation and objectives pursued in use of the Services.
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, company code 304870069, address: Konstitucijos ave. 21A, 03601 Vilnius, Lithuania
Bank’s internet website	The Bank’s internet website www.luminor.lt.
Policy of Incentive Payments	The policy of incentive payments related to provision of the Investment and Ancillary Services prepared by the Bank and announced publicly, with all amendments and/or supplements.
General Terms	Luminor General Business Terms on provision of the Bank’s services approved by the Bank and announced publicly, 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 generalised Description of the Nature and Inherent Risks of the Financial Instruments prepared by the Bank, with all amendments and/or supplements, announced at www.luminor.lt/en/information-investors-mifid
Policy of Avoiding Conflicts of Interest	The Policy of Avoiding Conflicts of Interest in providing Investment Services approved by the Bank and announced publicly, with all amendments and/or supplements.
Investment Advice	The provision of personal recommendations to the Client, either upon Client’s request or at the initiative of the Bank, in respect of one or more transactions relating to Financial Instruments, proposing to undertake one of the following actions: a) buy, sell, sign, swap, redeem, keep or distribute the particular Financial Instrument; b) exercise or not to exercise the right granted by the particular Financial Instrument to buy, sell, sign, swap or redeem the Financial Instrument.
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, 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 18 January 2007, with subsequent amendments and/or supplements.
Price-list	The price-list of the Investment and Ancillary Services provided by the Bank and the price-list for Luminor Trade platform approved by the Bank and announced publicly, 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, with all amendments and/or supplements.
Conditions of Provision of Advice	The Conditions of Provision of Investment Advice approved by the Bank and publicly announced and attached to these Conditions of Provision of Investment Services as Annex No 1, with all amendments.
Process of Selection of Financial Instruments	The Process of Selection of Financial Instruments approved by the Bank and announced publicly and attached to these Conditions of Provision of Investment Services as Annex No 2.
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 these Conditions, 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 Policy of Avoiding Conflicts of Interest approved by the Bank.

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

2.6. The Bank shall provide the Investment Advice in compliance with the Conditions of Provision of Advice. The term of the Conditions of Provision of the Particular Services shall comprise the Conditions of Provision of Investment Advice.

2.7. 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. The Description shall be adapted to a non-professional client with minimum knowledge and experience in the investment field.

2.8. 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.

2.9. 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 Terms that are an integral part of the Agreements.

2.10. 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 Terms 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.

2.11. 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 Policy of Avoiding Conflicts of Interest, the Execution of Order Policy, the Price-list, the Policy of Incentive Payments and the General Terms that shall be announced in the Bank's internet website at www.luminor.lt/en/information-investors-mifid . 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 familiarise with it.

2.12. The Client shall be deemed to have accepted the conditions of the General Terms, 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.

2.13. In the event of any discrepancy between the General Terms 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 Terms, 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 Terms, 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.

2.14. The Bank has the right to:

2.14.1. amend the Conditions of Provision of Investment Service, the Execution of Orders Policy, the Policy of Avoiding Conflicts of Interest, 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 Terms 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 Terms 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.

2.14.2. in compliance with the conditions and procedure established in the General Terms applicable to the amendment of the Agreement, change the Description of the Nature and Inherent Risks of the Financial Instruments, the Policy of Avoiding Conflicts of Interest and the Policy of Incentive Payments. Information on the amendments shall be communicated to the Client in the manner indicated in the General Terms.

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. INFORMATION ON THE BANK

4.1. Luminor Bank AS Lithuanian Branch, company code 304870069, registered office address Konstitucijos ave. 21A, Vilnius, Republic of Lithuania, the data are gathered and registered with Estonian Commercial Register, is licenced credit institution, acting according to the licence No. 4.1-1/54.

4.2. 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.

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

4.4. Information between the Bank and the Client may be transferred in the manners stipulated in the General Terms 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.

5. CATEGORISATION OF THE CLIENTS

5.1. The Bank shall ascribe the Clients to the following categories: non-professional clients, professional clients or proper party to the transaction, 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 attached to these Conditions as Annex No 3 and that are available to the Client in the Bank's internet webpage at https://www.luminor.lt/en/information-investors-mifid.

6. INFORMATION ON THE CLIENT'S KNOWLEDGE AND EXPERIENCE IN THE INVESTMENT FIELDS, ITS FINANCIAL SITUATION, OBJECTIVES IN USING THE SERVICES

6.1. 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 and the information on the Client's financial situation and objectives pursued by the Client in using the Investment Services. To this end, the Bank shall have the right to request the Client to provide the required information by completing the Bank's Questionnaire.

6.2. If the Client fails to complete and/or present the Questionnaire and/or presents an incorrectly completed Questionnaire, the Bank shall have the right to refuse to provide certain Services to such Client.

6.3. 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.

6.4. 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.

7. HOLDING OF CLIENTS' FINANCIAL INSTRUMENTS AND FUNDS

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

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

7.3. The Client's Financial Instruments issued by issuers registered in foreign states may be held in custody by another Financial Instrument custodian. When choosing another Financial Instruments custodian the Bank shall act 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.

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

7.5. The Bank shall not transfer the Clients' 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:

7.5.1. 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;

7.5.2. the Financial Instruments are hold 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.

7.6. The Financial Instruments belonging to the Client may be held in custodyin 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, 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.

7.7. 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 that such Financial Instruments may be subject to claims against another client, the Bank or another Financial Instrument custodian.

7.8. 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.

7.9. 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.

7.10. 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.

7.11. If the Agreement does not state otherwise, the Client is authorised 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.

7.12. 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 Terms. 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.

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

7.14. In order to ensure safety of the Financial Instruments and funds belonging to the Clients, the Bank shall implement the proper activity organisation 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.

7.15. 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:

7.15.1. internal accounts and information that facilitates identification of balances of the funds and Financial Instruments kept on behalf of each Client;
7.15.2. 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;
7.15.3. information and data on accounts with other persons with who the Clients' Financial Instruments are holdin custodyand information and data on the respective agreements with such other persons;
7.15.4. data on the third persons to who the functions related thereto are delegated and comprehensive information on the delegated functions;
7.15.5. 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;
7.15.6. the agreements that are important for establishing the Clients' ownership right to the assets held in custody.

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

8. INSURANCE OF LIABILITIES TO INVESTORS

8.1. The Bank shall comply with all requirements applied to banks established in the Law of the Republic of Lithuania on Insurance of Deposits and Liabilities to Investors. The description of the system of insurance of liabilities to investors applied to the Bank's activity in the Republic of Lithuania is provided in Annex No 4 to these Conditions.

9. BANK FEES AND OTHER PAYMENTS TO THE BANK

9.1. 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.

9.2. 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.

9.3. 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. In recommending or offering the Financial Instruments, the Bank shall provide the Client with the above information on all expenses and other payments in advance. 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.

9.4. 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.

10. PROVISION OF INFORMATION, NOTIFICATIONS AND STATEMENTS

10.1. 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.

10.2. 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.

10.3. 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, the daily specified in the Bank's articles of association, other mass media and/or by any other means and manners).

11. CONFIRMATIONS

11.1. The Parties confirm to each other that:

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

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

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

12. LIABILITY

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

12.2. 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.

12.3. The Client understands that transactions regarding the Financial Instruments are related to risk. 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.

12.4. 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 and/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 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.

13. FINAL PROVISIONS

13.1. 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.

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

14. ANNEXES

Annex No. 1. Conditions of Provision of Investment Advice.

Annex No. 2. Financial Instrument Selection Process

Annex No. 3. Client Classification Guidelines.

Annex No. 4. Information about Insurance of Liabilities to Investors.

CONDITIONS OF PROVISION OF INVESTMENT ADVICE

OF LUMINOR BANK AS LITHUANIAN BRANCH

1. GENERAL PROVISIONS

1.1. These Conditions of Provision of Investment Advice (hereinafter – the **Conditions**) shall be an annex No. 1 to the Conditions of Provision of Investment Services of Luminor Bank AS Lithuanian Branch (D) and regulate the conditions of provision of Investment Advice of Luminor Bank AS Lithuanian Branch.

1.2. The capitalised 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 in the investment f and, if applicable, the financial situation and objectives pursued in use of the Services.
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, company code 304870069, address: Konstitucijos ave. 21A, 03601 Vilnius, Lithuania
Financial Instrument	As defined in the Law.
Investment Advice	The provision of personal recommendations to the Client, either upon Client's request or at the initiative of the Bank, in respect of one or more transactions relating to Financial Instruments, proposing to undertake one of the following actions: a) buy, sell, sign, swap, redeem, keep or distribute the particular Financial Instrument; b) exercise or not to exercise the right granted by the particular Financial Instrument to buy, sell, sign, swap or redeem the Financial Instrument.
Investment Services	As defined in the Law.
Law	Law of the Republic of Lithuania on Markets in Financial Instruments No X-1024 of 18 January 2007, with subsequent 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.
Ancillary Services	As defined in the Law.
Services	The Investment Services and the Ancillary Services.
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.

1.3. 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.

1.4. 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.

1.5. These Conditions shall apply to the relationships of the Parties in provision by the Bank of the Investment Advice to the Client.

2. PROVISION OF INVESTMENT ADVICE

2.1. The Bank shall have the right but not the obligation to provide the Investment Advice. The Bank shall provide the Investment Advice only to the Clients with who service agreements on the provision of the Investment Advice to the Client are made.

2.2. The Bank shall not provide the Investment Advice to the Client, if the Client has failed to complete and/or insufficiently completed the Questionnaire.

2.3. The Bank shall provide the Investment Advice to the Client based on the information provided in the Questionnaire. The Client shall immediately inform the Bank on any change in the data and/or information indicated in the Questionnaire and submit an updated Questionnaire to the Bank.

2.4. The Bank shall provide personal Investment Advice to the Client. The Client may not disclose or make publicly available in any other way the Investment Advice provided to him by the Bank, because the Investment Advice is not intended for third persons even under the identical or similar circumstances.

2.5. Unless otherwise is provided in the Agreement of the Bank and the Client, the Bank does not undertake to update the Investment Advice provided to the Client on a regular basis or in view of the changed market conditions or provide new Investment Advice or conduct periodic assessment of the suitability of the Financial Instruments recommended to the Client, however in the suitability assessment report that shall be presented only to non-professional clients the Bank shall indicate to the Client if he should seek periodic assessment of his arrangements made on the basis of the Investment Advice. The Client shall keep following himself the market prices or values of his acquired Financial Instruments and the developments in the market. If the Client wishes to get an update on the Investment Advice provided to him, he shall apply to the Bank for that. The periodic assessment of the suitability of the Financial Instruments recommended to the Client shall be conducted by the Bank if that is provided in the Agreement entered with the Client. The periodic assessment of the suitability shall be conducted in accordance with the terms of such Agreement.

2.6. A final decision on which Financial Instruments to select, whether to follow the Investment Advice, and also a decision to place an order to make an operation or make an agreement on the Financial Instrument, or assume any other financial obligations, shall be made by the Client himself independently based on his knowledge and experience in the investment field, financial possibilities, investment goals, on his sole responsibility and at his own risk pertaining to such decision. If the Client (natural person) when receiving and/or upon receipt of Investment Advice, intends to act through the representative, he shall inform the Bank in advance to that effect in order for the Bank, prior to provision of services to the Client through the representative, to be able to collect and assess the information on representative's knowledge and experience in the investment field. The Investment Advice provided by the Bank is not and shall in no case be understood as an obligation for the Client to perform certain actions (or abstain from performing certain actions). In each case the Client himself shall make an investment decision.

2.7. Provision of the Investment Advice shall not be a service of managing the Financial Instruments portfolio, unless there is an agreement between the Parties with regard to provision of such service. The Client shall himself keep following the market prices or values of its acquired Financial Instruments and the developments in the market.

2.8. If the Investment Advice contains more than one Financial Instrument as a single package, it means that the Investment Advice was provided to the Client on all the indicated Financial Instruments together. If the Client uses the Investment Advice in respect of some (not all) Financial Instruments, such transaction may not correspond to the Client's investment goals and the risk acceptable to it.

2.9. If the Bank provided the Investment Advice or other kind of information, advice or recommendations on the Financial Instruments to the Client, the Bank in any case is not and shall not be deemed responsible for the profit or loss situation of such Financial Instrument acquired on the basis of such Investment Advice, recommendation or information and/or the transaction made.

3. NON-INDEPENDENT AND INDEPENDENT ADVICE

3.1. The Bank shall provide both independent and non-independent Investment Advice. An Agreement separately made with the Client shall stipulate if an independent or non-independent Investment Advice will be provided to the Client.

3.2. If due to any reasons the Agreement made between the Bank and the Client does not stipulate whether the recommendation provided is non-independent or independent, the Bank shall be deemed to provide a non-independent Investment Advice to the Client.

3.3. When the Agreement made with the Client stipulates that an independent Investment Advice shall be provided, it means that the Bank:

3.3.1. while providing the Investment Advice service, in compliance with the Process of Selection of Financial Instruments, shall assess a sufficient amount of the Financial Instruments available in the market that are different in type and issuers or product sellers or distributors in order to ensure that the goals sought by the Client in using the Investment Services are duly achieved and the Financial Instruments being assessed are not limited solely to the instruments issued or provided by: a) the Bank itself; b) other entities closely linked to the Bank; or c) entities linked to the Bank by contractual, legal or economic relations that jeopardise the objectivity of the provided independent Investment Advice;

3.3.2. to the extent it pertains to the provision of the independent Investment Advice, shall strictly follow the restrictions and requirements stipulated in the Policy of Incentive Payments.

3.4. When the Agreement made with the Client stipulates that a non-independent Investment Advice shall be provided, it means that the Bank:

3.4.1. while providing the Investment Advice, shall not be obligated to evaluate a broad range of the Financial Instruments available in the market that are different in type and issuers or product sellers or distributors. The range of the recommended Financial Instruments may be limited to financial instruments issued or provided by: a) the Bank itself; b) other entities closely linked to the Bank; or c) entities linked to the Bank by contractual, legal or economic relations that jeopardise the objectivity of the provided independent Investment Advice;

3.4.2. In accordance with the requirements stipulated in the Policy of Incentive Payments, the Bank shall have the right to receive and retain incentive payments received from third persons where such incentive payments are used for improving the quality of the investment services to the clients.

3.5. In view of the fact that under different Agreements made with the Clients the Investment Advice provided by the Bank may be both non-independent and independent, the Bank shall ensure separation of its divisions providing such Investment Advice from each other so that the divisions performing the Agreements under which the non-independent Investment Advice is provided may not perform the Agreements under which independent recommendations are performed. Accordingly, the Bank's officials providing services of the independent Investment Advice shall not provide services of the non-independent Investment Advice.

4. SUITABILITY ASSESSMENT REPORT

4.1. Prior to making a transaction based on the provided Investment Advice, the Bank shall provide to the non-professional Client the suitability assessment of the Investment Advice in a durable medium indicating the Investment Advice provided to the Client and how it corresponds to the non-professional client's priorities, investment goals and other significant characteristics.

4.2. If the transaction to buy or sell the Financial Instrument is made by means of distance communication and because of that the Bank will have no possibilities to provide to the Client a suitability assessment of the Investment Advice in advance and if the Client consents to that by making the Agreement, the Bank shall have the right to provide a written suitability assessment in a durable medium immediately after the Client has assumed the obligations arising out of the transaction. To this end, the Bank undertakes to provide the Client with the possibility to postpone the making of the transaction, if the Client wishes to get the suitability assessment of the Investment Advice in advance.

FINANCIAL INSTRUMENT SELECTION PROCESS

OF LUMINOR BANK AS LITHUANIAN BRANCH

Financial Instrument Selection Process shall be an annex No. 2 to the Conditions of Provision of Investment Services of Luminor Bank AS Lithuanian branch (D) and determines principles, process and order in which Luminor Bank AS Lithuanian branch (**Luminor**), providing investment advice on an independent basis conducts a robust, repeatable and transparent selection of the financial instruments, which would be recommended to a client.

Employees of Luminor providing independent advice recommend financial instruments which are carefully analysed and selected.

In order to ensure the highest quality of service and the standards of independent advice provided to clients, Luminor has created two level selection process of financial instruments to be recommended to its clients: (1) Defining principles, thresholds and requirements by Luminor's Investment Committee in order to select financial instruments of different types from worldwide data bases for creation of Luminor's active list of financial instruments (the **Active List**); and (2) Selection of particular financial instruments from the Active List in order to meet client's needs, objectives, knowledge and experience, as well as financial situation considering client's ability to bear losses.

1. Selection of Financial Instruments to the Active List

1.1. Luminor's Investment Committee

The Active List is created and approved by Luminor's Investment Committee which is an internal organisational body of Luminor group. Luminor's Investment Committee consists of the most senior investment advisors, holding substantial knowledge and experience in providing investment services and investment products.

Luminor's Investment Committee periodically reviews the Active List and approves necessary changes by including or excluding particular financial instruments. The methods, principles and process of selecting financial instruments to the Active List are described below.

1.2. Types of Financial Instruments of the Active List

Taking into account that advice on an independent basis usually is provided to natural persons – retail clients, Luminor focuses on advising financial instruments, which limit client's investment risk to the initial investment only and do not cause additional obligations of the client.

Considering the above, the Active List of Luminor includes the following types of financial instruments which are not limited to financial instruments issued or provided by entities with close links with Luminor or with other legal or economic relationships, such as a contractual relationship, that are so close as to put at risk the independent basis of the advice provided:

i) Shares

Shares are ownership securities. The risk faced by an investor when acquiring a share constitutes the price paid by the investor and the dynamics of that price. Share price fluctuations can be within – 100% to infinity.

When analysing shares from an unlimited number of issuers and jurisdictions, Luminor focuses on the following initial criteria of financial instruments and providers (issuers), enabling Luminor to establish sufficient range of shares that can be further analysed in the selection process:

- Issuer of shares must be registered in a member state of the Organisation for Economic Co-operation and Development (OECD) or Lithuania;
- Shares must be listed on a regulated market;
- Prospectus and/or other legal and/or disclosure documents as required by the transparency requirements of the Issuer must be duly made public.

ii) Bonds

A bond is a non-ownership security, under which the company, government or other issuing institution (the issuer or provider) becomes the bond holder's debtor. The risk faced by an investor when acquiring a bond constitutes the price paid by the investor and the dynamics of that price. Bond price fluctuations can be within – 100% to infinity.

When analysing bonds from an unlimited number of issuers and jurisdictions, Luminor focuses on the range of bonds, split into 2 sub-ranges: (1) bonds issued by issuers (providers) having an investment rating; and/or (2) high yield (non-rated) bond issuers (providers).

When analysing bond issuers (providers) Luminor also concentrates on absence of international sanctions applied to the issuers (providers).

When analysing and selecting particular issues of bonds, Luminor concentrates on the following principles:

- the issue must be registered in one of the member states of OECD or Lithuania;

- Prospectus and/or other legal and/or disclosure documents of the issue as required by the transperancey requirements must be duly made public;
- The size of the issue exceeds 100 million Euros (except for issues registered in Baltic countries).

iii) Collective investment schemes - Mutual Funds / Exchange Traded Funds

Collective investment schemes are made up of a pool of funds collected from many investors for the purpose of investing in various financial instruments, like shares, bonds etc. Collective investment schemes may be established in the various forms i.e. mutual funds, investment companies/partnerships. Collective investment schemes are managed by asset managers, who invest the collective investment scheme's capital and attempt to produce capital gains and/or income for the fund's investors. A collective investment scheme's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

Exchange traded funds (ETFs) are collective investment schemes that are listed on stock exchanges. ETFs can be traded throughout the day and are bought and sold like ordinary stocks during normal trading hours of the respective stock exchange.

When analysing and selecting collective investment schemes, Luminor concentrates on the following principles and criteria:

- Collective investment scheme must be licensed/registered in one of the member states of OECD or Lithuania;
- Prospectus, Key Investors Information Document and/or other legal documents of the collective investment schemes must be duly made public;
- Net asset value of the collective investment scheme must be at least 50 million Euros.
- Regular net asset value calculation (preferably daily) is required.

When analysing and selecting providers (asset management companies), Luminor concentrates on the following aspects:

- Provider (asset management company) preferably should be licensed/registered in one of member states of OECD or Lithuania;
- The provider (asset management company) should be reputable.

1.3. **Sufficient Diversity**

The list of types of financial instruments listed above is proportionate to the scope of the investment services provided by Luminor considering Luminor's target clients for advice on an independent basis. The above listed types of financial instruments provide sufficient diversity for different investment strategies of Luminor's clients.

Since Luminor restricts its investment advice on an independent basis to the types of financial instruments, which limit investment risk to the initial investment (i.e. shares, bonds and collective investment schemes), Luminor covers sufficient and diverse range of financial instruments available on the market.

1.4. **Number of Financial Instruments**

When selecting financial instruments to the Active List, Luminor uses various independent and reputable sources of information (e.g. financial terminals, data bases), providing objective information about financial instruments. The aforementioned data bases include information about financial instruments irrespective of the jurisdiction, issuers, industry or any arrangements with the issuers and (or) execution venues. Therefore, the number of financial instruments for each selected type of financial instruments is unlimited subject to selection criteria indicated above, making it adequately representative of financial instruments available on the market.

1.5. **Financial Instruments Having Close Links**

Any financial instruments issued by entities having direct and (or) indirect links with Luminor are included to the Active List only if such selection can be grounded by objective criteria indicated in the financial instrument screening process described below.

When providing investment advice on an independent basis, Luminor shall distinguish and clearly indicate which financial instruments are issued by issuers having direct or indirect links with Luminor and which financial instruments do not have such links.

In order to ensure independent diversity of financial instrument per each type of financial instrument, when selecting financial instruments to the Active List and when included in the Active List, Luminor distinguishes that financial instruments of Luminor itself and (or) those issued or provided by entities having close links or any other close legal or economic relationship with Luminor shall not constitute more than 10% of all financial instruments per financial instrument type.

2. Selection Process of Financial Instruments

When providing advice on an independent basis to the client, the overall aim of Luminor's financial advisors is to create a portfolio of financial instruments, which at the same time meets client's personal characteristics and qualifies as sufficiently diverse range of financial instruments, covering different geographical regions, risks, industries and many other factors. Diversification of client's portfolio is the key for risks management of client's entire investment.

Considering the above, Luminor's financial advisors must ensure, that the Active List at all times includes a wide range of financial instruments which would enable to create a diversified portfolio according to client's objectives and other personal characteristics. Therefore, selection process of financial instruments to the Active List consists of several stages: (i) setting the screening objective – i.e. the investment idea being the target of the particular search; and (ii) screening and further research by employing quantitative and qualitative analysis to distinguish the most suitable financial instruments to be included to the Active List.

2.1. **Setting the Screening Objective (Target)**

2.1.1. Financial advisors of Luminor must define an objective (target) – i.e. the financial instrument with specific features according to which further in depth analysis will be carried out. An objective (target) has to be concise and clearly defined so that the screening criteria can be set appropriately.

2.1.2. An objective (target) can be based on one or more of the following factors: industry, geographical / asset class focus, strategy, market capitalization. However, when selecting financial instruments, responsible employees are not limited to the aforementioned factors.

2.1.3. The objective (target) has to be duly documented.

2.2. **Variable Quantitative Criteria**

2.2.1. Once the screening objective (target) is defined and initial selection principles and criteria, indicated in Clause 1.2 are applied, financial advisors apply quantitative criteria, which are intended to identify characteristics of the financial instruments in a defined selection of possible alternatives.

2.2.2. Quantitative criteria have to be applied in a way to find the best matching alternatives within the set objectives (targets).

2.2.3. When selecting variable quantitative criteria, key factors to consider include (but are not restricted or limited to):

- multiples;
- relative valuation;
- future prospects;
- fees and expenses;
- return and consistency;
- risk;
- returns relative to risk taken;
- complexity;
- other that can relevant to specific financial instrument.

2.2.4. To meet the objective, financial advisors are authorized to change variable criteria by adding or reducing factors of consideration, as well as changing the limits within which the particular criteria must lie.

2.2.5. The result of the quantitative screening has to be duly recorded.

2.3. **In-depth analysis**

2.3.1. After the quantitative selection of financial instruments, in depth analysis and qualitative criteria consideration is carried out.

2.3.2. Qualitative criteria include, but are not limited to the following:

- Management company's history and background;
- Manager's background;
- Management strategy and consistency;
- Complexity and transparency of communication;
- Other issues.

2.3.3. Since the financial instrument universe might not be completely covered by the screening software, responsible employees can manually add financial instruments if they pass all other relevant criteria.

2.3.4. In-depth analysis has to be conducted primarily using original source (i.e. issuer's website) or a financial terminal / data base, or other trusted sources available.

2.3.5. When excluding an alternative financial instrument, the reasoning has to be provided and duly recorded.

2.4. **Final Relative Evaluation**

2.4.1. If, after the In-Depth analysis there are several financial instruments representing the same screening objective (target) to choose from, financial advisor performs final relative evaluation. Relative evaluation includes the selection of the financial instrument among the remaining few, which is the most appropriate within initially set objective, taking into consideration each financial instrument's performance, risks, costs and complexity, as well as the characteristics of Luminor's clients base.

2.4.2. As it concerns collective investment scheme, in case there is an equal alternative of collective investment schemes in respect of which notification procedures have been carried out in Lithuania, the priority will be granted to such notified collective investment scheme.

3. Selection of Financial Instrument to Individual Clients

3.1.1. When advising the client on the types of financial instruments, as well as particular financial instruments, financial advisor focuses on the personal characteristics of the client and the information provided by the client: client’s knowledge and experience, needs and objectives, risk tolerance, as well as client’s financial situation with the focus of ability to bear losses.

3.1.2. When selecting financial instruments to the individual portfolio of the client, financial advisor aims to achieve the widest possible diversification of the portfolio, which enables allocation of investment’s risks in different geographical regions, asset classes and industries.

3.1.3. The final decision on recommendation of the particular financial instrument, as well as specific part of such financial instruments in the portfolio of the client is taken by the financial advisor at his own discretion. Extensive knowledge and experience of financial advisors allow them to make reasonable judgement about the future prospects of specific financial instruments, geographical regions, industry’s development and other aspects.

3.1.4. Financial advisor informs the client whether or not the client should aim to receive periodic suitability assessment in order to make sure if selected financial instruments in client’s portfolio are still in line with client’s investment objectives, as well as other information initially submitted to the financial advisor.

3.1.5. If the client requests to avoid investments in specific geographical regions and/or industries or has other specific investment intentions, financial advisor duly considers that when selecting financial instrument to be recommended to the client.

1.

CLIENT CLASSIFICATION GUIDELINES

OF LUMINOR BANK AS LITHUANIAN BRANCH

1. GENERAL PROVISIONS

1.1. Luminor Bank AS Lithuanian branch (hereinafter referred to as the **Bank**) is obligated to classify a natural person or a legal entity to which the Bank provides investment and/or ancillary Services or which applies to the Bank for provision of investment and/or ancillary Services (hereinafter referred to as **a / the Client** or **the Clients**) prior to starting to provide investment and/or ancillary Services according to the provisions of the Republic of Lithuania Law on Markets in Financial Instruments (hereinafter referred to as **the Law**) and other relevant legal acts.

1.2. This document explains the procedures for classifying Clients and the level of investor protection rights arising from such classification.

1.3. The terms used in this document are consistent with the terms defined in the Law unless it is stated otherwise.

2. CLIENT CLASSIFICATION

2.1. The Bank shall classify Clients as non-professional clients, professional clients or eligible counterparties and shall notify each Client of the category to which the Client is attributed in the Agreement or by providing a separate notice.

2.2. The highest level of investor protection shall be provided to Clients classified as non-professional clients.

2.3. A Client classified as a non-professional client shall have the right to request the Bank in writing to decrease the level of investor protection in cases established by effective legal acts. In such an event, the Bank shall have the right to request the Client to submit certain documents and/or information in order to assess whether the Client meets the statutory requirements for professional clients or eligible counterparties. Classification as a professional client or an eligible counterparty shall entail a lower level of investor protection.

2.4. A Client possessing the knowledge, expertise and experience in investment field may be classified as a professional client. Professional Clients not subject to a separate declaration may be:

2.4.1. licensed and/or otherwise supervised entities operating in financial markets - credit institutions, financial brokerage firms, other licensed and/or supervised financial institutions, insurance undertakings, collective investment undertakings and their management companies, pension funds and their management companies, commodity and commodity derivatives dealers, the persons trading in futures for their own account and other institutional investors. The professional clients referred in this Sub-Clause include entities licensed and/or supervised in the Member States of the European Economic Area (including Member States of the European Union) and in third countries;

2.4.2. large undertaking meeting at least two of the following criteria: the balance sheet total – at least EUR 20 million; net turnover - at least EUR 40 million; own funds - at least EUR 2 million;

2.4.3. national and regional governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.

2.4.4. other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or participate in other financing transactions.

2.5. The Bank may also, with respect to Clients other than those mentioned in Clause 2.4, including public sector bodies, local public authorities, municipalities and private individual investors, upon Client's request to treat and classify a Client as a professional client either generally or in respect of a particular investment service or transaction, or type of transaction or product, if at least two of the following criteria are met:

2.5.1. during the past four quarters of the year, the Client concluded on average 10 contracts in significant size each quarter in a relevant market;

2.5.2. the size of the Client's financial instruments portfolio, including cash deposits, exceeds EUR 500,000;

2.5.3. the Client works or has worked in the financial sector at least one year in a professional position, which required knowledge of the services to be provided to the Client or the transactions to be entered into.

2.6. The Client seeking to be treated and classified as professional must state in writing to the Bank that he wishes to be treated as a professional client, either generally or in respect of a particular investment service or transaction, or type of transaction or product upon which the Bank must serve a clear written warning of the protections and investor compensation rights the Client may lose,

2.7. If a Client is classified as a professional client, the measures of investor protection specified in Article 29 (with exception to Sections 5-8), Article 30, Article 33 and Section 1 of Article 34 of the Law shall not apply to the Client, unless the Parties agree otherwise.

2.8. The Client classified as a professional client must confirm, in the written form, in a separate document from the contract that he is aware of and understands the consequences of non-application of certain investor protection measures.

2.9. A Client classified as a professional client in accordance with clause 2.4 shall have the right to waive his/her professional client status and request the Bank to apply a higher or lower level of investor protection. A higher level of investor protection shall be applied to the Client when a written Agreement, in accordance whereof the Client shall not be treated as a professional client in respect of one or several Services, one or several types of Financial Instruments or transactions, between the Bank and the Client is signed and comes into effect. If the Client requests application of a lower level of investor protection, the Bank shall have the right to request the Client to provide certain documents and/or information in order to assess whether the Client meets the statutory requirements for an eligible counterparty.

2.10. The Bank, with a relevant consent, will classify Clients as eligible counterparties, if they fall under the provisions of Article 39 of the Law. Eligible parties may be:
- 2.10.1. financial brokerage firms (investment firms);
- 2.10.2. credit institutions;
- 2.10.3. insurance undertakings;
- 2.10.4. collective investment undertaking in transferrable securities and their management companies;
- 2.10.5. pension funds and their management companies;
- 2.10.6. other financial institutions authorised or regulated under European Union Law or under the national law of a Member States of the European Economic Area (including Member States of the European Union);
- 2.10.7. national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations
- 2.10.8. third country entities equivalent to those categories of entities referred to above in this Sub-Clause;
- 2.10.9. an undertaking falling within a category of clients who are to be considered professional clients in accordance with Sub-Clauses 2.4.1, 2.4.2 and 2.4.3.

2.11. If a Client, with its consent, is classified as an eligible counterparty, the Bank have the right to provide services provided in the Law without observing the duties established by Article 29 (with exception to Sections 5-8), Article 30, Article 33 and Section 1 of Article 34 of the Law.

2.12. A Client classified as an eligible counterparty shall have the right to request the application, either on a general form or on a trade-by-trade basis of all the measures of investor protection, established by Articles 29, 30, 31, 33 and Sections 1 and 2 of Article 34 of the Law. The request should be made in writing, and shall indicate whether the treatment as retail client or professional client refers to one or more investment services or transactions, or one or more types of transaction or product. If in its request the client does not expressly request treatment as a retail client, the Bank will treat that eligible counterparty as a professional client.

2.13. Where the eligible counterparty expressly requests treatment as a retail client, Bank shall treat the eligible counterparty as a retail client, applying the provisions of Clause 2.9.

2.14. The Bank have the right, at its own discretion:
- 2.14.1. To classify the eligible counterparty as a professional client or a non-professional client;
- 2.14.2. To classify the professional client as a non-professional client.

3. FINAL PROVISIONS

3.1 The Bank may amend this document on a unilateral basis informing the Client according to the established policies and/or contractual provisions.

LUMINOR BANK AS LITHUANIAN BRANCH

Information about COMPENSATION FOR INVESTMENTS

Investor Compensation Scheme	Main goal of the Investor Compensation Scheme is to protect the investors of Republic of Lithuania. 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 Lithuanian branch (investors).
Compensation for Investments	In the case of the investments of Luminor Bank AS Lithuanian branch providing 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 Bank AS deposits become unavailable. An investor is a natural person or legal entity, who holds holds a security or who has entered into the obligation to acquire securities. Investments belonging to professional investors or any of the following persons shall not be guaranteed or compensated: 1. the state; 2. a local government; 3. 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. 4. a company belonging to the same consolidation group as the given investment institution; 5. 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; 6. a close relative of a person specified in section 5 above or a third party acting on behalf of such person. No compensation shall be paid to the following investors: 1. An investment the owner of which has liabilities that have fallen due to Luminor shall not be compensated to the extent of such liabilities. 2. 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.
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 euros per investor in any one investment institution.
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.
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 Tagatisfond (the Estonian Guarantee Fund). The Estonian Guarantee 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. The precondition of receiving compensation is the investor's application to the Estonian Guarantee Fund.

In the event no compensation is paid to the customer within the terms indicated above, the customer should contact the Estonian Guarantee Fund , because the investor's entitlement to an compensation remains valid for 5 years after the date on which deposits become unavailable, following which the investor may lose their right to claim the compensation.

In the cases provided by the Act of the Republic of Estonia on Guarantee Fund (for more details please visit www.tf.ee), the pay out of the compensation may be postponed, e.g. in case of the lack of data to evidence the right to the compensationor due to the ongoing legal proceedings about compensation, or in case the right to dispose of the compensation is restricted to the investor.

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).
More information	Detailed information on the conditions for liabilities to investors and the cases where compensation to certain investors are 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.

Luminor

Translation from Lithuanian

Effective from 1 February 2019

3. POLICY OF AVOIDING CONFLICTS OF INTEREST IN PROVIDING INVESTMENT SERVICES

1. GENERAL PROVISIONS

1.1. The Policy of Avoiding Conflicts of Interest in Providing Investment Services (the **'Policy'**) sets forth the requirements and procedures intended to establish and control the circumstances related to the investment and ancillary services provided by Luminor Bank AS Lithuanian branch (the **'Bank'**) as well as investment activity carried out thereby (the **'Investment Services'**), which cause or may cause conflicts of interest potentially resulting in undermining the interests of one or several clients.

1.2. This Policy has been prepared under Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, as well as the legal acts of the Republic of Lithuania.

2. TERMS AND DEFINITIONS

2.1. *Customer* means a natural or legal person to whom the Bank provides or intends to provide Investment Services.

2.2. *Employee* means any employee of the Bank as well as members of the Management Board and of the Supervisory Council.

2.3. *Person* means any employee of the Bank's tied agent, as well as members of the Management Board and of the Supervisory Council, any other private individual whose services are used and controlled by the Bank or its tied agent, and who is involved in the process of the Bank's providing the Investment Services; a private individual who is directly involved in providing contractual services to the Bank or its tied agent to enable the Bank to provide the Investment Services.

2.4. *Conflict of Interest* means the situation where interests of different parties are contradicting to each other. Such conflicts may arise when:

2.4.1. The interests of the Bank or Employees or Persons are in conflict with the Customer's interests;
2.4.2. The interests of a Customer are in conflict with the interests of another Customer;
2.4.3. The interests of the Employees' or Persons interests are in conflict with the Bank's interests.

2.5. *Investment Research* means a research or other information (that is not considered a personal investment recommendation), which directly or indirectly offers or recommends an investment strategy relating to one or several financial instruments or their issuers, including expressed opinions on the current or future value or price of such financial instruments, (offering or recommending an investment strategy relating to a specific industry or market in a way that it offers a relevant view on the financial instruments or classes of assets typical of a particular sector), which is aimed at the Bank's Clients or the general public and is identified as an Investment Research or defined with a similar definition or is otherwise presented as an objective and independent explanation of the matters indicated in the recommendation. For the purposes of this Policy, an Investment Research also includes information other than an independent study (marketing communication) which constitutes the above type of information but is not identified as an Investment Research or defined with a similar definition or is otherwise presented as an objective and independent explanation of the matters indicated in the recommendation.

2.6. Other terms used herein are to be understood as they are defined by the regulations specified in Article 1.2.

3. IDENTIFICATION OF CONFLICTS OF INTEREST

3.1. In order to identify possible Conflicts of Interest, consideration must be given as to whether the Bank or an Employee or a Person or a person directly or indirectly related to the Bank through ties of control falls into any of the following situations:

3.1.1. The Bank or other persons spelled out above are likely to make a financial gain or to avoid a financial loss at the expense of the Customer;

3.1.2. The Bank or other persons spelled out above have an interest in the outcome of a service provided to the Customer or of a transaction carried out on behalf of the customer, which is distinct from the Customer’s interest in that outcome;

3.1.3. The Bank or other persons spelled out above have a financial or other interest in giving priority to the interests of the Customer or Customer Group at the expense of another Customer or Customer Group;

3.1.4. Is engaged in the same business as the Customer;

3.1.5. The Bank or other persons spelled out above receive or will receive from a person other than the Customer, as an incentive, a cash or non-cash benefit or services relating to the services provided to the Customer.

3.2. Situations that can trigger Conflicts of Interest (it is not possible to list all actual or potential conflicts of interest, but below are listed situations in which Conflicts of Interest may arise that require particular attention):

3.2.1 The Bank or its Employee concludes or intends to conclude a transaction related to a financial instrument at the same time that the Customer's order is received or being executed in relation to the same financial instrument;

3.2.2 The Customers' orders related to the financial instruments issued by the Bank are in process of execution.

3.2.3 The Customers' orders are in process of execution in relation to buying or selling financial instruments which are publicly or non-publicly distributed by the Bank or which are owned by the Bank under the ownership right.

3.2.4 The Bank or its Employees receive financial or other incentives which influence their behaviour in the way that the Customer or Customer Group gains priority over other Customers;

3.2.5 The Bank receives cash and non-cash incentives from third parties or provides cash or non-cash incentives to a third party in relation to the service provided to the Customer;

3.2.6 The unit that carries out Investment Researches is related to and acts together with the unit that provides investment recommendations and other Investment Services;

3.2.7 The Bank provides corporate consulting services to a company whose financial instruments it has acquired or intends to acquire for own account or provides investment recommendations related to these financial instruments to the Customers;

3.2.8 The Bank offers investment recommendations regarding financial instruments to Customers and at the same time has any type of agreement with the issuer of the financial instruments that may restrict the Bank’s ability to formulate an objective and otherwise compliant investment recommendation;

3.2.9 Investment Services are provided to several bank customers whose interests are contradicting;

3.2.10 The Customer buys the Bank's financial instruments intended to manage the risks related with the Bank's crediting and financing services;

3.2.11 The Bank provides both corporate consulting services and crediting services to the same Customer;

3.2.12 The Bank engages in trade in financial instruments at its own expense. In this case, the Bank seeks to maximise return from the positions it assumes and therefore there may be a theoretical Conflict of Interest between this type of business and the Customers entering into transactions with the Bank. This type of situation covers instances when the Bank enters into financial derivative transactions with the Customers (for instance, makes contracts for difference (CFD) or sells its financial instruments to the Customers) between the counterparties thereof. In cases like that, the interests of the Bank and of the Customer are in conflict because a transaction result for the Customer will mean an opposite result for the Bank. The bigger the share of the Bank’s dealing in financial instruments at its own expense and the revenue therefrom, the higher the risk of Conflict of Interest. The Bank will also find itself in a Conflict of Interest situation when it determines the price of the transaction made with the Customer at its own discretion rather than on the basis of objective market data, and when the time difference between a transaction made with the Customer and a transaction made for hedging purposes (if any) may cause the Bank to derive additional financial gain for the price difference in time; as a result, the Bank tries to avoid the latter two situations in its operations to the maximum extent possible.

3.2.13 Other situations that can trigger Conflicts of Interest.

4. AVOIDING CONFLICTS OF INTEREST AND MANAGING MEASURES

4.1. In order to prevent possible Conflicts of Interest, functions of the Employees providing investments services are segregated and these employees are prohibited from exchanging information related with investments services provided to the Customers or with any intentions to provide such services if such exchange of information is not necessary in order to properly provide the services and/or may harm interests of the Customer or the Bank.

4.2. The measures to manage conflicts of interests related to use of the inside information and the Employees' personal account dealings are provided in the Bank's internal procedures.

4.3. The staff incentive and motivation system is developed in view of avoiding direct connection between the salary of related persons mostly engaged in one type of activity and the salary or income received by other related persons mostly engaged in other type of activity in case different types of activities may raise Conflicts of Interest. The Employee remuneration and incentive system must be designed so as to prevent prioritisation of the interests of the Employees or the Bank when this can possibly undermine the interests of the Customer. Remuneration of the employees of the Bank's unit involved in Investment Research may not be linked to a particular transaction or recommendations specified in the process of research.

4.4. The employees may not enter into or recommend any transactions for buying or selling financial instruments which are aimed exceptionally at gaining commissions or at other financial benefit without considering the Customer's best interests. This does not mean that the Bank does not have a right to enter into transactions with Customers as a counterparty to the transactions, however when the Bank is a counterparty to a derivative Financial Instrument transaction with the Customer, additional precautions must be taken to manage Conflict of Interest situations. The key precautions follow:

- The Bank's market risk must be managed by entering into mirror transactions to the full extent of transactions made with the Customers or by employing other measures to fully hedge the risks of Customer transactions, and by entering into this kind of hedging transactions with entities outside of the Bank's Group. Only when the Bank does not have any unhedged positions will the result of a transaction made with the Customer be insignificant to the Bank and the interests of the Bank relating to the transaction made with the Customer will not be in conflict with the interests of the Customer;

- When, for the purposes of executing Customer orders, the Bank enters into transactions with the Customer at its own expense, in doing so the Bank must make sure that the underlying transaction is made on the best conditions for the Customer, meaning that the Customer will obtain the best possible result. To that end, before executing the Customer's order by entering into a transaction at its own expense, the Bank will evaluate and compare the results the Customer would obtain upon executing the order at each of the possible venues of execution, as well as the commission for and other costs of the Bank that would be incurred in the process of executing the Customer's order at each of the possible venues of execution.

4.5. One Employee has no right to enter into a transaction in the name and for the account of the Bank and personally for own account in case the Customer's order was received regarding the same financial instrument until the Customer's order is fulfilled. Orders received from different Customers must be executed in order of priority according to the receipt date of the customer's order, i.e. orders that were received earlier are executed first.

4.6. In case the interests of the Bank, Employee and the Customer are confronted, priority must be given to the Customer's legitimate interests.

4.7. In cases where payments from third parties are executed or received in relation to Investment Services, such payments will be subject to the Bank's Policy on Incentive Payments.

4.8. When preparing Investment Research, Conflicts of Interest may occur in situations when:

- The Bank's Customers seek to issue their financial instruments at the highest possible price;
- The Employees or Persons trading in financial instruments and managing the Bank's investment portfolio seek to obtain the highest possible benefit for the portfolio;
- The Bank acts as an issuer/distributor of financial instruments;
- The timing of presenting the results of Investment Research is wrong, because a person obtaining the results of the Investment Research before everyone else might act before the price of the financial instrument is affected by the information presented;
- Investment Research results in a recommendation or offer of an investment strategy for the Customer in relation to financial instruments that, at the time of making the recommendation, are managed, distributed, or used in transactions by the Bank or the Persons making the recommendation.

4.9. To avoid Conflicts of Interest, the following requirements must be observed in preparing Investment Research:

4.9.1. The Bank, the Employees, and other Persons who participate in preparing Investment Researches are banned from personal account dealing or trading in financial instruments covered by the Investment Research or in other related financial instruments in case these persons are aware of the likely time of publishing the Investment Research or its content which is not known publicly or not available to the

Customers. The ban provided herein is applicable until the receivers of the Investment Research have a real access to the Investment Research;

4.9.2. The Employees and other Persons who participate in preparing Investment Research are banned from personal account dealing in financial instruments covered by the Investment Research and other related financial instruments when such dealing is contradictory to the existing recommendations, except for the cases where exceptional circumstances occur and a prior written consent is received from the management of the Bank or their authorised person(s) as established by the Bank's internal procedures regulating personal account dealing;

4.9.3. The Employees and other Persons who participate in preparing Investment Research are banned from accepting any incentives from persons who are directly interested in the subject of the Investment Research;

4.9.4. The Bank, the Employees, and other Persons who participate in preparing Investment Research are banned from giving any promises that the result of the Investment Research will be favourable to the issuer;

4.9.5. In case the draft Investment Research includes a recommendation or likely future price of the financial instrument, then the issuers and other persons (except the employees who prepare the Investment Research) have no right, until the Investment Research is published, to look through the draft Investment Research in order to check the correctness of the factual data in the Investment Research or to look through the draft investment project for any other purposes.

4.9.6. Independence of the Employees who prepare the Investment Research must be ensured, including their segregation from other structural units and ban on taking managing positions in companies about which the Investment Research is carried out or any other participation in the activity of these subjects which could harm objectiveness of the research. To that end, the Bank must only have one unit preparing and conducting Investment Research, which unit must be separated from other units providing the services of the Bank. The Employees of other units of the Bank may not be executives of the Bank's unit conducting Investment Research. Generally, steps must be taken to ensure that the Employees of the Bank's unit conducting Investment Research only work with preparing Investment Research and do not have access to information about the Bank's available financial instruments that the Bank may deal in. The Employees of this unit of the Bank may not disclose any information about Investment Research to the Employees of other units of the Bank, or exchange with other units information relating to the Investment Services provided to the Customers or any intentions to provide such services, if such exchange is not required for the purposes of providing adequate services and/or may undermine the interests of the Customer and of the Bank. The Bank's unit preparing Investment Research may request and obtain from other units of the Bank available and objective information about the market prices and conditions that may exist at any given time. The receipt of this information will be subject to the procedure outlined in the Bank's internal documents.

4.10. For the purposes of providing consultations on corporate financial strategies as well as financial instrument subscription and distribution services, the Bank observes the following requirements:

4.10.1. The Bank registers all potential and existing services of financial instrument subscription or distribution to be able to identify potential Conflicts of Interest as defined under the criteria set forth herein well in advance. Once potential Conflicts of Interest are identified, the Bank implements measures prescribed to avoid and/or manage them.

4.10.2. In the event the measures specified in Article 4.10.1 are not efficient with respect to a particular service and the Conflict of Interest cannot be contained in that manner, the Bank must not engage in that type of financial instrument subscription or distribution service.

4.10.3. The Bank must always assess and manage, using its available measures, potential Conflicts of Interest that may arise as a result of execution of orders, Investment Research, offering financial instrument subscription or distribution services to different Customers.

4.10.4. In the process of offering financial instrument subscription or distribution services, special emphasis must be placed on preventing potential Conflicts of Interest due to the determination of a too-low financial instrument issue price or the involvement of interested parties in this process. To that end, when it comes to offering financial instrument subscription or distribution services, only the interests of the Customer issuing and/or selling the financial instruments must be observed first and foremost. Second, when it comes to offering corporate financial consultations on financial instrument distribution prices to issuers, the Employees of the Bank and other Persons who hold executive positions and provide services to the Bank's Customers investing in the underlying financial instruments may not be involved in this process and in the making of any decisions relating thereto.

4.10.5. In providing financial instrument distribution and subscription services, the Bank must provide the Customer with information of how the recommendations of the offering price and the offering time of the underlying financial instruments were formulated. The Bank must notify the Customer of and have the Customer approve any risk hedging and stabilisation strategies the Bank intends to employ at the time of financial instrument subscription/distribution, including how such measures could affect the Customer's interests. At the time of financial instrument subscription/distribution, the Bank must take every reasonable step to notify the Customer of the process/development of determination of the financial instrument offering price.

4.10.6. In acting as a promoter of financial instrument issue/distribution, the Bank must separately identify its Customers to whom the Bank provides Investment Services where the Customer is involved in the financial instrument issue/distribution organised by the Bank. In offering independent investment recommendation services to such Customers, the Bank must identify and manage Conflicts of Interest appropriately in the manner stipulated herein, and must observe every requirement applied to such services.

4.10.7. In acting as a distributor for financial instruments issued by itself or the Bank's Group and in distributing such instruments to any Customers of the Bank (including deposit holders or investment funds managed by any of the Bank Group companies), the Bank must identify and manage Conflicts of Interest appropriately in the manner stipulated herein. In certain cases when Conflicts of Interest cannot be managed appropriately, to prevent damages to the Customers, the Bank must refrain from offering such services to the Customers.

4.10.8. In organising financial instrument issue/distribution when the financial instruments are issued by issuers who are debtors of the Bank or any of the Bank Group companies, where the repayment of the loan or credit is to be financed with revenues from such financial instruments, the Bank must identify and manage Conflicts of Interest appropriately in the manner stipulated herein. In this case, whenever necessary and without prejudice of the Customer's interests, the Bank should notify other of its Group companies who are creditors of the issuer about the issuer's the financial situation.

4.11. Measures of managing Conflicts of Interest in the process of providing individual Investment Services are outlined in separate internal procedures of the Bank that regulate the providing of the services.

5. DISCLOSING CONFLICTS OF INTEREST

5.1. If a Conflict of Interest arises and only when none of the Bank's measures to avoid Conflicts of Interest is efficient to make sure that the Customer's interests will not be breached, the Bank before rendering Investment Services must disclose the content of the Conflict of Interest to the Customer on a durable medium and against signature. In disclosing the content of the Conflict of Interest, the Customer must be clearly notified that the Bank's measures to prevent Conflicts of Interest are insufficient to make sure that the Customer's interests will not be breached. Furthermore, a description of the particular arising Conflict of Interest must be presented, stating the general nature and sources of Conflicts of Interest, as well as the resultant risks for the Customer and actions taken to mitigate the risks. The explanations must be sufficiently detailed for the Customer to be able to make an informed decision regarding the particular Investment Service provided to him/her/it. The Investment Service can be rendered only in case the client clearly expresses his consent to the provision of the Investment Service amid the Conflict of Interests.

5.2. The employee must immediately inform the unit in charge in the following cases:

5.2.1. The employee notices circumstances which in his/her opinion may trigger a Conflict of Interest;

5.2.2. The Customer or Employee intends to buy or sell a financial instrument that is on the list of Conflicts of Interest indicated in Article 5.3;

5.3. The unit in charge must prepare and the Country Head of the Bank must approve the list of financial instruments which may cause conflict of interest in the course of providing Investment Services or entering into transactions. All Employees providing Investment Services to the Customers or entitled to dealing for Bank account must be familiarised with this list. Furthermore, the unit in charge must be separately notified on any financial instrument subscription or distribution services that the Bank is launching or intends to launch. The unit in charge must give notice of such services to the Employees providing other services to the Customers that may be affected and give rise to a Conflict of Interest as a result.

6. FINAL PROVISIONS

6.1. The unit in charge constantly observes the deals with financial instruments which can cause a Conflict of Interest and immediately informs the CEO and the Internal Audit Department of the Bank in writing about any recorded breaches of the procedure.

6.2. The unit in charge keeps and regularly updates information about the types of Investment Services provided by or in the name of the Bank that have caused or, in the event of continuous service or operation, may cause a Conflict of Interest potentially threatening to undermine the interests of one or several Customers, and prepares and reports written information about any such situation to the CEO and the Internal Audit Department of the Bank at least once per year.

6.3. The Policy of Avoiding Conflicts of Interest in Providing Investment Services is subject to review at least once per year to identify any flaws herein. Any flaws found must be remedied by making an addition or amendment to this Policy.

4. DESCRIPTION OF FINANCIAL INSTRUMENTS AND RELATED RISKS

INTRODUCTION

This document is addressed to the Bank's clients or potential clients (Clients) in the sense of Directive 2014/65/EU on markets in Financial instruments ("MIFID") and Commission Delegated Regulation (EU) 2017/565.

Pursuant to the requirements of legal acts and in order to enable the Client to take an investment decisions on an informed basis, the Bank hereby presents a generalized description of the character of financial instruments' types and risks inherent to them. A particular financial instrument may have additional conditions and risk factors inherent to that particular instrument.

This description is provided with a purpose to explain the nature of the specific type of instrument concerned, the functioning and performance of the financial instrument in different market conditions, including both positive and negative conditions, as well as the risks particular to that specific type of instrument in sufficient detail.

The Client should review this description prior to making an investment decision. This documents does not constitute investment advice (nor any other advice of any nature) and is not intended as a personal recommendation to invest in the financial instruments. Before making an investment decision, a Client should consider whether such investment could be suitable taking into account his/her knowledge and experience in the financial instrument market, financial state and investment objectives and, if necessary, seek appropriate professional advice.

1. GENERAL PROVISIONS

An investor's main objective is to seek a positive return on his/ her investment/ hedging. However, any investment is risky. Therefore, an investment may fail to ensure the expected return, or even be loss-making. Normally, there exists a direct relation between the amount of the expected return and the scope of the risk, i.e. the higher the return on investment is expected, the higher the risk of incurring losses. Different financial instruments carry different risks. One of the methods for limiting the risk of losses is to invest in a set of financial instruments rather than in one, or in several similar financial instruments. The purpose of this is to distribute the risk evenly and avoid the same negative impact on all financial instruments at the same time.

The Client is personally responsible for a decision to invest in one or another financial instrument. The Client is responsible for monitoring the status of his investments regularly, irrespective of whether he or she has been given investment advice in respect of a certain investment or not. The Client should use all the information accessible to him in order to monitor price changes and to follow the value of his investments, including data provided by the Bank or other information providers (e.g. trading systems, Reuters, Bloomberg, and other information facilities), or collected by the Client personally.

Please note that the current list of risks is not exhaustive and includes only the most important of them, and other risks may occur to the Client in the course of the transaction.

2. GENERAL INFORMATION ABOUT THE FINANCIAL INSTRUMENTS AND RISKS

2.1. Definition of Different Types of Risks

The most significant common risks that the Client should take into account:

– **Price risk** – the likeliness and magnitude of relevant financial instrument price changes.

– **Market risk** – also called "systematic risk", is the likeliness to experience losses due to factors that affect the overall performance of relevant financial markets.

– **Liquidity risk** – the risk that certain financial instruments cannot be purchased or sold unless significant additional expense is taken due to lack of liquidity in the market. The liquidity of a financial instrument can be measured as a spread between bid/ask price.

– **Currency risk** - the risk that an investor may incur losses if investments in financial instruments are denominated in foreign currencies. The customer should be aware that the value of investments may fall as a result of unfavourable fluctuations of exchange rates.

– **Interest rate risk** - the risk that the Client will incur losses due to the fluctuations in interest rates.

– **Information risk** – the risk that the Client will incur losses due to the fact that, at the time of adopting a decision on investments in certain financial instruments, complete information on the issuer is not available or the information is erroneous.

– **Counterparty credit risk** – the risk that the Client may incur losses if a counterparty who has credit exposure to the Client or to the Bank acting on behalf of the Client is unable to meet its obligations.

– **Country risk** – the risk of loss due to occurrence of adverse events in a particular country which may negatively impact the issuer based in it and, consequent decrease of the value of financial instruments issued by that issuer and/or the ability of the issuer to meet its obligations.

– **Legal risk** – the risk of incurring additional expenses or loss by the Client due to adverse restrictions or duties, which occurred after acquisition of the financial instruments as the result of changes in including, but not limited to legislation, mandatory regulations or guidelines issued by competent authorities and judicial decisions.

– **Product specific risks** – are described per asset class below.

3. SECURITIES

3.1. Shares

General Description
Intended for retail and professional clients

Shares (equity securities) are units of ownership in the companies. If the company that issued the shares (the issuer) earns profit, a portion of the profit may be distributed to the shareholders in the form of dividends. Shares can also grant the voting right at shareholders meetings. The risk faced by an investor when acquiring a share constitutes the price paid by the investor and the dynamics of that price. The price may either increase or decrease in the future. Theoretically share price drop is limited by 0 and increase is unlimited.

The prices of equity securities fluctuate daily. Prices of equities can be influenced and affected by many micro and macro factors such as economic, political, market, and issuer-specific changes. Such changes may adversely affect the price of shares which can go up and down, regardless of company-specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes.

In addition there is no guarantee that the companies which have historically paid dividends will continue to pay dividends or will pay dividends at the current rates in the future. The reduction or discontinuation of dividend payments may have a negative impact on the price of shares.

Functioning and performance in different market conditions

Market condition		***Price***
Development of issuer's economic situation (company specific)*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the company/industry/economy as a whole*	Positive	↗
	Negative	↘
General development of stock market*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**
-

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

Public relations risk – is the risk that unfavorable news published in media or social channels will have negative impact on relevant company or industry.

Price risk of resources used by the company – risk that the price of resources used by the company (like commodities, work, energy) will change and will have negative effect to business of relevant company.

Rating risk – is the risk that relevant company's credit rating will change and cost of financing will increase.

Country risk - country risk is a collection of risks: political risk, exchange rate regime risk, economic risk, sovereign risk. The risks may differ with respect to each country.

Volatility of the price - there are many different companies and volatility depends on company's industry, liquidity, market conditions and other factors. For example, biotechnology sector is generally tied to the success or failure of new drug developments, thus dependent of this success share price will significantly rise or fall in value. Meanwhile companies in consumer goods sector generally will tend to have lower volatility.

Exit methods - purchased shares can be sold at the exchanges where they are listed. **R**elevant trading venues might halt or suspend trading in relevant shares. As well it might be very difficult to sell illiquid shares (when there is no buyers and/or sellers in the market).

3.2. Bonds

General Description
Intended for retail and professional clients

A bond is a non-equity security, under which the issuer (company, government or other issuing institution) becomes the bond holder's debtor. There is a number of types of bonds and following list is not exhaustive and serves to clarify certain characteristics or special features of relevant types.

Fixed-interest bond holders are paid with regular fixed interest payments known as coupons and receive invested principal at the maturity date.

Variable interest rate bond holders are paid with regular interest payments, where interest rate is dependent on other reference rate such as index. At maturity holder receives principal amount.

Zero-coupon bonds are similar to fixed-interest bond, but are issued at a discount from nominal value and have no interest payments. The bonds are redeemed at nominal value. Investor earns interest from the difference between issue price and nominal value of bond at redemption.
Convertible bonds are bonds that may be converted into company's equity under certain conditions.

Callable bonds are bonds where issuer has an option to redeem (call back) the bonds from bond holders at issuers discretion. Typically callable bonds have higher yield due to the risk of being redeemed prior to maturity

Functioning and performance in different market conditions

	Market interest rate*		***Issuer's credit quality****	
	Increase	*Decrease*	*Improves*	*Worsens*
	Performance			
Fixed-interest bond price	↘	↗	↗	↘
Bonds with variable interest rates (floaters) price	→	→	↗	↘
Zero-coupon bond price	↘	↗	↗	↘
Convertible bond price	↘	↗	↗	↘
Callable bond price	↘	↗	↗	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

– **Price risk**

- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

The interest rate risk - when the interest rate in the market increases, the price of the bond decreases and vice versa.

Reinvestment risk – is the risk that after bonds are redeemed investor has to reinvest proceeds at lower interest rate, thus receiving lower return on investment. This usually happens when interest rates fall over time and/or issuer executes its right to redeem a callable bond.

Inflation risk – when inflation increases investor will see his purchasing power erode and may achieve a negative rate of return when factoring in inflation.

Credit risk - the issuer is responsible for the payment of interest and redemption of bonds. Arrangers of placement of bonds are not liable under the obligations of the issuer. Therefore, investors should assume the risk of the issuer being unable to redeem the bonds and/or to pay interest. On frequent occasions, issuers finance the redemption of bonds while engaging in additionally borrowing on capital markets. In case market conditions deteriorate (e.g. in the case of a decrease in the demand for debt securities or an increase in the interest rate), it may be difficult or impossible for the issuer to arrange additional borrowing, as a result the bonds may remain unredeemed.

Rating risk – if bond issuer's rating is downgraded, it becomes more costly to borrow money and this can have an adverse impact on the issuers ability to satisfy its debts with current bondholders.

Liquidity risk - the price of low-turnover (non-liquid) bonds may change extremely rapidly and radically. If a bond has a longer maturity and/or higher yield its price could fluctuate more compared to other bonds. If bonds are distributed and(or) traded by only one intermediary, it may be difficult (or impossible) to sell the bond in the market if that intermediary stops trading activities of that bond. It should be noted that even if bonds are quoted and (or) traded in exchange, it does not ensure liquidity of those bonds.

Volatility of the price – bonds having lower liquidity or worse credit quality have higher price volatility.

Exit methods - bonds are typically traded over the counter (OTC). In normal market conditions bond may be sold before the maturity date. When selling bonds, yield may be either lower or higher compared to the yield at the time of their acquisition. The yield may also be negative. Since bonds are traded OTC due to negative market developments or illiquidity it might become difficult to find buyer for extended period of time.

Limitations on the available market – since bonds are typically traded OTC due to negative market developments or illiquidity it might become difficult to find buyer or seller for extended period of time.

Commitments and obligations - usually, investor who purchases a bond, in addition to the cost of acquisition, does not assume additional financial commitments and other additional obligations, including contingent liabilities.

3.3. Investment Funds

3.3.1. Mutual Funds

General Description
Intended for retail and professional clients

Mutual Funds are collective investment schemes that are made up of a pool of funds collected from investors for the purpose of investing in various financial instruments, like shares, bonds, other mutual funds, derivatives and etc. Mutual funds are operated by fund managers, who invest the fund's capital and attempt to produce capital gains and/or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. Mutual fund's performance is directly impacted by the performance of instruments held by it. The ability of a mutual fund to achieve its investment goal is directly related to, in part, the ability of it manager to select performing portfolio of instruments into the fund.

Functioning and performance in different market conditions

Market condition		***Price***
Fund's portfolio value*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant company/industry/economy where fund has exposure*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

Fund strategy risk - funds' investment strategies are different, ranging from the wholly conservative, when investments are made only in guaranteed yield financial instruments, to the aggressive, when investments are made in the shares of enterprises of developing and rapidly growing countries, derivatives or in commodities. The more aggressive a fund's investment strategy, the higher the risk of incurring losses owing to fluctuations in the market is.

Fund manager's expertise risk - funds that have the same investment strategy may achieve different investment results, considering the varied experience and expertise of their managers. Usually, the results of funds managed by less experienced managers are difficult to forecast; therefore, the risk of incurring losses is higher in a case where investment is made in funds run by such managers and especially in case of an unstable market situation.

Liquidity risk for closed-end funds - as there is a restriction for investment management company to redeem fund units/shares from investor, it could be hard to sell fund's units/shares prior to maturity on secondary market.

Fund manager risk – due to various reasons fund's management body might decide to liquidate fund or materially change fund rules. Such decisions and changes might have significant negative impact for investor.

Volatility of the price - as the focus markets vary a lot, so does the volatility of the respective mutual funds. Depending on the focus market, volatility may range from none to a lot.

Exit methods - mutual fund units/shares can be sold back to the mutual fund, only. The eventual outcome of the investment is mainly dependent on the success of the fund's investments – if they gain in value, the fund units' value rise as well. However, should the fund's investments decrease in value, so will the value of the fund's units/shares in that particular fund, resulting in a loss to the investor.

3.3.2. Alternative Funds

General Description

Intended for retail and professional clients

Alternative investment funds are collective investment schemes that are made up of a pool of funds collected from investors for the purpose of investing in a non-conventional assets. Most alternative investment assets are held by institutional investors or accredited, high-net-worth individuals because of the complex natures and limited regulations of the investments. Alternative investments include private equity, hedge funds, managed futures, real estate, commodities and derivatives contracts.

Functioning and performance in different market conditions

Market condition		***Price***
Fund's portfolio value*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant company/industry/economy where fund has exposure*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

Counterparty risk – due to various reasons fund's management body might decide to prematurely liquidate fund or materially change fund rules. Such decisions and changes might have significant negative impact for investor.

Fund strategy risk – in addition to the usual market and investment risks associated to traditional mutual funds, alternative investment funds may face additional risks to the extent they use relatively complex investment and trading strategies. Depending on the strategy being used, these potential risk include use of derivatives and leverage, futures contracts, short selling, swaps or other instruments which might be illiquid. Some funds use complex derivative instruments, which are only comprehensible to people of considerable financial sophistication.

Fund manager's expertise risk - funds that have the same investment strategy may achieve different investment results, considering the varied experience and expertise of their managers. Usually, the results of funds managed by less experienced managers are difficult to forecast; therefore, the risk of incurring losses is higher in a case where investment is made in funds run by such managers especially in case of an unstable market situation.

Liquidity risk for closed-end funds - as there might be a restriction for investment management company to redeem fund units/shares from investor, it could be hard to sell fund units/shares prior maturity on secondary market.

Volatility of the price - As the focus markets vary a lot, so does the volatility of the respective alternative funds. In addition, volatility may be hard to measure due to low liquidity and similar fund-specific factors.

Exit methods - These type of funds mostly are a so called closed-ended funds, which means that the most likely exit method is the redemption of fund's shares/units at the maturity of the fund or partial redemption during the life cycle of the fund in case of excess cash held by the fund (e.g. upon sale of fund's assets). The sale of units back to the management company or any other investor might be also possible depending on circumstances. However, the liquidity risk is usually rather high and the ability to actually exit the investment may be circumstantial. The eventual outcome of the investment is mainly dependent on the success of the fund's investments – if they gain in value, the fund units' value rise as well. However, should the fund's investments decrease in value, so will the value of the fund and the shares in that particular fund, resulting in a loss to the investor.

Commitments and obligations - *May include capital call commitments or some other highly specific obligations – profound due diligence highly recommended.*

3.4. Structured Financial Instruments

3.4.1. Index linked bonds

General Description

Intended for retail and professional clients

An index-linked bond is a bond which periodic payments are linked to some market index or a basket of indexes and

allows investor to take exposure in that market index. For example if the index performs well, investor is compensated by higher periodic payments, but if index does not perform, investor receives no periodic payments and in some cases may lose part or full initial investment.
Index linked bonds may have a feature of capital protection, meaning that losses of the investor are limited to certain percentage (as per terms and conditions of the bond)

Functioning and performance in different market conditions

Market condition		***Price***
Development of issuer's economic situation (company specific)*	Positive	↗
	Negative	↘
Value of the underlying option*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

Product specific risks

Issuer related risk – should the Issuer become insolvent or fail in any other way the investor may not receive back any of investment monies, not even the initial investment amount as the principal protection will not apply in this situation.

Value related risk – structured bonds are complex investment products and are subject to investment risks which include principal protection and this is provided only when the investment is held until maturity. The bonds value can fluctuate significantly between issue and maturity dates and is dependent of the value changes of the related option contract.

Liquidity risk – structured bonds are designed to be held until maturity. Structured bonds may have no established trading market or a trading market that is not very liquid. Therefore investors should be aware that they may not be able to sell their bonds or the prices might be unfavorable as index linked bonds usually do not have developed secondary market
Rating risk – is the risk that issuing company's credit rating will change and cost of financing will increase.

Volatility of the price – depends on change of the underlying option value according to its contract.

Exit methods – instrument is designed to be held till maturity. Depending on the issuer, it may be possible to sell on the secondary market.

Limitations on the available market – usually there is no established trading market or market is illiquid. Availability of secondary market trading is subject of the possibility created by the issuer.

3.5. Exchange Traded Products

3.5.1. Exchange Traded Funds (ETF)

General Description
Intended for retail and professional clients

Exchange traded funds (ETFs) are collective investment schemes that are listed on stock exchanges. ETFs are managed by professional investment management companies. ETFs can be traded throughout the day and are bought and sold like ordinary stocks during normal trading hours of the respective stock exchange.

Functioning and performance in different market conditions

Market condition		***Price***
Fund's portfolio value*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant company/industry/economy where fund has exposure*	Positive	↗
	Negative	↘
Market expectations regarding the performance of the fund*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

See 2.1. Definition of Different Types of Risks for more information

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**

Product specific risks

Underlying risk – ETFs have different portfolio and investment strategies ranging from simple index tracking to exotic exposures such as leveraged commodities. It is very important for investor to get acquainted with ETF prospectus and understand the exposure before entering into any transaction.

Shutdown risk – if management company decides that specific ETF is not performing or not generating enough interest among investors such ETF might be liquidated. In that case the investor gets the cash equivalent value of the fund's assets at the time of liquidation (it may not be the value of the final closing price on the last day of trading), proportional to the units of the fund investor holds.

Volatility of the price - As the underlying markets vary a lot, so does the volatility of the respective ETF. Depending on the underlying instrument, volatility may range from none to a lot.

Exit methods - ETF can be sold in the open exchange – just like ordinary shares. If the price has fallen since the purchase, the investor suffers a loss. However, should the price be higher than the purchase price, the investor would gain a profit.

Commitments and obligations – Usually, investor who purchases a ETF unit/share, in addition to the cost of acquisition and management fee, does not assume additional financial commitments and other additional obligations, including contingent liabilities.

3.5.2. Exchange Traded notes (ETN)

General Description

Intended for retail and professional clients

Exchange traded note (ETN) is a type of unsecured, unsubordinated debt security based on the performance of a underlying asset or basket of underlying assets with no periodic coupon payments. Similar to exchange-traded funds (ETFs), ETNs are traded on exchanges. ETNs, unlike ETFs, do not have an actual investment portfolio, therefore no assets are bought or sold. An ETN simply represents a promise by the issuer to pay investor an investment return reflecting the performance of a specified underlying asset or basket of underlying assets.

Functioning and performance in different market conditions

Market condition		***Price***
Value of underlying asset or basket of underlying assets*	Positive	↗
	Negative	↘
Credit rating of the issuer*	Improves	↗
	Deteriorates	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

See 2.1. Definition of Different Types of Risks for more information

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

Product specific risks

Liquidity risk – ETNs usually has lower liquidity than ETFs. For some ETNs early repurchase by the issuer is only available with a specified minimum amount.

Issuer credit risk – since ETNs are unsecured debt obligations, usually issued by the banks, credit risk is the major factor that distinguishes ETNs from ETFs.

Volatility of the price - *volatility depends on performance of underlying assets, demand for ETN units and creditworthiness of the issuer.*

Exit methods - *ETN can be sold on the open exchange – just like ordinary shares.* For some ETNs early repurchase by the issuer is only available with a specified minimum amount.

3.5.3. Exchange Traded Commodities (ETC)

General Description

Intended for retail and professional clients

An exchange traded commodity (ETC) provides exposure to relevant commodities such as oil, gold, grain and other. ETC may track individual commodities and/or a commodity basket.

Even though ETC tracks commodity price it is actually a debt obligation, called a note. Inverse ETCs are more complex instruments, which move up when a commodity moves down, or vice versa.

Leveraged ETCs are structured in a such a way that commodity movements are multiplied by a particular factor, such as two or three, resulting in two or three times the volatility of the underlying commodity.

Functioning and performance in different market conditions

Market condition		***Price***
Value of underlying commodities or basket of commodities*	Positive	↗
	Negative	↘
Credit rating of the issuer*	Improves	↗
	Deteriorates	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

Liquidity risk – ETCs typically has lower liquidity than underlying commodity. For some ETCs early repurchase by the issuer is only available with a specified minimum amount.

Issuer credit risk – since ETCs may be unsecured debt obligations, usually issued by the banks, credit risk is the major factor that distinguishes ETCs from ETFs.

Volatility of the price - volatility depends on performance of underlying assets, demand for ETC units and creditworthiness of the issuer.

Exit methods - *ETC position can be sold on the exchange – just like ordinary shares.* For some ETCs early repurchase by the issuer is only available with a specified minimum amount.

3.6. Derivative Financial Instruments

3.6.1. Foreign Exchange Forward and Foreign Exchange Swap

General Description

Luminor

Translation from Lithuanian

Effective from 1 February 2019

Intended for retail and professional clients

Foreign Exchange Forward is an agreement to buy/sell currency at a predetermined rate on a future date. Foreign exchange forwards are also known as currency forwards or FX forwards and are traded Over The Counter (OTC).

Foreign Exchange Swap is an agreement to exchange agreed amount of one currency into another for agreed time period. It can be considered as two Forward contracts entered into at the same time, therefore swap properties are the same as of 2 Forwards.

Functioning and performance in different market conditions

Market condition		***Price***
Economic developments relevant to specific currency(ies)*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant currency(ies)*	Positive	↗
	Negative	↘
News relevant to specific currency(ies)*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

Liquidity risk – the foreign exchange market is considered to be highly liquid. But in some situation (due to political, financial performance, macroeconomic factors or other reason) liquidity risk may arise. There's no way to predict with any certainty how price movements will develop in illiquid periods of time. Liquidity is also reduced by market holidays in various countries and seasonal periods of reduced market interest, such as the late summer and around the Easter and Christmas holidays.

Counterparty credit risk - counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations.

Country risk - country risk is a collection of risks: political risk, exchange rate regime risk, economic risk, government action (inaction) risk.

Leverage risk leverage (ratio of borrowed cash and own capital) amplifies returns and loses from investment. For example 1:10 leverage, would gain or lose ten times the amount of investment. If we invest 1000 EUR and instrument with leverage of 1:10 increases or falls in value by 10% this would bring 100% capital gain or 100% loss. Thus potentially reducing our investment to 0. If price on investment in this example would fall more than 10%, we would end up with losing more than we have invested, and would owe funds to the bank to cover amount of loss that exceeded our capital.

Margin risk – margin trading requires regular monitoring of the market and the use of margin. If client fails to post adequate amounts of margin in time, client's open positions might be closed by the bank.

Risk of loss – in certain market conditions client could potentially suffer losses and would owe funds to the bank to cover amount of loss that significantly exceeds client's capital.

Volatility of the price -Volatility in foreign exchange market is generally very high and dependent on currency pair.

Exit methods - forward contract and swap could be closed before maturity by making opposite contract with the

manufacturer.
Commitments and obligations - in trading derivative instruments, the customer may be obliged to provide a security of performing obligation (e.g. security deposit). Depending on the change in the value of the underlying assets, the customer may also be obliged to increase the value of the security with a short period of notice (margin call*).*
Margin Requirements – the ratio between position and security provided to secure that position. Margin required depends on currency pair and for example can range from 1:100 to 1:1.
Trade example 1. Let's assume EU based company, exporting goods to US and therefore receiving USD income in the future, wishes to hedge themselves from currency rate fluctuations. Company is exposed to USD depreciation against EUR. Therefore a company sells USD forward against EUR at the rate agreed today. This transaction is a bilateral liability, meaning one side (the company) is obliged to sell pre-agreed amount of USD against EUR at the pre-agreed price. Transaction costs Bank trades FX forwards on a principal basis when requested for a quote (RFQ). The company sells USD and buys EUR at the quoted price, there are no additional costs and charges. The pricing for FX forwards depends on the maturity of the contract, currency pair, counterparty risk. Possible negative scenarios Forward is a bilateral liability, where one side (the company) is obliged to sell pre-agreed amount of USD against EUR at the pre-agreed price and no circumstances relieves either party from this liability. If for example the company did not receive USD funds from US counterpart, it still has an obligation to sell USD to the Bank (the prevailing market rate at the time of the Forward maturity may be substantially higher or lower than the price of the original Forward). 2. Let's assume EU based company, importing goods from UK and therefore paying GBP in the future, wishes to hedge themselves from currency rate fluctuations. Company is exposed to GBP appreciation against EUR. Therefore a company buys GBP forward against EUR at the rate agreed today. This transaction is a bilateral liability, meaning one side (the company) is obliged to buy pre-agreed amount of GBP against EUR at the pre-agreed price. Transaction costs Bank trades FX forwards on a principal basis when requested for a quote (RFQ). The company buys GBP and sells EUR at the quoted price, there are no additional costs and charges. The pricing for FX forwards depends on the maturity of the contract, currency pair, counterparty risk. Possible negative scenarios Forward is a bilateral liability, where one side (the company) is obliged to buy pre-agreed amount of GBP against EUR at the pre-agreed price and no circumstances relieves either party from this liability. If for example the company changed its mind and are not planning to do any GBP payments, it still has an obligation to buy GBP from the Bank (the prevailing market rate at the time of the Forward maturity may be substantially higher or lower than the price of the original Forward)

3.6.2. Foreign Exchange Options

General Description
Intended for retail and professional clients

FX Option is an agreement which gives the option buyer the right (but not the obligation) to buy (sell) currency at a specified rate on a future date. There are two types of options: calls and puts. A call option holder has the right to buy currency for a certain price at a certain future date. A put option holder has the right to sell currency for a certain price at a certain future date. The fee paid when purchasing an option is called option premium. To enter in to option transaction require a premium to be paid up front. The maximum loss of the option buyer is limited to the amount of the premium paid. The seller of option may face unlimited losses. Options are traded Over The Counter (OTC).

Functioning and performance in different market conditions

Market condition		***Price***
Economic developments relevant to specific currency(ies)*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant currency(ies)*	Positive	↗
	Negative	↘
News relevant to specific currency(ies)*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks
See 2.1. Definition of Different Types of Risks for more information

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

Product specific risks

Liquidity risk -the foreign exchange market is considered to be highly liquid. But in some situations (due to political, financial performance, macroeconomic factors or other reason) liquidity risk may arise. There's no way to predict with any certainty how price movements will develop in illiquid periods of time. Liquidity is also reduced by market holidays in various countries and seasonal periods of reduced market interest, such as the late summer and around the Easter and Christmas holidays.

Counterparty credit risk - counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations.

Country risk - country risk is a collection of risks: political risk, exchange rate regime risk, economic risk, government action (inaction) risk.

Volatility of the price - volatility in foreign exchange market depends on currencies pair. In general currency market is considered to be extremely volatile.

Exit methods - *open option positions might be closed by making opposite transaction with product manufacturer.*

Commitments and obligations –if the buyer of the option requires that the option should be exercised, the seller of the option must sell (buy) the currency at the pre-agreed price. Applicable only to short positions.

Margin Requirements – applicable only to short positions.

Trade example
Let's assume EU based company, exporting goods to US and therefore receiving USD income in the future, wishes to hedge themselves from currency rate fluctuations. Company is exposed to USD depreciation against EUR, but gains if USD appreciates. If company would like to hedge itself from the negative impact of USD depreciation, but remain open to possible USD appreciation, it may decide to buy USD put option (a right but not an obligation to sell USD at a pre-agreed rate). This transaction is a right for a buyer of the option (company), but an obligation for issuer of the option (bank).

Transaction costs

For FX options buyer must pay a fee – premium to the seller. Bank trades FX options on a principal basis when requested for a quote (RFQ). Premiums depend on maturity of the contract and currency pair.

Possible negative scenarios

If option remains unexercised due to unfavorable rate at the maturity compared to the prevailing market rate, option buyer loses its premium (the buyers loss is limited to the amount of premium).

3.6.3. Interest Rates Swaps

General Description
Intended for retail and professional clients

Interest rate swap (IRS) is exchange of one set of cash flows to another. In other words, it is an agreement between two counterparties in which one stream of future interest payments is exchanged for another on the principal amount.

Fixed to floating swap – one counterparty pays fixed rate and receives floating rate, while other counterparty does vice-versa.

Floating to fixed swap – it is opposite to Fixed to floating

Functioning and performance in different market conditions

Market condition		***Value of IRS for Fixed rate payer***	***Value of IRS for Floating rate payer***
Changes in relevant long term interest rate*	Positive	↗	↘
	Negative	↘	↗

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks
See 2.1. Definition of Different Types of Risks for more information

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

Product specific risks

Reference rate risk – interest rate swaps might follow different reference rates. Reference rates such as LIBOR or EURIBOR are widely used and publicly available, but there might be as well more exotic reference rates, which are not calculated on daily basis or available publicly.

Counterparty credit risk - Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk is a risk to both parties and should be considered when evaluating a contract.

Volatility of the price –Volatility of the IRS value is directly proportional to volatility of relevant longterm interest rates and maturity of IRS contract.

Exit methods – interest rate swaps can be closed prematurely if agreed by both counterparties (client and manufacturer). In the event of an early termination of interest rate swap value is calculated using discounted cash flow model.

Margin Requirements - in order to manage counterparty risk, client may be required to provide security deposit. If price of IRS moves against client, additional security deposit may be requested.

Trade example

Let's assume a company, receiving fixed amounts of cashflow (e.g. income from building lease) enters into a floating rate (e.g. EURIBOR) loan contract for funding. The company is exposed to interest rate fluctuations, because if the floating rate will increase, expenses on the loan will increase while the income stays the same.

Under these or similar circumstances a company may wish to enter into an interest rate swap (IRS), exchanging a series of floating rate payments into fixed rate payments, and secure future cashflows Floating rate payments received by the client from the Bank under IRS then would be used to pay interest on a floating rate loan, thus changing companies floating rate liability (loan) into a fixed rate liability. IRS transaction is a bilateral liability, meaning one side (the company) is obliged to pay fixed rate payments and the bank is obliged to pay floating rate payments.

Transaction costs

Bank trades IRS on a principal basis when requested for a quote (RFQ). The company then pays a quoted fixed rate, there are no additional costs and charges. The pricing for IRS depends on the maturity of the contract, currency, structure (amortizing/increasing balance), counterparty risk.

Possible negative scenarios

IRS is a bilateral liability, meaning one side (the company) is obliged to pay fixed rate payments and the bank is obliged to pay floating rate payments. Floating rate payments might increase or decrease based on the floating rate in the market. Floating rate may be negative, thus meaning client will have to pay both fixed AND floating amounts.

3.6.4. Commodity Swaps

General Description
Intended for professional clients

Commodity swap is an agreement where two counterparties agree to exchange cash flows, which are dependent on the price of the underlying commodity (fixed price into floating and vice-versa). A commodity swap is usually used to hedge against the price movement of the commodity. Commodity swaps are traded over the counter (OTC). Under the agreement the Bank offers financial settlement and no physical delivery of underlying commodity.

Functioning and performance in different market conditions

Market condition		***Price***
Economic developments relevant to underlying instrument*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant underlying market*	Positive	↗
	Negative	↘
News relevant to underlying market*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks

Counterparty credit risk - counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations.

Underlying commodity risk - commodity swap value is directly proportional to the price of underlying commodities, which are sensitive to various factors such as weather, production output and market demand.

Volatility of the price – is directly proportional to specific underlying commodity. In general commodities are considered extremely volatile.
Exit methods - contract could be closed before maturity by selling or buying it back from manufacturer
Commitments and obligations - upon the maturity date, one of the counterparties to the transaction pays the difference in price.
Margin Requirements - in order to manage counterparty risk, client may be required to provide security deposit. If price of swap moves against client, additional security deposit may be requested

3.6.5. Future contracts

General Description

Intended for retail and professional clients

A futures contract means a contract in a standardized form for the purchase and sale of a specified underlying asset (share, currency, commodity or other) at a pre-agreed price with settlement to be made at a future time. Futures contracts are traded on trading venues.
As futures can be traded with leverage, allowing you to take a larger position than you would otherwise be able to based on your funds with the bank, a relatively small negative or positive market movement can have a significant effect on your investment. Futures trading therefore involves a relatively high degree of risk. This makes the potential gain quite high, even if the deposit is relatively small. If your total exposure on margin trades exceeds your deposit, you risk losing more than your deposit.

Functioning and performance in different market conditions

Market condition		***Price***
Economic developments relevant to underlying instrument*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the relevant underlying market*	Positive	↗
	Negative	↘
News relevant to underlying market*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

See 2.1. Definition of Different Types of Risks for more information

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**

Product specific risks

Underlying risk – risks inherent in underlying instruments are applicable to futures as well. See relevant underlying asset risk description for more information.

Leverage risk - leverage amplifies returns and loses from investment. For example 1:10 leverage may gain or lose ten times the amount of investment. If we invest 1000 EUR and instrument with leverage of 1:10 increases or falls in value by 10% this would bring 100% capital gain or 100% loss. Thus potentially reducing our investment to 0. If price on investment in this example would fall more than 10%, we would end up with losing more than we have invested, and would owe funds to the bank to cover amount of loss that exceeded our capital.

Margin risk – margin trading requires regular monitoring of the market and the use of margin. If client fails to post adequate amounts of margin in time, client's open positions might be closed by the bank.

Risk of unlimited loss – in certain market conditions client could potentially suffer losses and would owe funds to the bank to cover amount of loss that significantly exceeds client's capital.

Volatility of the price - Due to different variety of underlying assets and different liquidity for each of them, volatility of futures contracts will substantially differ from one futures contract to another, yet overall volatility of futures are considered to be very high.

Exit methods - Position in futures contracts can only be exited via sale or purchase (depends if initial position was long or short). Since futures are traded on a trading venue, trading takes place only during relevant exchange work hours. In certain market conditions, when liquidity is drained and there are no buyers or sellers, exit would not be possible until market conditions improve.

Commitments and obligations - If price moves against the client, additional collateral has to be submitted in order to satisfy margin requirements, otherwise open positions will be closed.

Margin Requirements - Margin requirements are set by futures exchange as a fixed amount for each futures contract, not as a percentage.
For example E-mini S&P 500 (Dollar) futures contract, which at market price of 2 500 USD has a nominal value 125 000 USD, has a margin requirement of 4 500 USD per contract, thus resulting in margin requirement of 3.6%.

3.6.6. Contract for difference (CFD)

General Description
Intended for retail and professional clients

A CFD means an agreement between two counterparties, i.e. the buyer and the seller, whereby one of the counterparties pays the difference between the current price of the underlying asset and its initial price on the day and time on which the transaction is concluded.

A CFD is a derivative financial instrument, the price of which can be derived from shares, share indices, and prices of commodities or other financial instruments (underlying asset). A CFD is an appropriate alternative for a direct investment in an underlying asset (shares, commodity futures contracts), since the price of a CFD fluctuates in exactly the same manner as the price of the underlying asset. The investor receives the same result (either positive or negative) as an investor in the corresponding underlying asset. However, unlike shares, a CFD does not provide any equity or voting rights in the share issue. In addition to the aforementioned risks, the risks of a CFD correspond to the risks of shares and futures contracts.

Functioning and performance in different market conditions

Market condition		***Price***
Economic development of underlying instrument (company or underlying instrument specific)*	Positive	↗
	Negative	↘
Market expectations regarding the future development of the company/industry/economy as a whole*	Positive	↗
	Negative	↘
General development of stock market*	Positive	↗
	Negative	↘
Political and psychological factors*	Positive	↗
	Negative	↘

*assuming that other market conditions remain the same and the market is not in any kind of distress

General risks

- **Price risk**
- **Market risk**
- **Liquidity risk**
- **Currency risk**
- **Interest rate risk**
- **Counterparty credit risk**

See 2.1. Definition of Different Types of Risks for more information

Product specific risks **Underlying risk –** risks inherent in underlying instruments are applicable to CFD contracts as well. See relevant underlying asset risk description for more information. **Leverage risk -** leverage amplifies returns and loses from investment. For example 1:10 leverage, would gain or lose ten times the amount of investment. If we invest 1000 EUR and instrument with leverage of 1:10 increases or falls in value by 10% this would bring 100% capital gain or 100% loss. Thus potentially reducing our investment to 0. If price on investment in this example would fall more than 10%, we would end up with losing more than we have invested, and would owe funds to the bank to cover amount of loss that exceeded our capital. **Margin risk –** margin trading requires regular monitoring of the market and the use of margin. If client fails to post adequate amounts of margin in time, client's open positions might be closed by the bank. **Risk of loss –** in certain market conditions client could potentially suffer losses and would owe funds to the bank to cover amount of loss that significantly exceeds client's capital. **Counterparty credit risk** - the risk that the Client may incur losses if a counterparty who issued CFD is unable to meet its obligations or defaults. **Short selling risk** – some CFDs are available for short selling. If CFD is difficult to borrow client will be charged borrowing costs. If client has a short position and during that time dividends and other payments are made, client is responsible for making those payments to the entity from whom he has borrowed the instrument.
Volatility of the price - Due to different variety of underlying assets and different liquidity for each of them, volatility of CFD contracts will strongly differ from one CFD contract to another.
Exit methods - Position in CFD contracts can only be exited via sale or purchase (depends if initial position was long or short) to the manufacturer.
Commitments and obligations - Margin trading allows investors to buy and sell assets that have a greater value than the capital in their account. Margin Trading carries a high level of risk to your capital with a possibility to lose more than your initial investment.
Margin Requirements - Margin requirements are different for different CFD contracts. For example if Index CFDs have margin requirements of 10%, this means that we need to have at least 10% of a trades nominal value in our account to open and hold this position. Furthermore if conditions in market are expected to change or some event approaching that potentially could increase volatility, margin requirements can be raised by the bank. Raised margin requirements will be applicable to open positions too, thus investors might be asked to deposit more funds to keep their positions open.
Components of the financial instrument - The price of a CFD fluctuates in exactly the same manner as the price of the underlying asset. The investor receives the same result (either positive or negative) as an investor in the corresponding underlying asset, meaning CFD will inheret all risks of underlying asset.

4. MARGIN TRADING (LEVERAGED TRADING)

Margin trading or leveraged trading allows an investor to engage in trading in financial instruments without being in possession of the total sum of money. It is sufficient that the investor provides the Bank with a relatively small margin (funds, securities, etc.). The margin is held on a special margin account with the Bank and is provided to the Bank as a collateral. The Bank will return the money from the margin account only after having ascertained that the investor's obligations under the concluded margin transactions have been fulfilled. In margin trading, financial instruments shall not be delivered upon maturity, i.e. the respective counterparty to the transaction shall collect the difference in price.

Take, for example, trading in the currency market (FOREX). If the margin requirement for a certain currency pair is 1 per cent, an investor willing to buy/sell 100,000 currency units must hold no less than 1,000 currency units on his or her margin account. In this case, the investor can use a leverage of up to 1/100.

Margin trading is associated both with the possibility of earning enormous profits and suffering significant losses in comparison with capital investments. Margin trading carries a high degree of risk both for buyers and sellers, irrespective of the underlying asset class. If market prices move in a direction opposite to the investor's positions, the investor may not only lose the original investment but also incur a substantial amount of debt.

Margin trading requires a close and regular monitoring of the market and the use of margin. If the value of the deal changes the investor may receive a margin call. The investor's failure to meet the margin call will cause the deal to be closed and the incurrence of losses respectively.

5. RISKS RELATED TO TRADING FACILITIES

Nowadays, all trading facilities are computerized to greater or lesser extent, i.e. the placement, registration, and execution of orders, as well as other necessary operations, is carried out electronically. As with other electronic systems, the operation of the trading facility might be temporarily interrupted due to causes beyond the control of the Bank. Consequently, the execution of orders might be temporarily interrupted or they might not be executed to the fullest extent, or an investor may fail to receive essential information on a real time basis. Should an investor incur losses due to interruptions of this nature, he or she can expect to recover only a limited amount of the losses, with the precise amount being determined by the Bank, other market intermediaries, or a clearing house.

6. RISKS RELATED TO TRANSACTIONS IN FOREIGN MARKETS

Foreign markets are regulated by the relevant supervisory authorities, the requirements of which may differ from those applicable in Lithuania. Consequently, investors' protection may differ significantly from the protection level applicable in Lithuania. Accordingly, the investors may incur additional losses due to different requirements.

7. WARNING REGARDING THE LIKELY RETURN ON SOME OF THE FINANCIAL INSTRUMENTS

Those financial markets which function based on the principle when the profit of some investors is covered by the same loss of other investors (zero-sum game) are not able to ensure capital gain for all participants. The total value of invested capital does not change, but gets regularly distributed among the participants of the market (excluding the commission fees paid to intermediaries). Such are currency, option and futures markets. The likely return in such markets in long perspective is close to zero.

8. RISKS RELATED TO THE COLLATERAL OF FINANCIAL INSTRUMENTS AND INVESTMENT OF BORROWED FUNDS

The market risk: when financing investments, or a portion thereof, using funds borrowed from third parties, the risk emerges of losing not only one's own and borrowed capital which has been directed to the corresponding investments, but also of incurring additional losses with respect to the borrowed funds, e.g. pay interest on the loan.

Interest: borrowed funds usually require payment of a given interest. Therefore, an investor may lose a portion of the invested funds and/or incur additional losses if the return on investments is lower than the interest to be paid on the loan.

The collateral value risk: the market value of pledged financial instruments may fluctuate significantly. In the case of a decrease in the value of the pledged financial instruments, the creditor may require an increase of the security by means of monetary contributions or by financial instruments it deems acceptable. In the case of a failure to increase the security within the stipulated time (which may be 1 working day), the creditor may terminate the credit agreement and cover the loan from the funds raised by selling pledged financial instruments/debiting cash. If the funds received from the sale of the financial instruments/debiting cash are not sufficient to cover the loan, interest, and other amounts payable, the investor is obliged to cover the outstanding debt.

Considering aforementioned, in the case of a sharp drop in the market value of the financial instruments, the investor may lose not only the pledged financial instruments, but also the additional funds. The pledge value risk is especially relevant in a case where non-liquid financial instruments are pledged, since their market price may fluctuate considerably. In economic and market terms, repo transactions are loans with the pledge of financial instruments, while financial instruments purchased from the investor are held as a security.

Luminor

Translation from Lithuanian

Effective from 1 February 2019

5. INDUCEMENT POLICY FOR THE PROVISION OF INVESTMENT AND ANCILLARY SERVICES

1. General provisions

1.1. The goal of this inducement policy for the provision of investment and ancillary services (the Policy) is to ensure that while providing investment and/or ancillary services to the clients and performing investment activities (the Investment Services), Luminor Bank AS (the Bank), acts honestly, fairly and professionally, in accordance with the best interests of its clients, avoids conflicts of interest and implements all necessary measures to identify conflicts of interest arising due to the monetary or non-monetary benefit received from or paid to third persons or in the course of the provision of the Investment Services to the client.

1.2. An inducement is usually considered as a payment or other benefit given by one person to another in relation to the services provided to the client. For example, that can be a payment made by a company providing investment services to another person who brought a client to that company. In this situation, there is a risk that such inducement may affect the receiving person so that it will not act in accordance with the best interests of its clients.

1.3. For the purpose of this Policy, Inducement is considered to be any benefit paid to or received from the third persons by the Bank, i.e. reward, commission fee and other monetary or non-monetary benefits related to the provision of investment services to the clients.

1.4. Compliance department of the Bank performs control of due implementation of the Policy.

2. Restrictions on payment and receiving Inducement

2.1. The Bank may pay or receive Inducement in relation to the provision of investment services, only in cases where the respective Inducements comply with all conditions provided in Section 2 of the Policy below and they: (a) are designed to enhance the quality of services provided to the client (this applies to payments received from the order execution places and for the purpose of investment research performed by the Bank); and (b) do not impair compliance with the Bank's duty act honestly, fairly and professionally in accordance with the best interests of its clients.

2.2. As indicated in paragraph 2.1(a) of this Policy, Inducement may be considered as that designed to enhance the quality of services provided to the client where the following conditions are satisfied on an ongoing basis:

2.2.1. It is justified by the provision of additional or higher-level services to the relevant client in the proportion to the level of the Inducement received, such as: (i) the provision of non-independent investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having no close links with the investment firm (ii) the provision of non-independent investment advice come together with: an offer for the client to evaluate at least once in a year the future suitability of the financial instruments wherein the client has invested; or together with another regular nature service which may bring value to the client, e.g. consulting on the offered optimal allocation of the client's assets; or (iii) the possibility to receive various financial instruments for a competitive price that may correspond to the client's needs, including the acceptable number of instruments provided by third parties that do not have close relations with the investment company by also providing either value-added tools (instruments) such as objective information provision tools (instruments) helping the client to make investment decisions or enables the client to monitor, simulate and adjust the range of financial instruments wherein the client has invested, or by providing periodic reports on the results, costs and fees relating to the financial instruments;

2.2.2. The Inducement does not bring direct benefit to the Bank as the receiver, its shareholders or employees without material benefit to the respective client;

2.2.3. The Inducement is justified by the fact that the respective client receives permanent benefit for permanent inducement.

2.3. By receiving and paying Inducements, the Bank must make sure that such Inducements enhance the quality of the respective investment services to the client, and collect and store evidence thereof. Pursuant to that the Bank:

2.3.1. Keeps the list of all Inducements received from third parties for the provision of investment or ancillary services; and

2.3.2. Registers how the incentives received or paid by the Bank or those that the Bank intends to use to enhance the quality of the respective investment services to the client and what actions were taken so as not to impair compliance with the Bank's duty act honestly, fairly and professionally in accordance with the best interests of its clients.

2.4. The Bank only can receive or pay Inducements if the Bank properly discloses information on such Inducements to the clients as provided in this Policy.

2.5. If the Bank receives the fees, commission fees or any monetary reward that do not comply with the requirements specified above, the Bank transfers them to the respective clients immediately after such payments were received.

2.6. The Bank's unit providing respective services to the clients, in order to use or receive any Inducement provided by other person than the Bank, must evaluate whether such Inducement complies with the requirements provided in Section 2 of the Policy. For this purpose, the authorised Bank's unit must be contacted. Authorised unit upon evaluation of the available information decides whether such Inducement complies with the conditions provided in Section 2 of the Policy. Where necessary, the authorised Bank's unit employs other units of the Bank in order to conduct proper evaluation. If upon evaluation it appears that the benefit does not comply with the requirements provided in Section 2 of the Policy, the Bank must not accept and use such benefit. In addition any such non-monetary benefit shall be returned to the provider which must be requested to cease provision of such benefit in the future. In case of monetary benefits, requirements of 2.4 of this Policy shall additionally apply.

3. **Limitations related to investment researches**

3.1. In case an investment research prepared by a third party is required by the Bank for the provision for services, the Bank acquires such research by paying the price for the research from own funds.

3.2. Having received any investment research free of charge or any other similar service which according to the above procedure is considered as acceptable Inducement, the Bank puts such Inducement received on the list as provided by paragraph 2.3 and ensures that both the investment research received and the information prepared individually by the Bank on the basis of such research will not be submitted to the Bank's unit responsible for the provision of independent investment advice services to the clients.

3.3. In order to avoid situations where the services provided by the Bank are considered to be Inducement by the investment service providers that received such services, the Bank will separately price the services provided thereby, including transaction processing and investment research services and will offer such services for a separate fee set to each of such services.

3.4. To avoid potential conflict of interest, the Bank will not provide the individually prepared investment research information to other investment service providers without charge.

4. Disclosing information on Inducement

4.1. In the performance of its duty to disclose information on the Inducement, the Bank:

4.1.1. Prior to the provision of an investment service to the client, discloses information to the client about the Inducement received and paid (including information on the amounts received from order execution places), and in case the amount cannot be precisely defined, then discloses information on the calculation method. In respect of minor non-monetary benefit, the information is disclosed in the form of a summary. Other non-monetary benefit which the Bank receives or pays in relation to the provision of investment services is priced and specified separately. Where applicable, the Bank also notifies the clients on the procedure for transferring the fee, commission fee and other monetary or non-monetary benefit received by the bank in course of the provision of investment services to the clients.

4.1.2. In case the Bank was not able to disclose the precise information in advance, then the Bank discloses the precise information about received or paid incentives after such Inducement was received or paid;

4.1.3. As long as the Bank permanently receives Inducement in respect of the provided investment services, the Bank periodically, at least once in a year, indicates the precise amount of the received or paid Inducement to each client. In respect of minor non-monetary benefit, the information is disclosed in the form of a summary.

4.2. In order to comply with the above requirement to disclose to the clients information on the received or paid Inducements related to the services provided to the clients prior to the provision of an investment service, the Bank has prepared the description of the Inducements received and paid which is provided as annex of this Policy.

5. Minor non-monetary benefits

5.1. Minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Bank's behaviour in any way that is detrimental to the interests of the relevant client.

5.2. Minor non-monetary benefits can be:

5.2.1. Information or documentation relating to a financial instrument or an investment service. Such information or documents are generic in nature or personalised provided to reflect the circumstances of an individual client;

5.2.2. Written material from a third party that is commissioned and paid for by an corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public;

5.2.3. Participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;

5.2.4. Hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events;

5.2.5. Other minor non-monetary benefits.

6. Inducement related to an independent investment advice and (or) portfolio management services

6.1. Providing services of independent investment advice and (or) portfolio management services, the Bank shall comply with the special procedure related to the Inducement:

6.1.1. Fully transfers to the client all and any fees, commission fees or any monetary reward that is paid or provided to the Bank by a third party or a person acting on behalf of a third party for the respective services provided to that client immediately after the receipt of such fees. To this end, the Bank implements and follows the procedure for defining the amount to be refunded to that particular client in cases where the received amount cannot be attributed to the amount refundable to the particular client;

6.1.2. On annual basis informs the clients on the fees, commission fees or any other monetary reward transferred thereto by specifying such information in the provided reports;

6.1.3. May receive and accept just minor non-monetary benefit which is designed to enhance the quality of services provided to the clients as it is established in this Policy.

6.1.4. The Bank's unit providing services of investment advice and/or portfolio management, in order to use or receive any non-monetary benefit provided by other person than the Bank, must evaluate whether such non-monetary benefit meets a) the requirements provided in Section 2 of this Policy and b) the requirements of minor non-monetary benefit. For this purpose, the authorised Bank's unit must be contacted. The authorised Bank's unit upon evaluation of the available information decides whether such Inducement complies with the conditions provided in Section 2 of the Policy. Where necessary, the authorised Bank's unit employs other units of the Bank in order to conduct proper evaluation. If upon evaluation it appears that the benefit does not comply with such aforementioned conditions, the Bank must not accept and use such benefit. In addition any such non-monetary benefit shall be returned to the provider which must be requested to cease provision of such benefit in the future.

Translation from Lithuanian

Effective from 1 February 2019

Annex No. 1 to the Policy

PRIOR NOTIFICATION ON INDUCEMENT

By such notification, Luminor Bank AS informs about Inducement received and paid by the Bank which have been evaluated by the Bank as (a) designed to enhance the quality of services provided to the clients; and (b) not impairing compliance with the Bank's duty act honestly, fairly and professionally in accordance with the best interests of its clients.

INDUCEMENT RECEIVED

The Bank receives a commission fee from Saxo Bank A/S for the Bank's intermediation for the clients who use Saxo Bank A/S trade platform. Following the agreement signed with Saxo Bank A/S, the Bank looks for clients wishing to use the platform, signs agreements with them, provides practical and methodological assistance, provides market information and transfers the clients' orders to Saxo Bank A/S for execution. The commission fee paid by Saxo Bank A/S to the Bank amounts to:

Object	**Commission type**	**Part of commission received as inducement**
Forex Rolling spot and forwards	Spread	20 - 56%
	Position rollover: Mark-up on interbank bid/ask rate	10 - 40% from mark-up
Forex Options	Commission	1 - 5%
	Spread	2 - 60%
CFD Indices	Spread	7 - 60%
Stock CFDs	Commission	7 - 50%
Expiring CFDs	Spread	10 - 40%
Futures	Commission	50 - 73%
	Carrying cost: Mark-up on interbank bid/ask rate	17%
Stocks	Commission	7 - 50%
Cash	Account interest	Up to 50%

The Bank receives periodic payments from the investment fund managers when the clients using the services provided by the Bank acquire the units/shares of the investment funds provided below. These periodic payments received by the Bank depend on the investment funds' management fees, while the amount of the payment received typically is calculated as a percentage on the annual management fee of a specific investment fund.

More detailed information on the Inducements received by the Bank in relation to the distribution of investment fund units is indicated in a separate list attached hereto.

Luminor Pensions Estonia AS pays 10 euros to the Bank for each new client that purchases the units of a Luminor III pillar pension fund for the first time through the Bank´s distribution channel.

In case the clients of the Bank acquire units/shares of these investment funds in relation to services of independent investment advice and/or portfolio management, the Bank distributes all above mentioned fees and transfers them to the clients immediately after the receipt thereof.

Luminor

Translation from Lithuanian

Effective from 1 February 2019

List of inducements received by the Bank in relation to the distribution of investment fund units

Investment fund	ISIN	Annual investment fund management fee	Inducement (Parto of annual investment fund management fee received by Bank)
Templeton BRIC Fund A(acc)USD	LU0229945570	1,60%	40,0%
Aberdeen Global - Russian Equity Fund	LU0505785260	1,92%	40,0%
Fidelity China Consumer Fund	LU0594300096	1,50%	40,0%
JPMorgan Funds - ASEAN Equity Fund	LU0441852612	1,50%	40,0%
Templeton Asian Growth Fund (ex-Japan)	LU0229940001	1,60%	40,0%
AVIVA INVESTORS EUROPEAN REAL ESTATE	LU0274935567	1,80%	40,0%
BARING GLOBAL EMG MKTS FR-$	IE0000838304	1,50%	40,0%
BGF European Special Situations A2 EUR	LU0154234636	1,50%	40,0%
BGF European Value A2 EUR	LU0072462186	1,50%	40,0%
BGF Global Corporate Bond Fund	LU0825403933	0,90%	40,0%
BlackRock Global Corporate Bond Fund	LU0297942434	0,90%	40,0%
BlackRock World Financials Fund	LU0171304719	1,50%	40,0%
Amundi Funds Bond Global Aggregate	LU0319687637	0,05%	40,0%
Amundi Funds Bond Global Aggregate IHE (C)	LU0839535357	0,05%	40,0%
AXA IM FIIS US Corporate Bonds Fund	LU0231443523	0,35%	40,0%
Axa IM FIIS-US Corp BD-I HDG	LU0231443010	0,35%	40,0%
AXA IM FIIS-US CORP BD-IUSD	LU0231442988	0,35%	40,0%
BlackRock Asian Tiger Fund	LU0841166456	1,00%	40,0%
BlackRock Global Corporate	LU0297942194	0,90%	40,0%
Blackrock Global Corporate Bond Fund A4 Hedged EUR	LU0303846876	0,90%	40,0%
Deutsche Invest I China Bonds	LU0632805262	1,10%	40,0%
Emerging Local Currency Debt-HP EUR - Pictet	LU0340553949	1,20%	40,0%
Emerging Local Currency Debt-P EUR - Pictet	LU0280437673	1,20%	40,0%
Fidelity European High Yield Fund	LU0251130802	1,00%	40,0%
JPMorgan Funds - Emerging Markets Corporate Bond Fund	LU0512127548	1,00%	40,0%
JPMorgan Funds - Emerging Markets Corporate Bond Fund	LU0512127621	1,00%	40,0%
JPMorgan Funds - Emerging Markets Corporate Bond Fund	LU0714440665	1,00%	40,0%
MGOIEAH LN Equity	GB00B933FW56	1,00%	40,0%
Morgan Stanley Eur Corp. Bond Fund - Class A EUR	LU0132601682	0,96%	40,0%
PIMCO Diversified Income Duration Hedged Fund	IE00B7JKSP07	1,43%	40,0%
PIMCO Diversified Income Duration Hedged Fund EUR (Hedged)	IE00B4TJVF73	1,43%	40,0%
PIMCO Emerging Markets 2018 Fund	IE00BQPWD032	1,17%	40,0%
BRIC - Franklin Temp	LU0229946628	1,60%	40,0%
CEE: East Europe - Franklin Tem	LU0078277505	1,60%	40,0%
De.Inv.I-Em.Mkts Top Dividend Inhaber - Anteile LC o.N.	LU0329760002	1,50%	40,0%
DEUTCH MITTELSTANLEIHEN	LU0974225590	0,60%	40,0%
Deutsche Invest I China Bonds	LU0740830996	1,10%	40,0%

Deutsche Invest I China Bonds	LU0616856422	1,10%	40,0%
DJE - Zins & Dividende PA	LU0553164731	1,26%	40,0%
DNB fund - Asian Small Cap	LU0067059799	1,75%	40,0%
DNB fund - Global Emerging ESG	LU0090738252	1,75%	40,0%
DNB fund - ECO Absolute Return A EUR Cap	LU0547714286	1.50%	50,0%
DNB Fund - ECO Absolute Return A NOK Cap	LU0547714369	1.50%	50,0%
DNB fund - Global SRI ESG	LU0029375739	1,25%	40,0%
DNB fund - India	LU0302237721	1,50%	40,0%
DNB fund - Nordic Equities	LU0083425479	1,25%	40,0%
DNB fund - Private Equity - B	LU0302296065	1,75%	40,0%
DNB fund - Technology	LU0302296495	1,50%	40,0%
DNB fund - Technology (USD)	LU1047850349	1,50%	40,0%
DNB Fund - TMT Absolute Return A EUR Cap	LU0547714526	1.50%	50,0%
DNB Fund - TMT Absolute Return retail A (NOK)	LU0547714799	1.50%	50,0%
DWS Global Natural Resources Equity Typ O	DE0008474123	1,80%	40,0%
DWS Invest - GL Emerg - Anteile LC	LU0210301635	1,50%	40,0%
DWS Invest Chinese Equities Fund	LU0273157635	1,50%	40,0%
DWS MOPs LD	LU0989117667	1,40%	40,0%
Emerging: Emerging Markets Smaller Comp - Franklin Tem	LU0300743431	1,60%	40,0%
Europe: Euro-Markets - BlackRock	LU0162689763	1,50%	40,0%
Europe: Euro-Markets - BlackRock(A2)	LU0093502762	1,50%	40,0%
Europe: Europe Potential - Pioneer	LU0271656307	1,50%	40,0%
Europe: European Growth - Fidelity	LU0048578792	1,50%	40,0%
Europe: European Value Equ - MSI	LU0073234501	1,44%	40,0%
European High Yield Fund- Fidelity	LU0110060430	1,00%	40,0%
FIDELITY FUNDS-EMERGING Markets - SS (Sicav)	LU0048575426	1,50%	40,0%
FRANK TEMP INV LAT AMER-A- (Equity)	LU0128526570	1,60%	40,0%
FRANK TP LAT AMR-A	LU0260865158	1,60%	40,0%
Franklin Euro High Yield A Acc EUR	LU0131126574	1,20%	40,0%
Franklin European Small Cap Growth Fund	LU0260871552	1,60%	40,0%
Franklin Templeton Biotech Discovery fund A Acc	LU0109394709	1,60%	40,0%
Franklin Templeton European Growth Fund	LU0122612848	1,60%	40,0%
FRANKLIN TEMPLETON FUNDS - MENA Fund	LU0352132285	1,60%	40,0%
Franklin Templeton Inv.Fund - European Small-Mid Cap Growth Fund	LU0138075311	1,60%	40,0%
FTIF-F Japan Fund Namens-Ant (acc) EUR o.N.	LU0231790675	1,60%	40,0%
FTIF-F Japan Fund Names-Ant A (acc) USD o.N.	LU0231790832	1,60%	40,0%
GAM Multistock - Emerging Markets Equity EUR	LU1112791014	1,50%	40,0%
Invesco Pan European Equity A Acc	LU0028118809	1,50%	40,0%
Invesco Pan European High Income Fund	LU0243957312	1,25%	40,0%
Japonija: Japonijos akciju fondas, Metzler	IE0003722711	1,00%	40,0%

JPM Eastern Europe Equity	LU0210529144	1,50%	40,0%
JPM Europe Equity Plus A (perf) Acc EUR	LU0289089384	1,50%	40,0%
JPM-EUROPE ST.VAL.A D.EO	LU0107398884	1,50%	40,0%
JPMorgan Funds - Europe Small Cap Fund	LU0210531637	1,50%	40,0%
JPMorgan Funds - Global Focus Fund	LU0210534227	1,50%	40,0%
JPMorgan IF - Global Balanced Fund A (acc) - EUR	LU0070212591	1,45%	40,0%
JPMorgan JPN RUSSIA- A-DIS (SICAV)	LU0215049551	1,50%	40,0%
JPMorganF-JF CHINA - A-ACC(SICAV)	LU0210526637	1,50%	40,0%
JPMorganJPM Russia -ACC (Sicav)	LU0215050484	2,50%	40,0%
KAPITAL PLUS OPEN END FUND	DE0008476250	0,72%	40,0%
Latin: Latin America - Gartmore	LU0200080918	1,50%	40,0%
Liuksemburgo banko inv. fondas BL-BOND DOLLAR- B- CAP-	LU0093570926	0,60%	40,0%
Liuksemburgo banko inv. fondas SOU/BL-BOND EURO- B- CAP	LU0093570769	0,60%	40,0%
Liuksemburgo banko inv. fondas SOU/BL-EQUITIES AMERICA	LU0093570256	1,25%	40,0%
MFS Global Equity Fund	LU0094560744	1,50%	40,0%
MFS MERIDIAN European Value Fund	LU0125951151	1,50%	40,0%
Mirova Global Sustainable Equity Fund	LU0914729453	0,22%	40,0%
Natixis Har Assc Useqf-Iausd	LU0130102931	0,38%	40,0%
Nordea I SIC - Global P BP-EUR	LU0476541221	0,75%	40,0%
Nordlux Pro-Aktiv-A	LU1046626096	1,00%	40,0%
Pictet Emerging Local Currency Debt Fund	LU0255798109	1,20%	40,0%
PIONEER FUNDS- EAST EU EQ - A	LU0119336021	1,50%	40,0%
Russia: Russia - DWS	LU0146864797	1,23%	40,0%
Schroder ISF European Smaller Companies A Acc Open.	LU0106237406	1,50%	40,0%
Sector: DNB Renewabl. Energy- DNB	LU0302296149	1,50%	40,0%
Sector: Global Health Care - Fidelity	LU0114720955	1,50%	40,0%
Sector: Global Technology - Fidelity	LU0099574567	1,50%	40,0%
Sector: World Commodities CHE Parvest	LU0823449425	1,50%	40,0%
Sector: World Gold - BlackRock (Hedged A2)	LU0326422689	1,75%	40,0%
SHRODER INT EURO CORP A1 D	LU0406854488	0,45%	40,0%
Templeton Asia Growth fund USD	LU0128522157	1,60%	40,0%
Templeton Asian Bond Fund A USD	LU0229949994	1,00%	40,0%
Templeton Emerging Markets bond fund A USD	LU0029876355	1,60%	40,0%
Templeton Euroland A (acc) EUR	LU0093666013	1,60%	40,0%
Templeton US Equity fund USD	LU0098860363	1,60%	40,0%
UBS (Lux) Equity SICAV-Emerging Markets High Dividend	LU1081987536	1,76%	40,0%
UBS (Lux)Equity - USA Multi St.DL Inhaber	LU0098995292	1,44%	40,0%
US: US Equity- Franklin Temp.	LU0139291818	1,60%	40,0%
US: US Growth - Morgan ST	LU0073232471	1,68%	40,0%
World: DWS Invest Top Dividend Fund	LU0507265923	1,50%	40,0%
World: World FD - Fidelity	LU0069449576	1,50%	40,0%

African Equity fund	LU0390857042	1,95%	40,00%
African Equity fund	LU0390856747	1,95%	40,00%
African Equity Fund	LU0390856663	1,95%	40,00%
Alpha 15	LU0607983896	2,00%	60,00%
Asian Focus Equity Fund	LU0533596630	1,50%	60,00%
Asian Focus Equity Fund	LU0173782102	1,50%	60,00%
Asian Focus Equity Fund	LU0174358928	1,50%	60,00%
Asian Focus Equity Fund	LU0174359496	1,50%	60,00%
Asian Focus Equity Fund	LU0064675985	1,50%	60,00%
Chinese Equity Fund	LU0975278499	1,80%	60,00%
Chinese Equity Fund	LU0975278572	1,80%	60,00%
Danish Bond Fund	LU0064319766	0,60%	60,00%
Danish Bond Fund	LU0173778845	0,60%	60,00%
Danish Kroner Reserve	LU0173919332	0,13%	60,00%
Danish Kroner Reserve	LU0064321317	0,13%	60,00%
Danish Kroner Reserve	LU0173785030	0,13%	60,00%
Danish Mortgage Bond Fund	LU0173919688	0,60%	60,00%
Danish Mortgage Bond Fund	LU0076315968	0,60%	60,00%
Danish Mortgage Bond Fund	LU0173779223	0,60%	60,00%
Emerging Consumer Fund	LU0390857638	1,50%	60,00%
Emerging Consumer Fund	LU0390857554	1,50%	60,00%
Emerging Consumer Fund	LU0533589775	1,50%	60,00%
Emerging Consumer Fund	LU0390857471	1,50%	60,00%
Emerging Consumer Fund	LU0533589858	1,50%	60,00%
Emerging Market Bond Fund	LU0772926084	1,00%	40,00%
Emerging Market Bond Fund	LU0772926670	1,00%	40,00%
Emerging Market Bond Fund	LU0772927215	1,00%	40,00%
Emerging Market Bond Opportunitites Fund	LU0772919543	1,20%	40,00%
Emerging Market Bond Opportunitites Fund	LU0772920129	1,20%	40,00%
Emerging Market Corporate Bond Fund	LU0637302547	1,20%	40,00%
Emerging Market Corporate Bond Fund	LU0634509870	1,20%	40,00%
Emerging Market Corporate Bond Fund	LU0637304675	1,20%	40,00%
Emerging Market Local Debt Fund	LU0772932488	1,00%	60,00%
Emerging Market Local Debt Fund	LU0772933023	1,00%	60,00%
Emerging Markets Focus Equity Fund	LU0772938840	1,50%	60,00%
Emerging Markets Focus Equity Fund	LU0772938410	1,50%	60,00%
Emerging Markets Focus Equity Fund	LU0772938923	1,50%	60,00%
Emerging Markets Small Cap Fund	LU0975279117	1,60%	40,00%
Emerging Markets Small Cap Fund	LU0975279208	1,60%	40,00%
Emerging Stars Equity Fund	LU0602539867	1,50%	60,00%
Emerging Stars Equity Fund	LU0602539602	1,50%	60,00%
European Corporate Bond Fund	LU0173921312	0,60%	60,00%
European Corporate Bond Fund	LU0173921403	0,60%	60,00%

European Corporate Bond Fund	LU0173783928	0,60%	60,00%
European Covered Bond Fund	LU0076315455	0,60%	60,00%
European Covered Bond Fund	LU0173920348	0,60%	60,00%
European Cross Credit Fund	LU0733673288	1,00%	60,00%
European Diversified Corporate Bond Fund	LU0533591169	0,50%	60,00%
European Financial Debt Fund	LU0772944145	1,00%	60,00%
European Focus Equity Fund	LU0982408295	1,50%	60,00%
European High Yield Bond Fund	LU0236489380	1,00%	40,00%
European High Yield Bond Fund	LU0236489893	1,00%	40,00%
European High Yield Bond Fund	LU0141799501	1,00%	40,00%
Global High Yield Bond Fund	LU0787834513	1,00%	40,00%
European High Yield Bond Fund (HB)	LU0637316331	1,00%	60,00%
European High Yield Bond Fund II	LU0602544602	1,00%	60,00%
European Small and Mid Cap Equity Fund	LU0087942271	1,30%	60,00%
European Small and Mid Cap Equity Fund	LU0417818589	1,30%	60,00%
European Small and Mid Cap Equity Fund	LU0417818407	1,30%	60,00%
European Value Fund	LU0064319337	1,50%	40,00%
European Value Fund	LU0173921072	1,50%	40,00%
European Value Fund	LU0173920934	1,50%	40,00%
European Value Fund	LU0968814441	1,50%	40,00%
Flexible Fixed Income Fund	LU0915365364	0,80%	60,00%
Flexible Fixed Income Plus Fund	LU0634509953	1,20%	60,00%
Global Bond Fund	LU0064321150	0,60%	60,00%
Global Bond Fund	LU0173921668	0,60%	60,00%
Global Bond Fund	LU0173921585	0,60%	60,00%
Global Climate and Environment	LU0348926527	1,50%	60,00%
Global Climate and Environment Fund	LU0348926287	1,50%	60,00%
Global Climate and Environment Fund	LU0348926360	1,50%	60,00%
Global Dividend Fund	LU0772951512	1,50%	60,00%
Global Dividend Fund	LU0772951785	1,50%	60,00%
Global Dividend Fund	LU0772951355	1,50%	60,00%
Global Dividend Fund	LU0772951868	1,50%	60,00%
Global High Yield Bond Fund	LU0476539324	1,00%	40,00%
Global Ideas Equity Fund	LU1002951728	1,50%	60,00%
Global Ideas Equity Fund	LU1002951645	1,50%	60,00%
Global Opportunity Fund	LU0975280552	1,50%	40,00%
Global Portfolio Fund	LU0476541221	0,75%	60,00%
Global Real Estate Fund	LU0705260007	1,50%	60,00%
Global Real Estate Fund	LU0705259843	1,50%	60,00%
Global Real Estate Fund	LU0705259686	1,50%	60,00%
Global Real Estate Fund	LU0705259769	1,50%	60,00%
Global Real Estate Fund	LU0705260189	1,50%	40,00%
Global Small Cap Fund	LU1029333462	1,50%	40,00%

Global Small Cap Fund	LU1029332142	1,50%	40,00%
Global Stable Equity Fund	LU0236490636	1,50%	60,00%
Global Stable Equity Fund	LU0112467450	1,50%	60,00%
Global Stable Equity Fund	LU0236490123	1,50%	60,00%
Global Stable Equity Fund - Euro Hedged	LU0278529986	1,50%	60,00%
Global Stable Equity Fund - Euro Hedged	LU0278530562	1,50%	60,00%
Heracles Long/Short MI Fund	LU0343921457	2,00%	40,00%
Heracles Long/Short MI Fund	LU0375726329	2,00%	40,00%
Indian Equity Fund	LU0637335638	1,80%	40,00%
Indian Equity Fund	LU0634510613	1,80%	40,00%
International High Yield Bond Fund - USD Hedged	LU0826393653	1,00%	40,00%
International High Yield Bond Fund - USD Hedged	LU0826393067	1,00%	40,00%
Latin American Equity Fund	LU0309470531	1,60%	40,00%
Latin American Equity Fund	LU0309470028	1,60%	40,00%
Latin American Equity Fund	LU1005863557	1,60%	40,00%
Latin American Equity Fund	LU0309468808	1,60%	40,00%
Latin American Equity Fund	LU0607982732	1,60%	40,00%
Low Duration US High Yield Bond Fund - HB (EUR)	LU0602537499	1,00%	40,00%
Low Duration US High Yield Bond Fund	LU0602537226	1,00%	40,00%
Low Duration US High Yield Bond Fund	LU0602537069	1,00%	40,00%
Multi Asset Fund	LU0445386369	1,70%	60,00%
Multi Manager Fund Aggressive	LU0946759445	1,50%	60,00%
Multi Manager Fund Aggressive	LU0946760021	1,50%	60,00%
Multi Manager Fund Balanced	LU0946760294	1,25%	60,00%
Multi Manager Fund Balanced	LU0946760708	1,25%	60,00%
Multi Manager Fund Conservative	LU0946760880	1,00%	60,00%
Multi Manager Fund Conservative	LU0946761342	1,00%	60,00%
Multi Manager Fund Equity FoF	LU1138504185	1,50%	60,00%
Nordic Equity Fund	LU0173922476	1,50%	60,00%
Nordic Equity Fund	LU0064675639	1,50%	60,00%
Nordic Equity Fund	LU0173922559	1,50%	60,00%
Nordic Equity Fund	LU0607985677	1,50%	60,00%
Nordic Equity Small Cap Fund	LU0278528665	1,50%	60,00%
Nordic Equity Small Cap Fund	LU0278527428	1,50%	60,00%
Nordic Equity Small Cap Fund	LU0278528152	1,50%	60,00%
Nordic Ideas Equity Fund	LU0915372659	1,50%	60,00%
Nordic Ideas Equity Fund	LU0915373897	1,50%	60,00%
Nordic Stars Equity Fund	LU1079987720	1,50%	60,00%
North American All Cap Fund	LU0772958442	1,50%	40,00%
North American All Cap Fund	LU0772958103	1,50%	40,00%
North American All Cap Fund	LU0772958012	1,50%	40,00%
North American All Cap Fund	LU0772958285	1,50%	40,00%
North American All Cap Fund	LU0772958525	1,50%	40,00%

North American All Cap Fund	LU0772959259	1,50%	40,00%
North American High Yield Bond Fund	LU0826399429	1,00%	40,00%
North American High Yield Bond Fund	LU0826398702	1,00%	40,00%
North American Small Cap Fund (EUR)	LU0826404526	1,50%	40,00%
North American Small Cap Fund	LU0826405176	1,50%	40,00%
North American Value Fund - HB (EUR)	LU0255617598	1,50%	40,00%
North American Value Fund	LU0533600259	1,50%	40,00%
North American Value Fund	LU0173783092	1,50%	40,00%
North American Value Fund	LU0173922989	1,50%	40,00%
North American Value Fund	LU0173922807	1,50%	40,00%
North American Value Fund	LU0076314649	1,50%	40,00%
Norwegian Bond Fund	LU0173781559	0,60%	60,00%
Norwegian Bond Fund	LU0087209911	0,60%	60,00%
Norwegian Equity Fund	LU0173923102	1,50%	60,00%
Norwegian Equity Fund	LU0173784223	1,50%	60,00%
Norwegian Equity Fund	LU0081952003	1,50%	60,00%
Norwegian Kroner Reserve	LU0173923284	0,13%	60,00%
Norwegian Kroner Reserve	LU0173786863	0,13%	60,00%
Norwegian Kroner Reserve	LU0078812822	0,13%	60,00%
Renminbi High Yield Bond Fund	LU1221952101	1,50%	40,00%
Stable Emerging Markets Equity Fund	LU0637346080	1,80%	60,00%
Stable Emerging Markets Equity Fund	LU0637345868	1,80%	60,00%
Stable Emerging Markets Equity Fund	LU0637345785	1,80%	60,00%
Stable Emerging Markets Equity Fund	LU0637345942	1,80%	60,00%
Stable Emerging Markets Equity Fund	LU0634510886	1,80%	60,00%
Stable Equity Long/Short Fund - Euro Hedged	LU0826409327	1,70%	60,00%
Stable Equity Long/Short Fund - Euro Hedged	LU0826410093	1,70%	60,00%
Unconstrained Bond Fund - USD Hedged	LU0975281527	1,10%	40,00%
Unconstrained Bond Fund - USD Hedged	LU0975281444	1,10%	40,00%
Stable Return Fund	LU0227384020	1,50%	60,00%
Stable Return Fund	LU0227384459	1,50%	60,00%
Stable Return Fund	LU0227384707	1,50%	60,00%
Stable Return Fund	LU1032955483	1,50%	60,00%
Swedish Bond Fund	LU0173781047	0,60%	60,00%
Swedish Bond Fund	LU0064320186	0,60%	60,00%
Swedish Kroner Reserve	LU0173923524	0,13%	60,00%
Swedish Kroner Reserve	LU0173785626	0,13%	60,00%
Swedish Kroner Reserve	LU0064321663	0,13%	60,00%
Tactical Allocation Balanced	LU0091716570	1,25%	60,00%
Tactical Allocation Conservative	LU0091716737	1,00%	60,00%
US Corporate Bond Fund	LU0458979076	0,70%	40,00%
US Corporate Bond Fund	LU0458979746	0,70%	40,00%
US Corporate Bond Fund	LU0458980595	0,70%	40,00%

US High Yield Bond Fund	LU0278531701	1,00%	40,00%
US High Yield Bond Fund	LU0278531610	1,00%	40,00%
US High Yield Bond Fund	LU0410959117	1,00%	40,00%
US Total Return Bond Fund	LU0826414087	1,10%	40,00%
US Total Return Bond Fund	LU0826414673	1,10%	40,00%
US Total Return Bond Fund	LU0826415480	1,10%	40,00%
Corporate Bond Fund I Growth	FI0008801303	0,40%	50,00%
Eastern Europe Fund Growth	FI0008803499	1,60%	50,00%
Emerging Market Bond Fund Growth	FI0008807532	1,00%	50,00%
Euro Bond Fund A Growth	FI0008801451	0,60%	50,00%
Europe Fund Growth	FI0008802194	1,50%	50,00%
Far East Fund Growth	FI0008803523	1,60%	50,00%
Global High Yield Fund Growth	FI0008806450	1,00%	50,00%
India Fund Growth	FI0008810627	1,85%	50,00%
Moderate Yield Fund A Growth	FI0008814595	0,15%	50,00%
Moderate Yield Fund B Growth	FI0008814611	0,125%	50,00%
Nordic Small Cap Fund Growth	FI0008800438	1,60%	50,00%
North America Fund Growth	FI0008805585	1,00%	50,00%
Savings 75 Growth	FI0008806823	1,80%	50,00%
Stable Return Fund A Growth	FI0008810254	1,75%	50,00%
Yield Fund A Growth	FI0008814512	0,60%	50,00%

Luminor

Translation from Lithuanian

Effective from 1 February 2019

6. General Business Terms

These General Terms on the Provision of Services of the Bank apply to the relations between the Parties in respect of the provision of Services under Agreements made between the Bank (current name – Luminor Bank AS Lithuanian Branch, previous name – AB DNB bankas) and the Customer:
1. concluded until September 30, 2017 (inclusive);
2. concluded on or after October 1, 2017, provided that such Agreements (or annexes thereof) indicate that General Rules on the Provision of Services of the Bank are applicable.

This version of General Business Terms enters into force on January 2, 2019.

DEFINITIONS AND INTERPRETATION

1. Unless expressly stated otherwise, the following terms shall have the following meaning:
   - 1.1 **"Affiliate"** – a person directly or indirectly controlled by a legal person or a person which has direct or indirect control over a legal person or any other person directly or indirectly controlled by the same person which has direct or indirect control over a legal person, where control means the rights arising from the laws or transactions that provide a legal or natural person, whether acting individually or jointly with other related persons, with the possibility to use, directly or indirectly, more than ½ votes in the meeting of the participants of the legal person; to control, directly or indirectly, the authorised capital of such legal person; to have a decisive effect on the legal person; to give binding instructions relating to the legal person's operations or finance management.
   - 1.2 **"Applicable Law"** – acts adopted by legislative, executive, judicial and/or another competent body, including Sanctions, and applicable to a Party and/or legal relationship of the Parties.
   - 1.3 **"Bank"** – Luminor Bank AS, registration 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, company code 304870069, VAT identifier: LT100011758514, address: Konstitucijos ave. 21A, 03601 Vilnius, Lithuania.
   - 1.4 **"Bank Secrecy"** – obligation of the Bank as provided for by the Applicable Law to keep confidential information which is related to the Customer and known by the Bank.
   - 1.5 **"Bank's website"** – the homepage of the Bank on the Internet at the address www.luminor.lt
   - 1.6 **"Beneficial Owner"** – any natural person who is defined as beneficial owner under the Applicable Law.
   - 1.7 **"Business Day"** – a calendar day, except public holidays and weekends (Saturdays and Sundays).
   - 1.8 **"Customer"** – legal entity or arrangement or natural person which uses, has used or intends to use a Service**.**
   - 1.9 **"Digital Channels"** – remote access system provided by the Bank which, subject to Service Agreement, enables the Customer to use a Service and communicate with the Bank remotely.
   - 1.10 **"Event of Default"** has the meaning specified in Clause 58.
   - 1.11 **"General Data Protection Regulation"** – Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
   - 1.12 **"General Terms"** – these Luminor General Business Terms[1].
   - 1.13 **"Means of Distance Communication"** - any means used for sending or transmission of information allowing information transfer without simultaneous physical presence of the Bank and the Customer (for example, mail, telephone, electronic mail, Digital Channels).
   - 1.14 **"Obligations"** – any obligation of the Customer towards the Bank under any Service Agreement and/or Service.
   - 1.15 **"Party"** – the Bank or the Customer.
   - 1.16 **"Person related to the Customer"** – in regards to Customer who is a legal entity or arrangement, an Affiliate of such Customer, the Beneficial Owner of the Customer, any direct or indirect shareholder and any of their respective directors, members of the management or supervisory board, officers, employees, agents or representatives.
   - 1.17 **"Personal Data"** – has the meaning given to it in General Data Protection Regulation.
   - 1.18 **"Price List"** – the price list of the Bank which, notwithstanding other agreements between Parties, contains fees and charges payable by the Customer to the Bank for the provision of Services.
   - 1.19 **"Processing" ("Processing of Personal Data")** – has the meaning given to it in General Data Protection Regulation.

[1] Any reference to a Luminor Bank AB General Rules on the Provision of Services of the Bank (D) and Luminor Bank AB General Service Rules (N), which is used in any document, means a reference to these General Terms.

1.20 **"Restricted Party"** – any natural person, legal entity or arrangement that is:
   (a) listed on any Sanctions List or targeted by Sanctions (whether designated by name or by reason of being included in a class of person) or
   (b) located in or incorporated under the laws of any country or territory that is the target of Sanctions; or
   (c) directly or indirectly owned or controlled by, or acting on behalf, at the direction or for the benefit of, a person referred to in (a) above and/or to the extent relevant under (b) above; or
   (d) in each case, only to the extent the Party to the Service Agreement would be prohibited or restricted by Sanctions from transacting or dealing with (including but not limited to entering into Service Agreement) or otherwise exercising any rights in respect of, or fulfilling any duties or obligations owed to such a person.

1.21 **"Sanctions"** – set of measures imposed by the competent Sanctions Authorities against the states, natural and legal persons as well as other subjects which violate the human rights, commit ethnical, territorial and religion conflicts, support terrorism or violate other international norms and principles. The Bank as a financial institution adheres Sanctions restrictions set by the Sanctions Authorities which would include asset freezes, refusing to conduct transactions, refraining from contracts with sanctioned entities/ individuals, providing loans or other financing, and etc.

1.22 **"Sanctions Authorities"** – the United Nations, the European Union, the United States of America, the United Kingdom, the countries where the Bank and Affiliates of the Bank are operating in as well as other countries and/or international organizations determined by the Bank, and any authority acting on behalf of any of them in connection with the Sanctions. The Bank maintains on Bank's website actual information on competent Sanctions Authorities, which imposed restrictions the Bank is observing, and Bank has a right to unilaterally supplement and amend it without prior notifications.

1.23 **"Sanctions List"** – a Sanctions designation or target listed and/or adopted by a Sanctions Authority and/or a list thereof maintained by Sanctions Authority.

1.24 **"Security Arrangement"** – any arrangement concluded with the Bank or unilateral commitment provided to the Bank by the Customer or the Security Arrangement Provider for the purpose of securing performance of the Obligations.

1.25 **"Security Arrangement Provider"** the person (other than the Customer) who concluded with or provided to the Bank Security Arrangement.

1.26 **"Service"** – a service offered or provided by the Bank.

1.27 **"Service Agreement"** – agreement of the Parties on provision of a Service.

1.28 **"Service Terms"** – the terms and conditions for the provision of a particular Service which govern the business relationship between the Parties with respect to that Service.

1.29 **"Termination Event"** has the meaning as specified in Clause 59.

2. Unless otherwise established in the General Terms, the words denoting the singular include the plural, the words of one gender have the same meaning as the respective words of any other gender, the words denoting a person include both legal and other than legal entity, and a reference to the whole means a reference to any part of it; and vice versa (as may be in each particular case).
3. The headings of sections, clauses and other provisions of the General Terms are inserted for convenience of reference only and do not affect the interpretation of the General Terms.
4. A provision of law is a reference to that provision as amended or re-enacted.

GENERAL PROVISIONS

5. When applying for a Service and/or entering into the Service Agreement, the Customer accepts the General Terms, the Service Terms and the Price List.
6. The General Terms, the Service Terms and the Price List comprise an integral part of the Service Agreement.
7. In applying the provisions of the Service Agreement and in case conflicts arise between the provisions of the Service Agreement, the following hierarchy of the legal force shall be observed (i.e. document specified in Clause 7.1 shall prevail over the documents specified in Clauses 7.2, 7.3 and 7.4; document specified in Clause 7.2 shall prevail over the documents specified in Clauses 7.3 and 7.4; etc.):
   7.1 the Service Agreement;
   7.2 the Price List;
   7.3 Service Terms;
   7.4 General Terms.
8. The Bank may present the General Terms, Service Terms and Price List to the Customer by publishing them on the Bank's website and providing reference to the Customer, by sending or handing over copies thereof or by other means selected by the Bank.

9. Should any of the provisions of the Service Agreement, Price List, Service Terms and/or General Terms be or become void, the validity of the rest of the provisions of the respective document will not be affected.
10. Should contradictions or ambiguities arise between the Lithuanian and another language wording of the same document, the Lithuanian wording will prevail.

SERVICE AGREEMENT

11. The Bank shall provide Services to the Customer subject to the Service Agreement.
12. Unless otherwise established by the Applicable Law, the Bank may at its own discretion choose persons with whom to enter into the Service Agreement.
13. In cases established by the Bank, the Service Agreement may be concluded in writing, digitally, verbally or, where the Customer starts using a Service without concluding the Service Agreement in writing, digitally or verbally, the conclusion of the Service Agreement may be implied by the acts of the Parties and the Service Agreement may be considered to be concluded from the moment the Customer starts using the Service.
14. The Bank may request the Customer to evidence execution of the Service Agreement by signing a written or digital copy of the Service Agreement or by other means indicated by the Bank. Failure to evidence execution of the Service Agreement shall not render the Service Agreement void.

CUSTOMER DUE DILIGENCE

15. The Bank shall perform the Customer due diligence as required by Applicable Law and/or internal procedures established by the Bank. The Bank is entitled to request information (including but not limited to documents) from the Customer in order to perform the Customer due diligence under the Applicable Law and/or internal procedures established by the Bank and the Customer undertakes to provide the requested information in the form and within the time period indicated by the Bank.
16. If the Customer fails to fulfil obligations provided for in the previous clause and/or result of the Customer due diligence performed is not satisfactory to the Bank and/or does not comply with Applicable Law, the Bank may refuse to establish business relationship, may terminate, suspend or restrict ongoing business relationship and/or provision of any Service and/or part thereof including but not limited to refusal, restriction or suspension of carrying out of any transaction initiated by or intended for the Customer.
17. During the Customer due diligence, the Bank may apply any restrictions to any Service unless stipulated otherwise by the Applicable Law.
18. Upon request of the Bank, the Customer shall provide the Bank with accurate and complete information for tax purposes, including but not limited to country of domicile for tax purposes, address in that country, tax identification number and other relevant information as required by Applicable Law.
19. The Customer shall promptly update the information provided to the Bank in the course of performance of Customer due diligence. The Bank is entitled to require the Customer to provide evidence acceptable to the Bank that the information provided by the Customer is true and correct.
20. If the Customer fails to provide information pursuant to this Section, the Bank is entitled to claim from the Customer all direct and/or indirect losses incurred by the Bank due to such improper performance of the Customer's obligations.

AUTHORIZED PERSONS

21. The Customer may authorize other person (or several persons) to act on behalf of the Customer in business relationship with the Bank. This notwithstanding, the Bank may request the Customer to carry out a specific transaction or a set thereof and/or perform other actions personally (if the Customer is a natural person) or by the Customer's duly registered legal representatives (managers) (if the Customer is a legal entity or arrangement). In such event the Bank may suspend the transaction initiated by the authorized person.
22. The authorized person of the Customer must provide the Bank with evidence of authorization in the form and content acceptable to the Bank. The Bank may verify the authorization and:
    22.1 during the verification period not to carry out transactions and/or to refuse and/or suspend provision of a Service initiated by the authorized person; and
    22.2 refuse to carry out the transaction or provide a Service initiated by the authorized person, if the evidence of the authorization is not satisfactory to the Bank.
23. The Bank does not have an obligation to check with the Customer, notaries, other third parties or public registers content and validity of the authorization, unless expressly provided otherwise by Applicable Law. Until receipt of the notification from the Customer stating otherwise, the Bank may rely on the authorization on file in the Bank.

24. The Bank may request from the Customer to approve the transaction initiated by the authorized person, if such approval, to the opinion of the Bank, is necessary and to suspend transactions initiated by the authorized person until receipt of the approval. The Bank shall not be liable if the Bank exercises its rights under this paragraph.

COMMUNICATION

25. The Bank may provide public notifications to the Customer at the premises of the Bank, on the Bank's website, via social media channels or other means chosen by the Bank.
26. The Bank may provide personal notifications to the Customer through Means of Distance Communication. Upon request of the Bank the Customer must collect notices from the Bank in person.
27. The Bank shall communicate with the Customer using contact details provided by the Customer to the Bank. The Customer is responsible for provision of correct contact details to the Bank and prompt update thereof. Until the Customer notifies the Bank in writing or in other form acceptable to the Bank about changes of its contact details, the Bank is entitled to use Customer's contact details on file in the Bank.
28. The Bank's notices provided to the Customer are deemed to have been received by the Customer:
    28.1 on the 5th (fifth) Business Day from the day the notice was submitted to a postal service provider to be sent by mail;
    28.2 on the following Business Day if a notice is sent by e-mail or other Means of Distance Communication;
    28.3 on the next day after publication where notices and information are announced publicly;
    28.4 on the day the Customer signs receipt of delivery if notice is sent by courier or the Customer is notified verbally over the phone;
    28.5 on the earliest of the possible days if several channels are used for submitting a notice.
29. If there are more than one Customer under the Service Agreement (co-borrowers, account holders, etc.) the Bank may provide notification only to one of the Customers under the Service Agreement. The Customer whom the notification was provided to must forward the notification received to other Customers under the Service Agreement. In such event all Customers are deemed to have received the notification on the day the Customer whom the notification was provided to by the Bank is deemed to have received it under General Terms.
30. The Customer must:
    30.1 provide notifications under the Service Agreement to the Bank via Digital Channels or by Means of Distance Communication using contact details of the Bank provided for on the Bank's website;
    30.2 inform the Bank without delay, if the Customer does not receive the Bank's notices or reports he should receive from the Bank;
    30.3 check the information received from the Bank and, in case of revealing any mistakes and discrepancies, notify the Bank thereof;
    30.4 immediately inform the Bank of any change in:
        (a) Customer's name, surname, company name, postal or email address, telephone numbers, or other contact details;
        (b) Customer's account details, if account details are relevant for provision of Service;
        (c) other information provided to the Bank if it is relevant for provision of Service, including but not limited to withdrawal, limitation, amendment or expiration of the authorization issued by the Customer;
    30.5 immediately submit to the Bank Customer's and its representative's new identification document (passport and/or ID card), information and documents evidencing any material circumstances relating to the performance of the Service Agreement, irrespective of whether or not this information has been transmitted to the public registers including, but not limited to, any change of the specimen signature of the Customer or his representative, initiation and institution of bankruptcy, restructuring proceedings against the Customer, Customer's liquidation, reorganization, rearrangement, etc.;
    30.6 immediately inform the Bank or the person indicated by the Bank of a loss of the means to confirm identity of the Customer (e.g. passwords, codes, etc.).
31. The Customer may give instructions / orders to the Bank in the manner as prescribed by the Bank.
32. The Bank will consider any instructions given to the Bank by the Customer or on the Customer's behalf as irrevocable unless provided otherwise under Applicable Law. In the event that the Customer wishes to cancel, rescind, withdraw or amend any instruction, the Customer may contact the Bank, and instructions may only be cancelled, rescinded, withdrawn or amended upon the Bank's consent unless provided otherwise under Applicable Law. The Bank, however, can only cancel, rescind, withdraw or amend the Customer's instructions if it has not yet acted upon those instructions and/or as provided under Applicable Law.
33. If requested by the Bank, the Customer must provide the Bank with the original or notarized copies of documents. In case the documents submitted to the Bank are originated abroad, the Bank may request that they are legalized

and/or apostilled and/or translated into Lithuanian language and/or translation thereof notarized. Until the request of the Bank is fulfilled, the Bank may consider the documents submitted void.

34. All notices and information exchanged by the Parties shall be in the Lithuanian language or in any other language accepted by the Bank.
35. In case of failure to perform obligations of the Customer set forth under this Section, the Customer shall not claim that the Bank's actions based on the information and/or documents and/or other data on file in the Bank are outdated and/or do not comply with the Service Agreement and/or that the Customer has not received any notices sent by the Bank. The Bank shall not be liable if the Customer fails to notify the Bank as specified under this Section unless provided otherwise by Applicable Law.
36. To the extent permitted by Applicable Law, the Bank may record, monitor and retain any and all communications between the Bank and the Customer for the purposes of evidencing the Customer's dealings with the Bank and ensuring compliance with the Bank's legal and regulatory obligations and internal policies. Such records shall be and will remain the sole property of the Bank and may be admitted as evidence in any legal proceedings.

COSTS AND CHARGES

37. The Customer shall pay to the Bank fees and charges for the Services provided as set in the Price List and Service Agreement as at the moment of provision of the respective Service by the Bank.
38. The Customer shall pay to the Bank a reasonable and fair fee determined by the Bank for a Service which is not indicated in the Service Agreement, but was provided to the Customer under its instruction or in order to provide other Services to the Customer under the Service Agreement.
39. Additionally to the fees and charges for the Services provided by the Price List and Service Agreement the Customer shall reimburse to the Bank additional expenses in following cases:
    39.1 in case the Bank has suffered any other additional expenses arising directly of fulfillment of the Customer orders;
    39.2 if the Bank pays other fees on behalf of the Customer (for example, notary fees, security registration fees and other);
    39.3 if the Bank within the course of provision of Services gathers information about the Customer from third parties and it is needed for the provision of Service.

    In all above cases the Bank shall present to the Customer documents representing the expenses.
40. If floating rate charged by the Bank to the Customer becomes negative, the Customer may not claim from the Bank to pay to the Customer negative rate unless the Parties expressly agree otherwise.

TAXES

41. For the purpose of this section, the taxes mean any contributions to international, state or municipal revenue imposed by the government or other authorities in relation to the Services.
42. The Bank provides no tax advice to the Customer. The Customer shall make investigation on his own of the taxes applicable in respect of the Service.
43. If pursuant to the Applicable Law the Bank must deduct any taxes from the amount to be paid to the Customer, the Bank shall make the deductions and pay the Customer such amount which remains after the deduction of the taxes.
44. In determining whether the Bank has an obligation to report to the authorities the amounts paid to the Customer and/or deduct the taxes from the amounts being paid to the Customer, the Bank relies on information about the Customer possessed by the Bank.
45. If Applicable Law gives rise to any additional duties for the Bank, including, without limitation, the obligation to submit reports to tax or other authorities of the relevant country about the Customer, the Services rendered and/or payments paid to or received from the Customer, and if the Bank incurs any costs related to the performance of such duties, the Customer shall, upon the Bank's request, compensate the expenses incurred by the Bank.
46. The sums due from the Customer to the Bank under the Service Agreement must be paid without any deductions for the taxes. If in accordance with the Applicable Law the Customer is required to deduct any amounts, the Customer must increase the amount of money due to the Bank insomuch that the net amount received by the Bank would be equal to the full amount which the Bank would have received if such deduction had not been made.

DEBIT OF CUSTOMER ACCOUNT AND SET-OFF

47. At the moment the Customer's monetary obligation to the Bank becomes due, the Bank may debit funds owed by the Customer to the Bank from any account of the Customer held with the Bank until the debt is fully settled. The Bank

may request that the Customer pays the money owed to the Bank by cash payment or credit transfer to the account specified by the Bank.

48. If the Service Agreement provides for a specific account to be used by the Bank for the purpose of debiting funds owed by the Customer to the Bank, the Customer must ensure that on a due date there is a sufficient balance in the specific account. If there is no sufficient balance in the account or there are other reasons restricting the Bank from debiting the specific account on the due day, the Bank may exercise its rights as established under previous paragraph.
49. The funds are debited in the currency indicated in the Service Agreement or any other currency at the exchange rate set by the Bank.
50. The Bank may set off any matured obligation due from the Customer against any matured obligation owed by the Bank to the Customer, regardless of the place of payment, branch or division of the Bank or the Customer involved in particular transaction and currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a rate of exchange set by the Bank in its usual course of business for the purpose of the set-off.
51. The Customer may set off any matured obligation due from the Bank against any matured obligation owed by the Customer to Bank only having prior written consent of the Bank.

PLEDGE AND FINANCIAL COLLATERAL

52. Money credited to the Customer's account held with the Bank in any currency, or similar Customer's claims to the Bank for the repayment of money, financial instruments of the Customer safeguarded by the Bank, other assets of the Customer held with the Bank are considered to have been pledged to the Bank to secure performance of the Customer's financial obligations under any Service Agreement.
53. If the Customer is a legal entity or legal arrangement (e.g. fund), the Service Agreement is considered as the financial collateral arrangement in accordance with the Law on Financial Collateral Arrangements of the Republic of Lithuania and:
    53.1 the money credited to the Customer's account with the Bank in any currency, or similar Customer's claims to the Bank for the repayment of money are considered to be security financial collateral; and
    53.2 the financial instruments of the Customer specified in the Law on Financial Collateral Arrangements of the Republic of Lithuania and safeguarded by the Bank are considered to be security financial collateral;
    53.3. even if there is no explicit indication about their status as financial collateral at the moment of transfer of the collateral to the Bank (such status is granted by the General Terms), and are pledged to the Bank to secure performance of the Customer's obligations under the Service Agreement.
54. The Customer is entitled to substitute financial collateral, to supplement or withdraw it provided that no restrictions are applied to the disposal of financial collateral under separate agreements or the provisions of the Service Agreement. The Bank is entitled to restrict the Customer's rights established in this Clause if the Customer fails to perform the obligations specified in the Service Agreement or if any event or circumstances occurs which entitles the Bank to terminate Service Agreement.
55. If the Customer fails to perform Obligations or any Event of Default or Termination Event or other similar condition or event (however described) specified herein or in any of the Service Agreement has occurred, the Bank is entitled to realize the funds that constitute financial collateral or are pledged to the Bank by debiting the respective amount and crediting it or by using it otherwise to cover the Customer's obligations to the Bank, and to realize the securities that constitute financial collateral or are pledged to the Bank by selling them, taking them over or setting off their value against the Customer's obligations. Information on the realized financial collateral is provided to the Customer in the statements of the respective accounts and via Internet banking system.

LOCAL AND INTERNATIONAL SANCTIONS

56. Customer must ensure that no act or omission by the Customer and/or the Persons Related to the Customer nor use (directly or indirectly) of any Services or proceeds under the Service Agreement is in a manner that is in breach of Sanctions and/or causes (or may cause) a breach of Sanctions by the Customer and/or the Persons Related to the Customer and/or the Bank.
57. The Bank shall have the right to refuse to provide any Service or execution of the Customer's orders or to impose restrictions on execution of the Customer's orders where required to do so to cause compliance with the requirements or restrictions of correspondent banks, state authorities or other banks, as well as to refrain from provision of Services and/or from execution of any order given by the Customer if the Service or transaction in

question is directly or indirectly related to a Restricted Party and/or goods and/or services that are subject to Sanctions or related to a person or entity that is directly or indirectly affiliated with a Restricted Party.

EVENTS OF DEFAULT AND TERMINATION EVENTS

58. The occurrence at any time of any of the following events constitutes the Event of Default:
    58.1 failure by the Customer to comply with or perform any Obligation, including but not limited to failure by the Customer to make, when due, any payment or delivery under any Service Agreement;
    58.2 the Customer disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Service Agreement or any transaction done under the Service Agreement (or such action is taken by any person or entity appointed or empowered to operate the Customer or act on the Customer's behalf);
    58.3 failure by the Customer and/or the Security Arrangement Provider to secure performance of the Obligations;
    58.4 the expiration or termination of any Security Arrangement, or failing or ceasing of such Security Arrangement to be in full force and effect prior to satisfaction of all Obligations to which such Security Arrangement relates without the written consent of the Bank;
    58.5 the Customer and/or the Security Arrangement Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of Security Arrangement (or such action is taken by any person or entity appointed or empowered to operate the Customer and/or Security Arrangement Provider and/or act on their behalf);
    58.6 a representation made or repeated or deemed to have been made or repeated by the Customer or Security Arrangement Provider under the Service Agreement or Security Arrangement proves to have been incorrect or misleading in any material respect when made or deemed to have been made;
    58.7 failure to perform obligations, event of default or other similar condition or event (however described) in respect of the Customer or Security Arrangement Provider under one or more Service Agreements or Security Arrangements or one or more agreements concluded/security provided by the Customer or the Security Arrangement Provider with/to any Affiliate of the Bank including, but not limited, in making one or more payments under such Service Agreements, Security Arrangements or agreements concluded/security provided by the Customer or the Security Arrangement Provider with/to any Affiliate of the Bank on the due date for payment (cross default);
    58.8 the Customer or the Security Arrangement Provider:
        (a) is dissolved (other than pursuant to a merger);
        (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
        (c) makes a general assignment or settlement with or for the benefit of its creditors;
        (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation and such proceeding or petition is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;
        (e) seeks or becomes subject to the appointment of an administrator, liquidator or other similar official (entity) for it or for all or substantially all its assets;
        (f) has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued against its assets;
        (g) the Customer, the Security Arrangement Provider or the Person Related to the Customer becomes the Restricted Party.
59. The occurrence at any time of any of the following events constitutes the Termination Event:
    59.1 the Service Agreement and/or Security Arrangement and/or any part thereof becomes unlawful under Applicable Law on any day, or it would become unlawful if the relevant payment, delivery or compliance is required;
    59.2 change of direct or indirect shareholder or Beneficial Owner of the Customer is not acceptable to the Bank.

TERMINATION AND REMEDIES

60. If at any time the Event of Default has occurred, the Customer must pay to the Bank charges (e.g. penalty, default interest and/or other charges) as provided for by Service Agreement, Price List and/or Service Terms as well as all direct and/or indirect losses incurred by the Bank. Payment of such charges does not release the Customer from any of its other obligations.

61. If at any time the Event of Default or Termination Event has occurred, the Bank may terminate the Service Agreement by sending the notice to the Customer with immediate effect, unless otherwise provided by Applicable law.
62. Unless Applicable Law provides otherwise, either Party may at any time without providing any reasoning unilaterally terminate the Service Agreement whereby the Service is open-ended (termless) by giving at least 10 (ten) calendar days' notice to the other Party.
63. If at any time the Event of Default or Termination Event has occurred and notwithstanding any other remedies under the Service Agreement or Applicable Law, the Bank may at its own discretion, unless Applicable Law provides otherwise:
    63.1 cancel or suspend provision of any Service and/or performance of any obligation of the Bank under the Service Agreement;
    63.2 freeze Customer's assets held with the bank, including, but not limited, to restricting operations in any accounts of the Customer (including payment, securities accounts), until the Bank obtains remedies due to the Bank;
    63.3 declare and request that all amounts accrued or outstanding and due from the Customer under the Service Agreement be immediately due and payable, whereupon they shall become immediately due and payable by the Customer;
64. If Applicable Law sets specific requirements in respect of termination and remedies specified in 60 and 61 with respect to certain categories of Customers the Bank shall pursue the termination and the remedies following requirements of Applicable Law.

DISTRIBUTION OF PROCEEDS

65. If proceeds collected by the Bank from the Customer are not sufficient to discharge all outstanding amounts due from the Customer under one or more Service Agreements, the Bank may distribute and use such proceeds to cover any outstanding amounts under one or more Service Agreements in the order set by the Bank, unless the Customer has given specific instructions.

PERSONAL DATA PROCESSING

66. The Bank performs Processing of Personal Data in accordance with Luminor Privacy Policy available on Bank's website.

DISCLOSURE OF BANK SECRECY

67. In addition to disclosure of data as set out in the Service Agreement, the Applicable Law and disclosure and transfer of Customer's Personal Data in accordance with Luminor Privacy Policy available on Bank's website, by applying for the Services and/or by concluding the Service Agreement the Customer also irrevocably consents and entitles the Bank to disclose and transfer any information subject to Bank Secrecy, where the disclosure and transfer of information is made:
    67.1 to an Affiliate of the Bank;
    67.2 to a person which has acquired direct or indirect holding in the Bank and to any person directly or indirectly controlled by the person which has acquired direct or indirect holding in the Bank if providing of the data is necessary for the compliance with the requirements set by the regulatory enactments governing activities of the respective person;
    67.3 to a person in the course of the negotiations of becoming an Affiliate of the Bank for purposes of successful completion of such negotiations;
    67.4 to a person to whom or in whose favour the Bank is assigning, pledging or transferring or intends to assign, pledge or transfer (any parts of) its business, or rights, claims or obligations arising from a contract concluded with a Customer, or to an agent of such person, or to a party of a transaction aiming similar results or effect as the above transactions, or to any third party to the extent necessary for the purposes of effecting or enforcing such transactions;
    67.5 to the Bank's representatives and other parties directly or indirectly involved in the provision of a Service to the Customer or in the preparation of the provision of such service to the Customer, and their subcontractors (for example, correspondent banks, financial institutions, insurance companies, financial intermediaries, brokers, participants of, or parties to, payment, clearing or settlement systems, exchanges and other) if, due to the specifics of such services, it is necessary to disclose such data;
    67.6 to third parties who provide services to the Bank, and subcontractors of such third parties, if, due to the purpose or specifics of such services, it is necessary to disclose such data to these parties, including, but not limited to,

all parties to whom Bank Secrecy is being disclosed in connection with any transactions related to transfer of any parts of its business, rights or obligations as well as in connection with any service provided to ensure the Bank's compliance with its statutory or contractual obligations, industry best practices or guidelines, recommendations of prudential supervisors or other competent authorities, or any rules and policies approved by the Bank or its Affiliates in connection with the Bank's operations or Services (including, but not limited to, any assessments of "know your customer" checks and anti-money laundering compliance, IT-audits and, including but not limited to auditors, external due diligence performers, external compliance officers, legal, financial or other professional services consultants, IT service providers) or such third parties, who provide services to the Bank and have contractual rights to audit Bank's activities and/or completeness and quality of Bank's data and robustness of internal technical and/or organizational measures employed by the Bank for the purpose of performance of such activities in anti-money laundering/ counter terrorist financing area;

67.7 to a third party which receives the data as part of the Service requested by the Customer;

67.8 to third parties to the extent necessary to implement, perform, exercise or enforce a Bank's right under the Service Agreement and Security Arrangement, including, without limitation, to insurers and valuators of the collateral provided by the Customer or Security Arrangement Provider securing Obligations, to Security Arrangement Providers, and contracting parties to a Service Agreement concluded with the Customer;

67.9 to a third party to the extent necessary for the Bank in order to protect or enforce its infringed rights and legitimate interests, in particular upon breach of any Obligations by the Customer, unless provided otherwise in the Applicable Law;

67.10 to any party providing collection or debt enforcement services to the Bank;

67.11 to a party who provides or intends to provide financing to the Bank or its Affiliate, or is involved in the provision of any type of financing or raising of funds to the Bank or its Affiliate (including by way of loan, public offering, issuing of any type of financial instruments, securities, notes, bonds), and including to persons arranging, structuring, organizing, guaranteeing such financing or providing supporting services in connection with any of the aforementioned (e.g. appraisers, auditors, and security, payment and other agents, pledgees)) and their advisors;

67.12 a rating agency with regard to a rating related to the Bank or any instruments of the Bank or of any of the above in relation to an Affiliate of the Bank;

67.13 a registrar of a database or register (including but not limited to commercial and company registers, credit register and registers of securities);

67.14 a public authority, a public law body or an entity fulfilling public law functions for purposes of fulfilling of its functions (including bailiffs and notaries).

68. The Bank shall ensure that all parties to whom any data subject to Bank Secrecy is disclosed pursuant to Clause 67 are bound by a contractual or statutory duty of non-disclosure of the data unless otherwise provided in the Applicable Law or such duty cannot be reconciled with the purpose of disclosure of the data subject to Bank Secrecy.

ASSIGNMENT OF RIGHTS AND DUTIES

69. The Bank may assign, in whole or in part, the rights and duties of the Bank arising out of or in connection with the Service Agreement to any person without acquiring consent of the Customer.
70. The Customer may assign the rights and duties of the Customer arising out of or in connection with the Service Agreement to any person only having prior written consent of the Bank.

UNJUST ENRICHMENT AND MISTAKES

71. The Customer must return to the Bank any unjustly and/or incorrectly received funds, securities and/or other assets. The Bank has the right, without separate consent of the Customer, to debit the Customer's accounts with any unjustly and/or incorrectly received funds and/or securities.
72. If in the course of providing the Service incorrect entries have been made in the Customer's accounts the Bank has the right, without separate consent of the Customer, to correct those entries.
73. The Customer must inform the Bank without delay upon finding out about any unjustly and/or incorrectly received funds, securities and/or other assets or upon finding out about incorrectly effected operations and/or incorrect entries made in the Customer's accounts.

FORCE MAJEURE

74. The Party shall not be held liable for a default (including Event of Default) under the Service Agreement if it is a consequence of circumstances which are beyond reasonable control of the affected Party and which the affected Party could not prevent and/or reasonably foresee at the moment of concluding the Service Agreement (the "Force Majeure Circumstance"). Lack of necessary financial resources and/or default of any counterparty of a Party is not deemed a Force Majeure Circumstance.
75. If Force Majeure Circumstance is temporal, the defaulting Party may suspend the performance of the Service Agreement for the duration of the Force Majeure Circumstance taking into account the impact of that circumstance on the performance of the Service Agreement, by notifying the other Party as provided below.
76. The defaulting Party must notify the other Party of the occurrence of Force Majeure Circumstance and its impact on the performance of the Service Agreement, providing proof thereof. If the other Party does not receive this notification within a reasonable period of time from the moment the defaulting Party found out or was able to find out about Force Majeure Circumstance, the latter is not released from liability towards the other Party.
77. The existence of Force Majeure Circumstance does not deprive the Bank of its right to terminate the Service Agreement and/or suspend its performance, and/or request immediate payment of all amounts of financing provided to the Customer and payment of the interest, as well as payment of any other amounts and fees due to the Bank.

LIMITATION OF LIABILITY

78. The Bank's liability under the Service Agreement is limited to direct losses incurred by the Customer.
79. The Customer may not claim from the Bank indirect losses, including, but not limited to lost revenue and/or profit, lost opportunity as well as moral and/or reputational damages, except for in cases where the Bank violated the Service Agreement intentionally or due to gross negligence.

SERVICE DISRUPTION, SUSPENSION AND MODIFICATION

80. The Bank shall not be liable for any disruption in any Service due to, but not limited to failure of the hardware, software or other infrastructure used by the Bank, disruption of internet connection or other technical breakdowns, which does not qualify as Force Majeure Circumstance, provided the Bank makes reasonable efforts to restore the Service and/or offers the Customer back-up solutions, even if service level of the back-up solution is lower compared to the disrupted Service.
81. If restoration of the Service and/or offering of back-up solution within a reasonable period of time is not feasible, the Bank shall return to the Customer fees paid by the Customer to the Bank for the particular transaction which was not carried out due to the disruption of the Service.
82. The Bank may suspend and/or terminate and/or modify the Service and/or part thereof with a notice given to the Customer if the suspension and/or termination and/or modification thereof is deemed necessary by the Bank due to changes is Applicable Law and/or interpretation thereof and/or required repairs, maintenance, upgrades and (or) replacement of the software and/or hardware and/or other infrastructure used by the Bank, updating of the Bank's internal procedures and the like. The Bank shall not be liable to the Customer in such event.

AMENDMENTS

83. Unless Applicable Law provides otherwise but notwithstanding provisions of the Service Agreement, the Bank may amend the General Terms, the Service Terms and the Price List at any time. The Bank shall inform the Customer about such amendments at least 14 (fourteen) days before the day when the respective amendments come into effect.
84. The Bank may amend the Service Agreement if such amendment to the Service Agreement is necessary due to replacement or upgrade of the software or hardware used by the Bank, organizational restructuring, changes in the applicable legal acts or adoption of the new ones, or other important reasons. The Bank informs the Customer of these amendments in advance by giving at least 14 (fourteen) days prior notice to the Customer.
85. Any amendments performed in accordance with the procedure set herein are binding on the Customer and are applicable to all Service Agreements of the Customer.

INVESTIGATION OF CUSTOMER COMPLAINTS

86. If the Customer is dissatisfied with the Service received, the Customer may file complaint to the Bank.
87. The Bank will perform the investigation of the complaint received and will provide the response to the Customer within 15 (fifteen) Business Days after receipt thereof. In case due to the reasons beyond control of the bank the response cannot be provided within 15 (fifteen) Business Days, the Bank shall provide to the Customer non-final response and identify the reasons for being unable to provide the final response and the term until which the Customer shall receive the final response from the Bank. In any case, the term for provision of the final response shall not be longer than 35 (thirty five) Business Days after receipt of the complaint.
88. If the Customer is a consumer, he shall also have the right to turn to the Bank of Lithuania (Žirmūnų str. 151, LT01121 Vilnius, webpage www.lb.lt) in written or electronic form in accordance with the procedures established by the law. Bank of Lithuania deals with disputes between consumers and financial market participants out of court.

GOVERNING LAW AND DISPUTE RESOLUTION

89. The Service Agreement shall be governed by the laws of the Republic of Lithuania.
90. Any disputes arising under or in connection with the Service Agreement are settled in the courts of the Republic of Lithuania. Notwithstanding the above, the Bank may start legal proceedings against the Customer under or in connection with the Service Agreement before the courts of the place (including in foreign countries) where the Customer is domiciled or has his registered office, assets or any part thereof, an affiliate or representative office.

Luminor

Translation from Lithuanian

Effective from 1 February 2019

7. Pricelist

Equity trading on Baltic exchanges		
	By Phone	Via Internet bank
Equity trading on the Baltic exchanges*	0,19 % (min. EUR 20)	0,19 % (min. EUR 1,5)

*The fees of Luminor Bank AS Lithuanian branch are net of any stock exchange fees

Trading in debt securities in the secondary market	
	Fee
When Luminor Bank AS Lithuanian branch acts as a counterparty	0,20 % of the transaction value multiplied by the maturity of debt securities in years, max. 2% of the transaction value, min. EUR 30
When Luminor Bank AS Lithuanian branch deals with other financial counterparties	0,20 % of the transaction value multiplied by the maturity of debt securities in years, max. 2% of the transaction value, min. EUR 50
Trading in index linked bonds	
Subscription in primary market	Free
Subscription in secondary market	3%
Sale in secondary market	Free
Trading in exchange-traded funds (ETF)	
0.50% of the amount, min. EUR 35 or min. USD 40**	

**The minimum USD 40 commission fee is charged for an order denominated in USD.

Trading in other investment funds	
Subscription of equity and mixed investment funds and regular investment fee	1% of the amount (min. 15 EUR / 20 USD)***
Subscription of bond investment funds and regular investment fee	0.40% of the amount (min. 15 EUR / 20 USD)***
Subscription of money market investment funds and regular investment fee	0.20% of the amount (min. 15 EUR / 20 USD)***
Transaction fee for transfer (sale) of equity and mixed investment fund units	1% of the amount (min. 15 EUR / 20 USD)***
Transaction fee for transfer (sale) of bond investment fund units	0.40% of the amount (min. 15 EUR / 20 USD)***
Transaction fee for transfer (sale) of money market investment fund units	0.25% of the amount (min. 15 EUR / 20 USD)***
Switch fee between Nordea investment funds	EUR 3.20 per transaction

*** A commission fee of USD 20 is applied in case the payment transfer is submitted in US dollars. Minimum fee for debiting Nordea funds from the financial instruments account is EUR 1.

Quarterly custody fee	
Securities with ISIN code starting with LT:	0.02% of the amount (min. EUR 1)
Securities with ISIN codes starting with LV, EE, US, GB, IE, DE, AT, FR, ES, BE, NL, LU, NO, SE, DK, EU, XS:	0.02% of the amount (min. EUR 1)
Other securities	0.1% of the amount (min. EUR 1)
Index linked bonds	Free
Nordea investment funds	Free

Custody fee is calculated as a percentage of the nominal value for debt securities and derivatives, as a percentage of the market value for equities and ETFs, as a percentage of the net asset value for other investment funds.

Security transfers	
Delivery-versus-payment transfer:	
When transaction is made with Luminor Bank AS Lithuanian branch	EUR 15
When transaction is made with other persons on securities registered in the Baltic states	EUR 15
When transaction is made with other persons on securities registered in other countries	EUR 30
Free-of-payment transfer (outgoing)**:**	
Securities registered in the Baltic states	EUR 15
Securities registered in other countries	EUR 30
Free-of-payment transfer (incoming):	
Securities registered in the Baltic states free of charge	free of charge
Securities registered in other countries	EUR 20
****Including a transfer of securities from the financial instruments account of one client to the financial instruments account of another client within bank executed as a result of donation, purchase and sale, exchange of securities (applied to each counterparty), etc. Fee charged per securities issue.	
Other services	
Transfer of securities from the financial instruments account of one client to the financial instruments account of another client within bank executed as a result of inheritance	EUR 5
Pledge, substitution and release of collateral securities EUR 10	EUR 15
Delivery of statement (notice) by mail	EUR 10
Administration fee for financial instruments owner‘s account opened in central depository NASDAQ CSD SE	EUR 100 Eur per month

For trade and/or safekeeping of financial instruments (FI) you need to have a payment account with Luminor Bank AS Lithuanian branch. You can open a payment account separately.
The minimum investment amount is EUR 1,000 or equivalent in other currency.
Minimum invested amount for Nordea funds online – EUR 50 or an equivalent in other currencies.
No minimum purchase fee is applied to Nordea funds.
Periodic investment is only possible with Nordea funds. Minimum amount – EUR 50. No minimal subscription fee is charged to periodic investments.