

## **TERMS AND CONDITIONS OF A SECURITIES SETTLEMENT CONTRACT**

### **1. General provisions**

1.1. This securities settlement contract (hereinafter: Contract) regulates the relations between Versobank AS (hereinafter Bank) and the mandator (hereinafter: Client) in performing operations with the securities on the securities account (hereinafter: Securities Account) opened for the Client in the Bank and in relation to any other rights.

1.2. The Bank has the obligation to perform transactions with the securities on the Client's Securities Account as ordered by the Client and to provide the necessary services required to complete the said transactions (hereinafter: Transactions). The Client undertakes to pay a fee to the Bank for conducting Transactions on the Securities Account. The permitted Transaction and limit values for making such Transactions shall be agreed in the Contract.

1.3. The Bank has the right to impose service fees on the basis of the Bank's price list (hereinafter Price List) on the transactions concluded on behalf of the Client. The bank has the right to amend the Price List unilaterally, according to the provisions of the Contract. The Price List is compulsory for the Client.

1.4. In all relationships between the Bank and the Client not covered by the terms and conditions of the Contract, the General Terms and Conditions of the Bank, the rules of the Estonian Central Register of Securities, and the legislation of the Republic of Estonia shall apply.

1.5. The Bank and the Client fulfil their mutual obligations in good faith, reasonably, adhering to measures of due diligence, and with regard to usages and practices.

### **2. Securities Account**

2.1. On the basis of the Contract the Bank shall open a Securities Account with a unique number for the Client in the Estonian Central Register of Securities.

2.2. The Bank shall issue statements to the Client on the Transactions performed with the Securities Account (hereinafter Securities Account statement) at the frequency and in the manner provided in the Contract.

2.3. On the demand of the Client, the Bank shall issue information to the Client on the securities on the Securities Account.

### **3. Client's orders**

3.1. Communicating the orders

3.1.1. The Client shall communicate orders to the Bank in writing or in any other agreed manner, and if there is a respective product agreement concluded the terms and conditions will apply.

3.1.2. The Bank has the right to presume that the contents of the order communicated to them by the Client expresses the Client's will.

3.1.3. The Bank shall fulfil only such orders given by the Client which are in compliance with legislative acts, prepared in a correct and required manner, unambiguous, signed by the authorised person and expressing the Client's will clearly.

3.1.4. The Client is responsible for any ambiguities, misunderstandings and presentation mistakes in the order. In case of misunderstandings, the Bank has the right to request additional information or documents from the Client, providing an additional reasonable term to specify the order.

If the instructions are not specified, the Bank shall return the order to the Client.

3.1.5. The Bank has the right to not fulfil the Client's order when it does not correspond to the requirements laid out in Clause 3.1.3 of this sub-clause, and is deficient. The Bank shall not be responsible for any claims by the Client or third persons arising from the non-fulfilment of an order or orders on the bases provided above.

3.1.6. The Bank has the right to refrain from fulfilling the Client's order, if there are insufficient instruments on the Client's Securities Account to fulfil the order, or there are insufficient funds on the Client's current account to cover service fees or any other fees arising from the Price List.

3.2. Fulfilment of orders and time limits thereof

3.2.1. The Client undertakes to ensure that there are sufficient funds in their Securities Account and/or current account to fulfil their orders. If there are insufficient funds and there are no other arrangements, the Bank has the right to refrain from fulfilling the Client's order.

3.2.2. The Bank fulfils the Client's orders pursuant to Estonian acts and legislation.

3.2.3. Transactions ordered by the Client without making a payment are fulfilled by the Bank on the day of submitting the order, if the order is submitted by the Client to the Bank before 16.00.

Orders submitted without payments after 16.00 are fulfilled by the bank on the next banking day after the order was submitted to the bank, at the latest.

3.2.4. Transaction orders with payments made by the Client are performed by the Bank on the value date indicated by the Client. If the value date is on the day of submitting the order, then the Bank shall make the transaction against a payment on the same day if it is submitted before 13.45. Orders submitted against payments after 13.45 are fulfilled by the bank on the next banking day after the order was submitted to the bank, at the latest.

3.2.5. In the case of securities transaction orders with real-time settlement, the Bank shall fulfil the order if it has been submitted by the Client to the Bank before 16.00.

3.2.6. Orders received by the Bank for the benefit of the Client shall be fulfilled immediately.

3.2.7. The Client has the right to revoke any orders the Bank has not yet fulfilled or for the fulfilment of which the Bank has not yet assumed obligations before third persons.

3.2.8. The Bank has the right to offset the Client's accounts and to exercise the right to put a lien on the Securities Account pursuant to the Bank's General Terms and Conditions and the law.

3.3. The Bank has the right to record the orders and other notices given by the Client by phone and, if necessary, use them to verify the order.

3.4. By signing the Contract, the Client gives the Bank the right to debit from the current account specified in the Contract any service fees for fulfilling the Client's orders and other fees for services provided to the Client and any payables and debts (incl. default interest, contractual penalties) that are to be paid by the Client to the Bank according to the Contract without any additional instructions or orders from the Client.

3.5. The Bank debits the Service Fees and other sums to be paid in euros or in the currency of the transaction according to the Bank's Price List. If necessary, Service Fees and other sums to be paid which are accounted in a foreign currency are converted into euros on the basis of the exchange rate applied by the Bank on the day of the transaction.

3.6. The Bank has the right to choose the debiting order of the service fees, debts and other sums to be paid.

3.7. The Bank only debits funds from the account of a Client on the demand of a third person in cases provided for by the legislation of the Republic of Estonia.

3.8. Blocking and seizure of the account is done as provided in the Bank's General Terms and Conditions.

3.9. By signing this Contract, the Client authorises the Bank to realise the securities on the Securities Account in the event that the Client does not have sufficient funds on their current account to cover the service fees of the Securities Account and transactions made with the Securities Account, payables and debts (incl. default interest, contractual penalties) that are to be paid by the Client to the Bank for 6 (six) consecutive months, and the Client has not fulfilled their obligations before the bank within a reasonable period of time following the receipt of a notice from the Bank concerning the payment of arrears.

### **4. Delays**

4.1. Unless otherwise agreed between the Bank and the Client, the Bank shall not be liable for any delays which occur on the Bank's behalf in excess of the amount of the legally provided interest rate on the sum during the period in delay.

4.2. The Bank is not liable for any damages related to a delay in fulfilling an order, if the order causing the delay has been prepared incorrectly by the Client, contains false data, contains contradictions or the delay occurred on behalf of third persons.

#### **5. Service fees**

5.1. If such a fee has been provided for in the Price List, the Bank has the right to collect the service fee from the Client for the maintenance and servicing of the Securities Account, and a service fee on the transactions concluded, according to the amount specified in the Price List.

5.2. The Bank also collects a fee on the maintenance and servicing of the Securities Account for the period when there were no instruments on the Client's Securities Account.

#### **6. Liability of Parties**

6.1. The Bank is held liable:

6.1.1. for the non-fulfilment or delayed fulfilment of an order from the Client which was correct, compliant with the regulations and without any deficiencies;

6.1.2. for any direct and proven damages to the Client that the Client incurred due to the unlawful activity or failure to act on behalf of the Bank's employees or persons authorised by the Bank.

6.2. When the Bank is held liable on the basis of Clause 6.1, the Bank's General Terms and Conditions, or the law, then the Bank must reimburse to the Client any damages arising from the non-fulfilment or delayed fulfilment of an order, but only in the extent of EUR 12,500 and the potential legally required interest for the delay.

6.3. The Bank shall not held liable for any additional risks related to the circumstances which involved the damages, as well as any damages the Client incurred due to force majeure releasing the Bank from its obligations. Force majeure includes, among other things, unlawful disturbance of the Bank's activities by third persons (e.g. bomb threats), as well as any other occurrences not caused by the Bank (incl. a strike, failure in communication lines, power outage, moratorium, activity of state authorities).

6.4. The Client is fully and unconditionally liable for:

6.4.1. the correctness and unambiguity of the documents and orders presented to the Bank and any damages incurred by the Bank or third persons due to any mistakes within.

6.4.2. damages the Bank incurred due to the Client's violation of or non-compliance with the Contract.

6.5. The personal liability amount provided in Clause 6.2 of the Contract is not applied when the damages were incurred by the Client due to the gross negligence of a Bank employee.

6.6. The Bank is not liable for any damages incurred by the Client or a third person if the Bank suspects that the person who wants to use the Securities Account is not authorised to do so.

#### **7. Settlement of disputes**

7.1 The Client has the obligation to immediately verify the accuracy and correctness of the information on their Securities Account statement obtained from the Bank. Upon discovering any misstatements, the Client must submit a complaint to the Bank immediately, but no later than 10 days after the receipt of the respective statement.

7.2. If the Client does not file a complaint within the term provided in Clause 7.1 of the Contract, the Bank has the right to presume that the Client accepts the situation as it is represented in the statement. If the complaint is submitted later, the Bank has the right to disregard it.

7.3. Any disputes between the Client and the Bank are resolved according to the Bank's General Terms and Conditions.

#### **8. Validity, amendment and cancellation of the contract**

8.1. The Contract shall enter into force as from the moment of signing and is entered into without a term.

8.2. The Bank has the right to amend the terms and conditions of the Contract unilaterally by notifying the Client of this in advance and giving them a reasonable term, which may not be shorter than 1 (one) month, to cancel the contract. If the Client has not cancelled the Contract within that period, it shall be regarded that they have accepted the amendments and the amendments shall enter into force with regard to the Client as from the date of making the amendments.

8.3. The Bank has the right to amend the Price List unilaterally in accordance with the General Terms and Conditions of the Bank. The Client has the right to cancel the Contract unilaterally within 7 (seven) days, if the Client does not accept the amendments made to the Price List. If the Client has not cancelled the Contract within that period, it shall be regarded that they have accepted the amendments and the amendments shall enter into force with regard to the Client as from the date of making the amendments.

8.4. The Bank shall be entitled to cancel the Contract immediately at any time.

8.5. The Bank shall have the right of ordinary cancellation of the Contract by notifying the Client 6 (six) months in advance.

8.6. The Bank has the right to cancel the Contract extraordinarily by notifying the Client in writing at least 7 (seven) days in advance, if:

8.6.1. There has been a serious violation of the Contract on behalf of the Client and they have not paid the fees payable on the basis of the Contract or the Price List;

8.6.2. Circumstances have become known to the Bank from which it can be reasonably presumed that the Client's solvency has diminished and, given the circumstances, it cannot be presumed that the Client would continue to perform the Contract;

8.7. Cancellation of the Contract (both ordinary and extraordinary) is done by means of a written notice or in any other way specified in the Contract.

8.8. Upon the termination of the Contract, the Client's Securities Account is closed. From the moment the Securities Account is closed, all agreements and contracts related to the Securities Account are regarded as having ended and the term of fulfilling obligations thereof as having arrived.

8.9. When the Securities Account is closed, the bank transfers all securities on the Securities Account and any other rights to an account specified by the Client or deposits them with a notary in the name of the Client.

#### **9. Confidentiality**

9.1. The Parties shall not disclose any information concerning the concluding or fulfilment of the Contract to third persons, except for in cases provided by legislation.

9.2. The Client gives the Bank the right to transfer information related to the Contract to persons or organisations acting as intermediaries in Transactions as well as insurance companies.

**By signing this Contract, the Client confirms that they have received detailed information on the Securities Account (incl. usage terms and conditions, accepting of and refusal from obligations, prices and the terms and conditions for the payment of service fees, rights and obligations responsibility, etc., arising from this Agreement, as well as other terms and conditions) has understood it, and it corresponds to their will.**