

## **BUSINESS TERMS FOR SECURITIES TRADING via DnB NORD Trade**

The Bank aims to provide its Clients with the highest level of flexibility when trading Securities, and the Bank therefore offers a selection of different types of orders. To enable Clients to select the appropriate type of order, the different types of orders are detailed in these Business Terms.

The Bank's General Business Terms for Investment Services Rendered via DnB NORD Trade and other product or platform specific conditions also govern the relationship between the Client and the Bank.

Additionally, stock exchange trading is generally subjected to the general terms and conditions in force on the relevant stock exchange.

### **1. Definitions**

The Business Terms for Securities Trading generally refer to the definitions contained in the Bank's General Business Terms for Investment Services Rendered via DnB NORD Trade and other product or platform specific conditions. Additionally the following terms shall, unless the context otherwise requires, have the following meanings and may be used in the singular or plural as appropriate:

"**Terms**" shall mean these Business Terms for Securities Trading;

"**Corporate Actions**" shall mean a corporate event that may impact the share price of the relevant company. Corporate Actions include share issues, mergers, conversions, share splits, sell-offs and dividends;

"**Securities**" shall mean shares, bonds, financial futures or other comparable units.

### **2. Risk**

The Client is personally liable for the market risk inherent with Securities trading. Moreover, the Client is liable for any investment that the Bank is requested to perform on behalf of the Client and any subsequent loss resulting thereof. The Client should not base expectations of future returns on any past returns on the relevant Securities.

### **3. Execution of orders**

When executing a Client order, the Bank shall secure the best execution reasonably available given the circumstances, including price, costs, speed, likelihood of execution and settlement, volume, nature and other factors relevant for the execution of the relevant order.

The Bank executes the Client's order as soon as possible on the day of receipt, unless otherwise agreed.

Under exceptional market conditions the Bank reserves the right not to execute a Client order.

The Client will be notified if an order cannot be executed.

If the Bank is unable to obtain and deliver the requested Securities, the Bank may be unable to complete the Client's purchase order. Consequentially the trade will be cancelled, unless the Bank holds the Securities itself or is able to obtain these at usual terms no later than two Business Days after the value date in question.

The Bank will cancel any order for a Security if the specific Security is suspended or transferred to the observation list on the relevant stock exchange.

Further information about order execution is provided in the sections on the different types of orders offered by the Bank.

### **4. Cooling off**

The "cooling off" rules of the Law on Consumer Protection of the Republic of Lithuania do not apply to agreements concerning securities or financial services as offered by the Bank, cf. the Law on Consumer Protection of the Republic of Lithuania, Article 37, Subsection 5, Item 1. Hence, the Client does not enjoy any right of cancellation when buying and selling Securities through the Bank.

### **5. Placement of orders**

The Bank executes orders by request of the Client. The Bank recommends the Client to make use of the Trading Platform when trading Securities, which provides for swift Client identification and thus faster processing of Client orders. If the Client submits an order in another manner, the Bank manually verifies the

basis of the relevant order prior to processing, and this may likely result in an extended processing time. Placement of orders by telephone may be subject to higher commissions relative to the Trading Platform.

The Client acknowledges that the Bank is entitled to record any telephone conversation, internet-based conversation (chat) and meeting between the Client and the Bank and to use any such recording or transcript as evidence to any party, including but not limited to any regulatory authority and/or court of law, which the Bank in its own discretion deems appropriate or necessary with a view to providing that party with such information concerning any dispute or anticipated dispute between the Bank and the Client. Technical reasons, however, may prevent the Bank from recording a conversation and recordings or transcripts made by the Bank will be disposed off in line with standard practice at the Bank and applicable legal acts. Any order submitted by the Client via the Trading Platform is only assumed to be received and is considered a valid instruction and/or binding contract between the Bank and the Client when the relevant instruction is recorded as received and/or executed by the Bank and confirmed by the Bank towards the Client by a Trading Confirmation and/ or Account Statement. The Client's transmission, taken separately, thus does not constitute any binding contract between the Bank and the Client.

## **6. Transaction types**

For various types of Securities the Bank offers the following types of transactions and orders:

- i. Immediate trades,
- ii. Trades in foreign Securities via a foreign broker.

The transaction and order types are detailed below. The Bank readily advises on the individual transaction and order types, however, the decision about the type of execution lies solely with the Client. The individual transaction and order types are characterised by specific features and the Client should therefore familiarise themselves with the features and consider the advantages and disadvantages before opting for a specific type of transaction or order.

If the Client does not instruct the Bank about the intended type of transaction or order the Client trades on a commission basis. The Bank will then choose the transaction type or order that on the basis of an overall assessment is considered in the Client's best interest.

## **7. Immediate trades**

The Bank offers immediate trades in a number of Securities. The Bank determines which Securities can be spot traded. Information about which Securities (including quantity and available rates) that may be traded immediately is available on the Trading Platform.

Immediate trades allow the Client to trade at a current price offered by the Bank. Hence, the Client will know the exact price when submitting an order. This eliminates the risk of price fluctuations – a risk that may be generated by other transaction or order types from the time of submitting an order to its execution – and it ensures complete execution of the order.

Immediate trades are performed with the Bank as counterparty.

## **8. Trades in foreign securities via a foreign broker**

The Bank trades foreign Securities through its Securities brokers. The Securities brokers decide whether the trade in question is executed on an exchange. The trade is performed on a commission basis and consequently in the name of the Bank.

The Client order is only executed provided it is tradable on the relevant exchange or through the relevant Securities broker. If the trade cannot be executed at the terms outlined above, the Bank may however choose to execute the Client's order by means of its own portfolio. The Client's order may be split or merged, and thus be executed at different prices during the day of trading or the following days. In case an order is split, and filed partially over a period of more than one day, the total trading costs may increase. The reason for such increase is that the minimum fee may be charged more than one time based on the number of days necessary for the total execution of the order. Unless otherwise agreed, the Bank selects the currency in which the trade is executed and the market and intermediary for executing the trade.

The Client's order is executed during the official business hours of the foreign market. If the order is submitted outside market hours, it will be processed when the market reopens. If the order is partially executed at the closing of the market, the remainder of the trade will be executed when the market reopens.

The Bank settles the trade at the market prices available to the Bank at its Securities brokers or on the relevant exchange. Payment and delivery takes place via foreign clearing centres and business partners.

## 9. Limit orders

The Client is able to place limit orders connected to commission trades in foreign Securities. The Client may limit an order in a defined period, should the Client wants to buy or sell at a specific price. If the price within the period equals or breaches the price indicated, the trade will be executed.

If the Client has agreed on limiting a trade in foreign Securities, the Bank will execute the trade only if it can trade at the limit price with its foreign Securities brokers. If the order is partially executable, only the non-executed part will be cancelled.

## 10. Settlement of securities trades

By settlement is meant payment and delivery related to a Securities trade. Unless otherwise agreed the settlement date usually depends on the trading rules of the relevant stock exchange. The settlement day is also the value/interest-rate date. Specific settlement rules and deadlines apply to foreign Securities. The Client may obtain information about these rules and deadlines by contacting the Bank.

When a Client purchases Securities, the Client only obtains unconditional title of right to the Securities provided the final payment to the Bank is made on the settlement date. Until final payment is made, the Bank reserves the right to the Securities being purchased by the Client. When a Client sells Securities to the Bank, the Bank's payment of the settlement amount is subject to the Bank acquiring unconditional title to the Securities on the day of settlement.

When trading foreign Securities, the Bank bases the exchange rate on the current "Currency Conversions" rate as defined in Commissions, Charges and Margin Schedule at [www.dnbord.lt](http://www.dnbord.lt).

Information about the costs of registration and deposit of foreign Securities is available on the "Commissions, Charges and Margin Schedule" available on [www.dnbord.lt](http://www.dnbord.lt).

## 11. Trading cost and calculation methods

The Bank may charge commission for any Securities transaction.

Trades in OTC Securities are subject to trading costs as a percentage mark-up/down on the basis of the bid/offer price, relatively.

Order submitted in any other manner than via Trading Platform may result in increased trading costs.

The prevailing trading costs are available on the Bank's "Commissions, Charges, and Margin Schedule" available on [www.dnbord.lt](http://www.dnbord.lt).

The above costs may be changed in accordance with the General Business Terms for Investment Services Rendered via DnB NORD Trade.

## 12. Trade confirmations

The Bank will make available a Trade Confirmation to the Client no later than on the exchange day following the execution of the trade or the day after the Bank's receipt.

## 13. Exceptional market conditions

In exceptional market conditions the Bank reserves the right not to execute an order. Exceptional market conditions may occur in case of a significant deviation between bid and offer prices, where market prices are unavailable for the relevant Security, or in case of sudden uncertainties in the global market.

## 14. Corporate actions

### 14.1 New subscription

In connection with new subscription for shares, the Client must inform the Bank within a specific deadline whether

- (i) new subscription is requested,
- (ii) the subscription rights should be offered for sale,
- (iii) any supplementary/additional subscription rights should be purchased/sold.

If the Bank does not receive the Client's instructions within the deadline, the Client does not provide sufficient funds for purchase of subscription and/or the subscription deadline prevents instructions from being made, the Bank is entitled but not required to sell the subscription rights at the best possible price at the Client's expense. The Bank, however, does not accept any liability with regard to the completion of any sale. If the costs of a sale exceed the value of the subscription rights, the Bank may decide not to perform the sale.

#### **14.2 Stock splits**

In case of stock splits the Client must on the basis of any qualifying shares held with the Bank inform the Bank within a specific deadline whether:

- (i) the bonus shares should be repatriated,
- (ii) the bonus shares should be offered for sale,
- (iii) any supplementary/additional bonus shares should be purchased/sold.

If the Bank does not receive instructions from the Client within the deadline set, the Client does not provide sufficient funds for purchase of bonus shares, and/or the deadline prevents instructions from being made, The Bank is entitled but not required to sell the subscription rights at the best possible price at the Client's expense. The Bank, however, cannot be held liable with regard to the completion of any sale. If the costs of a sale exceed the value of the bonus shares, The Bank may decide not to perform the sale.

#### **14.3 Buy out offer**

If the Bank acts as custodian for a minority shareholder to whom a buy out offer is made in conjunction with the acquisition of a controlling interest, the Bank cannot be held liable for the Client's non-use of the offer within the relevant deadline.

#### **14.4 Other Corporate Actions**

The following terms and conditions apply to other Corporate Actions, occurring with regard to listed companies associated with the Client's Securities, provided the Securities are not kept in a separate custody account of the Client. The Bank is entitled but not required to sell/utilise any rights for the best possible benefit at the Client's expense. The Bank, however, does not accept any liability for completing any sale or utilising any right. If the costs of a sale/utilisation exceed the value of the relevant rights, The Bank may decide not to sell/utilise the rights.

#### **14.5 Other issues**

The Bank is not liable for the Client's receipt of information about a Corporate Action, occurring with regard to listed companies associated with the Client's Securities, provided the Securities are not in a separate custody account of the Client. The Bank publishes the relevant Corporate Actions on the Trading Platform as quickly as possible.

When a new Securities code is applied and it creates a fraction, then cash points and/or fractional scrips certificates are sold. If The Bank's commission exceeds the payment of cash points and/or sale of fractional scrips certificates, The Bank may refrain from conducting this action.

The Bank does not guarantee that the Client is able to enter orders into the Trading Platform covering Securities subjected to Corporate Actions.

#### **14.6 Costs**

The Bank may charge commission and fees related to Corporate Actions. The prevailing trading costs are available on The Bank's "Commissions, Charges, and Margin Schedule" available online at [www.dnb nord.lt](http://www.dnb nord.lt).

#### **15. Disclaimer**

The Bank shall not be liable to the Client for any failure, hindrance or delay in performing its obligations under the Terms where such failure, hindrance or delay arises directly or indirectly from circumstances beyond its reasonable control. Such force majeure events shall include without limitation any technical difficulties such as telecommunications failures or disruptions, non-availability of The Bank's website e.g. due to maintenance downtime, declared or imminent war, revolt, civil unrest, catastrophes of nature, statutory provisions, measures taken by authorities, strikes, lock-outs, boycotts, or blockades, notwithstanding that The Bank is a party to the conflict and including cases where only part of The Bank's functions are affected by such events.

The Bank is not liable vis-à-vis the Client for any damage caused by a Danish or foreign representative when performing work for The Bank.

Moreover, The Bank is not liable vis-à-vis the Client for any damage caused by any institution such as a stock ex-change, clearing house or a Securities depository.

#### **16. Amendments**

The Bank may amend the Terms in accordance with the terms and procedure provided in the Bank's General Business Terms for Investment Services Rendered via DnB NORD Trade. The prevailing Terms are at all times available on The Bank's website: [www.dnbord.lt](http://www.dnbord.lt).

#### **17. Governing law**

The Terms are subject to and shall be construed in accordance with Lithuanian legislation as the sole and exclusive governing law.

These terms are applicable from April 26, 2010 and shall remain effective until a more recent version is released.

The prevailing version of the Terms is always available at [www.dnbord.lt](http://www.dnbord.lt).

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