

Trust Agreement No. _____

Riga, _____, 20____

Joint-Stock Company "TRASTA KOMERCBANKA", registered with the Register of Enterprises of the Republic of Latvia under No. 000302966, legal address: Miesnieku Street 9, Riga LV-1050, taxpayer No. 40003029667, hereinafter referred to as the "Trustee", represented by the Chairman of the Board Gundars Grieze, acting in accordance with the Articles of Association, on the one part, and the company _____, registered under No. _____, legal address: _____, current account with JSC „TRASTA KOMERCBANKA” _____, hereinafter referred to as _____ the "Beneficiary" represented by _____ on the other part, both parties of this Agreement hereinafter referred to as "the Parties" and each party hereinafter referred to as "the Party", hereby, without deceit, constraint and fallacy agree on the following:

**PART I
TERMS USED IN THE AGREEMENT**

- 1.1 FUNDS – money transferred by the Beneficiary or any other third Party to the account in Lats or any other currency, convertible by the Bank of Latvia, whereas the Trustee has been specified as the receiver, and the purpose of payment contains reference to the Agreement. The Funds shall be considered as placed in Trust Management when transferred to the account.
- 1.2 ORDER – written order issued by the Beneficiary according to which the Trustee shall perform certain activities with regard to management of the Beneficiary’s property. The Order shall be prepared according to Appendix No. 1 and confirmed by the Beneficiary’s test key or the signature and stamp. In the second case, the Beneficiary shall submit to the Bank the original of the Order. The Order can be given via telephone. In case where the Order is given via telephone, the Beneficiary shall specify the client’s identifier obtained in accordance with the "General Transactions and Accounts Servicing Regulations" of the Trustee. When given via telephone the Order shall be confirmed in writing by the Beneficiary within five days following its issue. In case where no written confirmation is provided by the Beneficiary, it shall not release the Beneficiary from the responsibility arising from the transaction performed by the Trustee based on the Order given via telephone.
- 1.2.1. According to their period of validity the Orders can be the following:
 - in force until executed or cancelled,
 - in force for a definite period of time (with specification of the fixed period of time).
- 1.3 ACCOUNT – Trust Management Account opened by the Trustee for the Beneficiary not later than on the next banking day following the mutual signing of this Agreement. The Trustee shall notify the Beneficiary of opening the Account by using the means of communication specified by the Beneficiary.
- 1.4 AGREEMENT- this Agreement and all amendments and supplements thereof duly introduced by the Parties, including all/any other such documents recognized by the Parties as appendixes to the Agreement.
- 1.5 AUTHORIZED PERSON – Trustee’s representative, who, in compliance with this Agreement, shall perform all the necessary actions for management of the Beneficiary’s property.

**PART II
SUBJECT OF THE AGREEMENT**

- 2.1 According to the procedure specified in the Agreement, the Beneficiary shall transfer the Funds for Trust Management (hereinafter referred to as the "Management"). The Trustee shall accept the Funds in the Management on its behalf, but for the Beneficiary’s account and in favour of the Beneficiary.
- 2.2. The Funds shall belong to the Beneficiary on the basis of proprietary rights. Herewith the Beneficiary confirms that the Funds are not pledged for the benefit of a third party, they are not encumbered and the Beneficiary has unlimited rights to freely handle the Funds and receive profit from their Management.

**PART III
RIGHTS AND OBLIGATIONS OF THE PARTIES**

- 3.1. Herewith the Trustee shall undertake:
 - 3.1.1. To manage the Funds solely in the Beneficiary’s favour,
 - 3.1.2. To provide written confirmation with regard to possibility the Order to be executed or if the Order cannot be executed, having specified the reason, to notify the Beneficiary of the failure by sending a relevant document to the Beneficiary within 2 (two) banking days following the receipt of the Order.
 - 3.1.3. On the Beneficiary’s request, to submit a written Report regarding the Management and Deed justifying the expenses specified in Paragraph 3.2.3 of this Agreement and calculation of remuneration. The Report and the Deed shall be sent by means of communication listed below:
 - post: _____;
 - fax, telex: _____;
 - electronic mail _____;
 - next: _____; (hereinafter – the "means of communication").

- 3.1.4. To make calculations, accounting of the Funds held in Trust, preventing the blending of the Beneficiary's and the Trustee's Funds.
- 3.1.5. To receive interest and other possible profit from the Funds held in Trust and to disburse the profit as stated in Paragraph 4.3 of the Agreement, and according to the established procedure and amounts.
- 3.1.6. Not to settle the Trustee's or a third Party's obligations at the expense of the Beneficiary's Funds, not to apply the Funds as collateral for fulfilment of the Trustee's or a third Party's commitments, not to use the Funds for the aims not foreseen in the Agreement.
- 3.1.7. To manage the Beneficiary's Funds according to Beneficiary's instructions. In case where conversion of money is necessary in order to manage the Funds (to fulfil the Order), the Trustee shall have the right to make the conversion independently, without prior notification of the Beneficiary, at a rate established by the Trustee.
- 3.1.8. Upon fulfilment of the Order to act as a trustworthy manager having the uttermost care of the Funds.
- 3.1.9. Upon signature of the Agreement the Trustee shall submit to the Beneficiary a list of authorised persons entitled to perform all the necessary actions under the Agreement. The Trustee shall have the right to unilaterally change the list of authorised persons and shall immediately notify the Beneficiary of any changes made thereof.
- 3.1.10. In case where the Beneficiary fails to pay the established remuneration or to cover expenses incurred to the Trustee due to performance of the Agreement, the Trustee shall have the right to direct debit of funds in the amount of incurred expenses from the Beneficiary's account opened with the Trustee.
- 3.2. Beneficiary's obligations:
 - 3.2.1. In case where the Beneficiary does not have an account with JSC "Trasta Komercbanka" on the day of signature of the Agreement, the Beneficiary shall open a current account with the Bank. The procedure of opening the current account and making of payments has been set in the "General Transactions and Account Servicing Regulations".
 - 3.2.2. Within _____ banking days following the conclusion of the Agreement to place the Funds into the Management. The placement shall be performed by transferring the Funds into the Beneficiary's current account. The Trustee shall have the right to undisputable and acceptance-free write-off from the Beneficiary's account without prior notification of the Beneficiary and to transfer the Funds to the Beneficiary's account.
 - 3.2.3. By means of own assets to cover all justified expenses incurred to the Trustee including, but not limited to postal expenses, stock exchange commissions, commissions to agents, and any other expenses applicable due to the Management.
 - 3.2.4. In line with the procedure stipulated in the Agreement to pay the Trustee the remuneration stated in this Agreement.
 - 3.2.5. During the validity period of this Agreement the Beneficiary shall not have the right without prior consent of the Trustee to encumber the Funds, enter into any kind of transactions that may result in loss of Beneficiary's proprietary rights over the Funds.
 - 3.2.6. The Beneficiary shall have the right to appoint a receiver (receivers) of the profit gained from the Management by giving a prior written notice to the Trustee. In case where the Beneficiary shall appoint more than one receiver without having specified distribution of profit among the receivers, the Trustee shall divide the profit into equal parts among the receivers.
- 3.3. Upon request of the Beneficiary the Trustee shall transfer to the Beneficiary all rights and obligations of the Trustee under the transaction that is performed in order to comply with Beneficiary's Orders if this shall not make the transaction null and void or impossible to execute.
- 3.4. The Trustee shall in any case transfer to the Beneficiary all rights and obligations of the Trustee under the transaction that is performed in order to comply with Beneficiary's Orders if the person involved in this transaction has not performed his/her obligations for more than 30 days.
- 3.5. On request of the Trustee, the Beneficiary shall be obliged to assume all rights and obligations of the Trustee under the transaction that is performed in order to comply with Beneficiary's Orders (e.g., to conclude a cession agreement with the Trustee) within 10 days following the request of the Trustee if the person involved in this transaction has not performed his/her obligations for more than 30 days. If the Beneficiary fails to meet his/her obligations according to this Paragraph of the Agreement (to assume all rights and obligations of the Trustee), it shall be considered that the Trustee has fulfilled its obligations under the Agreement.

PART IV

NOTIFICATIONS AND GUARANTEES

- 4.1. Herewith the Beneficiary shall agree to assume responsibility for all risks which may arise from the Management under the terms of this Agreement.
- 4.2. Herewith the Beneficiary shall assume responsibility for all possible risks due to interruptions or/and operating errors of the applied means of communication.
- 4.3. Herewith the Trustee shall assume responsibility before the Beneficiary to return the Funds placed into Management only to such extent as received back from a third Party (Parties) and to return the profit to the extent the Trustee gains from the third Party (Parties) as a result of financial operations entrusted to the Trustee. The received Funds shall be reduced by the amount of the remuneration fixed in the Agreement and by the total amount of expenses incurred due to the Management.
- 4.4. In case of Force Majeure the Trustee shall not be held liable for the obligation to pay the profit or return the Funds to the Beneficiary or the persons indicated as profit receivers.
- 4.5. In case where due to applicable legislation, the profit gained from the Management is subject to taxation in the territory of profit payment, the Beneficiary shall be responsible for payment of such taxes.
- 4.6. The Order given in conformity with the terms of the Agreement shall be considered as Beneficiary's absolute expression of will to execute the transaction according to the terms of the Order. Upon receipt of the Order, the Trustee shall assume responsibility to

perform all the necessary actions to comply with the Order. However, the acceptance by the Trustee of the Order shall not guarantee the fulfilment of the Order.

- 4.7. Herewith the Beneficiary agrees that the Trustee shall record telephone conversations with the Beneficiary. The Parties have agreed that an Order given to the Trustee via telephone shall have the same legal force as a written order and the recorded telephone conversations may be used as evidence in case where a dispute is referred to the court.

PART V

PAYMENT PROCEDURE

- 5.1. The Trustee shall return the Funds in the same currency as transferred to the Trustee. In case where the Trustee shall have a necessity to convert currency; such conversion shall be made at a rate fixed by the Trustee on the day of returning the Funds.
- 5.2. The Beneficiary shall pay the Trustee remuneration for Management services in the amount of _____ (____ per cent) per annum of the amount of Funds placed in the Management. Remuneration shall be calculated based on the actual number of calendar days when the funds have been held in trust management, assuming that a calendar year consists of 360 days.
- 5.3. The Trustee shall cover all expenses arising from performance of the Agreement and collect the amount of remuneration stipulated in this Agreement by direct debit of due amounts from the money payable back to the Beneficiary. Should this money be insufficient to cover the payments specified in this Paragraph, the Trustee shall act according to Paragraph 3.1.10 of this Agreement.
- 5.4. In case where the Trustee shall provide financial consultations to the Beneficiary under the terms of the Agreement (within the context of this Agreement the term "consultation" shall not include the consultations provided to the Beneficiary due to fulfilment of the Order) Apart from the remuneration specified in Paragraph 5.2, the Beneficiary shall pay the Trustee commissions pursuant to the Price List of the Trustee.
- 5.5. Herewith the Beneficiary shall undertake within one (1) working day following the signature of the Agreement to pay the Trustee a commission in the amount of LVL 25 (Twenty Five Lats) according to the Price List.

PART VI

LIABILITY OF THE PARTIES AND DISPUTE RESOLUTION

- 6.1. For non-fulfilment or improper fulfilment of the Agreement the Parties shall bear responsibility pursuant to the applicable legislation of the Republic of Latvia.
- 6.2. The Trustee shall not be responsible where fulfilment of the Order has not resulted in performing of operations under the Management or/and execution of financial operations authorised by the Beneficiary have not resulted in gaining any profit and/or Funds and/or the Beneficiary's profit has been utilised or no profit received due to circumstances that are beyond Trustee's control, including, but not limited to non-fulfilment of obligations on the part of a third Party and/or circumstances occurred in the financial market or/and as a result of unfavourable market changes which are closely linked to the Management.
- 6.3. The Parties shall be released from responsibility for complete or partial failure to meet the obligations under the Agreement due to Force Majeure, including amendments to statutory regulations and executive legislation, and other circumstances, affecting expressly or by implication fulfilment of the obligations under the Agreement, beyond the control of the Parties.
The said circumstances must be emergency, unanticipated, unavoidable and arisen after conclusion of the Agreement. The Party invoking Force Majeure as an excuse for failure to meet the obligations shall submit confirming documents to prove existence of such circumstances where these documents shall be certified by a competent authority of the country where the said circumstances have occurred.
- 6.4. The Beneficiary shall be liable for all tax risks and expenses and shall assume responsibility for any consequences and risk in relation to the Agreement.
- 6.5. The Trustee shall undertake to perform any/all necessary and possible actions aimed at gaining profit from the Management and returning the Funds to the Beneficiary. However, in cases as specified in Paragraphs 6.2 and 6.3 of the Agreement, the Trustee shall only guarantee submission of documents to the Beneficiary to confirm the actions performed to manage the Funds according to the Agreement and the Order.
- 6.6. In case where a claim shall be raised by a third Party in relation to the Management, the Beneficiary, on the Trustee's request, shall immediately protect the Trustee against possible losses and in case the Trustee suffers any losses the Beneficiary shall reimburse the same in full.
- 6.7. In case where a mutual dispute between the Parties shall arise with regard to the Agreement, the Parties shall first try to solve the dispute by means of negotiations.
- 6.8. In case where the Parties fail to solve the dispute by means of negotiations as stated in Paragraph 6.7, it shall be settled by the Association of Latvian Commercial Banks Court of Arbitration at Riga under the Articles and Regulations of the said Court of Arbitration in the composition of one arbitrator, appointed by the Chairman of the said Court of Arbitration. The language of the Arbitration shall be Russian.

PART VII

CONFIDENTIALITY

7.1. All/any information provided by one Party to the other within the framework of the Agreement, during the Agreement, as well as after termination of the Agreement, shall be considered confidential, and shall not be disclosed to a third Party, save and except the cases when such information is required in order to comply with the Agreement or when such information is requested in accordance with the applicable legislation of the Republic of Latvia.

PART VIII

DURATION OF THE AGREEMENT

- 8.1 The Agreement shall come into force when signed by both the Parties and shall remain in force till _____, 20_____.
- 8.2 The Agreement shall be terminated provided that the Parties have completely settled all the liabilities assumed under the Agreement.
- 8.3 All/any amendments and supplements to the Agreement shall come into force only when submitted in writing and signed by authorised representatives of both Parties.
- 8.4 The Parties shall be obliged to notify each other of any changes of their legal and postal addresses, payment details, numbers of fax, telex and telephone as well as other details within 2 (two) calendar days after the changes have become effective.
- 8.5 This Agreement has been drawn up on 6 (six) pages in 2 (two) original copies in the English language; one copy for each Party; both copies shall have identical legal force.

PART IX

LEGAL ADDRESSES AND OTHER DETAILS OF THE PARTIES

Trustee: Joint-Stock Company "TRASTA KOMERCBANKA",
 Legal address: Miesnieku Street 9, Riga, Republic of Latvia, LV-1050,
 SWIFT: KBRBLV 2X, Tel.: 7027777, 7027710, Fax: 7027700(719)

Authorised Representatives of the Trustee: _____

Beneficiary: _____

Signatures of Parties:

Trustee:
 Chairman of the Board

Beneficiary::

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Appendix No.1

to Trust Agreement No. _____ as from _____, 20____

Riga, _____, 20____

ORDER No.1

Joint-Stock Company "TRASTA KOMERCBANKA", registered with the Register of Enterprises of the Republic of Latvia under No. 000302966, legal address: Miesnieku Street 9, Riga LV-1050, taxpayer No. 40003029667, hereinafter referred to as the "Trustee", represented by the Chairman of the Board Gundars Grieze, acting in accordance with the Articles of Association, on the one part and the company _____ registered under No. _____, legal address: _____ hereinafter referred to as the "Beneficiary", represented by _____ on the other part, herewith confirm the following Fund placement terms:

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1. Beneficiary's current account No _____

 2. Beneficiary's trust account No _____

 3. The amount of the trusted Funds : _____ (_____)

 4. Type of financial operations : _____

 5. Place of Fund placement : _____

 6. Term of placement: from _____ 20____ to _____ 20____

 7. Term of return: within 3 (three) banking days, following the date of return of the Funds placed ;

 8. Amount of Beneficiary's profit : _____ % (_____ per cents) per annum of the amount of the trusted Funds ;

 9. Term of profit transfer to the Beneficiary: within 3 (three) banking days, from the day when the Trustee receives the profit as a result of fulfilment of the current Order. The net profit, gained after deduction of expenses incurred to the Trustee and remuneration payable the Trustee, shall be transferred to the Beneficiary.

 10. Notifications shall be sent by the following means of communication: _____

 11. The procedure according to which the Trustee's remuneration shall be paid to the Trustee is the following: the Trustee shall have the right to reduce the profit earned by the amount of remuneration specified in Paragraph 5.2.

This Order shall be an integral part of the Agreement. It shall come into force when signed by both Parties and shall remain in force until complete fulfilment of obligations of both Parties.

A fax copy of this document shall have identical legal force with the original of this document. The Beneficiary shall confirm the signature of the authorised person, acting on behalf of the Beneficiary, by means of a test key received from the Trustee.

Signatures of Parties:Trustee:
Chairman of the Board

Beneficiary::

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