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Information on Inducements Related to Investment Services and Products

When providing investment services and products or ancillary services to the clients, the Bank may receive financial and non-financial benefits from third parties. Such benefits are considered to be inducements.

Inducements can be financial (different types of payments) and non-financial (valuable gifts, significant advantages etc.). Inducements cannot be payments or benefits which are necessary for the provision of investment services or ancillary services, including, but not limited to:

- ✓ fees for legal services;
- ✓ holding costs;
- ✓ fees for transaction settlements and conversion;
- ✓ statutory fees.

The Bank is entitled to receive inducements related to the investment services and products or ancillary services, if the inducement does not impair the Bank's obligation to act honestly, fairly and professionally in the interests of the client and if the inducement is intended to improve the quality of the respective service provided to the client.

In other cases, the Bank will disburse the received financial benefits to the client by transferring to the investment cash account of the client.

The Bank informs the client on the commissions for the distribution of the financial instruments received from the counterparties specified below:

- ✓ inducement level for the investment funds managed by Raiffeisen Bank International AG: up to 0.75% per year from the value of assets;
- ✓ inducement level for the other funds purchased through Raiffeisen Bank International AG: up to 100% from the commission of Raiffeisen Bank International AG that may be up to 0.75% per year from the value of assets;
- ✓ inducement level for the investment fund managed by Franklin Templeton International Services S.A.: up to 5.75% from the acquisition value and up to 1% per year from the value of assets.

Likewise, the Bank may receive insignificant non-financial benefits, including:

- ✓ general or personalised information and documentation related to investment services/products or ancillary services;
- ✓ written material that has been ordered and paid for by the issuer or other person in order to promote a new emission of the company or to draft such material on a regular basis, provided that these relations are clearly and understandably reflected in the material and the material is simultaneously made available to all interested investment companies or credit institutions, or to a broader public;
- ✓ participation in conferences, training activities, seminars, courses and other events on benefits and characteristics of a certain financial instrument or investment service;
- ✓ low value representation item, e.g. souvenirs, books etc.;
- ✓ discounts or services that are publicly available and offered by individual merchants or commercial companies.

Once a year the Bank provides to the client an individual informative report on the received inducements related to services or ancillary services provided to the client indicating the full amount of the inducement.

The Bank, upon execution of the client's order on the transactions with financial instruments, acts honestly, fairly and professionally in the client's interests.