

ORDER EXECUTION POLICY

Introduction

Dragon Capital (Cyprus) Limited ("DCCL"), is authorised by the Cyprus Securities & Exchange Commission ("CySEC") under number 112/10 to offer investment services.

The Markets in Financial Instruments Directive (Directive 2004/39/EC) ("MiFID") imposes a general obligation on DCCL, when providing services to clients, to act honestly, fairly and professionally in accordance with the best interests of its clients. More specifically, MiFID requires DCCL to maintain and operate an order execution policy in respect of orders it executes for its clients in order to ensure it takes reasonable steps to provide the best possible result for its clients.

The purpose of this document is to summarise the factors and processes that DCCL will apply to meet its order execution obligations and in particular how it will identify and utilise execution factors which it may take into account when executing orders.

This document is not intended to cover all eventualities and all circumstances that may be relevant to a particular order placed with DCCL. It is designed to serve as appropriate disclosure of the principles underpinning the order execution process that DCCL will follow for orders which a client instructs it to execute or to pass to other entities for execution.

Application

This policy applies to Retail/Professional Clients of DCCL. We are not obliged to provide best execution to you in the following cases:

- Where you are classified as an Eligible Counterparty
- Where your order concerns a specific class of Financial Instrument (as defined below) in respect of which we have agreed to your request to be treated as an Eligible Counterparty; and
- In line with our basic obligation to act in your best interests, where you have given us a specific instruction in relation to your entire order, or particular aspect of your order, in which case our obligation to provide best execution will be considered to be discharged by virtue of the fact we are following your instruction. While we will not solicit specific instructions from you, we may ask you to express a preference between identified potential execution venues, provided the use of those venues is consistent with this policy. In line with our terms of business, we will not provide you with advise in relation to any orders you propose to place with us. If you provide specific instructions in respect to any orders you propose to place with us. If you provide specific instructions in respect of part of your order only, we will apply this execution to the remainder of your order

Our obligations under this policy relate to relevant MiFID business we conduct in relation to orders for financial instruments listed in Annex I of the MiFID Directive (reproduced below as "Financial Instruments").

DCCL's relevant MiFID business is to provide execution services, to transmit and receive orders for execution in all types of Financial Instruments whether or not the relevant Financial Instruments are admitted to trading on a regulated market in an EU member state. A summary of our order execution process is set forth below.

Please note that provided we have obtained the relevant express consent from you, we may execute orders for Financial Instruments that are admitted to trading on a regulated market of an EU member state (a "Regulated Market") or a regulated multilateral trading facility ("MTF") outside a Regulated Market or MTF.

We may decline to act for you or accept your instructions in cases where we are unable to manage the risk of providing best execution to you for a specific transaction, e.g. due to unclear instructions, market conditions, or factors beyond our control. In such circumstances we shall inform you prior to accepting any instruction from you that we will be unable to provide best execution and provide you with a summary of the justification for this decision.

You will be deemed to have consented to this policy on the first occasion you instruct DCCL to execute any transaction in Financial Instruments.

Review and monitoring

DCCL's senior management and compliance function ("Compliance") will, on an annual basis, review this policy and the procedures and measures adopted to implement the same at an operational level. We will notify you of any changes or amendments to this document, which may be made from time to time at DCCL's absolute discretion

We will regularly monitor and review transactions we execute to verify compliance with this policy and whether or not the best result has been achieved for the client. Monitoring will take place in a manner which is tailored and proportional to the types of orders DCCL receives for execution.

Best Execution

The expression 'best execution' is not defined in MiFID or related legislation or regulations. It may be best described in line with the Committee of European Securities Regulators' guidance (the "CESR Guidance") as the requirement for investment firms to take all reasonable steps to obtain the best possible result for their clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order execution.

The CESR Guidance describes the best execution requirement to be of a general and overarching nature. On this basis, investment firms are able to apply a certain degree of flexibility in setting relevant parameters for how they propose to achieve best execution for their clients. This document sets out how DCCL proposes to meet its best execution obligations bearing in mind the nature of its business and of its clients.

Execution Factors and Process

The order execution process is designed to provide our clients with the best overall result for executed orders rather than the best result in respect of each trade. A summary of DCCL's order execution process is included below.

Execution Venues and Order Passing

DCCL has identified execution venues that it believes consistently provide clients with the best possible result for the execution of their orders.

DCCL may pass orders for execution to the following brokers (as defined in our Terms of Business):

- Dragon Capital, Ltd (Ukraine)
- Otkritie Capital International Ltd. (London)

DCCL has arrangements in place that require our brokers to provide a level of best execution compatible with the best execution requirements under MiFID, although their approach to best execution may vary from this policy.

DCCL is able to execute orders for you on any of the following venues:

- Ukrainian Stock Exchange
- London stock exchange
- PFTS Stock Exchange
- Warsaw Stock Exchange
- OTC from own portfolio
- Off-exchange by matching client orders

DCCL will not structure or change its commission in such a way as to discriminate unfairly between execution venues. In particular, DCCL will keep differences in commissions under review in order to ensure that such payments due from the client are proportional to actual venue costs.

Limit Orders

Unless you expressly request us not to do so, if you instruct us with a limit order in respect of shares admitted to trading on a Regulated Market, other than a large scale order, and we do not execute this order immediately under prevailing market conditions, we will take measures to facilitate the earliest possible execution of your order by making your order publicly available to market participants via transmission to a Regulated Market or MTF that operates an order book trading system, or by some other means intended to make the order public and easily executable once market conditions allow.

Order Allocation

In accordance with our obligations under MiFID, we will endeavour to provide you with prompt, fair and expeditious execution for orders you place with us, relative to other orders from our client or proprietary trading interests of, our Brokers. In so doing, we will:

- *accurately record and allocate orders we execute for you; and*
- *carry out comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or your interests, as our client, require otherwise*

Without further reference to you, we, or our brokers may combine your orders with ours or their own orders, with orders of persons connected with us or them, or with orders of other clients without further reference to you. However, we will only combine orders in this manner where it is unlikely that the aggregation of orders and transactions will work overall to your disadvantage.

Any aggregation of your orders may result in you obtaining on some occasions a more favourable price and on others a less favourable price than if your order had been executed separately.

We will aggregate orders in accordance with our internal Order Allocation Policy, which is designed to achieve a fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where we aggregate your order with one or more other orders and your order is partially executed, we will allocate the related trades in accordance with our internal Order Allocation Policy.

Where your order is to be aggregated with our proprietary orders, or those of our brokers we will allocate trades to you in priority to our proprietary orders or those of our brokers, unless we are able to demonstrate on reasonable grounds that we would not have been able to carry out your

order on such favourable terms without our aggregation, in which case we will allocate trades proportionally in accordance with our internal Order Allocation Policy.

We or our brokers may execute your order as a series of transactions at different times and apply the average price to such transactions.

Neither we nor our brokers will be responsible for any delays or inaccuracies in the transmission of orders or the execution thereof in either case due to any cause whatsoever beyond the reasonable control of such party.

Communications

Should you believe that DCCL has failed to apply this policy to one of your orders, you may make a written request to us for an explanation of how we applied this policy to the order, including details of how we considered the factors listed in section 5 based on the information available to us at the time of the order. Should you have any comments or questions in relation to this policy, please contact us at DCCL – fedorov@dragon-capital.com. or at 19 June 1943 Street, building 9, office 202, Limassol, 3022 Cyprus

The following are Financial Instruments to which this policy applies:

1. Transferable securities
2. Money-market instruments
3. Units in collective investment undertakings
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash
5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a Regulated Market and/or an MTF
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled that are not otherwise mentioned in paragraph 6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls
8. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this paragraph, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a Regulated Market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls

NOTE: the chart included below is indented as an indicative example of the execution process and factors DCCL will be likely to follow. This illustration will not bind DCCL in relation to any different process, methodology, factors or any other information we deploy in endeavoring to achieve best execution for our clients. Please contact DCCL's Compliance Officer if you require any further information.

Summary Order Execution Process

