

## TERMS OF BUSINESS FOR PROFESSIONAL CLIENTS

### General Terms and Client Categorisation

These terms of business (each a "**Term**" and collectively the "**Terms**") and the accompanying cover letter from us to you containing details of your client categorisation as Professional Client (the "**Categorisation Letter**") set out the rights, obligations and constitute an agreement between Dragon Capital (Cyprus) Limited ("**DCCL**") and you in relation to the Services to be provided hereunder (the "**Agreement**"). You should retain a copy of this Agreement for your records. The

Agreement, of which these Terms form a part, commenced on the date you have received it.

We may amend this Agreement by written notice to you. Any such amendment will be effective on a date specified in the notice. No other amendment shall be made without our written agreement.

DCCL is authorised by the Cyprus Securities and Exchange Commission ("**CySEC**"), under number 112/10. The office address is 16 June 1943 Street, building 9, office 202, Limassol, 3022 Cyprus. The details of the license can be found in the following web addresses of the official site of CySEC:

### Authorization to provide investment and ancillary services

<https://www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/37688/>

These terms authorise us to provide the services. All the services provided by us are subject to the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters as well as the Circulars and Directives issued by the CySEC from time to time and are in force. In providing the Services to you, we will treat you as an Professional Client within the meaning of Annex II of the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters as proposed for implementation in Cyprus and as further set-out in the Categorisation Letter accompanying these Terms. As such, you will not normally benefit from the protections reserved for Retail and you will not be entitled to compensation under the Investors Compensation Fund.

You may request re-categorisation as a Retail Client, generally or in respect of a specific service. We may consider a request from you to be treated as an Professional Client in respect of our Services relating to a particular asset class (rather than on a transaction by transaction basis). If we agree to categorise you as an Eligible Counterparty, we will provide you with a further categorisation Letter and Terms tailored to that category. Please note that certain rights applicable to Professional Clients do not apply to Eligible Counterparty business, and we do not owe a duty of best execution as defined in Article 28, 29 of the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters in respect of orders we execute for Eligible Counterparties.

### Authorisation and Compliance

You warrant that (save as expressly disclosed to us in writing) you have, and you undertake that you will maintain, all necessary consents, authorisations and approvals to enable you to use and accept the Services on these Terms and to engage in the transactions and carry on the activities in respect of which the Services are provided. You agree that you will comply with the applicable Laws Circulars and Directives issued by the CySEC and in particular with the Prevention and Suspension of Money Laundering Activities law as amended from time to time.

## **Our Services**

We will provide Services to you in respect of transactions to be executed on a stock exchange in Ukraine, Poland or elsewhere, or, where appropriate, we will arrange for the provision of the Services through one of our brokers. We or one of our brokers will execute transactions for you in respect of securities traded in Ukraine, Poland and other stock exchanges of which we are a member or over the counter securities markets. We will require your explicit consent prior to executing transactions outside a Regulated Market or Multilateral Trading Facility ("**MTF**") in any securities which are listed on a Regulated Market. We will arrange for the provision of the services by our brokers in respect of transactions to be executed in Ukraine, Poland or other countries. The Investment services provided by us to you hereunder (the "**Services**") shall consist of:

## **Core Investment Services**

- Reception and transmission of orders in relation to one or more financial instruments
- Execution of orders on behalf of clients.
- Dealing on own account

## **Non Core Investment Services**

- Safekeeping and administration of financial instruments, including custodianship and related services.
- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- Foreign exchange services where these are connected to the provision of investment services
- Investment Research and financial analysis or other forms

Following the provisions of Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits, we as the Company providing both execution and research services price and supply them separately in order to enable investment firms established in the Union to comply with the requirement to not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to clients set out in Article 24(7) and (8) of Directive 2014/65/EU. Research services are provided separately from the execution services under the provisions of the separate Research Agreement that needs to be agreed by both parties of such agreement in order to initiate the provision of the research service. Such research services will be charged on a separate basis under the conditions of the Research agreement.

The following shall constitute Financial Instruments investments (collectively "**Financial Instruments**"):

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 derivative 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 default or other termination event);
6. Options, futures, swaps and any other derivative contracts 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 not otherwise mentioned 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 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 allowance or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at option of one of the parties (otherwise than by reason of a default or other or termination or event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned, 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 recognized clearing houses or are subject to regular margin calls.

We shall comply strictly with your instructions in respect of all transactions. We may, subject to compliance with applicable law and regulatory provisions and subject further to the terms and conditions of this Agreement, delegate the performance of any or all of our duties hereunder at our sole discretion to any of our brokers any company and individual associated or employed by such company.

### **Basis of dealings**

The Services are subject to applicable laws, regulations, rules, requirements, customs, practices and guidelines in force in any relevant jurisdiction for the time being where any transaction is carried out (in each case whether or not having the force of law) (together "**Applicable Regulations**"), including, without limitation, any applicable directive of the European Commission as well as the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, Circulars and Directives issued by the CySEC from time to time and are in force including Companies Act, Chapter 113, Circular on Transaction Reporting, Directive of the Code of Conduct, Market abuse law no.102(I)/2016, Directive IF of the Commission for the Capital Requirements of Cypriot Investment Firms, Prevention and Supervision of Money Laundering Activities Law and we may take all such steps as may be necessary or desirable to comply with such Applicable Regulations. Nothing in the Agreement shall prevent us from taking all such action as may be required by law or statute or to comply with the regulations of any relevant professional or regulatory body.

In accordance with our obligations under Applicable Regulations, we will endeavour to provide you with prompt, fair and expeditious execution for orders you place with us, relative to other orders from our or our brokers other clients or our brokers or our own proprietary trading interests. 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.*

Where we provide you with a personal recommendation in respect of a Service, DCCL will assume that you have the requisite knowledge and experience to engage in the transactions which you instruct us on, taking into account the particular Financial Instrument(s) and market(s) concerned, on the basis that you are a Professional Client. On this basis DCCL will assume that you are aware of the risks associated with a particular transaction you instruct us on. This presumption of risk awareness will extend to instructions relating to orders which we pass to any of our brokers, in accordance with the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and

other related matters, Circulars and Directives issued by the CySEC from time to time and which are in force.

Unless you notify us otherwise in writing we will assume that there is no restriction on the type of Financial Instruments you wish to deal in, the nature of the transactions you may instruct us on, or the market in which we may execute your orders (we will require your express consent before proceeding to execute any order outside a Regulated Market or MTF in any securities which are listed on Regulated Market. In this regard please refer to the form enclosed with the Categorisation Letter accompanying these Terms).

## **Execution and Aggregation of Orders**

- Subject to your instructions, we will provide best execution to you in accordance with our Best Execution Policy, and we will work with the relevant broker to ensure that they provide best execution in a manner that is compliant with the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, in fulfilling an order or executing transactions for you. A copy of our Best Execution Policy is available upon written request to the Compliance /AML Officer at DCCL. By using our services, you are deemed to consent to our Best Execution Policy. Please note that our Best Execution Policy provides for the possibility that orders may be executed outside a regulated market or a MTF.
- Unless you request us not to, 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.
- 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, provided that.
- 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 Order Allocation Policy;
- where your order is to be aggregated with our (or brokers') proprietary orders, we will allocate trades to you in priority to our (or our brokers') proprietary orders, 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 Order Allocation Policy.
  - a) We or our brokers may execute your order as a series of transactions at different times and apply the average price to such transactions.
  - b) Neither we nor any of 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.
  - c) Where DCCL is acting as your broker, shall not credit the clients' cash accounts with funds received from third party accounts and shall not transfer any clients' funds to any third party accounts.

## **Transaction Reporting**

We will make transaction reports for all orders we execute on your behalf as part of a Service concerning any Financial Instruments admitted to trading on a Regulated Market within the European Union area or prescribed market and for any over-the-counter derivative the value of which is derived from, or which is otherwise dependent upon, an equity or debt-related Financial Instruments which is admitted to trading on a Regulated Market or on a prescribed market. Any transaction reports in respect of orders we pass for execution to a broker on your behalf will be made to the appropriate regulatory authority for the location where the trade is executed.

Where we execute a transaction for you outside a Regulated Market or MTF in respect of Financial Instruments admitted to trading on a Regulated Market, we will make public the volume and price of such a transactions and the time at which it was concluded, subject to any delays permitted by Applicable Regulations.

## **Research**

Maintaining the independence of the research function is an integral part of DCC's conflict management procedure. Research must always be produced for the benefit of DCC's customers and must be distributed fairly. It must never be used for DCC's benefit to the detriment or in preference to the interests of customers. Non-research personnel must never attempt to influence the content of an investment research report or the activities of research personnel for the purposes of obtaining or retaining DCC's business. If an employee becomes aware of any such attempt to influence an investment research report or research related activities, the incident must be immediately reported to the Compliance officer.

According to the Dragon Capital Research MIFID II Offer DCCL has several research options. DCCL clients may use one of the described option signing Research Agreement.

## **Stabilisation**

We or other brokers who instruct on your behalf may deal for you in Financial Instruments that may have been the subject of stabilisation. Stabilisation is a price supporting process that may take place in the context of new issues. The effect of stabilisation can be to make the market price of the new issue temporarily higher than it would be otherwise. The market price of investments of the same class already in issue, and of other investments whose price affects the price of the new issue may also be affected.

## **Capacity**

Each of the parties warrant that they have full power, and have taken all steps necessary, to lawfully enter into and perform this Agreement and undertake that they will maintain in full force and effect all necessary consents, licences, or authorisations of any governmental or regulatory authority or exchange.

## **Appropriateness**

In relation to the appropriateness test we will be entitled to rely on the fact that you have been classified as a professional client and that you have sufficient experience to undertake any type of transaction in any Financial instruct nets, you understand and are financially able to bear the risk of such transactions. We will not be responsible for any loss you sustain as a result of any delay to any Service we provide or transaction we carry out on your behalf due to the application of the Appropriateness Test.

If you are a CySEC authorised firm or person (or are authorised by an equivalent European Economic Area or third country authority) and you are acting as agent for your underlying client, we will be entitled to rely on the results of any Appropriateness Test you have performed on the

underlying client. For the avoidance of doubt, you will be our client for the purposes of any Services and not any underlying client for whom you are acting as agent.

## **Advice**

Any advice given to you by us in respect of Financial Instruments is incidental to the conduct of our business and the Services provided to you by us. Such advice, unless formally provided by us in writing, expressed as intended to be binding and based on full written details from you of all relevant factors, circumstances and purposes, our advice should not serve as the basis for any investment decision made by you or on your behalf and every transaction entered into, maintained or terminated by you shall be based solely upon your own judgement and determination. Whilst any such advice is given in good faith, we make no representation as to the accuracy, completeness, reliability or prudence of any such advice or the information upon which it is based.

In the absence of gross negligence or fraud, neither we, nor any person connected with us, including any of our brokers, nor any of our or their respective directors, employees or agents shall have any responsibility or liability whatsoever for any loss or loss of profit as a result of any advice or opinion which may be given or expressed by us or them to you in good faith concerning any investment transactions or corporate finance transaction.

Advice given to you by us in respect of Financial Instruments, may not be used or relied on you for any purpose other than the Services and such advice and the terms of any engagement letter relating to the Services (including details of our fees in relation thereto) may not be disclosed to any third party (unless you come under a legal obligation to disclose it or you disclose it to another of our advisers in connection with the Services, in either of which cases you will promptly inform us of such disclosure) nor used or relied on by any third party without prior written consent.

## **Safekeeping and administration of Financial Instruments for your account including custodianship and related services such as cash management**

If so agreed where your assets are received by DCCL they will be deposited for safe keeping with a third party at DCCL's choice who provides custody services. Where DCCL does so, DCCL shall open such accounts as are required to safeguard adequately your ownership rights in those Financial Instruments and other assets (the "**Custody Assets**"). You hereby authorize DCCL to register or arrange for registration of the Custody Assets in DCCL's name.

The Custody Assets will be segregated from DCCL's designated investments and assets on the separate clients' accounts.

DCCL will on a daily basis perform reconciliations for your Custody Assets and in the cases of discrepancies will immediately and take corrective measures. Any movement of your cash and Financial Instruments will be recorded in DCCL's internal system of in addition to the statements which will be received from custodian banks.

DCCL shall treat cash received from, or held for, you on your behalf as client money in accordance with this Agreement, any applicable rules of your governing bodies, the rules of any relevant exchange and/or the laws and regulations as in force from time to time as applicable to DCCL's provision or your receipt of services pursuant to this Agreement.

We will use the same reasonable standard of care in safekeeping your Custody Assets as we use in safekeeping our own similar property.

DCCL shall claim all amounts of any dividends, interest or analogous payments to which you may be entitled in relation to Custody Assets and of which DCCL is notified. DCCL shall credit those amounts to you on the date of receipt of cleared funds. DCCL shall not be responsible for

claiming any entitlement or benefit you may have under any applicable taxation treaty or arrangement.

DCCL shall supply to you monthly reports in accordance with applicable law.

Upon receipt of your written notice on termination in accordance with this Agreement DCCL will within reasonable period of time account to you for all Custody Assets held by it for your account. DCCL shall be entitled to retain such Custody Assets as may be required to settle transactions already initiated and to pay any outstanding liabilities.

If on termination of this Agreement any Custody Assets are or may become due as a result of a commitment entered into by you ("**an outstanding amount**") DCCL may, provided that prior notice has been given to you and no objection received within 10 calendar days of receipt of such notice, sell such of the Custody Assets as it may select in order to realise funds sufficient to cover any outstanding amount (but only to the extent that insufficient funds are otherwise held on your account and available for the purpose) and/or cancel, close out, terminate, reverse or refuse to settle any transactions or do anything which has the effect of reducing or eliminating any outstanding amount or of reducing or eliminating liability under any contracts, positions or commitments undertaken on your account.

On termination DCCL is entitled to hold the Custody Assets unless you reasonably indicate the person that shall accept assignment of the rights and obligations under this Agreement and such person accepts such assignment.

A non-EEA state's law may be applicable to the client's account containing client investments or money.

## **Foreign Exchange**

You shall be responsible for instructing us to convert any monies held by us for you into other currency as you consider necessary to conduct your business in that currency. Whenever we conduct currency conversions on your instructions we will do so at such a reasonable rate of exchange as we shall select. We shall be entitled to charge and retain for our own account a mark-up on the exchange rates for arranging such conversion or shall be entitled to charge you fees and commissions related with currency conversions as may be notified by us to you. All foreign exchange transacted by us on your instructions will be carried out in accordance with the standard practice for the relevant currencies unless agreed otherwise.

## **Granting credits or loans**

DCCL may grant you credits or loans to allow you to carry out transactions in one or more Financial Instruments through DCCL including enabling you to short sell Financial Instruments.

Requests from customers for the granting of a credit or loan are forwarded to the Credit department which is responsible for the collection of the necessary information.

Following the receipt of the relevant documents from the customer, these are assessed and the relevant credit application form is completed by the credit department. The Credit and loans department then transfers the customer's financial data to the Head of Risk management department and follows the process of credit assessment of the customer. The credit and loans department together with Risk management department review the guarantee/guarantee securities and other provisions given by the customer and in co-ordination with the Risk Management and Compliance /AML department assesses the risk involved and the exposure for DCC.

The Company monitors the relevant guarantee/guarantee securities of the client and assigned risk levels. The Company implements the dynamic risk level control approach, which is based on the control of value of provided guarantees/guarantee securities to the value of the whole market position of the client, created with the loan from the Company. In order to minimize possible credit and market risks a through guarantee/guarantee securities assessment process is implemented. Guarantee/Guarantee securities assessment process is based on the valuation of assets provided by the client as guarantee under the number of quality and quantity parameters, among which such parameters as volatility, volume of trading and credit rating are used.

In the attempt to minimize possible future risks of the positions of the clients as well as risks faced by the Company, the company chooses the dynamic risk level control approach as the most appropriate to the nature, scale and complexity of the business activities. This system is based on the valuation of guarantees/guarantee securities provided to the whole position opened by the client with loan funds. The system has several levels of control and monitoring which are used for further actions when reached.

Risk levels are calculated under the following approach:

Risk level (%) =  $(\text{Assets} - \text{Liabilities}) / \text{Assets} \times 100\%$ , where:

Assets – money on the clients account, long securities/bonds positions

Liabilities – credit/loan granted

The risk levels are:

Initial level – the level of risk under which possible risks of the position opened are fully covered with guarantee provided (50% or more)

Warning level- the level of risk under which guarantee still covers possible risks faced by the position opened but may not be enough under certain market conditions. (40%)

Stop level – the level of risk, where the risks of the position are not fully covered by the guarantee provided and the position needs to be minimized or closed down (30% and less)

The levels of risk are closely monitored by the Head of Risk Management through the internal system of the Company. When Warning level is reached (40%), a notification is sent to the client by Credit and Loan department informing about the current state of the position, the increased level of risk and recommendation for further possible actions needed.

When Stop level is reached (30%), a notification is sent to the client informing about the current state of the position, the highly increased level of risk and recommendation for further immediate actions to be taken in order to minimize risks. Immediate action means reduction of the position, so its risk level is at least equal to 30%.

If no action is taken by the client at the level of 25%, the Company will take all necessary actions to minimize risks of the position including the reduction of risk through reduction of the position of the client under the conditions of Best execution.

For the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, for the purpose of risk minimization of clients' positions the Company will implement the principle of "asset freeze" – clients' fund and financial instruments will be "frozen" on the clients account (no action will be allowed with them) until the loan provided is fully repaid. Relevant technical arrangements are performed in the internal system of the Company. In case of the attempt of any action with "frozen" assets a notification will be sent to the Head of Risk management.

The loans provided by us in accordance with this paragraph shall bear interest at the rate determined by us at the time of the loan transaction subject to rates provided by banks and agents which we choose at our sole discretion (which are available upon request).

You acknowledge and consent that the loan will be fully payable at the date defined by us at our sole discretion. We reserve the right to submit the demand for the payment of the debt accrued



accordingly at any time and you shall pay us such debt by the end of the business day on which we have submitted our demand. If you fail to comply with your obligations in accordance and on the dates specified hereunder we may liquidate your positions and/or sell the Custody Assets held in your account in the amount sufficient to settlement your debts without prior notice.

## **Confidentiality**

Information, in any form, given to you by us in respect of Financial Instruments may not be used or relied on by you for any purpose other than the Services and such advice and the terms of any engagement letter relating to the Services (including details of our fees in relation thereto) may not be disclosed to any third party (unless you come under a legal obligation to disclose it or you disclose it to another of your advisers in connection with the Services, in either of which cases you will promptly inform us of such disclosure), nor used or relied on by any third party without our prior written consent.

All information which we receive from you concerning your business or affairs and any information or work product generated from such information, which is not in the public domain, which is not available to us on a non-confidential basis, which has not been independently developed by us and which we are not required to disclose by any applicable regulation ("Confidential Information") will be held in confidence by us unless and until such time as you specifically consent to the disclosure of that Confidential Information. For the avoidance of doubt, nothing in this Term will prevent us from disclosing information to the extent required to perform the Services.

In addition to any other right or obligation by virtue of which we or any of our brokers may be entitled or bound by law to disclose information, we or any of our brokers will be entitled, if requested or required to do so, at our discretion, to disclose any information (including Confidential Information) known to us or any of our broker, and/or to produce any documents relating to your business or affairs to any governmental or regulatory agency or authority (whether in Cyprus or elsewhere) including, without limitation, the CySEC and any other relevant regulatory body in which the company performs business. In addition, we will, where reasonably practicable, seek to impose a confidentiality requirement in any case where the information is not subject to statutory restrictions on disclosure by the recipient.

Neither we nor any of our brokers will have any duty to disclose to you any information that comes to the notice of us, or such broker, in the course of carrying on any other business or as a result of or in connection with the provision of services to other persons. You accept that we and any of our brokers may be prohibited from disclosing or having regard to, or it may be inappropriate for us and any of our brokers to disclose to you or have regard to, such information even if it relates to you or to the Services.

All information, documents and communications in our possession or control relating to the Services or the subject matter of the Services shall be our sole property, save for original contracts, share certificates and other original documents held on your behalf. We shall be permitted to retain a copy of all information, documents and communications between us or sent or received by us in connection with the Services for regulatory and risk management purposes.

## **Data Protection**

DCCL and/or its brokers may collect from you certain personal information relating to you in connection with the performance of the Services, including, but not limited to, your name and contact details. We will only collect and use such personal information as is necessary in order to provide the Services to you, including any obligation we may have to apply the Suitability Test. DCCL will be data controller (i.e. the party in control of your personal information) in relation to such processing of your personal information.

We may arrange for the provision of the Services by our brokers and disclose your personal information to such parties to carry out the Services. Such brokers may be based in a country outside the EEA, whose laws may not provide the same level of protection for personal data as in Cyprus. This will include transfers in Ukraine or other countries in which the company execute business. We shall take appropriate steps to ensure that any such broker will implement measures to protect your personal information.

You consent to the use and disclosure of your personal information for the purposes and in the manner described above by us and by our brokers and any party to whom your personal information is disclosed in accordance with these Terms.

## Instructions

- You hereby appoint and authorise us to execute transactions on your behalf or to arrange for the provision of execution services by any of our brokers. In each case on an execution only basis in respect of Financial Instruments including (inter alia) the reception of orders and their transmission to our brokers on your behalf. You hereby separately authorise us to act upon orders received from you and our brokers instructed by us to act upon order received from us as your agent as foresaid as though such orders had been given by you directly. All such instructions given to us may be given orally, in writing or by electronic means and must be properly communicated to the person responsible for their reception and transmission in accordance with our normal business practice. We or our brokers may require you to confirm instructions in writing where deemed necessary and may refuse instructions to arrange any particular transaction.
- You shall confirm the name of each person authorised to give us instructions on your behalf in writing at the client acceptance stage. You may vary this list by written notice to us. We shall not be bound by any such amendment until we have actually received such written notice. We will be entitled to act upon the oral or written instructions of any person so authorised or anyone who appears to us to be such a person and you will be bound by actions taken by us on the basis of unconfirmed telephone or facsimile instructions which we in good faith believe to have originated from such a person. We are entitled to assume that any instructions, notices, authorisations, commitments or requests (whether in writing or not and however communicated to us) have been properly authorised by you if they are given or purport to be given by an individual or person who is or purports to be and reasonable believed to be authorised by you to give such instructions, notices, authorisations, commitments or requests.
- Both parties shall be free to record all telephone conversations. These records will be and will remain the sole property of the relevant party and maybe used as evidence, if required
- You will promptly (and within any time limit imposed by us) give any instructions we may request from you in respect of any proposed transaction for or with you. If you do not do so, we or any broker, in each case acting in its sole discretion, may take any steps at your cost as they consider appropriate for their protection or for your protection as long as the securities in question are fully fungible
- Any instructions given to us with a condition described as Good Till Cancel ("**GTC**") will be deemed authorised for the period of one calendar month after which if a verbal or written reconfirmation of the instruction is not given for the continuation of the instruction, the instruction will be withdrawn.
- In respect of transactions executed or arranged for you by us, we will send you with due dispatch a confirmation note of contract note in respect of each transaction effected for or with you. You may request information from us concerning your order at anytime
- Confirmation notes and contract notes, in the absence of manifest error, shall be conclusive and deemed acknowledged by you correct (even if we or any of our brokers request does not receive specific acknowledgement or acceptance from you) unless we or the relevant

broker receive from you notice to the contrary within (24) twenty four hours from dispatch to you of the confirmation note or we or the relevant broker notify you of an error therein

## **Provision of Information**

You undertake that you will promptly provide or procure the provision to use of all the information concerning your business and affairs which is relevant for the proper provision of the Services and all such further information as we may reasonably request and that you will promptly correct any information so provided to us if it subsequently appears that any such information was or has become inaccurate or misleading in any respect.

You confirm that you have the right to supply such information to us and that the supply of such information by you and its receipt and use by us for the purpose of this Agreement, will not infringe any rights held by any third party, involve the unauthorised use of confidential information belonging to any third party or result in a breach by you or us of any law, regulatory obligation, fiduciary duty owed to any third party, intellectual property rights or agreement.

Where you supply information or documentation to us, if it is for publication to brokers or for use by us in verifying matter for publication to brokers or is or may be material in the context of any transaction or matter connected with the Services, you undertake that (i) such information or documentation when taken as a whole and each statement of fact therein will be true, fair and accurate in all material respects and not misleading, (ii) that every statement of opinion, intention or expectation therein will be honestly held and fairly based and (iii) that there will be no facts not disclosed therein which by their omission make any statement therein misleading. You undertake that, if anything occurs within a reasonable time after passing information to us that renders any statement therein untrue, unfair or misleading, you will promptly notify us and take such steps as we may require correcting such statement. Should you not promptly take such steps, we shall be entitled to take such action as we consider necessary or appropriate, including the publication of any correcting statement, in circumstances in which us or you would or might otherwise infringe any application regulation or incur any liability or penalty.

You agree to provide us with or to procure the provision to us of such confirmations and other evidence as we reasonably require in order to satisfy ourselves that any non real-time communications which constitute financial promotions which we are asked to approve on your behalf or any document or announcement or information issued or to be issued in connection with any matter in respect of which we are advising complies with all applicable regulations.

## **Electronic Communications**

We may wish to communicate electronically with each other. We each recognise the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost or destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly unless you notify us otherwise, we shall regard your acceptance of this Agreement as including your authorisation to our communicating with you and third parties on your behalf using electronic means. Each party agrees to use commercially reasonable procedures to check for the then most commonly known viruses before sending information electronically and to take responsibility for ensuring that an electronic communication is not misaddressed. Accordingly each party confirms that it accepts the risks of electronic communication and will be responsible for protecting its own interests in relation to electronic communications. Subject to the foregoing, no party shall have any liability to any other party on any basis, whether in contract, tort (including negligence), or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between the parties or any third party on the other party's behalf.

## Payment

You will pay to us (or to our order) or the relevant broker on demand by us or them such sums of money as may be required in or towards clearance of any debit balance on any of your accounts with us or them and any amounts due to us. We may charge you a commission in relation to transactions executed for your account, and such commission may be deducted at the time of the transaction or invoiced to you separately. Any commission deduction will be shown on the transaction confirmation sent to you. We may receive commissions from our brokers in relation to transactions executed for your account, in relation to orders which we pass to them on your behalf, in which case we shall disclose the basis for the payment of such commissions prior to agreeing to provide a Service to you and undertake to provide you with further details upon request.

Such non-core investment service as "Investment Research and financial analysis or other forms" will be charged on a separate basis under the provisions of the research agreement signed between us. No "Investment Research and financial analysis or other forms" commissions shall be included in execution/brokerage related commissions under any circumstance.

All your payments to us or any of our brokers hereunder shall be made in freely available transferable funds in such currency and to such bank account as the recipient may from time to time specify and without any deduction or withholding. If you are required by law to make any deduction or withholding then you will pay such amount as will result in the recipient receiving an amount equal to the full amount which would have been received had no such deduction or withholding been required.

## Soft Commission Agreements

We do not have, and do not intend to enter into, any soft commission agreements.

## Indemnity

You agree with us (on trust and as agent for our brokers) that:

- a) you will on demand indemnify us and each of our brokers (each, an "**Indemnified Person**") against any and all actions, claims, losses, liabilities (whether joint or several), damages, costs, charges and expenses which we or they may suffer or incur or which may be made or taken against us or them arising under, out of or in connection with the Services or the transaction to which the Services relate including any costs, charges and expenses (including legal fees and time costs of our relevant personnel, which shall be calculated on the basis of our standard time cost rates) involved in investigating, preparing for or defending the relevant claim and/or in establishing its right to be indemnified pursuant to this Term whether or not in connection with pending or threatened litigation in which we or any other Indemnified Person is a party provided that the same shall not have arisen from our or their negligence or willful default or the breach by us of our duties under this agreement and the CySEC Law and Directives which are in force for the time being in each case as finally determined by a court or other tribunal of competent jurisdiction from which there is no further appeal
- b) if the Cyprus Inland Revenue or any other taxing authority in any jurisdiction brings into charge to taxation any sum payable under the indemnity contained in this Term then (to the extent that the claim, loss, damage, cost, liability, charge or expense in respect of which the sum is payable is not allowable as a deduction for tax purposes against the sum so payable and in the same accounting period as that in which such sum is brought into charge to taxation) the sum so payable shall be grossed up by such amount as will ensure that after deduction of the taxation so chargeable there shall remain a sum equal to the amount that would otherwise be payable under such indemnity
- c) if any sum payable by you under the indemnity contained in this Term is required by law to be paid under any deduction or withholding for or on account of tax, you will, except to

the extent that the deduction or withholding gives rise to credit, benefit or saving for the relevant Indemnified Person, pay such additional amount as shall be required to ensure that the net amount received by such Indemnified Person will equal the full amount which would have been received by it had no deduction or withholding for or on account of tax been made

- d) we shall have regard to (but not be bound to comply with) any reasonable request which you may make in relation to any relevant action or claim brought or made against us, subject to your indemnifying and securing us against any and all costs, charges and expenses incurred by it in complying with any such request; and
- e) this indemnity shall be in addition to any rights that we or any Indemnified Person may have at common law or otherwise including, but not limited to, any right of contribution.

## **Conflicts of Interests**

- a) We draw your attention to the fact that if we provide corporate finance advice or services to you, or execute or recommend or arrange a transaction for you, we, or any of our brokers instructed by us on your behalf, or some other person connected with any of us, may have an interest, relationship or arrangement that is material in relation to the service concerned. You agree that we shall not be obliged to disclose the existence of any such situation or account to you for any profit.
- b) The Services that we provide to you under these Terms will be subject to our Conflicts of Interest Policy, a copy of which is available upon request. This policy governs the way in which we monitor our Services in the context of apparent conflicts of interest between you and DCCL or any of our broker, or other of our respective clients.
- c) When we execute or recommend a transaction to you or arrange a transaction for you, we, or our broker instructed by us on your behalf could be:
  - dealing as principal for our or its own account by selling the Financial Instruments concerned to you or buying it from you;
  - matching your transaction with that of another customer by acting on such customer's behalf as well as yours; and/or
  - buying Financial Instruments where such person is involved in a new issue, rights issue, takeover or similar transaction concerning that Financial Instrument.
- d) When we execute, introduce or recommend a transaction to you or arrange a transaction for you, we or one of our brokers instructed by us on your behalf could be providing corporate finance advice or services to any other person with regard to those transactions or the securities or instruments to which they relate, including without limitation the issuer, holder or owner of such securities or instruments.
- e) In the circumstances described at (d) and (e) above, we will inform you of any such interest of us, our broker to the extent that you are not already aware of it before we execute or arrange a transaction for you. However, we will have no obligation to obtain your consent to our or their interest in a transaction, whether or not it may conflict with yours or with the interests of other clients of ours or theirs, nor shall our interest preclude us or them from executing transactions in arranging for any Financial Instruments to be bought or sold on your behalf. In accordance with CySEC Law Circulars and Directives from time to time and are in force, we have established practices and procedures designed to ensure fairness in the way we treat our customers. In order to manage a particular conflict of interest, we are able to establish appropriate internal arrangements to ensure independence. Our employees and those of our brokers are required to comply with a policy of independence and disregard any material interest or conflict of interests when providing services to clients, if they arise. We may, if necessary, refuse to act for you in order to manage a particular conflict of interest.
- f) You expressly acknowledge and accept that we, any of our broker we instruct may have material interests and that any particular directors, officers and employees responsible for handling your affairs may do so and that we will take reasonable steps to manage any such conflict of interests which may arise.

## **Liability**

We will use reasonable skill and care in the provision of the Services.

- On the basis that you are a Professional Client, nothing in these Terms will exclude or restrict any liability or duty we may have to you under the Law no.87(I)/2017 which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters or the rules of the CySEC when supplying you with Investment Services.
- We do not accept any liability or responsibility for any act or omission of any third party (including without limitation, any broker, nominee or custodian in whose name your investments are registered).
- In no circumstances shall we be liable to pay any damages to you for losses arising out of or in any way connected with the provision of information to us by you or your failure to provide information to us either punctually or at all or any fraudulent act, misrepresentation or willful default on your part.

## **Legal Proceedings**

Notwithstanding our liability for the acts and omissions of our employees acting in the course of their employment, you agree that you will only commence proceedings arising from or in connection with the provisions of the Services (or any variation or addition thereto) against us, and not against any of our employees personally.

## **Charges and Commissions**

Our charges, together with any value added tax payable by you, shall be notified to you from time to time or will be agreed among us. Any amendment in our charges will be notified to you by sending you a written notice and such amendment will be effective 10 days after actual or deemed receipt unless you object in writing.

We or our brokers we instruct may share commissions with each other. We will provide you with details of any such commission sharing arrangements upon request.

Such non-core investment service as "Investment Research and financial analysis or other forms" will be charged on a separate basis under the provisions of the research agreement signed between us. No "Investment Research and financial analysis or other forms" commissions shall be included in execution/brokerage related commissions under any circumstance.

## **Custodians and Client Assets**

All securities purchased by us, any of our brokers instructed by us and requiring registration will be registered in our name for the benefit of you or your client, or as you may request, in the name of a custodian appointed by you or such client. Neither we nor any of our brokers instructed by us will be responsible for supervising any such custodian or have any responsibility in respect of any such custodian's acts or omissions. Note that all custodians are regulated and authorised entities. Please also note that, in the case of omnibus accounts, separate records per client are held in DCCL's records.

## **Disclosure**

We, or any of our brokers may from time to time be required to disclose to officials of exchanges or clearing houses or to regulatory authorities particulars of you and your dealings with us or them. To the extent permitted by law and if reasonably practicable, we will inform you prior to any disclosure being made.

## **Termination**

This Agreement may be terminated by us or by you without penalty at any time and, except as otherwise provided in this Term, shall terminate immediately upon the giving of written notice to terminate by either party to the other party provided that termination:

- a) shall not affect the rights or liabilities of either of us or any of our brokers instructed by us in respect of transactions already initiated, including all open contracts, and you will be obliged to pay for such transactions initiated before notice of termination is received by us and a due proportion of any periodic payment for the Services provided hereunder;
- b) shall not prejudice any right of any person to all deposits and other sums held by such person and this Agreement shall continue to apply in respect of such transactions; and
- c) shall not terminate or affect any warranties and obligations which the parties hereto have made or have under this agreement;
- d) Automatic termination of the Terms will be enforced if either party or any of their respective broker goes into liquidation;
- e) (except a voluntary liquidation for the purposes of reconstruction or amalgamation) or bankruptcy or makes any arrangement;
- f) or composition with its creditors or a receiver or an administrator is appointed in respect of any party or any of its assets; or
- g) any similar event occurs under the laws of domicile, residency or place of incorporation of any party;
- h) Complaints and disputes;
- i) All complaints and disputes will be dealt with by the Compliance AML Officer, and all our employees and staff will be required to co-operate in the investigation of any complaint or dispute.

Any complaint or dispute should be notified to us in writing, and sent to the Compliance AML Officer, together with all details and supporting documents.

## **Communications and Notices**

We will accept communications from you in English. Communications may be made to either party at the address notified to it by the other party in writing for this purpose and will be deemed to have been made or (as the case may be) delivered when dispatched (in the case of any communication made by facsimile) or (in the case of any communication made by letter) when left at that address or (as the case may be) 48 hours after being sent to you at that address by prepaid first class post or, in the case of an address abroad, 7 days after being sent to you at that address by prepaid air mail.

You will ensure that at all times we will be able to communicate with you by telephone or facsimile.

## **Assignment**

This Agreement shall be for the benefit of and be binding on both parties and our respective successors.

and assigns, provided that neither party may assign any of their rights and obligations under this Agreement without the other party's prior written consent.

## **No Waiver of Rights**

Failure by either party to exercise, or delay by the either party in exercising, any of its respective rights under this Agreement shall not operate as a waiver of such party's rights.

## **Validity of Agreement**

If any provision of this Agreement is held to be invalid, in whole or in part, such provision shall be deemed not to form part of the Agreement. In any event, the enforceability of the remainder of the Agreement will not be affected, provided always that if any such deletion substantially affects or alters the commercial basis of these Terms, the parties shall negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

## **Force Majeure**

No party to the Agreement shall be liable for any failure or delay in performing any of its obligations under or pursuant to the Agreement, and any such failure or delay in performing its obligations will not constitute a breach of the Agreement, if such failure or delay is due to any cause whatsoever outside its reasonable control and it shall be entitled to a reasonable extension of the time for performing such obligations as a result of such cause. Events outside a party's reasonable control shall include without limitation: acts of God; any change to the law, order or regulation of a governmental, supranational or regulatory body; currency restrictions, devaluations and fluctuations; any act of terrorism; market conditions affecting the execution or settlement of transactions or the value of assets; failure or breakdown in communications not reasonably within the party's control; and the failure of any relevant stock exchange, securities trading facility or clearing house and shall include any event or circumstance that the party is unable, using reasonable skill and care, to avoid. This clause is without prejudice to your liability to any counterparty or broker for any transaction effected by DCCL pursuant to the Agreement.

## **Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the Cyprus law. We both irrevocably agree for our mutual benefit that the courts of Cyprus shall have exclusive jurisdiction to hear and determine any suit, action or proceeding which may arise from or in connection with this Agreement.

## **Interpretation**

In this Agreement:

- a) unless the context otherwise requires, words importing the singular shall be deemed to include the plural and vice versa;
- b) headings are for ease of reference only;
- c) unless otherwise defined, terms used in this Agreement shall have the same meaning as given to them in the Investment Services, Activities and Regulated Markets Law, Circulars and Directives issued by the CySEC and are in force for the time being
- d) references to statutes, statutory instruments, rules or regulations shall be to such statutes, statutory instruments, rules or regulations as amended or replaced from time to time; and
- e) references to persons are to any persons, firms, companies or corporations or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

## **Glossary**

**Regulated Market:** a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interest in financial instruments- in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems and which is authorised and functions regularly in accordance with the provisions of the law.

**MTF (Multilateral Trading Facility):** a multilateral system operated by an investment firm or market operator, which brings together multiple third-party buying and selling interest in financial



instruments- in the system and in accordance with its non-discretionary rules in a way that results in a contract in accordance with the provisions of the law.

EEA (European Economic Area): The EEA comprises of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Italy, Latvia, Liechnestein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and the UK.

## **Schedule A - Fees and Commissions**

DCCL will charge fees in respect of order execution services supplied on the basis set-out below, or as may be otherwise agreed between DCCL and you from time to time.

The list of our fees and charges below may be amended, upon notice, in accordance with DCCL's Terms of Business. In case of such amendment we will notify you accordingly.

Brokerage commission for orders executed by DCCL (payable directly to DCCL):

Shares: Between 10bps – 30bps, min USD 30

Bonds: 10-20 bps to execution price of the customer's order (price quoted in % of nominal value of the issue), where 10 bps is applied to orders in excess of \$2m

Additional costs which DCCL may charge, including any transaction costs, fees, taxes, and other charges, by way of example:

registrars' fees

depository fees

venue costs

any taxes payable

0.03% Interest charges on amounts due and payable as a daily rate

## **Schedule B - List of Brokers**

- LLC Dragon Capital (Ukraine)
- SOVA Capital Limited (London)

## **Schedule C - Summary description of Best 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.

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)
- SOVA Capital Limited (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**

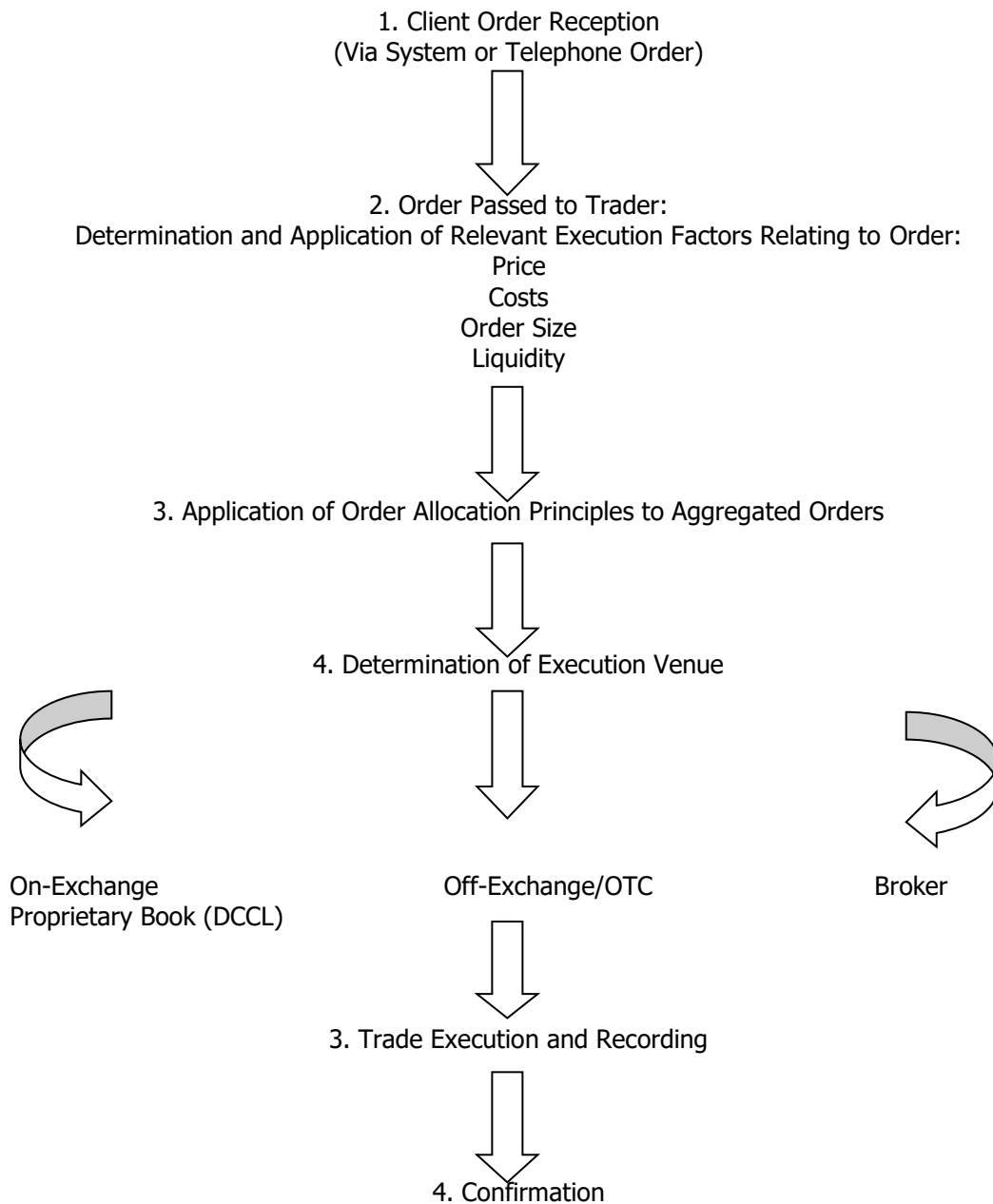
Should you believe that DCCL has failed to apply this policy to one of your orders, you may make a written request to us for an explanation of how we applied this policy to the order, including details of how we considered the factors listed in section 5 based on the information available to us at the time of the order. Should you have any comments or questions in relation to this policy, please contact our Compliance team at [Compliance.DCCL@dragon-capital.com](mailto:Compliance.DCCL@dragon-capital.com) or at 16 of 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 derivative 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 default or other termination event);
6. Options, futures, swaps and any other derivative contracts 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 not otherwise mentioned 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 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 allowance or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at option of one of the parties (otherwise than by reason of a default or other or termination or event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned, 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 recognized 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 /AML Officer if you require any further information.

## Summary Order Execution Process





## Schedule D - Summary description of Conflicts of Interest Policy

### Introduction

Dragon Capital (Cyprus) Limited ("DCCL") is authorised by the Cyprus Securities & Exchange Commission ("CySEC") under number 113/10 to offer investment services.

Pursuant to the Markets in Financial Instruments Directive (Directive 2004/39/EC) ("MiFID") DCCL is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, prevent, manage and/or disclose conflicts of interest.

DCCL has adopted a conflicts of interest policy which:

Identifies circumstances which may give rise to conflicts of interest including a material risk of damage to clients interest, and sets out mechanisms and systems to be adopted by DCCL in managing these conflicts This document describes in summary form the DCCL' conflicts of interest policy. If you would like further details of the conflicts of interest policy, please contact our Compliance team at [Compliance.DCCL@dragon-capital.com](mailto:Compliance.DCCL@dragon-capital.com) or at 16 June 1943 Street, building 9, office 202, Limassol, 3022 Cyprus.

### Identified Conflicts of interest

Under MiFID, a conflict of interest will arise where there is a conflict:

- *between the interests of a firm, certain persons connected to it or a member of the firm's group and a duty owed to a client; or*
- *between the differing interests of two or more of a firm's clients, to each of whom the firm owes a duty, where the conflict of interest might damage or adversely affect either of their respective interests.*

DCCL has identified the following main types of conflict of interest applicable to them:

- Acting for own account when dealing with a client
- Conflicts in agency dealings
- Conflicts in dealing in any capacity
- Conflicts in relation to research
- Conflicts associated with holding confidential information
- Conflicts arising out of the group structure
- Conflicts arising out of the charges for fees and commissions
- Conflicts arising in relation to the giving or receipt of inducements
- Conflicts arising from personal account dealing and
- Conflicts arising from the aggregation of client orders

A record of the kinds of services and activities carried out by or on behalf of the DCCL in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen, or may arise, is maintained and regularly updated.

### Procedures and Measures adopted to manage conflicts

DCCL adopts such of the following procedures and measures as it considers necessary and appropriate to ensure that, in relation to each identified conflict, DCCL acts with the requisite degree of independence and that the identified conflict does not give rise to a material risk of damage to the interests of its clients.

### Confidential information and Chinese Walls

DCCL employees are under a general duty to respect the confidentiality of client information and not pass it on or use it inappropriately. In certain particularly sensitive areas, DCCL has adopted more specific procedures (commonly known as "Chinese walls") to prevent or control the exchange

of information between relevant persons engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients.

DCCL has implemented Chinese walls around the following business areas:

- *Brokerage; and*
- *Proprietary trading;*

Where appropriate, DCCL will also put in place Chinese walls between them and the business areas of other group companies that produce investment research.

Persons located within a Chinese wall are prohibited from inappropriately passing information to those outside the wall, except with the approval of DCCL's Compliance /AML Officer where it is appropriate to the service being provided to the client. Persons located outside a Chinese wall are not permitted access to information held within the Chinese wall, except in appropriate cases.

On occasion, it may be appropriate for a person who is normally on the public side of the Chinese wall to cross to the private side. As a result of becoming subject to the Chinese wall, such person may be unable to continue to perform his normal functions.

### **Separate supervision**

Where appropriate, persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the firm, may be subject to separate supervision.

### **Remuneration policy**

DCCL' remuneration policies seek to ensure the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

### **Inappropriate influence**

DCCL has adopted a general policy that no employee may exert or threaten to exert inappropriate influence over another employee whether or not that other person works within the same business area and regardless of which DCCL the other person is employed by.

### **Segregation of function**

Where appropriate, DCCL takes steps to prevent and control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

### **Gifts, entertainment and inducements**

Employees are prohibited from offering, giving, soliciting or accepting an inducement, gift or benefit if it is likely to materially conflict with any duty that the employee of DCCL owes to their clients. Relevant inducements include inducements received by DCCL or its employees from clients and third parties as well as inducements given by DCCL or its employees to employees to other DCCL's employees, clients and third parties.

### **Independence**

The DCCL adopted a policy of independence which authorises and requires DCCL and its employees carrying on investment business to act in the best interests of the client at all times and to ignore any conflicting interest of DCCL or of the relevant employees to the extent that the same would conflict with such duty to the client.

### **Personal Account Dealing Policy**

All employees of DCCL are subject to a personal account dealing policy, which imposes certain restrictions, approval procedures and reporting requirements in relation to personal account dealing. The personal account dealing policy requires employees to disclose all personal dealing and in some cases receive prior approval for personal account transactions. Employees are

required to avoid any personal account transactions that may place them in conflict with the interests of either clients or DCCL.

## **Restricted lists**

Where DCCL is providing services to a particular person (E.g. a proposed acquirer of a company) or in relation to a particular person (eg the company proposed to be acquired), it may be appropriate that dealings in securities issued by one or more of such persons be restricted.

DCCL maintains a restricted list. The restricted list provides the mechanism to communicate and apply any restrictions that may relate to certain business activities.

Except where DCCL receives an unsolicited agency order in securities on the restricted list, no member of staff may, either for the firm's DCCL account, a client's account or their own personal account deal in any security for the time being included in the restricted list.

## **Disclosure**

Where the organisational or administrative arrangements made by DCCL to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, DCCL will clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business on its behalf.

Disclosure to clients will be made in a durable medium and include sufficient detail, taking into DCCL account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

## **Declining to act**

DCCL may decline to act where it believes that there is no other practicable way of ensuring that the client would be treated fairly.

## **Schedule E - Summary description of Risk declaration**

The purpose of this Risk declaration is to provide you with guidance on the types of risk relevant to a range of investment products. The price or value of an investment realized depends on fluctuations in financial markets, which are outside of DCCL's control. You will appreciate that past performance of any investment does not provide an indicator of how well it will perform in the future. You may lose part/all of their money depending on the type of investment.

DCCL strongly recommends you to acquaint with the risks relevant to any investment you are contemplating.

You should fully understand:

- *that investments are made at your own risk*
- *the need to carefully study all relevant information on the financial instrument in question and risks involved before trading in financial instruments*
- *the need to regularly monitor changes in the value of holdings of financial instruments*
- *the need to react by selling holdings if required in order to reduce the risk of losses on the client's own investments*

## **Financial Instruments and Risks Involved**

### **Shares**

Shares represent an interest in the share capital of a company. Regarded from an economic point of view, the shareholder may consider himself the owner of a part of the capital of a business. Shares could become valueless in the event of bankruptcy of the company. Shareholders may qualify for dividend payments, but these are paid only at the discretion of the management of the company shares acquired. A shareholder's return from investing in shares derives from the market value of these shares at the time of sale. The market price is affected by supply and demand that, in turn, is affected by a range of factors that affect the market in which the company operates and factors in relation to the company itself. The risks of an investment could thus be rather diverse, depending on, amongst other things, the development of the Company's activities and the quality of its management.

### **Bonds**

Bonds are debentures of a loan issued by a government or corporate institution. The entity (issuer) that has issued the bond will pay interest on the debt at a pre-defined rate and will redeem the nominal value on a date agreed upon (maturity date). Bonds may be issued with particular features in relation to interest payment, repayment, and special borrowing conditions. There are also bonds on which no interest is paid (zero coupon bonds). These bonds are issued at prices discounted to their nominal value, whereby the value realised is the difference between the price purchased and the nominal value redeemable at maturity. Bonds are traded at prices that may be above or below their nominal value, reflecting their relative attractiveness in relation to prevailing interest rates. Pricing of bonds can change from day to day and also reflect the creditworthiness of the issuer, which may change if a rating agency changes its view of the issuer's financial strength. A rating down grade may make the price of the bond fall. A bond investor is subject to the risk of default of the issuer and may get back little or none of the principle amount invested in the event of bankruptcy.

### **Futures & Forward Contracts**

Futures and forward contracts have the same function, being a contract for the purchase or sale of an asset at an agreed price on a specific date. Futures contracts are exchange traded whilst forwards represent private contracts between two parties off exchange. Being exchange traded, futures are standardised contracts, whereby daily changes in value are settled each day (mark-to-market approach), whereas forward contracts are bespoke between the two contracting parties and settled only at maturity. Both futures and forwards entail market and credit risk, though the

credit risk is greater on forward contracts, since it represents exposure to the other party, not to that of an exchange clearing house and does not benefit from daily settlement.

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small margin payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately larger movement in the value of your investment, and this can work against you as well as for you.

### **Leveraged Investment Products**

Typically, these products provide investment in underlying assets such as shares, indices and currency, whereby the issuer of the product provides leverage by providing the investor additional capital for investment. This loan element in the investment is subject to a finance cost that is paid by the investor to the issuer. These products are offered with varying degrees of leverage and follow either a long or a short investment strategy. The nature of this investment allows the investor to realise greater returns in a rising market than would otherwise be realised by investing without leverage, though losses are also magnified in a falling market. Generally, these products incorporate a stop loss mechanism so that the investor is not liable to pay additional capital, except for the financing costs, though could lose the entire investment. Where the assets invested are in a currency different to the investor's base currency there is also a risk of losses due to currency exchange rate movements. These products are, generally, only suitable for experienced investors who would like the opportunity to benefit from short term movements in financial markets.

### **Receiving credit or loans for the purchase of transfereable securities**

Purchase of transferable securities with financial assets received from the Company is associated with higher risks due to the nature of such operations. The number of risks associated with such transactions include market risk, exchange rate risk, settlement risk and risk of increase of interest rate associated with credit or loan

### **Investment in Emerging/Third Country Markets**

Emerging/Third Country markets may be regarded as countries that possess one or more of the following characteristics:

- certain degree of political instability;
- relatively unpredictable financial markets and economic growth patterns;
- financial market that is still at the development stage;
- weak economy.

When investing in emerging/third country markets, there is a greater emphasis to particular types of risk not generally encountered in more developed markets. The following is an outline of such risks.

#### **Political Risk**

A government's political inexperience or instability in the political system of the country may increase the risk of short-term fundamental shifts in the country's economy and politics. The consequences for an investor can include the confiscation of your assets with no compensation, the restriction of your rights of disposal over your assets, or a dramatic fall in their value.

#### **Economic Risk**

Emerging/Third Country market economies are more sensitive to changes in interest and inflation rates, which are in any case subject to greater swings than in developed countries. The focus of such economies is often relatively narrow, allowing single events to have a magnified impact.

#### **Credit Risk**

Investments in debt paper (e.g. bonds, notes) issued by emerging/third country market governments or companies tend to entail much higher levels of risk than established market debt.

This can be due to inferior creditworthiness, a high level of government debt or a lack of market transparency.

### **Exchange Rate Risk**

The currencies of emerging market countries are subject to major, unpredictable swings in value. Hedging can help limit losses resulting from currency-swings, but they can never be entirely eliminated.

### **Market Risk**

The lack of sophistication in monitoring their financial markets can result in poor levels of market transparency, liquidity, efficiency and regulation in emerging/third country market countries.

### **Legal Risk**

In emerging markets there tends to be less government supervision and regulation of business and industry practices. The development of a legal infrastructure may not be well developed and recognition of private ownership may not be strongly upheld in comparison to developed countries.

### **Settlement Risk**

Emerging/Third Country markets may have an array of different clearing and settlement systems, or none at all. These are often outmoded and prone to processing errors, as well as considerable delays in settlement and delivery.

## **Schedule E (1) - Requests from customers for the granting of a credit or loan**

By signing this form we would like to express our interest in receiving a credit or loan from the Company on the terms and conditions mentioned in the ToB of the Company. We fully acknowledge that the size of granted credit or loan can not be greater than 100% of guarantee/guarantee securities accepted by the Company.

We are aware of all the risks associated with the use of credit or loan for the purchase of the securities.

Name:

Date:

Position:

Company: