

**Terms and Conditions of rendering investment services by
AS KIT Finance Europe**

Overview of risks

The purpose of this overview is making the Client aware of the basic risks that are related to investments in securities, currencies or other financial instruments, as well as to the operations with standard contracts or other financial instruments.

This overview does not contain a comprehensive list and description of all the risks which the Client may be exposed to when making operations with financial instruments. The Client shall take account of this circumstance and make its own analysis and assessment of both the risks mentioned herein and any other risks when making any decision.

Before making any transactions with financial instruments, including the securities, the Client shall, at the very least, become familiar with legal regulations that govern the order of circulation of given financial instruments (legislation, TS Rules), in particular the order of the issue and custody of securities.

When assessing the risks, one should take account of one's own experience on the stock market, the purposes of investment, current and possible financial capacities, as well as the other circumstances.

The Client shall thoroughly assess the acceptability of the consequences and risks that may arise out of investing into financial instruments and operations with them. The Client is recommended to avoid making transactions at the expense of funds, losing which would significantly reduce the Client's ability to perform his/her/its payment liabilities. Above all, the Client is not advised to invest at the expense of borrowed funds.

In accordance with the Contracts that are made between the Client and the Investment firm, the Investment firm shall provide custodial services to the Client in regard of the Client's assets that he/she/it has delivered into the Investment firm's custody by virtue of the assets Contract, and intermediary services of making transactions with securities based on the Client's orders. The Client is responsible for choosing the financial instruments in which to invest his/her/its funds and to assess the risks that accompany the transactions with those financial instruments.

No information received by the Client from the Investment firm, its employees and/or the authorized representatives, is not and can not be considered as a recommendation for making the transactions of purchase and sale of securities, derivatives, or other investments into other financial instruments.

The Investment firm is not responsible for the results of investment decisions made by the Client based on analytic materials, recommendations and other information received by the Client from the Investment firm or third parties.

The Client is informed that the investment activity is associated with a risk not to receive the expected income, risk of loss of part or all of the invested funds, as well as the possibility of obtaining loss (creating of debt), exceeding the size of the initial investment. Conclusion of the Contract, as well as submitting the respective orders under the present Terms and Conditions serve as confirmation of the awareness of the risks of investment activity.

Description of basic risks related to investment activity

A risk is the possibility of occurrence of events that will cause losses for the person who owns the financial instruments and makes transactions with them

The Client understands and agrees that the Investment firm is unable to predict and warn the Client about all the possible risks. The Client relieves the Investment firm of any liability in the event of these risks.

Country risk / political risk

A possibility that in the country where the securities are registered or kept, or where circulate the financial instruments will occur the events which will affect the political and/or economic stability of this country, as a result of which the Client will lose all or some of its investments in this country or bear significant losses from the investment that he/she/it made.

Currency risk

A possibility that the currency rates will change in such a way that the value of securities, the prices of which are determined in another country's currency, as expressed in the national currency, will change in a way that is disadvantageous for the Client.

Liquidity risk

A possibility that it will be impossible at a certain time to sell the securities or other financial instruments at a price that would be insignificantly different from the prices of the last market transactions with those securities.

Price risk

A possibility that the prices of the financial instruments will change in a way that is disadvantageous for the Client. A consequence of this possibility coming true may be lesser return on investments or loss of all or some of the funds that were invested in the financial instruments.

Credit risk

A possibility that the issuer of the debt liability purchased by the Client will not perform its liabilities to repay the debt and to pay interest when due or at all.

Interest rate risk

A possibility that the interest rates or the difference between the interest rates, to which the Client's financial instruments are related, or the shape of the return curve will change in such a way that it will cause insufficient receipt of earnings by the Client or losses for the Client.

Depository / custodian risk

The Client understands and accepts the risks arising when the Client's property is combined with funds of other Clients of the Investment firm and their use is vested by the Investment firm in its interests.

A possibility that all or some of the Client's securities, for the custody of which the Investment firm uses the services of an external depository and/or (sub)custodian, will be lost due to the insolvency, negligence or fraud from the part of that depository and/or (sub)custodian.

Tax risk

A possibility that amendments to normative legal regulations and application of normative legal regulations by persons who are responsible for charging tax on the income (withholding agent), e.g. by security issuers, will cause deduction of some income earned by the Client from the transactions with financial instruments, and a possibility that the Client will not be able to use the privileges arising out of contracts for avoidance of double taxation between his/her/its country of residence and the countries of the contracts for the reason that the Client's financial instruments will be regarded by the tax authorities (withholding agents) as belonging to the Investment firm.

Legal risk

A possibility that because of not knowing the valid and/or coming into effect in future legal regulations that are applicable to transactions with financial instruments the Client will bear extra costs, suffer unexpected liabilities after purchase of financial instruments, or will not be able to use his/her/its rights or perform his/her/its liabilities as an owner of the financial instruments, including the securities. By concluding a Contract the Client certifies that he/she/it, in particular, understands and agrees with the following:

- The Investment firm does not make any representations, promises or guaranties that transactions on the stock market including marginal transactions and derivative Contracts will definitely cause

financial profit for the Client or any other desirable or predictable result. The Client understands and accepts all the possible risks including, but not limited to, the risks of financial losses;

- past experience does not determine the financial results in the future. No financial success of other parties guarantees the same results for the Client;
- no information obtained by the Client from the Investment firm, its employees and/or authorized representatives is or may be regarded as advice for transactions of purchase and sale of shares, forward market instruments, or other investments;
- there are extra risks arising in the event of marginal transactions, namely:
 - the degree of risk when the Client makes marginal transactions increases in proportion to the ratio of borrowed and own funds in the structure of the Client's investment portfolio;
 - as a result of marginal transactions, the Client's debt to the Investment firm may exceed the value of the Client's portfolio and create a liability of the Client to the Investment firm to repay the Client's debt at the expense of other assets owned by the Client;
 - change of value of the collateral provided by the Client to the Investment firm and the list of marginal securities may create a right of the Investment firm to make transactions with funds that belong to the Investment firm's investment portfolio;
 - the Client him/her/itself bears all the risk of the losses resulting from any actions that the Investment firm does to sell the Client's securities.
- in regard of making transactions with forward market instruments or other financial instruments with partial deposition of collateral, there is a risk to lose all the capital or even an amount that is greater than the initial investments;
- there are other persons taking part in trade of securities, derivative or other financial instruments, whose actions may cause rapid change of security quotes, which in its turn may make the Client believe that certain transactions may bring profit. In actual fact, these conditions may quickly disappear, leaving the Client with a loss-making position or insufficient receipt of earnings;
- accepts the risks related to actions of government authorities that regulate the financial instruments trade or the trade organizers (TS);
- accepts the risks including failures of computer systems and failures of communication channels and software of trade system and depositories that serve them;
- accepts the risks related to disadvantageous change of the inflation rate, foreign exchange rates and the interest rates;
- accepts the risks related to loss of all or some liquidity of the securities, forward market instruments or other financial instruments;
- accepts all the risks related to making orders that are regarded by the Investment firm as stop orders in view of the peculiarities of their execution and the control procedures for the conditions laid down in these orders.