

*Approved
by resolution of AS KIT Finance Europe
Management Board
No36 dated 04.12.2014*

TERMS AND CONDITIONS OF RENDERING INVESTMENT SERVICES BY

AS KIT Finance Europe

(New edition)

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1. Terms and definitions

- 1.1. The following terms used in the text of the present Terms and Conditions have the meanings brought below:

Account is an account in the Investment firm's internal accounting system opened for the Client on the base of the Contract where the Client's money and securities and the rights and liabilities under transactions on the forward market or with other financial instruments are accounted and where their movement is shown by each operation that is made under these Terms and Conditions.

Applicable law is the legal regulations of the country where the Investment firm or its agents perform the operations stipulated by the Contract, or any other law, orders, rules, or ordinances that affect the Client's rights or liabilities regarding operations stipulated by the Contract or related thereto. The applicable law shall be set by the Contract.

Assets are money, securities and other financial instruments.

Authorized email address is an email address specified in the Client's identification format (questionnaire), in accordance with Appendix No.4 to the Terms and Conditions or stated otherwise by the Client to the Investment firm as the contact address of the Client. Messages sent to the Investment firm from the Client's authorized email address are treated as messages (orders) submitted directly by the Client.

Banking day is any day when commercial banks where the Investment firm has relevant cash accounts or custody accounts open are open for business operations.

Basic asset is a financial asset, currency, index or commodity that is the subject of a derivatives. A futures contract may also be the basic asset of an option.

Business day is any day when the Investment firm accepts and performs the Clients' orders.

Cash / securities balance is the amount of cash / securities on the Client's account, which can be used in the current moment for settlements on transactions in trading system (TS)

Client is any individual or legal entity, partnership, corporation, trust, joint venture, government body, or any other person that is not a legal entity but may be a party to a transaction or otherwise enter into a legal relationship, which has signed the Contract.

Closure/reduction of position is making transactions with a view of removing / reducing long and short positions and also open positions in financial instruments.

Contract is a brokerage service contract, and/or a custodial service contract, and/or other agreement made between the Client and the Investment firm concerning investment service, of which these Terms and Conditions are an integral part.

Currency is Euro, U.S. dollars, Russian Federation rubles and/or other monetary unit, recognized as legal means of payment in the country concerned.

Custodial services are services of keeping any assets transferred by the Client to the Investment firm by way of opening and keeping the Client's custody account with the Investment firm, services of accounting and certification of transfer, granting, and restrictions of rights to the assets, and services that facilitate disposal of the assets that were transferred to the Investment firm by the client (acceptance and performance of non-trade orders) and realization of rights to the assets by the Client.

Derivative contract delivery is a standard procedure of termination of rights and liabilities that is determined in the contract specification for the moment when the circulation of a derivative contract terminates or when the buyer of an option claims his/her/its rights.

Derivatives is a futures, options or other contracts allowed for circulation on the forward market in the order set forth by the regulations of the TS.

Discount is a value expressed in percent by which the value of securities is reduced when the portfolio value is counted, as compared to the current market price, which is set by the Investment firm for securities that are accepted as collateral for marginal transactions.

Eligible counterparty is a person who may be relegated to the following kinds (types, categories) of persons:

- a credit institution, an Investment firm, a fund manager, an investment fund, an insurer or any other financial entity of Estonia or foreign country, which is subject to financial supervision;
- the Estonian Republic or foreign country, or a unit of local or regional self-government of Estonia or foreign country, or the Central Bank of Estonia or foreign country;
- an international entity including the International Monetary Fund, the European Central Bank, and the European Investment Bank;
- a person, whose basic business activity is trading commodities or commodity-based financial derivative financial instruments at its own account;
- any person who trades on the forward financial transaction markets, option markets, or markets of other financial instruments or money markets at its own account with the sole purpose to insure the investments (hedging) that were made on markets of derivative financial instruments, or makes transactions on the said markets at participants' account or sets the prices for them, and the performance of transactions by that person is provided by the persons who provide settlements on these markets.

Electronic signature (ES) is a requisite element of an electronic document, which through the use of codes, passwords, keys or any other information security protection measures (hereinafter referred to as ES Keys) confirms the identification of the person signing the electronic document.

Financial instrument is a security, futures contract, foreign exchange instrument, instrument of the precious metals market or other financial instrument traded on the stock exchange market or on the off-exchange market with account to the restrictions and requirements established by corresponding legislation, Rules of the TS or contractual relationships of the parties to an off-exchange transaction.

Foreign exchange instrument is the subject of transactions on purchase/sale of foreign currency concluded in the TS, which is defined by a set of standard terms and conditions stipulated by the Rules of the TS. The Investment firm discloses the list of foreign exchange instruments, on which it receives the transaction orders from the Client, in the System (through the System). Full description of foreign exchange instruments is brought in the TS Rules.

Free funds on the derivative market are the Client's funds on the forward market that are available for trading and withdrawal. This is calculated as the difference between the Liquidation value of the portfolio and the initial indemnity.

Futures contract (Futures) is a basic asset sale contract made on standard conditions with discharge of liabilities in the future within the term defined by the TS rules, and a specification of this futures contract that stipulates delivery and payment of the basic asset (delivery futures) or payment of a variation margin on the last day of circulation (clearance futures).

Indemnity funds are cash or/and securities deposited by the Client to secure the Client's liabilities arising as a result of the Client's transactions on the forward market.

Indemnity shortage (Debt) is a factor of security of an open position on the derivative market, which is calculated as the difference between the minimum indemnity and the liquidation value of the Client's portfolio.

Initial indemnity (security) is the amount of cash to be deposited by the Client for new positions to be opened on the derivative market.

Initial margin level is the margin value, in the case of reduction to which the Investment firm will no longer proceed with the Client's orders if they cause a reduction of the margin.

Instrument of the precious metals market is the subject of transactions on purchase/sale of precious metals concluded in the TS, which is defined by a set of standard terms and conditions stipulated by the rules of the TS. The Investment firm discloses the list of the instrument of the precious metals market, on which it receives the transaction orders from the Client, in the System (through the System). Full description of instrument of the precious metals market is brought in the TS rules.

Investment firm is AS KIT Finance Europe, as well as all branches and representative offices of AS KIT Finance Europe.

Liquidation value of the Client's portfolio is the total of the Client's cash, securities positions, and open positions on derivatives accounted at market prices, net of all the loans granted by the Investment firm to the Client (the Client's debt).

Long position is the modulus of the negative value of the Client's position in cash.

Marginal transaction is a transaction with securities made by the Investment firm in the Client's interest, the liabilities under which are greater than the respective Client's position in this asset at the moment when the transaction is made, and settlements under which require use of securities and/or money that are lent to the Client by the Investment firm.

Margin call is a demand sent by the Investment firm to the Client requiring funds to be credited to the Client's Account or/and Open positions to be closed in an amount sufficient for an increase:

- of the total indemnity up to the Initial Indemnity for the forward market;
- of the current margin ratio to the Initial margin ratio for the securities market.

Margin level is a calculated index used by the Investment firm for evaluation of the Client's current ability to cover its liabilities for settlements with the Investment firm on granted loans.

$$ML = (PV-D)/PV*100\%$$

where

ML is the margin level;

PV is the portfolio value. The portfolio value is equal to the sum of the non-negative planned cash position and the sum of the products of non-negative securities positions that are accepted as security and the current market value of these securities;

D is the planned debt, which is the sum of the long position and the sum of the products of short positions and the current market value of these securities.

Messages are any messages and documents with directives or any other information that are sent (served) by the Client and the Investment firm to each other in the course of performance of the Contract (any methods of information exchange save for delivery of messages in hard copy to the Investment firm's office shall be mentioned herein as remote methods of data exchange).

Minimum indemnity (security) is the minimum amount of money to be deposited by the Client as security on the derivative market, which is required for maintaining the open positions.

Open position is a set of rights and liabilities arising out of transactions with derivatives or other financial instruments when the balance of purchase and sale of derivatives or other financial instruments is different from zero.

Option contract (option) is a derivative, the buyer of which gains the right to buy or sell a basic asset in a period that is set forth in the specification at the strike price set forth when making the transaction, and the seller gets a liability to perform the buyer's claims (if any) under the option contract within the period that is set forth in the specification.

Order is the Client's instructions to the Investment firm in writing or in any other form approved by the Parties for making a transaction or other operations in accordance with the Terms and Conditions.

Party is the Investment firm or the Client, respectively, unless otherwise specifically mentioned in the Terms and Conditions.

Position is a calculated value that is applied by the Investment firm to evaluate the restrictions for the amount of the Client's transactions made in one trade session. The position for a given Trading day is equal to the Balance of cash / securities / other financial instruments and the rest of cash / securities / other financial instruments on the transactions that were made earlier, the settlement on which must be completed no later than the day for which the position is calculated (current position).

The corresponding planned position is calculated taking into account all the planned settlements on the previously completed transactions and other transactions of the Client.

Precious metals are gold, silver, platinum, palladium or other metals, defined by TS rules and legislation of the country of the currency.

Professional client is a client that is:

- 1) a financial institution whose basic business activity is investing into securities, as well as market trading operations with commodities and derivative instruments whose underlying asset is a commodity
- 2) a large company that meets at least two of the criteria listed below or the criteria of an eligible counterparty:
 - The balance value is at least 20 million euro;
 - The net turnover is at least 40 million euro;
 - The equity is two million euro or higher.

The retail client or eligible counterparty can be given the status of a professional client in the order and under the conditions established by this Terms and Conditions and legislation.

REPO is an contract, according to which one Party - the seller to REPO contract (Original seller) undertakes within the period prescribed by this contract, to transfer the securities into the ownership of the other Party - the purchaser under a REPO contract (Original purchaser), and the Original purchaser agrees to accept the securities and pay for them a certain sum of money (the first part of REPO), and according to which the Original purchaser undertakes within the period prescribed by this contract, to transfer the securities into the ownership the Original seller, and the Original seller agrees to accept the securities and pay for them a certain sum of money (the second part of REPO). Thus according to the REPO contract the obligations under the second part of REPO contracts arise for the Parties on the condition that the obligations under the first part of REPO are executed or terminated with offset without execution, and, if the liabilities are accepted for clearing, then by other ways provided by the TS Rules.

REPO rate is a value, expressed as a percentage per annum and used for calculating the mutual obligations under the second part of the REPO.

REPO term is a period in calendar days, counted from the day following the date of execution of the first part of the REPO and until the date of execution of the second part of the REPO inclusive. For REPO, the 1st and 2nd parts of which are performed in a single day, the term is accepted as equaling one day.

Representatives are the persons who are authorized (have the rights) to perform actions in accordance with these Terms and Conditions on behalf of the person whom they represent (as a Client) or the Investment firm. It is understood everywhere herein, even when it is not specified explicitly, that representatives are the only persons who can take any action on behalf of the Client or the Investment firm. The action (inaction) of the representatives shall immediately create rights and liabilities for the represented person except for the cases stipulated by the applicable law.

Retail client is a client that does not meet the requirements for an eligible counterparty or a professional client.

Securities are the shares, deposit certificates for securities, debentures including coupon bonds, deposit certificates, treasury bills issued by any government or public body, commercial entity or a non-commercial organization, derivative securities and any other financial instruments issued under any law and recognized by this law as securities, which may be a subject of transactions.

Short position is the modulus of the negative value of the Client's position in any security, currency instrument or other financial instrument.

Surcharge is a percentage by which the value of securities (the Client's debt on securities) increases at calculation of the value of the Client's portfolio in relation to the current market price, which is set by the Investment firm for securities, on which opening of short positions is allowed.

System is a structurally arranged set of documents (arrays of documents) and information technologies with the use of computer and communication technologies that use data processes and enable the exchange the documents, instructions, messages, and other electronic data between the participants of the System. For the purposes of the present Terms and Conditions, the System shall mean any systems allowing data exchange between the Client and the Investment firm (such as Personal Account, Quik, TWS, CQG Trader, Bloomberg Professional).

Terms and Conditions are these Terms and Conditions of Rendering Investment Services by AS KIT Finance Europe, as well as Terms and Conditions of Rendering Investment Services by a branch of AS

KIT Finance Europe in Cyprus. Since 01.05.2014 the Terms and Conditions of Rendering Investment Services by AS KIT Finance Europe branch in Cyprus refer to these Terms and Conditions with the corresponding appendices.

Trade session is a period of time, during which a transactions may be made in the Trade System in accordance with the TS Rules. Unless it is otherwise specified explicitly in any clause of the present Terms and Conditions, a Trade Session shall mean only the time of the basic Trade Session, i.e. the session during which the transactions may be made under the general rules. The period when trade is carried out under special rules (periods of opening or closure of trade, trade of incomplete lots, etc.), as stipulated by the rules of some TS, shall not be included in the trade session period unless it is explicitly specified.

Trade system (TS) are the exchange and off-exchange markets of securities, derivatives or other financial instruments as a set of market subjects, namely, exchanges, authorized depositories, and brokers' clearance and settlement entities, through which the Investment firm makes transactions, and the procedures that they have set for making and performing transactions at a given exchange with certain types of securities, derivatives or other financial instruments.

Trading day is a day when the corresponding TS has trade.

Threshold margin level is the margin value, in the case of reduction to which the Investment firm may cut or close the Client's positions, including by realization of the Client's security.

Transaction is a transaction of purchase or sale of securities or derivatives that is made by the Investment firm in the Client's interest in accordance with the orders and the practice and conditions for such transactions that are customary at the TS where the transaction is made.

Transaction costs are any costs that are directly related to conclusion and performance of transactions, payment and re-registration of securities in registers, custodians/subcustodians, and clearing institutions including, but not limited to payment of registration fees, services of transfer agents and other intermediaries including the ones related to the issuer's corporate acts, exchange fees, bank fees for currency conversion, and payments to third parties engaged in performance of the Client's order.

TS Rules are any rules, regulations, instructions, guidelines, regulatory documents or requirements that mandatory for all the TS participants.

Variation margin is the amount of cash to be debited from or credited to the Client's account by the results of a trading day, which is counted according to the specifications of derivative contracts and TS rules based on the difference between the prices of the transactions made and the quoted price of the trade session as well as the change of the quoted price compared to the quoted price of the previous trading day.

Web Site is the domain of the Investment firm on the Internet www.kfe.ee and its subdomains.

- 1.2. Other terms not defined in the present Terms and Conditions shall be used in the meanings set forth in regulatory documents that govern the circulation of securities, derivatives and other financial instruments, as well as adopted in business practice.
- 1.3. If the context requires, the words in the singular in the Terms and Conditions shall include the plural, and vice versa.

2. General provisions

- 2.1. These Terms and Conditions determine how does the Investment firm and its branches (including AS KIT Finance Europe branch in Cyprus) provide to the Clients the investment and investment-related services, in particular:
 - acceptance of the Client's orders for transactions with financial instruments;
 - making the transactions by the Investment firm on its own behalf and at the Account;
 - making the transactions by the Investment firm on behalf and at the account of the Client. The Investment firm may act on the Client's behalf in cases when, in the Investment firm's opinion, it will lead to better conditions of the transaction for the Client and in cases when the TS Rules stipulate that transactions shall be made on the Client's behalf;
 - giving loans to the Client for transactions with securities (marginal lending);

- foreign currency exchange for securing performance of the concluded transactions;
 - settlements on the transactions
 - provision of custodial services
 - provision of other services related to the market of securities, derivatives and other financial instruments, such as supply of software for remote quote enquiries and making orders.
- 2.2. The Terms and Conditions shall be an integral part of the Contracts. In case of any contradictions between clauses of the Contract and the Terms and Conditions, the Investment firm and the Client have agreed that the Terms and Conditions shall prevail over the text of the Contract. In case a separate bilateral written contract is made between the Client and the Investment firm that explicitly stipulates a different service rendering order in relation to the one determined by the Terms and Conditions, the provisions of such supplementary contract shall apply, and the Terms and Conditions shall apply in the part that does not contradict with the supplementary contract.
- 2.3. For the persons who accepted the Investment firm's conditions and procedure for rendering services before 01.05.2014 by signing the contracts containing "Terms and conditions of rendering investment services by AS KIT Finance Europe" or respectively "Terms and conditions of rendering investment services by AS KIT Finance Europe branch in Cyprus" as Appendix No.2, the present Terms and Conditions replace the previous versions of Terms and Conditions and are used as an integral part of these Contracts, regardless of what is the contracting party in respect to Investment firm (the parent organization, Estonia or a branch in Cyprus).
- 2.4. Appendix No.3 to the Brokerage Services Contract and Appendices No.3-5.2 to the Custodial Services Contract concluded before 01.05.2014 are the Appendices No.5-9.2 to these Terms and Conditions respectively.
- 2.5. The Terms and Conditions is a public document and it is posted on the Web site of the Investment firm. The content of the present Terms and Conditions shall be disclosed on enquiries of any interested parties without any restrictions.
- 2.6. Accession of legal entities to the Terms and Conditions shall be made by way of a bilateral written Contract with the Investment firm.
- 2.7. All the appendices to the Terms and Conditions shall be an integral part hereof.
- 2.8. Any amendments and supplements to the Terms and Conditions shall be made by the Investment firm unilaterally considering the information brought in the present section of the Terms and Conditions.
- 2.9. Any amendments or supplements made by the Investment firm to the Terms and Conditions or/and tariffs due to an amendment of the legislative or regulatory supervision of the securities market, foreign exchange market, market of the precious metals and/or the derivative contracts, as well as of any rules and regulations of TS in Estonia/Cyprus or another country where the Investment firm makes the transactions in the Clients' interest shall be deemed effective from the moment when such documents or amendments thereto (amendments in such documents) become effective unless otherwise provided by the Investment firm.
- 2.10. For amendments and supplements to the Terms and Conditions, which are made by the Investment firm on its own initiative and are not related to amendment of the applicable laws, regulations, rules, and regulations used by TS, to become effective, the Investment firm shall follow a compulsory procedure of notifying the Client by prior (at least 5 (five) days before the amendments or supplements become effective) publication of such amendments or supplements on the web site and/or sending notices to the Clients to their authorized email addresses. In case of disagreement with the proposed amendments, the Client may terminate the Contract in accordance with the procedure set forth in the clause 20.2 of the Terms and Conditions.
- 2.11. From the moment when they become effective, subject to the procedures brought in this section, any amendments or supplements to the Terms and Conditions or tariffs shall apply equally to all the persons who have acceded to the Terms and Conditions including those who had acceded to the Terms and Conditions before the amendments became effective. In case of disagreement with the amendments or supplements made to the Terms and Conditions or tariffs by the Investment firm, the Client may terminate the Contract or the Contracts in accordance with the procedure set forth

by the Terms and Conditions and the Contracts before the amendments or supplements become effective.

- 2.12. The Parties hereby agree that if the Investment firm will not receive the Client's written message mentioned in the clause 20.2 within 5 (five) calendar days after the amendments to the Terms and Conditions had been published on the Investment firm's web site, or after the Investment firm had sent the tariff amendments to the Client by e-mail, shall mean acceptance of such amendments.
- 2.13. For the purpose of providing services to the Client, the Investment firm may engage third parties including agents, intermediaries, and other brokers without prior notice to the Client. When selecting such third parties, the Investment firm shall act with reasonable prudence and based on the Client's best interest above all.
- 2.14. The Client also agrees that if the Investment firm engages third parties (brokers) in services to the Client concerning making and maintaining the positions on the securities or/and forward market, the procedure for making and maintaining the positions and forced closing will be determined with consideration of the requirements of this party (broker).
- 2.15. The Investment firm shall be entitled to facilitate a transaction with financial instruments between two of its Clients.
- 2.16. The list of TS where the Investment firm makes transactions in the Client's interest shall be published on the web site with links to TS' web sites. When making and performing a transaction in any given TS, the Client and the Investment firm shall in addition to the Terms and Conditions follow the Rules of the TS, which are available on the TS' web site. By signing the Terms and Conditions, the Client certifies that he/she/it is familiar with the TS rules, understands them and undertakes to comply with the established requirements.
- 2.17. The Investment firm shall also provide services of making transactions in the Client's interest on the off-exchange market.
- 2.18. A Client may ask the Investment firm employees for extra consultation using the communication tools stipulated in the given Terms and Conditions in relation to any clause hereof and to the procedure and conditions of rendering services.
- 2.19. If the consultation mentioned in the clause 2.18 of the Terms and Conditions cannot be provided immediately, the Investment firm shall appoint a time for consultation no later than in three days after the Client's request.
- 2.20. In its internal documents the Investment firm shall stipulate the legal, technical and organizational measures aimed to determine, settle and prevent conflicts of interest that arise by rendering the investment and accompanying services by the Investment firm, conflicts of interest of the Investment firm and the person standing in a control relationship with it, the Investment firm and the Client, as well as mutual conflicts between Clients and the negative effect of such conflicts on the Clients' interests.
- 2.21. The basic principles of work of the Investment firm for prevention of a conflict of interest in operations on the securities market and mitigation of its negative consequences are as follows:
- priority of the Client's interest over the Investment firm's own interest;
 - performance of the Clients' orders in the order in which they are received considering the types of the orders and the market situation;
 - in case of a conflict of interest, the Investment firm shall notify the Client thereof forthwith and proceed with the relevant operation only after receiving of a written approval from the Client. If a conflict of interest cannot be avoided, the Investment firm shall act in the Client's interest;
 - the Investment firm shall make purchase and sale transactions between the Clients on the latter's behalf with equal care as regards each Client;
 - the employees and managers of the Investment firm and their related parties shall refrain from any acts and decisions under the influence of personal, proprietary, and other interests that may cause a conflict of interest of the Investment firm and its clients;
- 2.22. When establishing the type of conflict of interest arising out of rendering the investment or accompanying services, which may harm the interests of the clients, the Investment firm shall also

consider as minimum requirements if an executive person or a person that stands in a control relationship with the Investment firm is, in relation to rendering the investment or accompanying services or on some other reason, in one of the following situations:

- the Investment firm or the relevant person benefits or avoids monetary losses at the Client's cost;
- the interests of the Investment firm or the relevant person in the part concerning provision of a service to the Client or the results of a transaction made on the Client's behalf are different from the Client's interests;
- the Investment firm or the relevant person have money or other motives to prefer the interest of another client or client group to the interest of the Client;
- the Investment firm or the relevant person operate in the same field of business as the Client;
- due to the service provided to the Client, the Investment firm or the relevant person as the client shall benefit from another person in the form of money, goods or services that are not a fee for the dealership or services that is usually paid for such services and are prohibited according to the Securities Market Act.

3. Information about the Investment firm

3.1. AS KIT Finance Europe:

Full name:	Aktsiaselts KIT Finance Europe
Short name:	AS KIT Finance Europe
Registration code in the Commercial Registry:	11058103
Postal address and location:	Roosikrantsi 11, Tallinn 10119, Estonia
Telephone:	+372 663 0770
Fax:	+372 663 0771
Web-site:	http://www.kfe.ee
email:	orders@kfe.ee , Settlements@kfe.ee
LEI	549300HXOCTXFFW8RD19
Regulatory body:	The Financial Supervision Authority of the Republic of Estonia
Requisite data of the regulatory body:	Address: Sakala 4, Tallinn, 15030, Estonia, Telephone: +372 668 0500, Web-site: http://www.fi.ee

Licenses of the Investment firm

AS KIT Finance Europe operates on the financial services market by virtue of the Resolution of the Executive Board of the Financial Supervision Authority of the Republic of Estonia No. 32 of April 20, 2005, on the issue of an operation permit for the following investment services:

- purchase or disposal of securities on its behalf and at the Client's account;
- purchase or disposal of securities on the Client's behalf and at the Client's account;
- acceptance of orders from the Client on transactions with securities and transfer or performance of the order at the Client's account;
- trade of securities at own account;
- management of a portfolio made of securities for each Client separately in accordance with the instructions provided by the Client;
- executing an issue of securities;

- organization of an issue of securities, public offer, or acceptance of securities for trade on the regulated market save for organization of a regulated market as a permanent type of business.

3.2. For the clients of AS KIT Finance Europe branch in Cyprus:

Full name:	AS KIT Finance Europe branch in Cyprus
Registration code in the Commercial Registry:	AE 2340
Postal address and location:	18 Nafpliou Street, 1st floor, office 102, 3025 Limassol, Cyprus
Telephone:	+357 (25) 55 88 88
Fax:	+357 (25) 55 86 00
Web-site:	http://www.kfe.ee
email:	orders@kfe.ee , Settlements@kfe.ee
Regulatory body:	Commission on Securities and Exchange of the Republic of Cyprus (CySEC) (CySEC)
Requisite data of the regulatory body:	Address: Diagorou 27, 1097 Nicosia, Postal Address: P.O. Box 24996, 1306 Nicosia, Telephone: + 357 22 506600, Web-site: http://www.cysec.gov.cy

- 3.3. The bank details of AS KIT Finance Europe and AS KIT Finance Europe branch in Cyprus are set out in Appendix No.10 to the Terms and Conditions and listed on the Web-site of the Investment firm.

4. Client classification

- 4.1. The Investment firm shall assign the status of a retail client, professional client or eligible counterparty to a potential client as these terms are defined in the section 1 of the present Terms and Conditions. The Investment firm shall notify the Client of the assignment of such status and the restrictions imposed on the Client by this status using a method that is established for message exchange.
- 4.2. The Client is a retail client, unless otherwise communicated to the Client by the Investment firm.
- 4.3. A professional client may ask the Investment firm to consider him/her/it as a retail client if, according to his/her/its estimate, he/she/it is not able to evaluate the risks that are related to the services and transactions well enough or cannot manage those risks to a sufficient extent. In this case, it is assumed that his/her/its awareness about the securities market or the market of other financial instruments is not as high as that of a professional client.
- 4.4. For a professional client to be considered as a retail client on the Client's or the Investment firm's initiative, the Investment firm shall make a written contract or/and a supplementary agreement to the Contract with the Client, which shall state for which services, transactions or securities this professional client shall be regarded as a retail client.
- 4.5. A retail client may ask to be moved to the professional clients' group if, according to his/her/its estimate, he/she/it has sufficient experience, knowledge, and competence to make his/her/its own investment decisions and an adequate evaluation of risks that are related to such decisions. The Investment firm shall evaluate these circumstances and when making the evaluation shall take into account the type of the planned transactions or services.
- 4.6. An individual may be assigned the status of a professional client if at least two of the following conditions are met:
- 1) in the four preceding quarters, the Client made in average 10 transactions on the securities market with significant amounts;
 - 2) the Client's portfolio with securities is greater than 500,000 euro;

- 3) the Client has or had worked in the financial sector for a year or more on a position that requires knowledge on investing into securities.
- 4.7. The Investment firm may evaluate the Client's competence, experience, and knowledge based on the requirements towards the managers of credit institutions and other financial institutions that are subject to financial supervision. In case of a business partnership that does not meet at least two of the three criteria set for a Professional Client in clause 1.1 of the Terms and Conditions, the person authorized to represent the Client's interests before the Investment firm shall be evaluated.
- 4.8. The Investment firm is bound to take every necessary measure that would ensure a retail client's compliance with the conditions set forth in the clause 4.4 – 4.6 of the present Terms and Conditions even before making the decision to consider a retail client as a professional client, and a retail client may be regarded as a professional client only if all of the conditions below are met:
- 1) The Client shall confirm to the Investment firm in writing that he/she/it wants to be regarded as a professional client in general or in regard to a certain investment service or transaction or a certain type of a service or transaction;
 - 2) The Investment firm shall provide a written explanation to the Client regarding the rights, which the Client may lose if he/she/it is regarded as a professional client;
 - 3) The Client shall confirm in writing that he/she/it is aware of the rights that he/she/it will lose if regarded as a professional client.
- 4.9. A professional client shall notify the Investment firm of any changes that may affect its status of a professional client. If the Investment firm becomes aware that a client regarded as a professional client no longer meets the conditions set forth by this section of the Terms and Conditions, then, in view of the new circumstances, it shall apply to this Client the provisions set for retail clients.
- 4.10. The Investment firm may regard a Client as a retail client or a professional client on its own initiative or on request of the Client, if the Client in accordance with these Terms and Conditions could be regarded as an eligible counterparty.
- 4.11. The Investment firm may make transactions with and provide related services in connection to investment services to an eligible counterparty without applying the provisions about informing the Client of the content of the investment service and related risks, assessment of the appropriateness and compliance of the client in the part of consumption of the desired investment service, compliance with the principle of best performance of the Client's order by the Investment firm, and regular delivery of information on the supply of the investment service to the Client in accordance with the clauses 5 – 7 and 9 of the article 85 and the articles 86-87⁵, 89 and 89¹ of the Securities Market Act of the Estonian Republic save for provisions that prohibit market abuse.
- 4.12. The Investment firm may regard a professional client as an eligible counterparty on his/her/its consent. In such case, the Investment firm shall explain the consequence of such status change to the Client before the decision is made to regard a professional client as an eligible counterparty.
- 4.13. An eligible counterparty may require the Investment firm to treat him/her/it as a different kind of client in all cases or for a given transaction only. In the last case, the clause 4.10 hereof shall not apply to the Investment firm and the Client.
- 4.14. If in accordance with the clause 4.12 of the present Terms and Conditions an eligible counterparty requests to be treated as a different kind of client, but this client does not explicitly request to be treated as a retail client, then the Investment firm shall treat this eligible counterparty as a professional client if it grants his/her/its request.
- 4.15. If an eligible counterparty requests to be treated as a retail client, the clauses 4.1 – 4.9 of the present Terms and Conditions shall apply to him/her/it.

5. Necessary conditions for delivery of services

- 5.1. In order to make the Contract and to open Accounts for a Client, the Investment firm shall first complete a compliance (Know Your Customer) procedure, for which purpose the Client shall provide the required documents to the Investment firm according to the list in the Appendix No. 3

to the Terms and Conditions and complete the identification form according to the Appendix No. 4 hereto.

- 5.2. In the event of change of data in any documents provided to the Investment firm, in particular concerning personal or financial position, the constituent documents, the Client's managing bodies, or any other change that affects the ability of the Investment firm to provide services under the Contract, the Client shall notify the Investment firm of such change in writing within 3 (three) business days and then provide a set of documents certifying the change within 15 (fifteen) business days following the change. The Investment firm may deem all and any information provided by the Client to the Investment firm true and correct until receiving the documents proving the change. This shall also be applied in situations when the rights of representation in the state register have been amended, information on such amendments has been published or a judgment concerning rights of representation was made or/and became effective.
- 5.3. At the Investment firm request, the Client shall submit any documents and/or provide any information which is necessary for establishing contractual relations with the Client and/or within the Client's operation under the Contract. .
- 5.4. In the event of non-supply or late supply of information stated in the clauses 5.2 – 5.3 of the present Terms and Conditions, the Investment firm shall not be liable to the Client for any breach of its liabilities caused by non-supply or late supply of the abovementioned information, including, but not limited to, a breach of its liability to notify the Client, and also for any losses or lost profit, which may arise from the Client's failure to comply with the above duties.
- 5.5. The Investment firm shall only accept and perform the Client's transaction orders on condition that the Client provides sufficient guarantees that he/she/it will have enough cash or/and securities to perform its liabilities at the time of clearance of the transaction. This clause shall not apply to marginal transactions that are governed by special provisions of the Terms and Conditions.
- 5.6. The Investment firm shall consider the following a sufficient guarantee of performance of liabilities:
- In case of a securities purchase and sale transaction, a position of the Client for the relevant asset counted on the transaction clearance day in an amount no less than the liabilities under the transaction.
 - In case of a purchase and sale transaction for derivatives and discharge of options, including for futures contracts: enough cash on the Account to cover the initial indemnity, to pay the option premium, and to perform an obligation to pay the variation margin counted by the results of the transactions with derivatives.
 - In the case of execution of deliverable futures and option contracts - availability of relevant accounts to keep the basic asset of such contracts and availability of a sufficient amount of relevant assets (the basic asset for delivery or money for payment) for execution of the derivative.
 - In the case of purchase and sale transaction for other financial instruments - the availability of cash or related financial instruments on the Account (section) in the amount sufficient to meet his/her/its liabilities.
 - The Investment firm may accept other performance guarantees from the Client based on supplementary agreements with the Client.
- 5.7. The Investment firm has the right to restrict the access of the Clients to performing of certain operations with the financial instruments, of there is no proof of availability of knowledge, experience of the Client, or in the case of inconsistency with the investment objectives or qualifications of the Client.
- 5.8. In the case of the forced closure of the Client's positions on the options by the Investment firm, the Investment firm may suspend the Client's access to the sale of option contracts (except for closing of positions) for all type of Clients, regardless of their qualification.
- 5.9. The Investment firm can also impose additional restrictions on transactions with derivatives with low market liquidity, including a banning on opening of positions.

6. Custody and accounting of the client's assets

- 6.1. For providing custodial services the Investment firm shall open the Account.
- 6.2. In this case the Investment firm shall keep the Client's assets on an account opened in the name of the Investment firm, which shall be designated, also if the relevant legal regulations so allow, and/or the Client has provided a consent for that in the required form (in the Contract), for joint custody of the Investment firm's Clients' assets (on the nominal account) or with the assets of the Investment firm. If the legal regulations of the country where the securities are registered do not allow such custody of the assets and/or the Client has not consented to that, or if, in the opinion of the Investment firm, such custody of the assets complicates the supply of custodial services to the Client, the Investment firm may keep the Client's assets on an account opened in the name of the Investment firm separately from the assets of the Investment firm and of its other Clients or on an account opened in the name of the Client, if the Investment firm obliges the Client to open such an account.
- 6.3. When providing custodial services, the Investment firm shall keep account of the Client's assets separately from the assets of other clients and of the Investment firm itself. Separate accounting of the Client's assets shall be arranged so that the Client's assets could be identified at any time among all the assets that are kept at the assets account opened in the name of the Investment firm.
- 6.4. On request of the Client, the Investment firm may within the Account open to the Client an sub investment account (Sub account) in internal records, which shall hold the Client's or the Client's clients' cash/securities and their flow for each transaction made in accordance with these Terms and Conditions according to the procedure and on conditions established for the Account.
- 6.5. For the purpose of managing and in-account distributing the assets of the Client (the Clients of the Client), the Investment firm is entitled to give the Client the right itself to open corresponding subaccounts and subsequent administration by setting limits, balances of assets (limits) and any other actions taking in regard to the subaccounts within the present Terms and Conditions and the Client's private politics. Setting the limits means that the total amount of the cash and/or securities on the Client's subaccounts will not exceed the limits set for the Client's account by the Investment firm. A change of the position on the Client's subaccounts will mean the automatic change of the Client's account. The Investment firm is not responsible for any actions (failures to act) of the Client within its subaccounts in consequence of controlling only the aggregated position of the Client on his account.
- 6.6. The Parties will agree that the Investment firm itself is entitled to calculate and set the limits for the Client's subaccounts within the positions of the Client's (the Clients of the Client) on the additional investment accounts (DIS).
- 6.7. Client's cash account.
 - 6.7.1. Unless otherwise provided by the Contract. The Client agrees that the Investment firm shall keep his/her/its cash in custody together with the cash of other clients of the Investment firm provided that internal accounting of the Investment firm will enable identification of the Client's cash at any time.
 - 6.7.2. The Investment firm may not unite its own cash with the Client's cash in the internal accounting of the Investment firm.
- 6.8. Client's securities account.
 - 6.8.1. Unless otherwise provided by the Contract. The Client agrees that the Investment firm shall keep his/her/its securities in custody together with the securities of other clients of the Investment firm provided that internal accounting of the Investment firm will enable identification of the Client's securities at any time.
 - 6.8.2. The Investment firm may not unite its own securities with the Client's securities, which are accounted on the Client's securities account, in the internal accounting of the Investment firm
- 6.9. For custody and accounting of other assets of the Client, the Investment firm may open additional internal accounts for accounting of other assets provided that:

- the assets was delivered to the Investment firm by the Client or his/her/its representative on behalf of the Client in the framework of a custodial service contract;
 - the assets was received by the Investment firm from other persons in the Client's favor with an indication that it is delivered in the framework of a custodial service contract and that these persons comply with the requirements of the Money Legalization (Laundering) and Terrorist Financing Prevention Act or the equivalent requirements.
 - or otherwise the assets were purchased by the Investment firm on the Client's order.
- 6.10. The Investment firm may refuse to provide custodial services to the Client regarding crediting of any assets of the Client or the third persons to the Client's account, as well as write-off (transfer) of the Assets to the accounts of third parties from the Client's account.
- 6.11. The Investment firm shall take necessary action with due care to re-register the Client's securities in the name of the Investment firm in the register or with the authorized body to ensure their proper accounting and exercising the rights vested in the securities.
- 6.12. If there are no other instructions from the Client, the Investment firm may do any of the following without additional instructions:
- issue certificates and other documents, which may be necessary to receive payments in connection with the Client's assets;
 - exchange temporary or intermediate documents, which certify rights to the Client's assets, for permanent documents;
 - take any necessary action to fulfill the Client's orders or to perform its liabilities under the custodial service contract.
- 6.13. The Client may remove all or some of the Assets from the Client's Account at any time considering the requirements and restrictions set forth by the Terms and Conditions.
- 6.14. When interests on securities or other assets of the Client are received, the Investment firm shall credit them to the relevant Client's Accounts within the time required for such operation, which shall not exceed the term prescribed by the laws of Estonia / Cyprus.
- 6.15. In order to enable the Client to take part in general meetings of security owners, the Investment firm has a right to provide information that the Client possesses securities of this issuer to the issuers, registrars, and superior depositories / custodians without receiving additional order (consent) from the Client.
- 6.16. In order for the Client to exercise his/her/its rights, which are vested in securities that are deposited with the Investment firm, provided that the Investment firm has received relevant information from the issuer, registrar and the superior depository/ custodian in due time, the Investment firm has a right to deliver the relevant information to the Client, including by publication of such information on the web site. For exercising the Security owner's rights including participation in a Shareholder Meeting, the Investment firm has a right to issue a corresponding power of attorney to the Client on his/her/its request. The Client is obliged to independently keep track of the corporate and other events of the issuers of financial instruments that are the objects of his/her/its investment.
- 6.17. Unless otherwise established by the Contract or other agreements between the Client and the Investment firm, the Client agrees with the right of the Investment Firm to use for its own purposes and at its own discretion the Client's assets, which are obtained by the Investment firm under the Contract, and are recorded on the Client's account, including the right of the Investment firm to exercise on its behalf a pledge of the assets owned by the Client.

7. Receipt and performance of trade orders

- 7.1. To make a transaction, the Client shall send a message to the Investment firm, which shall be a transaction order. The Investment firm shall regard the message from the Client as a transaction order if it is delivered by a method approved by the Parties, duly issued, and contains the following data

- the Client's name or unique code or, if the message is delivered via the System - other information enabling to unequivocally identify the Client and its Account, which will be used for clearance in the transaction;
- type of transaction (purchase/sale/REPO or other kind of transaction);
- name of the financial instrument - code of the security, the derivatives, the foreign exchange or other instrument;
- number of financial instruments or unequivocal conditions for its determining;
- price/rate of financial instrument or unequivocal conditions for its determining
- the price of one security (derivative contract) or unequivocal conditions for determining it or notice that the order shall be performed at the current market price, i.e. the prices of the best matched orders available in this TS at the moment when the order is discharged, the total amount of which shall not exceed the number of securities or contracts stated in the order;
- other compulsory parameters of the transaction if set by the Rules of the said TS or by the present Terms and Conditions.

When composing a message - transaction order, the Client shall follow the Rules of the relevant TS concerning the application format.

Transaction orders on paper shall be accepted by the Investment firm in the order set forth hereby for exchange of messages.

- 7.2. The Client may specify extra parameters of an order allowed for certain types of orders to the System ("stop applications", etc.) The allowed types of orders delivered via the System and the rules of completing them are determined in user manuals of this System. When an order is delivered using another method that is different from System, statement of any additional conditions of the order performance is only allowed on approval of the Investment firm.
- 7.3. The Investment firm shall accept the following transaction orders from the Client:
- Transaction orders where the bid price is not stated or the execution price is stated as "market" ("exchange," "cue," etc.), hereinafter referred to as "market applications." At the same time, the Investment firm may refuse to accept a market application from the Client.
 - Transaction orders where a certain bid price is stated. In such cases, the execution price shall be stated in measurement units that are used in the relevant trading system (corresponding currency, % shares, etc.), hereinafter referred to as "limited applications."
- 7.4. The Investment firm shall construe any order as a stop application if it is accompanied by a note of the "Execute when price is achieved" type and statement of a certain condition price (hereinafter referred to as stop price). The Investment firm shall not regard stop applications as transaction orders.
- 7.5. On achievement of conditions stated in a stop application, an application (transaction order) is created, which the Investment firm shall execute in the order set forth in the present Terms and Conditions. At the same time the Investment firm shall not be liable for non-execution of the stop application or technical failures arising while creating the application when the conditions of the stop application have occurred.
- 7.6. The fact that the Client has delivered an order means that the Client unconditionally agrees for the Investment firm to make the transaction at the Client's cost on conditions specified in the order or better ones during the time from the acceptance of the order until the earliest one of the following events:
- full performance of the order by the Investment firm;
 - expiry of the order. Unless the term is specified in the order, an order is considered to be valid within the day when it was received by the Investment firm. If the order is performed in part by the time of its expiry, it shall be deemed canceled in the non-performed part;

- cancellation of the order by the Client fully or in the unfulfilled part. An order shall be canceled by way of a message on the order cancellation sent to the Investment firm, which shall be subject to the same rules of acceptance and processing as the orders.
- 7.7. The transaction orders shall be prepared in accordance with Appendix No.5 to the present Terms and Conditions are accepted by the Investment firm on working days from 8:00 to 23:00, Tallinn time. At the same time, the Investment firm does not guarantee admission and/or execution of the transaction order sent to the Investment firm at a time, different from the period from the opening of the main trading session on the Moscow (MOEX) or the London Stock Exchange (LSE) (depending on what comes earlier) until closing the main trading session on the London (LSE) or New York Stock Exchange (NYSE) (depending on what comes later).
- 7.8. When an order is delivered through the System, the order shall be deemed accepted by the Investment firm on the time when it is registered in the System logs as the order delivery time, unless supplementary agreements of the Parties stipulate otherwise. If an order is delivered with other methods, the order shall be deemed accepted by the Investment firm on the time when the authorized employee of the Investment firm informed the Client that his/her/its order has been accepted, unless supplementary agreements of the Parties stipulate otherwise.
- 7.9. Before the performance of any accepted transaction order, the Investment firm may do preliminary control of the Client's positions in order to check the Client's compliance with the required collateral conditions for the orders as defined in the clause 5.6 of the Terms and Conditions. At the same, the Client shall be responsible for the independent control of own position and for compliance with the abovementioned terms. Performance of the order by the Investment firm in a scope in which the required collateral conditions for the order will be violated does not mean that the Investment firm will bear the related risks and possible losses. The abovementioned risks are born by the Client who shall cover all the losses, if any will arise.
- 7.10. When providing investment services on the forward market, the Investment firm may at its own discretion use the TS method or the broker, through which the Investment firm makes transactions in TS, to calculate the indemnity requirements, or it may set the size of the indemnity requirements on its own. The Investment firm shall set and change the size of the indemnity requirements and the types of assets that are accepted as indemnity unilaterally, and it shall spread this information through the System and/or the web site.
- 7.11. The Investment firm may set additional requirements for each Client to secure performance of liabilities on open positions in derivatives (require additional indemnity requirements). Additional margin requirement means a restriction for the Client's operations with derivatives through a reduction of the Client's position for the amount of additional indemnity requirements during the Trade Session. The Investment firm may set additional indemnity requirements, in particular, in the following cases:
- a situation arises on the market, which, in the Investment firm's opinion, creates an increased risk of default under the current amount of Indemnity and the Client's Open positions in derivatives;
 - the Client has had a regular (3 [three] and more times per month) indemnity shortage, and there was a fine charged to the shortage, or upon positions on derivatives were forcedly closed in accordance with these Terms and Conditions.
- 7.12. If the Investment firm makes a decision to require or change additional indemnity requirements, the Investment firm shall notify the Clients (Clients) thereof using the System or by sending a message to the Client's authorized email address. In such case, the Investment firm shall recalculate the total amount of indemnity requirements (including the extra one) in the position control system at the moment when such notice is sent to the Clients (Client). If the Client's position becomes negative after the recalculation, it means that the Client has an indemnity shortage.
- 7.13. Performance of delivery futures and claiming the Client's rights when the Client is the buyer of an option shall be done by the Investment firm in accordance with the exchange rules. If the exchange rules require a separate order to be filed, the Investment firm shall perform the delivery futures and claim the rights of the Client who is the option purchaser, based on a separate Client's order. orders for performance of delivery derivatives are a kind of transaction orders and shall be accepted and

performed by the Investment firm according to the procedure set forth for transaction orders in view of the following features:

- 7.13.1. The Investment firm shall stop accepting orders for delivery derivatives 2 (two) trading days before the TS stops taking orders.
 - 7.13.2. No later than 2 (two) days before the settlement date established in accordance with the specification of the derivatives and in compliance with TS rules as a date for settlements of exercised options or/and deliverable futures, the Client shall ensure that there is cash and/or a Basic Asset on his/her/its Account for the delivery derivative. Otherwise, the Investment firm shall be entitled not to perform the order for the delivery derivative or only perform a part of it.
 - 7.13.3. The Investment firm shall not accept or perform orders of discharge of delivery derivatives, the basic asset of which is a commodity.
- 7.14. All the transaction orders accepted by the Investment firm shall be performed in compliance with the principle of equal conditions for all the Clients and the priority of the Clients' interests to the interest of the Investment firm itself when making any transactions. For this purpose, the Investment firm shall perform the Clients' orders in the order they are received considering the following:
- orders for making transactions at the exchange including the ones sent through the System shall be performed by the Investment firm in the order they are received. The Investment firm shall perform the orders for transactions at the off-exchange market as soon as possible in accordance with the customary practice for such transactions.
- 7.15. orders for exchange transactions shall be performed by the Investment firm by making an order to the relevant TS with the parameters stated in the order or allowing counter-orders that are available in the TS at the moment of performing the order and have better parameters than those stated in the order.
- 7.16. orders for off-exchange transactions shall be performed by making a purchase and sale contract with the transaction counterparty (counterparties) on terms that are specified in the order or ones that are better for the Client, if possible. The time of performance of the order in such case shall be deemed the time when the Investment firm undertakes the liability to make such a contract and perform the transaction according to the requirements of the trade agreement and other documents that govern making transactions on the off-exchange market and the customary market practice.
- 7.17. The Investment firm may perform any transaction order in parts unless otherwise required by the Client in extra parameters of the order.
- 7.18. Confirmation of performance or non-performance of a transaction order during a trading day shall be provided by the Investment firm to the Client as follows:
- for the orders delivered via the System - immediately after the confirmation that the transaction has been made is received by the Investment firm from TS, through recording the transaction in the System;
 - for the orders delivered by another method - verbally over the telephone on the Client's request.
- 7.19. On the behalf of the Client, the Investment firm is entitled to conclude transactions in the OTC options in accordance with the procedure specified in the Special aspects of the conclusion and execution of OTC option trades (Structured products) pursuant to Appendix No.12 to the present terms and Conditions, in accordance with which a buyer of a structured product shall pay a premium to the other party while the seller shall pay the margin amount to the other party which is calculated accordingly to the Special aspects of the conclusion and execution of OTC option trades (Structured products), or otherwise to deliver the underlying asset in the amount equal to the margin amount.
- 7.20. The Client is advised, doesn't object and doesn't contest that both the Investment firm and any third persons at the Investment firm discretion, including any affiliated persons with AS KIT Finance Europe, can act as the other party to transactions in OTC options (Structured products). The Investment firm is not responsible for any loss of the Client arisen as result of third persons'

actions (failure to act). The Client is entitled to request and receive information on the other party to the transaction from the Investment firm prior to conclusion of a structured product trade.

- 7.21. The Client's order for concluding a transaction in structured product will be executed by means preparing Appendix No.21 to the present Terms of Business, which contains the material trade conditions.
- 7.22. Pursuant to the Specific aspect of the conclusion and execution of OTS option trades (Structured products) in case of concluding the American option within the structured product the buyer can request for execution of the option sending his order prepared accordingly Appendix No.12.3 to the present Terms and Conditions.
- 7.23. The Client may make orders to the Investment firm to claim securities for repurchase/redemption/exchange. Acceptance of orders to claim securities for repurchase/redemption/exchange shall be finished 10 (ten) business days before the time for presentation of the securities for repurchase/redemption/exchange, as determined in the prospectus, the security issue resolution or other regulations of the issuer or its agent, is over. The Investment firm shall not be liable for performance of orders if the Client infringes on the abovementioned terms.
- 7.24. The Investment firm reserves the right to refuse acceptance of a revocation of an order to claim securities for repurchase/redemption/exchange that the Client had filed earlier if the revocation was made less than 1 (one) day before the time for presentation of the securities for repurchase/redemption/exchange into TS (ending of the documents acceptance time by the agent/Issuer), as determined in the Prospectus, the Security Issue Resolution or other regulations of the Issuer or its agent. If no time for presentation of the securities for repurchase/redemption/exchange is specified in the issue documents, the Investment firm may refuse acceptance of a revocation of an order on the day of such presentation.
- 7.25. The Investment firm shall deliver the documents required to claim securities for repurchase/redemption/exchange to the Issuer or its agent no later than 1 (one) business day before the expiry of the presentation period, after which it is considered that the Investment firm has proceeded with execution of the Client's order. If the Client cancels the order after the abovementioned time, the Investment firm may debit without acceptance the Client's account for any cash in reimbursement of fines and penalties that are paid to the Issuer or its agent if such fines and penalties must be paid according to the documents of the Issuer or the agent.

8. Special features of marginal transactions

- 8.1. The Investment firm shall treat the Client's transaction order as a marginal transaction order if the amount of the transaction, which shall be made on its basis, is greater than the Client's respective position at the time of performance of such order (settlement of the transaction).
- 8.2. As a result of marginal transactions, the Client shall have a planned debt on cash (long position) or securities (short position).
- 8.3. The Investment firm shall enable the Client to make marginal transactions of purchase and sale of securities if the Client provides collateral. Collateral for marginal transactions shall mean non-negative positions of the Client in cash and in securities, which the Investment firm accepts as collateral.
- 8.4. To determine the allowed value of long and short positions, the Investment firm shall calculate and control a special index, which is called the margin level.
- 8.5. If the securities, the value of which is assessed to calculate the margin level, are traded in several TS, the Investment firm may choose the current price of any TS at its discretion for determining the market price (usually, on the closing price of TS, where the transaction was made). If the securities are not traded on the organized market, the Investment firm shall assess their value subject to the following:
- Revaluation of such securities shall be done on a regular basis, daily or more often at the discretion of the Investment firm;

- The current price shall be deemed the average of the last transaction's price and the best firm buy quote for the Security, or the closing price, which are published in the Bloomberg system.
- If, according to the data of the Bloomberg system, within the last 90 (ninety) days there are no data on any of TS on prices/quotes where the trades on given instrument were carried out, the position can not be assessed.

8.6. The Investment firm may set discounts for certain securities that are accepted as collateral for marginal transactions and Surcharges to price of certain securities where it is allowed to open short positions. The amounts of discounts and Surcharges for each security are specified by the Investment firm in the list of the securities that are accepted as collateral and shall be amended in the order set forth by the clause 8.8 of the present Terms and Conditions

8.7. The Investment firm may set special stricter requirements to collateral for marginal transactions if the Client provides the securities, for which the Investment firm sets the discounts from the market price, as collateral. For this purpose, the Investment firm shall determine the value of securities (VS) that were provided as collateral for marginal transactions for calculation of the margin level and the collateral value for marginal transactions in view of the following:

the value of securities of the given kind (VS_i) shall be reduced by the discount for this security (Discount_i), if the Investment firm has set discounts for this Security

$$VS = \sum VS_i * (1 - \text{Discount}_i / 100\%)$$

8.8. The up-to-date list of securities that are accepted as collateral for marginal transactions, a list of securities, on which it is possible to open short positions, and the discounts, surcharges, maximum Indemnity, and maximum short position that are set for each Security shall be determined and amended by the Investment firm at its discretion and published at the web site. By signing the Terms and Conditions, the Client confirms that he is able to become familiar with this data. The up-to-date list of securities, the maximum indemnity and discounts are also published by the Investment firm in the system on the date of their entry into force (if technically possible).

The Investment firm has a right not to accept as collateral for marginal transactions the securities blocked for redemption by the issuer or for other corporate events.

Any amendments to the abovementioned lists, discounts, and surcharges shall be effective on the next day after they are published at the web site, unless a later term is specified by the Investment firm at the same time when the amendments are published.

8.9. When removing the securities from the list of securities, on which it is possible to open short positions on the day when such changes will enter into force, the Investment firm has a right to close short positions of the Client on such securities without additional orders from the Client. If as the result of the Issuer's corporate actions there occurs a suspension or termination of circulation of securities on the organized markets, the Investment firm has also a right to close the short positions of the Client on the given Security on the last day before the suspension (termination) of its circulation.

Under the procedure established by these Terms and Conditions, the Investment firm may retain for the Client a short position on a Security.

8.10. The Investment firm shall perform the Client's orders for marginal transactions provided that the margin level will not be less than the Initial margin level. In such case, the Client shall control the amount of the planned debt and not allow the margin level to become less than the initial value by replenishing his/her/its Account on time or reducing the planned debt on time by making transactions with the purpose of closing or reducing the short and/or long positions.

8.11. Unless otherwise determined by the Parties, the Investment firm sets the following margin levels:

- Initial margin level – 33%
- Threshold margin level – 25%

8.12. The value of the initial margin level and/or the threshold margin level are determined and amended by the Investment firm unilaterally or by the Client's request. In the case of unilateral change margin levels the Investment firm notifies the Clients about the changes no later than 3 (three) working days prior to the introduction of relevant amendments by publishing the information on

the web site and/or notification to the authorized email address of the Client. Timing and the possibility of changing margin levels specified in clause 8.11 of these Terms and Conditions determines by the Investment firm independent.

- 8.13. In addition to the margin level, the maximum amount of long and short positions is determined basing on the norms for the maximum allowed debt (risk concentration) for each Client and all the Clients in total to the Investment firm in the amount set forth by the legal regulations of Estonia/Cyprus.
- 8.14. When determining the maximum amount of long and short positions, the Investment firm shall individually determine the total amount of claims of related parties where the risk concentration may not exceed the values set forth by the legal regulations of Estonia/Cyprus.
- 8.15. The Investment firm reserves the exclusive right to make decisions on the possibility of providing marginal lending services to the Client and on this base to accept or decline any order of the Client for a marginal transaction or to perform such order within the positive position of the Client.
- 8.16. The Investment firm charges the Client with interests on loans under margin transactions. The interest on loans is determined in the tariff plan of the Client. The procedure for granting loans is determined in clause 11 of the present Terms and Conditions.

9. Procedure of rendering services on foreign exchange market and market of precious metals OJSC Moscow Exchange

- 9.1. A Client, having concluded the Contract and by giving an order for performing transactions with Foreign exchange instruments and/or Instruments of the precious metals market on OJSC Moscow Exchange, thus confirms that he/she/it is familiarized with the valid Rules of the TS. The Client expresses the consent with these documents, undertakes to independently keep track of their changes and assumes all risks associated with the transactions on the foreign exchange market and the market of precious metals on OJSC Moscow Exchange.
- 9.2. The Client is aware that the Investment firm has a right in order to perform the Client's orders and transactions with Foreign exchange instruments and/or Instruments of the precious metals market to engage the third parties – the credit institutions, who are appropriately licensed and are the members of trading of the foreign exchange market and/or the market of precious metals of OJSC Moscow Exchange.
- 9.3. The Client reserves for the Investment firm the right to determine the scope of third persons for performance of the Client's orders and other obligations of the Investment firm under these Terms and Conditions. The Investment firm is not responsible for the actions (or inaction) of third persons in the event of loss (lost profit) for the Client, if such circumstances could not be foreseen by the Investment firm.
- 9.4. The Investment firm has a right to set on its discretion a limit for the Client regarding the list of instruments, a full description of which is specified in the Rules of the TS. The Investment firm publishes the list of available financial instruments in the System.
- 9.5. The form of the order for transaction with Foreign exchange instruments and/or Instruments of the precious metals market is similar to the form of the order for transaction with financial instruments, and is set out in Appendix No. 5 to the present Terms and Conditions. At the same time the Investment firm reserves the right to accept other forms of orders that are not set out by these Terms and Conditions, but meet this section of the Terms and Conditions.
- 9.6. The Investment firm shall execute the orders for transactions with Foreign exchange instruments and/or Instruments of the precious metals market, provided that on the Client's account there are available funds in the amount sufficient for the execution of the Client's order.
- 9.7. If at the time of making (execution) of the transactions with Foreign exchange instruments and/or Instruments of the precious metals market the Client has no or insufficient available funds in the relevant currency on his/her/its account (technical section in the System), the Investment firm reserves the right to perform the following actions (a set of the following actions):
 - refuse to accept and/or execute the order;

- carry out the conversion of the Client's money on the Client's account in the manner and on the conditions established by the Terms and Conditions, considering the order to carry out the transactions with Foreign exchange instruments as an order for the corresponding conversion on standard conditions established by the Terms and Conditions (for foreign exchange market).
- 9.8. The Investment firm also has the right to provide a possibility to the Client to perform transactions on the foreign exchange market and precious metals market by making a transaction with a partial deposition of collateral. In this case, the Investment firm shall open for the Client a separate Account_FX, on which are accounted the money to be used only for trading on the forex market and precious metals market.
- 9.9. Cash on the main account and other Sub accounts of the Client opened under these Terms and Conditions, is not accounted on Account_FX, and will not be accepted for calculation of the Client's trading position in the forex market and precious metals market. Cash on the Account_FX will not be accepted also for calculation of other positions of the Client under the brokerage services in the Investment firm.
- 9.10. In the event of making the transaction with partial deposition of collateral and insufficient cash on the Client's Account_FX to cover the risk of default on such transactions at the Client's account, the Investment firm calculates for each Client, who has liabilities on transactions with pending obligations, a specific index - margin level on the foreign exchange market and precious metals market (ML_FX). ML_FX is calculated as:
- $$ML_FX = (TP_FX^+ + TP_FX^-) / TP_FX^+ * 100\%, \text{ where}$$
- "TP_FX+" – the sum of positive evaluations of planned positions on cash and instruments of precious metals market on the Account_FX.
- "TP_FX-" – the sum of negative evaluations of planned positions on cash and instruments of precious metals market on the Account_FX.
- At the same time the evaluation of planned positions on cash and instruments of precious metals market is carried out in a common currency at the discretion of the Investment firm at the rate of the offer price in the TS on the relevant currency/instrument of precious metals market at the moment of calculation of the trading position.
- 9.11. The Investment firm has a right not to make on the Client's order a transaction, in the result of which the index ML_FX drops below the initial margin level ML_FX.
- 9.12. In the case if the index UM_FX drops below the initial level, the Client is obliged to carry out the actions that are necessary and sufficient for increasing the index ML_FX to the level, which is not lower than the initial level, and no later than in the day following the day of decreasing of the index ML_FX.
- 9.13. In the case the index ML_FX drops below the threshold ML_FX level, the Investment firm shall have a right, in order to bring ML_FX index to the level set in clause 9.11 of the present Terms and Conditions, to make the forced closure of the Client's positions by buying and/or selling the foreign exchange instrument / the instruments of the precious metals market at the Clients's cost without further order of the Client. The Investment firm performs the transactions on closing of any position at market prices. The Client understands these conditions, accepts them and authorizes the Investment firm to enter into transactions on the forced closing of positions in accordance with this section of the Terms and Conditions.
- 9.14. Unless otherwise determined by the Parties, the Investment firm sets the following margin levels ML_FX :
- Initial margin level ML_FX - 5%
 - Threshold margin level ML_FX - 2.5%
- 9.15. This right (p. 9.13 of this Terms and Conditions) does not mean that the Investment firm has a duty to perform the named actions. The Client is obliged to check the ML_FX level by him/her/itself to prevent its lowering below the threshold level.
- 9.16. In the case of the forced closure of Client positions, including in the manner prescribed by clause 9.13 of present Terms and Conditions, the Investment firm is entitled to retain additional commission (fines) in the amount established by the tariffs of the Investment firm.

- 9.17. In the case of open position of the Client on buying/selling the instruments of precious metals market and the lack on the Client's account, as at 10:00 Moscow time (Moscow time) on the trading session in the TS, the appropriate instrument and/or cash (rubles) to fulfill obligations on buying the precious metals market instruments in the amount of open position, the Investment firm has a right to transfer the Client's position by entering at the Client's account into the relevant swap transaction with the precious metals market instrument conjugated with the open position of the Client. In this case the Investment firm reserves the right to exclude the presence of an open position in precious metals market instruments.
- 9.18. When the Client's open positions is transferred by entering into swap transactions, the Client's obligations to supply/sell the precious metals market instruments with the current execution date (TOD) end and open the identical obligations with the execution date on the next working day following the current date (TOM).
- 9.19. The Investment firm does not deliver the precious metals to the Client's account, to other (banking, payment, etc.) Client's accounts or directly physically to the Client.
- 9.20. The Investment firm conducts the transactions with foreign exchange instruments and/or precious metals market instruments, including swap transactions, on the basis of the Client's orders of the following types:
- buy (sell) a foreign currency instrument or precious metal market instrument at the market price (market order);
 - buy (sell) a foreign currency instrument or precious metal market instrument at a limited cost – not higher (not lower) of the said (limit order).
- 9.21. By validity, all orders to make transactions with these financial instruments are considered valid until the end of the trading session in the TS. The validity of Stop applications is set by the Client on his/her/its own, if not specified such time as until the end of the trading session in the TS. Upon that the Investment firm is not responsible for the execution (non-execution) of Stop application, regardless of the conditions set by the Client and/or the reasons for its execution (non-execution).
- 9.22. Cooperation between the Parties in communicating, particularly when the Client gives the orders for purchase/sale of foreign currency (foreign exchange instruments) and/or precious metals market instruments is carried out according to the general procedure set forth in section 16 of the Terms and Conditions in view of features set forth in this section of the Terms and Conditions.
- 9.23. The Investment firm has the right to refuse to accept orders for transactions with foreign exchange instruments and/or precious metals market instruments in the case if the Client violates the conditions provided in this section of the Terms and Conditions, and in other cases at the discretion of the Investment firm.
- 9.24. Upon the termination of the Contract or the Client's refusal from the transactions on the foreign exchange market and/or the precious metals market of OJSC Moscow Exchange, all open positions must be closed by the Client and/or executed. If the Investment firm will not receive from the Client an order for making transactions with related instrument in order to close the open positions, the Investment firm is entitled to close them by itself by buying and /or selling the corresponding foreign exchange instrument and/or the instrument of precious metals market at the Client's cost.
- 9.25. In the case of the forced closure of Client's positions, the Investment firm is entitled to retain additional commission (fines) in the amount established in the tariffs of the Investment firm.

10. Features of REPO transactions

- 10.1. The Investment firm reserves the exclusive right to decide on its own whether to provide for the Client the opportunity to carry out REPO transactions. For the purposes of making this decision, the Investment firm has a right to ask the Client to provide additional documents and information, besides those set in Appendix 3 to the Terms and Conditions.
- 10.2. At the conclusion of REPO transactions the Investment firm shall calculate the margin level for the Client's account, whereby only the current position of the Client under REPO transactions can be taken into account.
- 10.3. At the conclusion of REPO transactions in the TS of OJSC Moscow Exchange the Investment firm shall be entitled to present the following additional requirements to the parameters of the REPO transaction:
- limit the maximum amount of one transaction;

- limit the maximum aggregate amount of open REPO transactions (the settlement period for the second part of which has not come);
- set the minimum size of the lower value of the discount and/or the maximum size of the higher value of the discount (in the sense in which these terms are used in TS Rules);
- other requirements established by the TS Rules or at the discretion of the Investment firm.

For these purposes, the Client transfers the order for making REPO transactions only after coordination of additional parameters with the Investment firm.

- 10.4. At the conclusion of REPO transactions, in particular off-exchange transactions, the Investment firm determines the basic procedure and conditions for the conclusion and execution of REPO transactions with counterparties on its own, without additional approval from the Client. To this end the Investment firm may enter into master agreements on general terms of REPO transactions in the securities market, as well as into other contracts and agreements with counterparties governing REPO agreements (hereinafter – REPO agreements).
- 10.5. In cases of entering into REPO transactions on behalf of and at the expense of the Client, the Client is fully subject to the provisions relating to execution of REPO agreements.
- 10.6. When entering into REPO agreements the Investment firm is governed by the laws, standards and established practice of business turnover.
- 10.7. The Client assumes the risks associated with the fact that the conditions of REPO agreements may differ from those listed in these Terms and Conditions.
- 10.8. If the REPO agreement conditions contradict with the conditions in the Terms and Conditions, the REPO transaction is governed by REPO agreement.
- 10.9. The Client has a right to familiarize him/her/itself with agreements, contracts and other documents regulating the relations between the Investment firm and the third parties on the REPO market (REPO agreements) by sending a request to the Investment firm.
- 10.10. REPO agreement is confidential and can not be disclosed to third parties without the consent of the Investment Firm, except in cases established by law.
- 10.11. At the conclusion of REPO transactions in the off-exchange market the Investment firm is entitled to claim on the basis of revaluation of securities at the change of their market value:
- that the Client would transfer the amount of cash as a deposit;
 - that the Client would make the payment of security deposit.

In the case of a significant decreasing of the market value of the securities sold by the Investment firm on behalf of the Client for the first part of the REPO, the Investment firm is entitled to withhold the security deposit from the Client's account. With the proper fulfillment of obligations under the second part of the REPO the amount of the security deposit shall be offset against the obligations under the second part of the REPO.

- 10.12. The maximum amount of the security deposit is calculated according to the following formula:

$$D = P2pPEIO - pSD - MS * (100-D)/100\%, \text{ where}$$

SD – amount of security deposit;

P2pPEIO – amount of the payment on the second part of REPO, calculated as the price of the second part of the REPO, multiplied by the number of securities;

pSD – the total amount of previously made payments of security deposits;

MS – market value of securities, calculated in the day preceding the day of sending the claim for payment of the security deposit;

D – minimum discount set in the REPO transaction in accordance with the order of the Client.

- 10.13. The Investment firm has a right to repeatedly demand a payment of the security deposit depending on the changes in the market value of the securities.
- 10.14. The Investment firm deducts the security deposit from the Client's account without additional order of the Client. In case of lack of funds on the Client's account to make the security deposit the Investment firm has the right to:

- provide the Client with a loan in amount of the security deposit, with a corresponding increase of the Client debt before the Investment firm;
 - realization of the Client's assets in the amount sufficient to meet the requirements for making the security deposit;
 - early execution of the REPO transaction concluded on behalf of the Client;
 - early execution of the REPO transaction concluded on behalf of the Client and making a new REPO transaction;
 - termination of the REPO transaction with preserving of the counterparty or the Investment firm ownership of securities, and of the previously received security deposit payments made in the first part of the REPO.
- 10.15. Unless the parties have agreed otherwise, in the case of determination in the period between the date of transfer of ownership of securities on the first and second parts of the REPO, the dividends, interest income, partial repayment from the Issuer and/or the person who gave out the securities that are the subject of the REPO transaction, the amount of money funds equivalent to the payments of the Issuer and/or the person who gave out the securities and/or other property or its equivalent (hereinafter - Income on securities) should be transferred from the Original purchaser to the Original seller as amounts included into the original purchaser's obligations under the REPO transaction.
- 10.16. If in accordance with the terms of the REPO transaction the income on securities are not transferable to the original seller, they are accepted for reducing the amount of payment for the second part of the REPO.
- 10.17. In the case of compiling a list of owners during the period between the dates of transfer of ownership of securities on the first and second part of the REPO, the Original purchaser exercises all rights of ownership in respect to securities received in the first part of the REPO.
- 10.18. In the case of inclusion of the Original purchaser into the list of securities owners who are entitled to participate in the general meeting of shareholders, in the period between the date of transfer of ownership of securities on the first and second parts of the REPO the original seller has the right to obtain the right to vote on securities. The original purchaser pursuant to the relevant application of the Original seller must provide the original seller with authority to participate in the general meeting of shareholders. In this case the original purchaser shall not be liable for any failure of the original seller to exercise the right to participate in the general meeting of shareholders, including in the case when the original purchaser provides the authority to participate in the meeting of shareholders to other persons, except in cases of improper preparation of the authority.
- 10.19. If the date of purchase, the date of redemption, the delivery date for the first and second parts of the REPO, established in the conditions of REPO, fall on a day that is not a working day for the purpose of settlement on REPO, the following working day is recognized as the relevant date.
- 10.20. In the case of conversion of the securities on the grounds provided by law, including the split/consolidation of shares, conversion of preferred shares, conversion of other registrable securities into the company's shares, conversion at reorganization through merger, division, separation and joining, consolidation of securities issues, if such conversion was carried out on the deposit account (personal account) of the original purchaser during the period between the dates of transfer of ownership of securities in the first and second parts of the REPO, the original purchaser is obliged to submit on the second part of the REPO in an appropriate amount the securities received as a result of conversion/ split /consolidation.
- 10.21. The Investment firm has the right to fulfill other requirements of the counterparty under the REPO agreement at the account of the Client's assets and without additional order of the Client. In the absence of necessary funds on the Client's account the Investment firm has the right to realize the Client's assets in an amount sufficient to meet the requirements of the counterparty and/or by execution of these requirements at the account of the Investment firm with a reflection of debt on the Client's account in the event of insufficient assets.

11. Making transactions without orders (margin call, forced closure)

- 11.1. The Investment firm may only make transactions at the Client's account at the Investment firm's discretion and without the Client's orders in the cases and in the order set forth by these Terms and

Conditions. In such cases, it is deemed that the Client has authorized the Investment firm for such actions.

- 11.2. In all the cases set forth by this section of the Terms and Conditions, the Investment firm shall make transactions at the current market price.
- 11.3. For control of risks the Investment firm may make (but is not obliged) a margin call to the Client in the following cases:
- If the margin level is lower than the Initial margin level (on the securities market);
 - If the indemnity is lower than the initial indemnity (on the forward market).
- 11.4. For the aim of control of risks that accompany marginal transactions, the Investment firm shall set the threshold margin level in addition to the initial one unless otherwise fixed by the Parties, the threshold margin level is set in clause 8.11 of these Terms and Conditions.
- 11.5. If the margin level goes down to the threshold level, the Investment firm may reduce or close short and/or long positions of the Client by making at the Client's cost the transactions of purchase or/and sale of securities in an amount that is necessary to raise the margin level up to the initial value. In such case, the Investment firm shall at its discretion choose a TS where the transaction will be made (if the security is traded in several TS) and the order of the long and short positions to be closed or reduced, in accordance with the following rules:
- to close or reduce a long position, the Investment firm shall sell securities that are included in the list of securities that are accepted as collateral, starting from the ones that are most liquid in the opinion of the Investment firm;
 - The Investment firm shall choose the minimum scope of transactions to reduce the Client's planned debt that is sufficient to reach the Initial margin level.
- 11.6. If case of non-providing the marginal lending services to the Client and existence of debts on the investment account, the Investment firm is entitled at any moment to implement a forced currency conversion for the purposes of covering the Client's debt to the Investment firm in other currency, as well as to implement forced sale of any other assets for the purposes of covering the Client's debt.
- 11.7. Closure of Open positions on derivatives may be performed by the Investment firm in the following cases:
- If the Client has an indemnity shortage or any other debt account
 - If for 3 (three) trading days before the first notice day or last trade day, whichever is the earlier, as set by the exchange for delivery derivatives, the basic asset of which is a commodity, the Client has an open position on such derivatives;
 - If the Investment firm has no order for derivative discharge or/and no cash or/and no securities to perform the Client's liabilities.
- 11.8. The Investment firm shall close an open derivative's position by making an offset transaction in relation to the open position under the Client's derivatives, which is being closed.
- 11.9. In special cases, the Investment firm may on the order of the Client who has an Indemnity shortage or any other debt account open positions on the forward market, which shall cause a reduction of the Indemnity shortage. Upon that the opening of any such position shall compensate the risks of the already existing position of the Client and reduce indemnity requirements and, consequently, result in reducing (liquidation) of the Indemnity shortage or debt account. The Investment firm is entitled not to make transactions on the forward market that will cause an increase of the indemnity shortage and indemnity requirements, as well as increasing of debt account
- 11.10. If an open position on derivatives is closed, the Investment firm shall on its own determine the list and order of open positions on derivatives that must be closed or reduced and make transactions in the minimum possible amount that is sufficient for liquidation of the indemnity shortage and/or debts arised

- 11.11. If the Contract is terminated, the Investment firm may close all the open positions on derivatives and dispose of any assets from the Account in an amount sufficient to close long and short positions and/or paying off the debt to the Investment firm, on the day of termination of services under the Contract as determined in accordance with clause 20 of the present Terms and Conditions.
- 11.12. In case of forced closure of the Client's positions, the Investment firm may charge extra commission (penalties) according to the tariffs of the Investment firm.
- 11.13. The Investment firm may on its own and without extra orders of the Client transfer money and/or sell securities of the Client, which are accounted on one the Account/Sub account of the Client as well as with any other contracts concluded by the Client with the Investment firm, to repay a debt on another Client's Account/ Sub account or in the Client's contract.

12. Clearance

- 12.1. Clearing of transactions made by the Investment firm at the Client's cost shall be carried out by the Investment firm on its own with no extra orders of the Client unless the TS Rules or the Terms and Conditions stipulate otherwise. A transaction order shall be regarded by the Investment firm and the Client as an order to the Investment firm to perform Clearance under the transaction.
- 12.2. Clearing of transactions for the purposes hereof shall mean exercise of all the rights and performance of all the liabilities of the Investment firm to the counterparts and other parties to the process the transaction, as a result of transactions made under the order. In particular, the Investment firm shall do the following:
- delivery/acceptance of securities, precious metals market instrument or other financial instrument;
 - transfer/receipt of cash in payment for financial instruments, variation margin, and option premium;
 - payment of TS tariffs and fees;
 - delivery derivative ;
 - other payments to third parties that directly contribute to the performance of the transaction and operations.
- 12.3. For clearance, the Client shall ensure that there are sufficient assets (cash and/or securities) on the Account in an amount necessary for full discharge of liabilities under the transaction (save for marginal transactions). The Client shall reimburse any costs to the Investment firm that are incurred by the Investment firm for the reasons that the Client has not observed the terms of payment or delivery of securities.
- 12.4. If there is not enough cash on the Account in the currency in which the liabilities are nominated, the Investment firm may but is not obliged to convert the Client's cash in another currency without extra orders from the Client. The conversion rate shall be determined by dividing the rate of the European Central Bank for the currency that is being converted to the euro by the rate of the currency into which the amount is converted to the euro, and deducting the Investment firm rate from the resulting cross rate. The Investment firm rate is 0.5 (zero point five) percent.
- 12.5. If by the time of the settlement of the transactions there is not enough cash and/or securities on the Client's Account for full discharge of liabilities under the transactions, it means that the Client has a cash debt to the Investment firm in the currency in which the liabilities are expressed. In particular, a debt may arise, among others, in the following cases:
- Settlement of the marginal transactions that were made earlier if the Client has not replenished his/her/its account since they were made;
 - if the transactions (including marginal transactions), which clearing of should have been done till the present day, were not counted for some reason, as a result of which the required cash or securities were not transferred to the Client's Account;

- in the event of deduction of the Investment firm's or third parties' fees or other expenses stipulated in the Terms and Conditions from the Client, if on the Client's account there is no amount required at the moment of deduction.
- 12.6. In cases stipulated by clause 12.5 of the Terms and Conditions, the Investment firm may at its discretion sell or purchase securities at the Client's account for settlement under a transaction or execute a transaction and sell (buy) securities at the Client's account to repay the Client's debt to the Investment firm that has appeared as a result of settlement under such transaction.
- 12.7. If a Client has a debt on cash or securities, it means that the Investment firm has granted a loan of cash or securities to the Client.
- 12.8. The Investment firm shall charge the Client's interest on the loans granted to the Client. The rates of interest on loans granted are set in the tariffs of the Investment firm. Interest on loans granted shall be charged to the Client's Account daily on business days, at the end of which the Client has a debt in cash or securities. Interest on cash loans shall be charged to the cash debt individually in each currency. Interest on Security loans shall be charged to the estimate of the Security debt at the closure price of those securities in the relevant TS. If a Security is traded in several TS, the Investment firm may at its discretion choose a TS, whose closure prices will be used to estimate the debt on securities.
- When a security was deleted from the list of securities, on which it is possible to open short positions, the Investment firm shall be entitled to allow the Client to continue to maintain a short position on a security, in particular, on terms other than those previously identified by the Parties (tariffs) upon the Contract between the Parties, including via email using an authorized email address.
- 12.9. A loan shall be granted for one business day. If all or some of the loan is not repaid on time, it shall be extended to the next day automatically in the amount of the unpaid part and, if cash was borrowed, the interest accrued and not paid by the time of the extension. The Investment firm may require a loan to be repaid at any time on notice to the Client in 3 (three) business days before the repayment day, unless the Parties have agreed otherwise in writing.
- 12.10. Reports of the Investment firm drawn in accordance with the Terms and Conditions shall be the documents that certify the fact of lending to the Client.
- 12.11. If at the time of closing (fixation) of the register of shareholders (owners) of an issuer with the purpose of further payment of dividends or other income on a security, the Client had a short position, the Investment firm may charge the Client's Account firm is entitled to deduct from the Client's Account the calculated amount of dividends or other income on these securities.

13. Non-trade operations

- 13.1. The Investment firm shall perform the following operations based on the custodial services contract that are not directly related to making transactions (hereinafter referred to as non-trade operations):
- crediting cash that was received from the Client;
 - debiting cash on the Client's order without making a transaction;
 - crediting income from the Client's securities including crediting proceeds from bond redemption, dividends on shares, and sums of interest (coupon) earnings on bonds;
 - crediting securities;
 - debiting securities;
 - conversion of cash into another foreign currency;
 - other operations.
- 13.2. The Investment firm does not operate with cash. Money funds shall be credited to the Client's account by means of transfer of money funds to the appropriate accounts of the Investment firm in credit institutions with the bank details specified in Appendix No.10 to the present Terms and Conditions, and by providing the appropriate orders, according to the requirements of this section

of the Terms and Conditions. The Investment firm is entitled to credit the Client's account with the money fund without the receipt of the additional non-trade order from the later providing the money funds were received on the account of the Investment firm directly from the Client and the availability of the information about the Client account (contract) number in case of two and more accounts. Unless otherwise specified, in this specific case the money funds will be credited to the section for execution transactions with securities (SPOT).

- 13.3. The Investment firm has the right to refuse the Client in performing the following non-trade operations:
- crediting money or securities received from third parties to the Client's account;
 - debiting money or securities from the Client's account to the accounts of third parties;
 - debiting money / securities, provided by the Investment firm as the loan to the Client and / or, if as a result of this debiting, the margin level for the Client's account falls below the initial margin level.
- 13.4. Any inventory, information, and other transactions on accounts opened by the Investment firm shall be made by the Investment firm at the Client's cost and in the order set forth by the rules of issue and circulation of the securities, rules and regulations of TS and superior depositories.
- 13.5. Non-trade operations of crediting or debiting cash and/or securities from/to the Client's Account shall be done by the Investment firm on the basis of the Client's orders that shall be delivered to the Investment firm in the order set forth by the Terms and Conditions for message exchange., unless otherwise set forth by the present Terms and Conditions.
- 13.6. Orders for non-trade operations are accepted by the Investment firm on business days from 8:30 till 14:00 Tallinn time on any business day.
- 13.7. Orders for crediting of cash and/or securities to the Account shall be processed no later than the end of the day when the order is accepted if it was accepted before 14:00 Tallinn time or 11:00 of the next business day if it was accepted by the Investment firm after 14:00 Tallinn time. In any case, orders shall only be processed after their actual crediting to the account of the Investment firm and after the Investment firm has received the relevant statement of the bank account or custody account where the Client has credited cash or securities.
- 13.8. Non-trade orders for withdrawal of cash or securities from the Client's Account shall be processed by the Investment firm no later than by the end of the 3rd (third) day following the day of acceptance of the order, which shall be a banking day and a business day at the same time.
- 13.9. The Investment firm shall proceed with the order for withdrawal of cash and/or securities if the Client performs the following liabilities:
- liabilities to deliver or pay the financial instruments on the transactions that were made earlier;
 - liabilities to pay reimbursements, fines, commissions, remunerations and other expenses in favor of the Investment firm or third parties;
 - liabilities to keep the margin level not less than the Initial Value.
- 13.10. If there is not enough cash and/or securities on the Client's Account, the Investment firm is entitled not to proceed with the order or to perform it in a part to the extent so that there will be enough cash and/or securities on the Client's Account after the order is performed in order to cover the abovementioned liabilities
- 13.11. The Investment firm shall convert cash based on a Conversion order not later than at the end of the second day after the order acceptance day.
- 13.12. Performance of a conversion order means either:
- that a debit entry will be made upon the Client's account in the internal accounting system in the currency which is converted and a credit entry will be made at the same time in the currency into which the amount is converted; or
 - an entry will be made in the internal accounting system similar to the transaction entry. On the settlement date, the concurrent entries will show reducing in the position of the currency

which is converted and increasing in the position of the currency into which the amount is converted.

- 13.13. Conversion shall take place at the rate determined in the clause 12.4 of the present Terms and Conditions, if not otherwise agreed between the Client and the Investment firm. Another conversion rate shall be deemed agreed if the Client specified it in the conversion order, and the Investment firm performed the Conversion at this rate.

14. Consideration of the Investment firm, payment of expenses, fines, and reimbursements

- 14.1. The Investment firm shall charge the Client a fee for all the services provided in accordance with these Terms and Conditions. The Investment firm shall charge the fee in accordance with the Investment firm's tariffs, at the time of the transaction and in the currency of the transaction, unless otherwise agreed between the Parties.
- 14.2. Commission rates (tariffs) of the Investment firm (Appendix No11 to the present Terms and Conditions) are published on the Web Site www.kfe.ee. The Parties can conclude other commission rates (tariffs) as an annex to the Contract.
- 14.3. In the case of the rendering of services to the Client, are not listed in the Client's tariff, fees of Investment Firm and the payment of expenses charged by the tariff «KIT-General», published on the Web Site of the Investment firm, unless otherwise determined in the Contract, these Terms and Conditions and/or in the Commission rates.
- 14.4. Change of tariff is possible on the Client's initiative and on the Investment firm's consent by bilateral signing relevant changes.
- 14.5. The Investment firm may change the size and order of tariff charging at its discretion by prior notice to the Client via Web Site at least 5 (five) business days before the amendments become effective and/or using the authorized email address, except for the introduction of new tariffs that do not affect the existing commission rates.
- 14.6. The introduction of new tariffs is allowed since the moment when they are published on Web Site or sent to the Client's authorized email address, unless otherwise stipulated by the Investment firm. In case of disagreement with the proposed amendments, the Client has the right to terminate the Contract in accordance with the procedure specified in clause 21.2. of the Terms and Conditions.
- 14.7. If a tariff is changed on the initiative of the Investment firm, the respective commissions (tariffs) shall terminate, and the amendments imposed by the Investment firm shall become effective at the same time.
- 14.8. When required, the Investment firm and the Client may agree on the spot about the fee for transactions or other operations performed by the Investment firm. The fee size shall be deemed approved if the Investment firm performs the Client's order, additional instructions to which contain the Client's offers on that matter.
- 14.9. Unless it is otherwise stated in the tariffs, the Client shall reimburse any expenses on transactions and other necessary expenses of the Investment firm. Necessary expenses in the present Terms and Conditions mean all actual costs of the Investment firm in favor of third parties due to execution of transactions and other operations contemplated in the Terms and Conditions, in particular, but not limited:
- registration fees, fees of above custodians for maintenance of the securities register (Shareholding servicing fee);
 - overhead costs of notices to security issuers or their authorized agents by express mail shall be charged in the amount of the actual costs according to the mail rates;
 - costs of issue and certification of documents submitted for the Client to authorized bodies (if the Investment firm needs to apply to such authorized bodies for return of tax that has been excessively charged to the Client's income according to the Contract);
 - compensation and penalties in favor of counterparties, TS or other third parties for breach of liabilities of the Investment firm that arose as a result of transactions made on request of the

Client if such breach was caused by the Client's guilty action or omission, or violation of requirements of these Terms and Conditions and/or TS Rules by the Client.

- 14.10. If the Investment firm is required by the tax law to charge and pay any tax, including on the income and/or Assets, and/or operations of Clients, the Investment firm shall calculate and charge these from the Client's Account.
- 14.11. If when the Client is served on the forward market, at the end of a Trade Session the Client has an Indemnity shortage, the Client shall cover it no later than 15:00 Tallinn time on the day following the day when the shortage has appeared, otherwise the Investment firm shall charge a fine in the amount and procedure set by the Client's tariffs.
- 14.12. Client fully agrees and thus provides an acceptance to the Investment firm to deduct its own fee, transaction Expenses, and all the fines and reimbursements according to the Terms and Conditions and the tariffs on its own in full amount.
- 14.13. If there is not enough cash on the Client's Account to pay any fees, penalties or costs in accordance with such contracts or if the Client has any other debt to the Investment firm, the Investment firm may sell any Assets of the Client at prices that exist on the market in an amount sufficient to cover the Client's debt to the Investment firm in order to pay such fees, penalties or costs or another debt to the Investment firm. In such case, the Investment firm shall act as if the Client gave it an order for such a transaction.
- 14.14. In order to repay the Client debt before the Investment firm or other compensation costs on the Client's operations, the Investment firm may also, without any additional instructions from the Client, transfer cash and/or securities from other accounts (Sub accounts) of the Client opened in the Investment firm (including under other Contracts) and implement proper enforcement of the realization of the Client's property according to the accounts (Sub accounts) to repay the abovementioned debt of the Client.
- 14.15. The fee for using the workstation (terminal) shall be charged basing on each user's ES Key that is registered in the remote access system, starting from the first calendar month after the key registration date. The Investment firm may make the connection of one workstation (terminal) is allowed if there is enough money on the Client's Account to cover the subscription fee for one month of the terminal use.
- 14.16. The Investment firm may block the ES Key if the Client has not used his/her/its account for more than two months and/or there are no funds on the Client's account to pay for using the workstation.
- 14.17. The Client may block the ES Key on notice to the Investment firm using a method described in section 16 of the Terms and Conditions for a period stated by the client in the message. No fee for using the workstation shall be accrued or charged from the Client during the entire period stated by the Client in the message starting from the calendar month following the message receipt month.

15. Reports of the Investment firm. EMIR

- 15.1. By the results of the transactions made, the Investment firm shall provide the Client with a report on the transactions made no later than the next business day after transactions on the Client's orders were made. Unless the Client sent his/her/its written objections to the report within 3 (three) business days after it was sent, the report on the transactions shall be deemed accepted by the Client. The Parties hereby agree that the absence of objections on a report on transactions means the Client's consent with all the transactions made by the Investment firm in the Client's interest in the relevant reported period, and no objections on a report on transactions shall be accepted or considered by the Investment firm on expiry of the said term.
- 15.2. The conclusion of a transaction in structured product will be confirmed by sending from the Investment firm to the Client the Report on price fixing which is made pursuant to Appendix No.12.2. The Report will be sent within 2 (Two) business days after crediting the option seller's account with the warranty amount.
- 15.3. After expiration of the OTC option (structured product), the Investment firm will send to the Client the Report on transaction not later the next following business day after the option (structured product) expiration day.

- 15.4. Within the framework of the European Market Infrastructure Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR), the Investment firm, unless otherwise provided by the Parties, directs to a trade repository the stipulated by the regulation EMIR reporting on transactions with financial instruments, reflecting the information stipulated by EMIR both for the Investment firm and for the Client, who is the counterparty to the transaction with derivative financial instruments within the meaning of (in terminology) of EMIR.
- 15.5. Signing the Contract, the Client grants the Investment firm the right to provide for the Client information stipulated by EMIR regarding the operations made by the Client on the account in the Investment firm and/or with the Investment firm.
- 15.6. The Investment firm reserves the right to choose a trade repository and is not liable to the Client or other persons for not providing the reports or unreliable or untimely reporting for the Client.
- 15.7. Unless otherwise determined by the Parties, the Investment firm provides the services specified in clause 15.4 of the Terms and Conditions free of charge.
- 15.8. The Client is entitled to cancel the service of the Investment firm, mentioned in clause 15.2. of the Terms and Conditions, by sending to the Investment firm a corresponding notification, including from the authorized email addresses.

16. Message exchange rules

- 16.1. The following methods may be used for message exchange between the Investment firm and the Client:
- exchange with use of the Investment firm's System (if the System is used that was provided to the Client by the Investment firm, orders by text messages from the Client through the messages or non-trade orders the System menu will be disabled);
 - exchange of verbal messages over the telephones;
 - exchange of fax messages (for non-trade orders only);
 - exchange of messages via e-mail;
 - exchange of original documents as hard copy including sending by mail or courier;
 - delivery of information by the Investment firm to the Client by publishing it on the web site with notice to the Client to the authorized email address
- 16.2. The Client and the Investment firm have agreed that the electronic method of message exchange using the Investment firm's System will be given a priority for message exchange subject to the restrictions and rules set forth in the Terms and Conditions. All the messages shall be made in the Russian or English languages.
- 16.3. Other methods of message exchange between the Investment firm and the Client shall be considered as reserve means, unless another method of exchange is explicitly stipulated for certain messages. The Investment firm is entitled not to proceed with the Client's order until an original hard copy or a copy by System is provided by the Client. If there is any restrictions from the Investment firm to use the System, the priority is the communication use of email.
- 16.4. In case of distant message communication, the authorization in all necessary cases will be done by means of electronic signature (ES), passwords, (code list) or authorization of email address. The Investment firm will consider any person as the Client's representative authorized to make any actions provided by the Terms and Conditions if this authorized person duly submits the personal password which was sent to the Client earlier, or send an electronic document signed by the ES, or uses authorized email address of the Client.
- 16.5. To ensure the possibility of sending orders to the Investment firm via the System, unless otherwise provided by the documents of the System, which secures the confidentiality and integrity of the information, the Investment firm provides the Client with electronic signature keys or possibility for internally generation of passwords (hereinafter referred to as ES keys) and, if stipulated by the documents of the relevant System, the signature verification key certificate.

- 16.6. The Investment firm will provide the special software, including the ES keys, the certificate of signature keys and other information which is necessary for sending the messages via the System? As well as the password (code list) for transmitting messages by phone personally to the Client or to his authorized Representative or by sending this information to the Client's authorized email address.
- 16.7. Messages sent via the System in accordance with these Terms and Conditions and verified (signed) with an ES shall be electronic documents.
- 16.8. For identification and authentication of the Client and prevention of data distortion in the electronic format, the System may employ various data protection tools (hereinafter referred to as DPT) implemented at the discretion of the Investment firm.
- 16.9. In the event of message exchange via the System, the Client shall confirm his/her/its consent to the following conditions:
- The Parties admit that all messages sent and received via the System including orders for transactions sent by the Client to the Investment firm and received from the Investment firm requirements to deposit money and/or securities to guarantee his/her liabilities and other messages shall be as valid as duly issued paper messages with a signature (and a seal, for legal entities) of the Client/Investment firm regardless of whether such documents exist or do not exist on paper;
 - The Client shall accept as sufficient proof (allowable for presentation in court) printed electronic documents with the Client's ES created by the System as well as electronic files of message exchange protocols between the System's server and the Client's work station, printout of negotiations via system Bloomberg Professional, etc.
 - The Client shall not deliver any and all information on the System that the Client becomes aware of in the course of their use to third party in any form and by any method without the Investment firm's prior written consent;
 - The Client shall obey the security rules for storage and use of ES Keys as set forth in the present Terms and Conditions; The Client shall obey the basic security rules to work in the System, the user manual (instructions) and any other documents of the System as well as the security rules of keeping and using ES keys which are specified in this Terms and Conditions.
 - If ES is compromised, the Client shall immediately stop transmitting any messages with this tool and notify the Investment firm about the compromising.
- 16.10. The Investment firm shall not accept liability for possible losses that the Client may incur:
- as a result of inability to send messages to or receive messages from the Investment firm via the System;
 - if the Client or his/her/its representative has violated the security rules of storage or use of ES Keys, or DPT or by late notification of the Investment firm about a fact of compromising;
 - as a result of acts of third parties who got access to the Client's DTP or ES keys before the Investment firm is notified about the compromising.
- 16.11. The Investment firm may use various types and sorts of Systems to which these Terms and Conditions apply.
- 16.12. The Systems, DPT, and other software including those providing for message exchange, identification, and data protection (hereinafter also referred to as software) shall be provided to the Clients by the Investment firm for temporary usage while the Contract or software license agreement is valid made between the Investment firm and the Software title holder, whichever is the earliest. The Client may use software on his/her/its own according to its function purpose in the number of copies provided by the Investment firm.
- 16.13. The rules of installation and use of software shall be established by the relevant user's manuals that are compulsory for the Client and the Investment firm. User's manuals shall be published on the Investment firm's official Web site and/or on web site of KIT Finance LLC www.brokerkf.ru, and/or on web site of producer software (rightholder). The provisions of user's manuals shall be an integral part of the present Terms and Conditions. By signing the Contract, the Client certifies that he/she/it is familiar with the user's manuals.

- 16.14. The Client shall itself replace the ES keys or perform (initiate) such replacement of the keys at least one time a year. The Investment firm shall not be liable for late action or omission of the Client that led to blocking of ES keys or their compromising. The Investment firm is entitled itself to initiate the ES keys updating
- 16.15. The Client shall observe the following minimum security rules at storage and use of ES keys and other DPT;
- use ES for electronic document exchange only;
 - not record or store ES keys on any non-detachable hard disk of any computer;
 - not leave ES keys unattended and not pass them or their content to third parties;
 - use virus software for detection of and protection against viruses and other harmful software and network attacks on the personal computer or other hardware used in electronic document exchange;
 - not decompile or modify any DPT software;
 - take other measures to provide data security using DPT according to these Terms and Conditions and the legislation.
- 16.16. In case of non-compliance with the abovementioned security rules, the Client shall bear the risk of any bad consequences or losses caused by it including those related to unauthorized possession of ES keys by third parties and their use in data exchange with the Investment firm.
- 16.17. If an ES is compromised, the Client (or his/her/its representative) shall immediately terminate data transfer with the use of ES and notify the Investment firm about the compromising, first by telephone, fax or email and then by paper notice to the Investment firm (hereinafter referred to as the Compromising Notice). The Compromising Notice shall be sent to the Investment firm within 1 (one) business day after the fact of compromising.
- 16.18. At the Client's short notice, made verbally, or written, or in any other way, and in the case if the Investment firm has any information which allows to suspect the leak (compromising) of the password (code list) and/or of the ES private key, or in case of violation of the rules of using the password (code list) by the Client or ES private key, or illegal use of the authorized email address of electronic mail, The Investment firm will be obliged without delay to suspend the password (code list) and/or the ES key, and/or to accept the order sent from the authorized email address, and to find a shortest way to inform the Client about it. Messages (electronic documents) signed by a compromised ES key will be considered not received.
- 16.19. In case the Client has any information which allows to suspect the ES key use violation by its employees or the employees of the Investment firm and/or the leak (compromise) of ES key of password (code list) and/or the authorized email address of the electronic mail, he shall find the shortest way to inform about it the Investment firm.
- 16.20. The ES key and/or the password can be re-use in all the case described in Sec.16. On receipt the Client's written instruction, the Investment firm will provide him with new ES keys and passwords? Or will re-start accepting the Client's order sent from his authorized email address.
- 16.21. The Client shall be liable for the reliability of any equipment, dedicated lines and other equipment installed on the Client's side and use in the operation of the System.
- 16.22. The Investment firm may deny the Client's access in the System if, in the Investment firm's opinion, the conditions of the Client's networks and equipment is hazardous for reliable operation of the System.
- 16.23. Unless it is otherwise stipulated by the individual agreements except information message exchange, the Investment firm shall take orders for transactions, conversion orders as well as cancellation of earlier orders from the Client over the telephone.
- 16.24. For message exchange over the telephone, the Investment firm shall provide the Client with a special password (a code table) and/or, at the discretion of the Investment firm, receives from the Client a special password, needed for further identification of the Client.
- 16.25. Special password (code table) should be updated at the discretion of the Client, but not less than once a year. The Investment firm has the right to initiate an update of a special password (code table).

- 16.26. Acceptance of a transaction order, Conversion order or cancellation of an earlier order by the Investment firm over the telephone shall be deemed valid if the following procedure is observed:
- The message is delivered via a special telephone number, which the Investment firm puts on its Web Site as a telephone number of the department (trade department) of the Investment firm that is in charge of handing of transaction orders;
 - At delivery of the message, the delivering person provides the correct name or code of the Client and provides the correct password (code) on the Trader's request;
 - The trader must certainly repeat the material conditions stated particularly in clause 7.1 of the Terms and Conditions after the Client;
- The Client has confirmed the message after the text of message has been repeated by the trader by saying any of the following words, "Yes," "I confirm," "I agree," or another word that confirms agreement without any doubt. The message shall be deemed accepted by the Investment firm on the moment when the Client says the confirming word; as well as in case of no objection (no contest) from the Client in reply to the employee of the Investment firm.
- 16.27. The Client agrees and assures the Investment firm that
- the Investment firm will record all the telephone conversations through the abovementioned telephone number;
 - records of telephone conversations are sole Assets of the Investment firm;
 - time for keeping records of telephone conversations shall be determined by the Investment firm at its sole discretion;
 - any messages sent and received via the special telephone number are as binding as paper messages;
 - records of telephone conversations via the special telephone number that is made by the Investment firm using its own special hardware and software on magnetic or other media shall be sufficient proof for resolution of disputes and be acceptable for presentation in the event of dispute settlement in court;
 - the Client has notified its representatives that the Investment firm records all the telephone conversations via the abovementioned special telephone number, and the Client's representatives have agreed to this clause of the Terms and Conditions.
- 16.28. The Investment firm shall accept email messages from the Client only from the authorized email address. The message should be composed as an attachment file of pdf, jpg, bmp or other format, not requiring installation of special software by the Investment firm, and containing an image (data) of a completed message (order) in the form that matches the respective operation type,
- In case of the message communication by email, the Client shall send the Transaction Order (a scan copy) at orders@kfe.ee
- 16.29. Orders for claiming securities for repurchase/redemption/exchange, according to clauses 7.23 - 7.215 of the present Terms and Conditions shall be issued in any forms as a message sent by the Client to the address Settlements@kfe.ee, in which case the message subject shall specify the type of order.
- 16.30. Non-trade orders shall be issued in accordance with the Appendices No. 5-9.2 to the present Terms and Conditions and the Client must send a scanned copy to the email address Settlements@kfe.ee.
- 16.31. The Investment firm is entitled to accept from the Client other forms of the Orders and/or the Order sent by other means than specified in the present Terms and Conditions providing the order contains all the basic parameters, and also the sender should be duly identified pursuant to the present Terms and Conditions.
- 16.32. When communicating by fax the messages should be directed to the numbers specified in section 3 of these Terms and Conditions, or on the number mentioned on the Web site of the Investment firm. The Investment firm may not execute the orders received through other contact numbers, as well as until receiving of the original messages on paper, through the System and /or email.

- 16.33. If the Client sends the order via email, he/she/it must request a confirmation that the Investment firm has received/read this order. In the absence of confirmation from the part of the Investment firm, the Investment firm is not responsible for execution of this order.
- 16.34. If the messages are sent to the Investment firm via email or fax, the Client agrees to the following:
- messages sent by the Client and received by the Investment firm by fax are as binding as the original documents.
 - The Client recognizes fax copies of his/her/its own messages provided by the other Party as sufficient proof (suitable for presentation in case of court disputes and allowed as acceptable evidence) provided that such fax copies make it possible to determine the content of the message and to confirm the fact that the original document was signed by the Client's authorized person or that the message was sent from the authorized email address.
- 16.35. The Investment firm may provide reports and other information to the Client by sending it via the System or to the authorized email address. The Client agrees to use electronic media for information delivery and thus relieves the Investment firm from liability relating to safety and reliability of using the Internet and data transmission firmware. The Investment firm shall notify the Client if using of electronic media for information transfer is canceled/suspended.
- 16.36. The Client agrees that in case of any dispute that is related to information transmitted via electronic media, the records and electronic archive of messages of the Investment firm shall be exclusive and comprehensive proof of the fact of delivery and content of the information.
- 16.37. In the case of exchange of original documents, the transaction orders and non-trade orders shall be issued by the Client in accordance with the forms brought in the Appendices to the present Terms and Conditions respectively and signed with the Client's own signature or the signature of the Client's authorized person and sealed (for the Clients who are the legal entities and if the Client has a seal).
- 16.38. In any cases stipulated by the present Terms and Conditions when notices, amendments or supplements to documents, or other data are published on the Web Site, publication of this information is sufficient for compliance with the Client notification procedure
- 16.39. The Investment firm has a right to notify the Clients by electronic messages to the authorized email addresses in addition to publishing the information on the Web Site and/or sending the notification via the System.
- 16.40. If any orders of the Client are incomplete, unclear, ambiguous and/or contradictory with other orders, the Investment firm may at its discretion and without any liability for itself take any measures that it deems suitable, trying to act in the Client's best interest, or to refuse to proceed with such orders until any incompleteness, unclearness, ambiguity or contradictions are removed.
- 16.41. If several methods of delivering one transaction order or non-trade order are used at the same time, then in order to avoid double fill of such order, the Client shall make a mark in the message text that this message is a repetition or a copy of another message that was sent earlier. In absence of such a mark, the Investment firm shall not be liable for double fulfillment of the order.

17. Liability, limits of liability, reimbursement of losses, and force majeure

- 17.1. The Investment firm shall be liable for any losses born by the Client in relation to performance of any functions stipulated by the present Terms and Conditions from the part of the Investment firm if they were caused by willful misconduct of the Investment firm employees, dishonesty of the Investment firm, or any actions of the Investment firm without the Client's order save for cases stipulated by the present Terms and Conditions.
- 17.2. The Investment firm shall not be liable for any default or bankruptcy of exchanges, clearance centers, and other payment and other clearance and payment agents, and also other partners of the Investment firm, with whom it enters into a relationship to provide services stipulated by the present Terms and Conditions, and is shall not be liable for any losses born by the Client as a result of that, provided that the Investment firm acted in choosing its partners with reasonable prudence.

At the same time Client may send a written request to the Investment firm for a list of partners with which is cooperates for providing services to the Client under the Contract. The Investment firm shall sent a written reply to the Client within 15 (fifteen) days.

- 17.3. The Investment firm shall not be liable to the Client for any default of third parties regarding transactions with financial instruments concluded by the Investment firm including cases when the Investment firm has failed to provide the name of such third party to the Client.
- 17.4. The Investment firm shall not be liable for failure to fulfill or improper fulfillment of a Client's order if such failure to fulfill or improper fulfillment has resulted from failure or errors in the operation of software, failure of equipment, accident in computer systems, electric power networks, or electric communications that are used directly for accepting orders or providing for other procedures of trade of securities, as well as from misconduct of third parties including organizations providing for trade and clearance procedures in TS, as well as organizations providing access to the message transfer system, provided that the Investment firm could not have foreseen such circumstances.
- 17.5. The Client shall bear all the liability for consequences of its investment decisions and may not claim any reimbursement or compensation of losses from the Investment firm.
- 17.6. The Client shall compensate all the expenses, losses, and other costs of the Investment firm that are due to negligence of the Client in view of its liabilities stipulated by the Terms and Conditions.
- 17.7. The Parties shall be relieved from liability for any default on their liabilities stipulated by the Terms and Conditions if such default has been caused by circumstances that could not have been foreseen by the Parties or did not depend on them, including any strike, lockout or another industrial conflict, accidents, fires, explosions, wars, revolutions, civil commotions, riots, acts of sabotage, natural disasters or interference or acts of the government, issuers of securities, any registration authorities or state departments of agencies of Estonia, Cyprus or other countries.
- 17.8. A Party that has encountered force majeure circumstances shall notify the other Party about this fact in writing within 10 (ten) business days from the moment when the Party has or should have learned about such circumstances.
- 17.9. Force majeure circumstances shall extend the term of performance under the Contract for the time while such circumstances are in effect and a reasonable time for repair of their consequences. Appearance of force majeure circumstances during a time when the Client and/or the Investment firm is delaying performance of his/her/its liabilities shall not entitle the relevant Party to refer to such circumstances as ground for relief from liability.
- 17.10. If force majeure circumstances are effective for more than 13(three) months, a Party not involved in such circumstances may repudiate the Contract unilaterally on written notice to the other Party.

18. Privacy policy

- 18.1. Investment firm will not disclose to third parties information about transactions, positions, personal data and other Client's information, unless the disclosure of such information is expressly authorized by the Client or arises from the need to fulfill the Client's order, as well as in in according with legislation, TS Rules, or the Contract.
- 18.2. The Client is aware that the Investment firm , as required by the law , shall disclose to the credit institutions providing the services, broker companies, depositories (custodians), law enforcement and other authorities in their requests, information on operations, Client's account, other information about the Client and his operations.
- 18.3. Client agrees not to disclose to third parties without the written consent of the Investment firm, any information which it became known in connection with the execution hereof, unless such disclosure is not directly linked to the need to protect their own interests in accordance with legislation.
- 18.4. Investment firm, among other things, provides to Clients information containing various financial, economic, political information, information on securities, derivatives and other financial instruments, and other information (hereinafter - Information).

- 18.5. Client agrees do not copy, reproduce and distribute information materials or components in any form to any third parties. Distribution of materials in any form or their components is a violation of the terms of the mandatory information materials owners/ right holders and shall be liable under the current legislation of Esnonia/Cyprus.
- 18.6. Client is responsible in accordance with applicable law and these Terms and conditions for harms to the right holder resulting from non-compliance with the mandatory conditions for obtaining the Information.
- 18.7. All rights in the content, title, any commercial and non-commercial use of the information included in the Information and any documents relating thereto, including copyright and other rights belong to owners/ right holders.
- 18.8. The Client confirms that he has read and consents the following:
- The Client's personal data, in particular name, passport or other ID data, quantity, value, time of conclusion and execution, nature and economic essence of the transactions closed by the Client with the mediation of the Investment firm, can be transmitted by the Investment firm to the Russian Federation and other jurisdictions.
 - Client's personal data may also be transferred to regulatory bodies, stock exchanges, clearing houses, prime-brokerage firms or other involved entities with the aim of compliance with applicable law, including for anti-money laundering and combating the financing of terrorism, as well as for the purpose of reporting to tax authorities.
 - Personal data, transactions, positions or other relevant information on Client's account may also will be delivered to the entities which belong to the same group as the Investment firm (affiliates and / or related persons) including KIT Finance LLC, KIT Finance Trade LLC, KIT Finance Invest LLC, while ensuring the confidentiality and security of personal and other data during their processing.
 - The personal data may be transmitted in hardcopy or via electronic media, including by Internet, fax, email.
 - The Investment firm is liable for handling the data.
 - The Client is aware that the level of personal data protection in the Russian Federation is lower than in the European Union, and that the Client may be not entitled to appeal for access to data, their update or the termination of their processing.

19. Claims and settlement of disputes

- 19.1. In case of any claims from the part of the Client to the Investment firm, the Client shall immediately send to the Investment firm a claim in writing signed by an authorized person or in electronic form with detailed explanation of the Client's complaints towards the Investment firm and the subject of the Client's claims. The Investment firm considers such a claim and sends its response to the client no later than in 15 (fifteen) working days after receipt of the original claim.
- 19.2. The Investment firm accepts from the Clients the claims on improper execution of submitted orders for settlement through negotiations within 3 (three) working days from the date of providing the report to the Client, in accordance with section 15of these Terms and Conditions.
- 19.3. In case of failure to settle the dispute through negotiations, all disputes, controversies or claims arising out of the Contract, these Terms and Conditions or in connection with them, including those relating to its performance, breach, termination or invalidity, shall be settled by Arbitration Court of the Estonian Chamber of Commerce and Industry, hereinafter - the Arbitration Court, in accordance with rules of Arbitration Court.
- 19.4. If not otherwise determined by the Parties, a dispute shall be investigated by three arbitrators. Each Party is entitled to choose one arbitrator, and the Parties will authorize the Board of Arbitration Court to appoint the third arbitrator which will be presiding at the Arbitration court's decision on the dispute
- 19.5. The dispute shall be settled in accordance with the laws of the Republic of Estonia. The language for court proceedings in the Arbitration Court is Russian.
- 19.6. The decision of the arbitrators shall be final and binding on the parties

20. Procedure for suspension and renewal of operations on the Client's account

- 20.1. The Investment Firm can suspend the operations on the Client's account in the following cases: If there is outstanding debt under the Contract.
- In the absence of transactions under the Contract during the calendar year. In the absence of funds on Client's account at the time of charge of the commission of the Investment firm in a sufficient amount.
 - If the Investment firm will be known for the initiation of bankruptcy proceedings Client, forced or voluntary liquidation, reorganization, etc.
 - In other cases, at the discretion of the Investment firm, if the actions (or inaction) of the Parties may breach of legislation and/or the Contract.
- 20.2. Notice of suspension of the Contract by the Investment Firm should be send to Client's authorized e-mail address no later than 3 (Three) working days from the date of suspension.
- 20.3. Renewal of operations on the Client's account is based on the Client's application, addressed to the Investment firm in accordance with clause 16 of this Terms and Conditions, or by decision of the Investment firm.

21. Termination of Contract

- 21.1. The Contract may be terminated on mutual agreements, in which case the Client and the Investment firm may agree on a date when services under this contract shall be terminated.
- 21.2. The Client may terminate the Contract unilaterally in the following cases:
- Disagreements with any amendments and/or supplements of the Terms and Conditions or the tariffs that have been introduced by the Investment firm. In such case, the Client shall serve written notice to the Investment firm on its desire to terminate the relevant Contract within 5 (five) calendar days after the Client had been notified of the amendments and/or supplements. The date of termination of services in this case will be the date when the Client notifies the Investment firm of its desire to terminate the Contract.
 - In any other case, on written notice to the Investment firm at least 30 (thirty) days before the date of termination of services.
- 21.3. The Investment firm may terminate the Contract unilaterally on written notice to the Client at least 30 days before the date of termination of services.
- 21.4. The Investment firm may terminate the Contract with immediate effect on written notice to the Client in case of any of the circumstances below:
- any judicial act was made in respect of the Client, which has a material negative effect on the reputation of financial status of the Investment firm or any partner of the Investment firm or the Client;
 - the Investment firm has reasonable grounds to believe that any information or statement delivered by the Client is substantially inaccurate or misleading;
 - the Investment firm deems it necessary or desirable at its unlimited discretion to defend itself or any partners, or to defend the Client.
- 21.5. Termination of services shall not mean termination of liabilities that arose when the Contract was effective and had not been discharged by the time of its termination as well as any rights and liabilities of the parties under transactions that were made by the Investment firm on the Client's order while the Contract was effective. Before the date of termination of services, the Client shall perform all the liabilities on the transactions made, pay all the debts to the Investment firm, and close all the open derivatives positions. Otherwise, the Investment firm may, on the date of termination of services, forcedly close the Client's positions in the order set forth in the Terms and Conditions and/or sell the Assets on the Client's Account at current market prices in an amount sufficient to fully repay the Client's debt to the Investment firm.
- 21.6. In case of termination of the Contract, the Client shall give instructions to the Investment firm in five days time regarding the Client's Assets that the Investment firm has in custody. If no instructions are received from the Client in the abovementioned time regarding the Client's Assets

that the Investment firm has in custody, the Investment firm may sell the securities, close the Client's derivative positions and convert the money funds to one single currency at the Investment firm own and sole discretion with consequent transfer the money funds to the Client's details submitted to the Investment firm prior, or deliver all the Client's cash to the custody of a notary on deposit. In this case all costs on closure of the positions and cash transfer are made at the expense of the Client.

22. Appendices

22.1. List of Appendices to the Terms and Conditions:

Appendix No.1. Overview of risks

Appendix No.2. An overview of the guarantee fund of the investor protection scheme as stipulated by the Act of the Republic of Estonia

Appendix No.3. List of the documents

Appendix No.4. 4a – Application form for private persons, 4b – Application form for legal entities

Appendix No.5. Transaction order

Appendix No.6. Order on movement of monetary funds

Appendix No.7. Order on custodial operation

Appendix No.8. Conversion order

Appendix No.9.1 Securities conversion order

Appendix No.9.2. Securities conversion order (depository receipts)

Appendix No.10. Requisite details: 10.1 – For AS KIT Finance Europe (Estonia), 10.2 – For Cyprus branch of AS KIT Finance Europe

Appendix No.11. Commission rates

Appendix No.12. Specific aspects of the conclusion and execution of OTC option trades (structured products)

Appendix No.12.1. Confirmation note to OTC option trade.

Appendix No.12.2. Report on price fixing for structured product trade.

Appendix No.12.3. Option exercise notice for structured product trade.