



## TERMS OF BUSINESS FOR RETAIL CLIENTS

*(Effective Date: 21 July 2021)*

1. Alfa Capital Markets Ltd (“ACM” or the “Company”) is authorized and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 387/20, for providing investment and ancillary services in the republic of Cyprus. ACM’s registered office address is at 5, Themistokli Dervi, Elenion Building, 2<sup>nd</sup> floor, 1066, Nicosia, Cyprus, whereas its business address is at 3, Themistocles Dervi Street, Julia House, 4<sup>th</sup> Floor, 1066 Nicosia, Cyprus.
2. The Company’s website is: [www.alfacapital.com.cy](http://www.alfacapital.com.cy).
3. These Terms of Business (each a "Term" and collectively the "Terms" or “Terms of Business”) shall apply to the provision of the Services (as defined in clause 13) to you and/or any transactions we enter with or for you. They shall become legally binding on you from the earlier of (i) the date you accept the Terms by signing the relevant consent form or otherwise agree on their application to your relationship with ACM in writing or (ii) the date you give your first order to ACM with respect to any of the Services or request us to enter into a transaction with or for you. You agree that from the date these Terms of Business become legally binding on you, any provisions of your own terms of business, if and where applicable, which conflict with, or are inconsistent with, the provisions of these Terms of Business do not apply, and these Terms of Business shall prevail. For the avoidance of doubt, (i) any reference to the terms in any documentation between you and us shall be read as a reference to these Terms or the relevant part thereof effective as at the time of such reference; (ii) the terms “Client” or “Customer” shall mean you and the terms “us”, “we”, “our”, “ACM” or “the Company” shall mean Alfa Capital Markets Ltd; and (iii) all policies and procedures published on our website including, without limitation, Order Handling and Best Execution Policy and Privacy Policy (each as amended from time to time) and any written consents given by you in connection with the Terms, including, without limitation, your consents in relation to the client categorisation and the use of financial instruments, shall form an integral part of the Terms and be construed in accordance with them.

### General Terms and Client Categorisation

4. These Terms and the accompanying cover letter from us to you containing details of your client categorisation as a **Retail Client** (the "Categorisation Letter"), set out the rights and obligations and constitute an agreement between ACM and you in relation to the Services (as defined in clause 13) to be provided. You should retain a copy of these Terms for your records, the agreement of which these Terms form a part, and the date you have received it.

If your relationship with ACM was established as the result of the transfer of all your agreements, positions and data to ACM from Alfa Capital Holdings (Cyprus) Limited (“ACC”) by way of novation or otherwise, your client category indicated in the Categorisation Letter sent to you by ACC and other categories and statuses assigned to you and your accounts by ACC shall remain unchanged, unless ACM notifies you to the contrary in writing.



5. We may amend these Terms at any time by giving notice to you. Such notice may be served to you by sending you the amendments by post or courier or through a durable medium such as electronic mailing systems or by posting the revised Terms on our corporate website as here above provided. Such amendments will become effective upon the date indicated in the notice or in the revised Terms posted on the website from time to time. Such amendments shall have no impact upon any pre-existing rights or the obligations of the parties.
6. Unless you have advised us to the opposite, we shall consider that you consent in us providing you, where appropriate, information relating to these Terms of Business and our services in general (including any additions and amendments thereto) through a durable medium other than paper. Information will be posted on ACM's website as this is indicated above. In the event of any conflict between these Terms and the applicable regulations, then the latter will prevail.
7. These Terms authorise us to provide the Services defined below in clause 13. All the Services provided by us are subject to the Markets in Financial Instruments Directive 2014/65/EU, the Law 87(I)/2017 (together "MIFID II") and the Markets in Financial Instruments Regulation 600/2014 (MIFIR), as well as the Circulars, Guidelines and Directives issued, from time to time by CySEC. In providing the Services to you, we will treat you as a **RETAIL CLIENT**, as set out in the Categorisation Letter accompanying these Terms. As such, you will benefit from the protection reserved for Retail Clients and you will be entitled to compensation under the Investors Compensation Fund.

### **Categorisation**

8. Under MiFID II, you may request re-categorisation as a Professional Client, generally or in respect of a specific Service. If we agree to categorise you as a Professional Client, we will provide you with a further Categorisation Letter and Terms tailored to that category. Please note that certain rights applicable to Retail Clients do not apply to Professional Clients, and Professional Clients will not be eligible for protection reserved for Retail Clients under the Investors Compensation Fund.
9. You are responsible to inform us immediately of any change which could impact your current categorisation. Nevertheless, if we become aware of such changes, we will take any appropriate action.
10. You shall provide us with such information as we require in relation to these Terms, including all information required to comply with all applicable Rules. You warrant that any information provided to us by you is complete, accurate and not misleading in any material respect.

### **Consents**

11. You warrant that you have, and you undertake that you will maintain, all necessary consents, authorisations and approvals to enable you to use and accept the Services on these Terms and to engage in the transactions and carry on the activities in respect of which the Services are provided. You agree that you and your activities will always comply with, and fulfil all of your obligations under, Applicable Regulations and you will not take any action or fail to take any



action in circumstances where taking such action or failing to take such action would cause us to commit market abuse or a tax evasion facilitation offence, or facilitate money laundering or terrorist financing, or result in a violation of Sanctions by us.

## Our Services

12. We may provide you with dealing services in respect of all investment and ancillary services for which we have a license. We may carry out transactions on any market or exchange that we have direct membership or in our absolute discretion determine through one of our brokers. Transactions will be executed in line with our 'Order Handling and Best Execution Policy' and the trading obligations under the section "Trading Obligation". We will require your explicit consent prior to executing transactions outside a Regulated Market ("RM") or Multilateral Trading Facility ("MTF") or Organised Trading Facility ("OTF"). Other services may be provided from time to time by us to you on these or other terms and conditions as agreed between us.

13. The Investment and Ancillary services provided by us to you hereunder (the "Services") shall consist of:

### *Investment Services*

- Reception and transmission of orders in relation to one or more financial instruments;
- Execution of orders on behalf of clients;
- Dealing on Own Account;
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;
- Placing of financial instruments without a firm commitment basis.

### *Ancillary Services*

- Safekeeping and administration of financial instruments, including custodianship and related services;
- Granting credit or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transactions;
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;
- Foreign exchange services where these are connected to the provision of investment services;
- Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

14. The Financial Instruments for which the above Services can be provided are included in Schedule 1.

15. We shall comply strictly with your instructions in respect of all transactions, unless otherwise is provided for in these Terms of Business.



16. We may, subject to compliance with applicable law and regulatory provisions and subject further to the terms and conditions of these Terms, delegate the performance of any or all of our duties hereunder at our sole discretion to any of our brokers or any company and individual associated or employed by such company.

### **Basis of dealings**

17. The Services are subject to applicable laws, regulations, rules, requirements, customs, practices and guidelines in force in any relevant jurisdiction for the time being where any transaction is carried out, including, without limitation, any applicable directive or regulation of the European Commission as well as the Law 87(I)/2017, Circulars and Directives issued by the CySEC from time to time and are in force, including the Companies Act, Chapter 113, Directive of the Code of Conduct, Regulation No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Directive 2014/57/EU of the European Parliament and the Council of 16 April 2014 on criminal sanctions for market abuse (together “Market Abuse Regulation”), the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007 as amended from time to time, and CySEC Directive regarding the prevention and suppression of money laundering and terrorist financing with amendments and supplements, as well as any applicable trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority such as the United Nations, the European Union, the United States of America and any other relevant governmental or regulatory authority, institution or agency that administers Sanctions, and we may take all such steps as may be necessary or desirable to comply with such laws (hereinafter together referred as “Applicable Regulations”). Nothing in the Terms shall prevent us from taking all such action as may be required by Applicable Regulations or to comply with the regulations or requests of any relevant professional or regulatory body.
18. In accordance with our obligations under Applicable Regulations, we will endeavour to provide you with prompt, fair and expeditious execution for orders you place with us. In so doing, we will:
  - (a) accurately record and allocate orders we execute for you; and
  - (b) carry out comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or your interests, as our client, require otherwise.

### **Appropriateness Test**

19. We may require you to disclose further information to us, including but not limited to information relating to your knowledge of a particular financial instrument, market and dealing history, level of education and profession in order to discharge our obligation to assess whether an investment service or/and financial instrument is appropriate for you (the ‘Appropriateness Test’). In the event that we are unable to assess a Service or/and financial instrument as appropriate for you, including where this is due to a lack of information from you, we will warn you of this in writing. Should you wish to proceed with a Service or/and financial instrument in relation to which we have warned you/issued such a warning, you should request this in writing and it is the



Company's absolute discretion to consider your instruction on the basis of the surrounding circumstances and decide whether to proceed with the transactions or not.

20. We do not need to obtain information from you or make the assessment of appropriateness as described above if you are a retail client requesting, at your own initiative, investment services that only consist of execution or reception and transmission of clients orders in relation to certain financial instruments that are non-complex such as shares, excluding non-UCITS shares, and debt instruments admitted to trading on a regulated market or on an equivalent third country market or on a MTF, excluding those that embed a derivative or incorporate a structure which makes it difficult to understand the risk involved. You should note that in this situation, we are not required to assess the appropriateness of the financial instrument or service we are offering or providing you, and you will not benefit from the corresponding protection of the relevant conduct of business rules.
21. If we effect a transaction with or for you, this shall not be taken to mean that we recommend, or concur on the merits of, the transaction or that the transaction is appropriate for you. Since the Company will not provide to you the investment service of Portfolio Management or Investment Advice, you will not benefit from the protection of the MiFID II provisions on assessing suitability. You are required to make your own assessment of any transaction that you are considering and should not rely on any information or other communication from us as being investment advice.
22. We shall not be under any obligation to enter into any particular transaction or to accept or act in accordance with any instructions or provide any other services for you under these Terms not need we give any reasons for declining to do so. We will make all reasonable efforts to notify you promptly of such action, but shall not be responsible for any losses, costs, damages or expenses incurred by you as a result, except to the extent that such losses, costs, damages or expenses are the result of ACM's gross negligence, wilful default or fraud.
23. We may take or omit to take any action we think appropriate to ensure compliance with Applicable Regulations and we shall not be required to do anything which would in our opinion infringe any such Applicable Regulation. We are not required to give prior notice to you of any such action or inaction, and each such action or inaction will be binding upon you. Where, due to Applicable Regulations or otherwise, we have to execute an equivalent contract in order to effect a transaction we enter into with you, you will be bound by such actions that affect our rights and obligations under the equivalent contract.
24. Your orders will be executed in accordance with our Order Handling and Best Execution Policy (as amended from time to time), that is available on our website.

### **Instructions for FX Orders**

25. The procedure for handling client's instructions and requests given through the trading terminals (each the "Trading Terminal") of one of the trading platforms referred to on our [website](#) (each the "Trading Platform") is governed by the relevant agreements between the Company and the



Client. Notwithstanding anything to the contrary in these agreements, in the circumstances listed below, ACM may decline an instruction or a request:

- (a) if the instruction or request precedes the first quote in the Trading Platform on the market opening;
  - (b) if current conditions are different from normal market conditions;
  - (c) if the Client has made an unreasonable number of requests in comparison with the number of transactions (more than five requests per one transaction);
  - (d) in any other reasonable case on ACM's sole discretion.
26. Where possible, the Client shall give instructions or requests through the Trading Terminal. The Client shall use ACM's telephone service only in times when it is impossible to use the Trading Terminal.

### **Risk Disclosures**

27. In order for you to be able to take decisions on an informed basis, we provide to you an analysis of risks embedded in each financial instruments' category we offer you. The said analysis is included in the 'Financial Instruments Description and Associated Risks' document (the "Risk Disclosure Statement") that is provided to you during the on-boarding process, and is also available to you upon request, as well as in a separate risk disclosure document relating to Contracts for Differences (CFDs) published on our website at <https://alfacapital.com.cy/en/products/risk-warning/> (together "Our Risk Disclosure"). Our Risk Disclosure is intended as a general description of the risks associated with specific products or services. There may be other risks that it does not identify. You should therefore not rely on the Risk Disclosure as covering all possible risks and you should always satisfy yourself that the Services or transactions are suitable and appropriate for you in light of your specific circumstances.

### **Order Handling and Best Execution Policy**

28. According to MiFID II framework, ACM is required to take all sufficient steps to provide the best possible result taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order, when receiving, transmitting and executing orders.
29. ACM owes a duty to act honestly, fairly and professionally in the best interests of the clients when receiving and transmitting client orders to other entities for execution. It is noted that the duty of the Company when executing the orders received by its clients, is to apply best execution. We will closely work with the relevant brokers to ensure that they provide best execution in a manner that is compliant with the Law, in fulfilling an order or executing transactions for you.
30. In connection with the above ACM, has established an order handling and best execution policy which is available on the Company's website. This policy describes the factors and processes that ACM will adopt to meet the above obligations, and in particular how it will identify and utilise





execution factors and criteria considering their relative importance when carrying out the above activities in relation to each class of Financial Instrument within the scope of MiFID II framework. This policy is not intended to cover all eventualities and all circumstances that may be relevant to a particular order placed with ACM. It is designed to serve as appropriate disclosure of the principles underpinning the order execution and transmission process that ACM will follow for orders when a client instructs it to execute or to pass to other entities for execution.

31. Where you provide us with specific instructions, either relating to an order or a particular aspect of an order, we will execute the order in accordance with those instructions. You should be aware that providing specific instructions to us in relation to the execution of a particular order may prevent us from following procedures under our 'Order Handling and Best Execution Policy' to achieve best execution.
32. On an annual basis, we will publish on our website by trading volume the top five execution venues / brokers used in the preceding year for each client category and asset class. In addition, a summary of execution quality obtained will be drawn and published on our website.
33. By using our Services, you are deemed to consent to our 'Order Handling and Best Execution Policy', a copy of which is available on our website.
34. If you instruct us with a limit order in respect of shares admitted to trading on a Regulated Market or traded on a Trading Venue which has not been immediately executed under prevailing market conditions, you consent to us not making public that order (or any part of it), unless otherwise instructed by you in writing.
35. Neither we nor any of our brokers will be responsible for any delays or inaccuracies in the transmission of orders or the execution thereof in either case due to any cause whatsoever beyond the reasonable control of such party.
36. Where ACM is acting as your broker, shall not credit the clients' cash accounts with funds received from third party accounts and shall not transfer any clients' funds to any third party accounts.

### **Aggregation of Orders**

37. We shall not carry out a client order or a transaction for own account in aggregation with another client order unless the following conditions are met:
  - It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
  - It is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
  - Our allocation policy provides for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.



Where we aggregate your order with one or more other client orders and the aggregated order is partially executed, we shall allocate the trades in accordance with our order allocation policy.

Where we aggregate transactions for own account with one or more client orders, we shall not allocate the related trades in a way that is detrimental to you or any other client.

In addition, where the aggregated order is partially executed, we shall allocate the related trades to you in priority to ACM. However, where ACM is able to demonstrate on reasonable grounds that without the combination it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally, in accordance with its order allocation policy.

### **Electronic communications**

38. We may wish to communicate electronically with each other. We each recognise the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost or destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, we shall regard your acceptance of these Terms of Business as including your authorisation for communicating with you and third parties on your behalf using electronic means. Each party agrees to use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically and to take responsibility for ensuring that an electronic communication is not misaddressed. Accordingly, each party confirms that it accepts the risks of electronic communication and will be responsible for protecting its own interests in relation to electronic communications. Subject to the foregoing, no party shall have any liability to any other party on any basis, whether in contract, tort (including negligence), or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between the parties or any third party on the other party's behalf. As part of the consent form that is accompanied to the Terms, we enquire as to the possibility of obtaining your confirmation that you have regular access to the internet and your consent to provide you information in a durable medium other than on paper. This will enable us to post important information that is not specifically addressed to you on our website and communicate with you via email.
39. Subject to Applicable Regulations, any communication between us using electronic signatures shall be binding as if it were in writing. Orders or instructions given via email or other electronic means will constitute evidence of the orders or instructions given. Your communications with us will be recorded. A copy of such record will be available on request for a period of five years and, where requested by a Competent Authority, for a period up to seven years. All records will be stored in a durable medium, which allows them to be replayed or copied and the format shall not allow the original record to be altered or deleted. In addition, ACM will ensure the quality, accuracy and completeness of the records.

### **Telephone recording and monitoring communications**

40. In order to assist ACM in monitoring compliance with Rules relating to conduct, to avoid misunderstandings and/or for other training or compliance purposes, ACM may monitor





telephone conversations, email and other communications, and will create and keep a sound recording of calls. These recordings shall be retained for a period of five years and, where requested by a Competent Authority, for a period up to seven years; and may be made with or without the use of a spoken warning, tone, or similar notification to you. ACM's recordings shall be and remain sole property of ACM and will be accepted by you as conclusive evidence of the orders, instructions or conversations so recorded. A copy of such recordings will be available on request. The parties each agree that the other may deliver copies or transcripts of such recordings to any court, arbitrator, independent auditor, Competent Authority or law enforcement authority.

41. In the occasion of face-to-face communications with you, the date and time of meetings, the location of meetings, the identity of attendees, the initiator of the meetings, and any other relevant information about your order including the price, volume, type of order, and when it shall be transmitted or executed will, as a minimum, be recorded.

### **Use of ACM Internet Site**

42. Subject to all applicable laws and regulations, information and research may be provided to you by ACM over the internet particularly via ACM's website.
43. You acknowledge that the internet is not a secure medium for communication of sensitive information. ACM will not be responsible for any delay in receipt by you of any information on the ACM internet site and any use of the ACM internet site by you shall be at your risk.
44. Specific sections of the Company's internet site are accessible if you, in case of physical persons, or your authorised persons, in case of legal entities, have been provided with a password. You shall keep, and shall procure that your authorised persons keep any password issued to you or your authorised persons by ACM secure. You shall not and shall procure that your authorised persons shall not disclose the password to any third party or any other person in your organisation and the password shall not be stored anywhere on a computer in plain text. As soon as you are aware that the password has become known to any unauthorised user, you shall inform ACM immediately.
45. You shall, when accessing the ACM internet site, comply with any laws or regulations relating to the internet which are or may in the future be issued by any applicable governmental body, including Competent Authorities.

### **Transaction Reporting**

46. We will make transaction reports for all orders we execute on your behalf as part of a Service, concerning any financial instrument when:
  - The financial instrument is admitted to trading or traded on a trading venue (RM/MTF/OTF) in the EEA or for which a request for admission to trading has been made;
  - The underlying is a financial instrument traded on a trading venue; and



- The underlying is an index or a basket composed of financial instruments traded on a trading venue.

The above three conditions apply whether or not the trade takes place on a Trading Venue.

47. Transactions executed by our broker on your behalf will be reported to the appropriate Competent Authority in the jurisdiction where the trade is executed. These transactions will also be reported by ACM to CySEC.
48. Transactions in derivative instruments may also be subject to the requirements of the European Markets and Infrastructure Regulation (EU) No 648/2012 as supplemented by each delegated regulation and implementing standard thereunder (“EMIR”) and therefore, will be subject to ACM’s EMIR reporting obligation.

### **Commodity derivatives**

49. Where ACM is trading in commodity derivatives, ACM will need to comply with the Position Reporting Requirements and may from time to time be required:
  - Where such trades are conducted on a trading venue, to provide information relating to the positions in such financial instruments of you (and of your own clients, and clients thereof, until the end client is reached) and details about each member of the client chain to a trading venue to enable such trading venue to comply with its requirements to make public transaction details pursuant to the Rules; and
  - Where such trades are conducted outside a trading venue (including Economically Equivalent OTC commodity derivatives), to report information relating to member of the client chain and their positions to an applicable regulator pursuant to the Rules.
50. ACM may from time to time require you to provide information to enable ACM to comply with Position Reporting Requirements (and updates to such information as may have already been provided) relating to you or any other member of the client chain.
51. You:
  - Agree to deliver to us such information as reasonably requested by us in time for us to comply with our Position Reporting Requirements, as applicable;
  - Represent to us that such information is, at the time of delivery, true, accurate and complete in every material respect;
  - Acknowledge and agree that we may rely on such information without investigation, unless and until you inform us otherwise;
  - You agree to waive any duty of confidentiality attaching to such information to the extent such information needs to be disclosed to enable us to comply with the Rules; and
  - Undertake to provide us, on reasonable notice, with any material changes or updates to such information.



## Trade reporting (“Post-trade transparency”)

52. For transactions executed outside a Trading Venue, in financial instruments that are traded on a Trading Venue, ACM has to publish certain information. This requirement applies to shares, depositary receipts, exchange traded-funds, certificates and other similar financial instruments as well as to bonds, structured finance products and derivatives. The information will be made public via an Approved Publication Arrangement (“APA”).

## Trading obligation

53. Where we execute or transmit your order in shares admitted to trading on a Regulated Market or traded on a trading venue, we shall ensure that the execution takes place on a Regulated Market, MTF or with a Systematic Internaliser or a third-country trading venue assessed as equivalent in accordance to the Law.
54. We may not need to follow the above rules if such trades are:
- (a) non-systematic, ad-hoc, irregular and infrequent, or
  - (b) are carried out between eligible and/or professional counterparties and it do not contribute to the price discovery process.
55. The Trading obligation shall also apply when ACM enters into derivatives transaction pertaining to a class of derivatives that has been declared subject to the trading obligation with financial counterparties as defined in Regulation (EU) No 648/2012 and non-financial counterparties that meet the conditions referred to in Article 10(1)(b) of Regulation (EU) No 648/2012, which are neither intragroup transactions nor transactions covered by the transitional provisions in Article 89 of that Regulation, as well as with third-country financial institutions or other third-country entities that would be subject to the clearing obligation if they were established in the Union. Where we enter into a transaction for your order for a class of derivatives that has been declared subject to the trading obligation in accordance with the procedure set out in Article 32 of Regulation (EU) 600/2017 and listed in the register referred to in Article 34 of Regulation (EU) 600/2017, execution should only take place on Regulated Markets, MTFs, OTFs or third-country equivalent trading venues.

## Product Governance

56. We have a policy in place to ensure that both our respective responsibilities towards you and our product governance obligations are met. We are required to assess and define a target market for the investment products manufactured for, distributed or sold to you. In our role as product manufacturer and/or distributor (seller) we will assess investments periodically and we will share information on investments so that we can take any appropriate steps to improve outcomes for you as our client (or the end client). Unless you tell us otherwise we will assume that you are acting for your own account and not as a distributor for the purposes of these requirements.
57. When we make different products and services available to you, we will do so in accordance with the Rules relating to the manufacturing and distribution of investments products. We may not be



able to make certain investments products available to you, depending on your classification as a client and depending on the service we are providing to you.

## **Client Reporting**

58. Where we carry out an order for you in the course of a Service, we will promptly provide you with a summary of the execution of the order and (unless the confirmation would contain the same information as a confirmation that is to be promptly despatched to you by another person) send you a trade confirmation notice no later than the first business day following that execution or where we receive confirmation from a third party or broker, no later than the first business day following the receipt of the confirmation in each case. You also maintain the right to request at any time information about the status of your order.
59. All contracts, confirmations and statements issued by ACM shall bind you unless a detailed objection is received by ACM within one business day.
60. Confirmations will be distributed by electronic mail to the email address on record for you. It is your responsibility to inform us of any change to your email address or non-receipt of a confirmation. Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within one business day of making such confirmation available to you or we notify you of an error in the confirmation within the same period.
61. We will provide you on a monthly basis with an analytical statement about the transactions effected within the reported period not later than ten (10) business days after every reported period ends.

## **Stabilisation**

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

## **Capacity**

63. Each party warrants to the other that:
  - it has all necessary authorisations and approvals to enter into these Terms;
  - by entering into these Terms and any transactions hereunder, it will not violate any applicable Regulations.

You warrant on a continuous basis that:



- all investments to which these Terms apply are and will be for as long as these Terms are in force, free from any charge, lien, pledge, encumbrance or other security interest and beneficially owned by you or the person or ultimate beneficiary on whose behalf you are accruing.
64. If you are acting on behalf of any other person when transacting investment business with us, to the extent permitted by the Rules, ACM will continue to treat you alone (rather than any other person) as its client for all purposes and in relation to all obligations, and you will be liable as such. This applies even if you act on behalf of a person whom you have identified to us.

## **Inducements**

65. We are required to comply with the Rules on inducements. This means in summary that we are not permitted to accept or retain any fees, commissions, monetary or non-monetary benefits (each an inducement) paid or provided by a third party in relation to our service to you. We are similarly not allowed to pay or provide any inducement to any third party in relation to the provision of services to you. We can only accept or retain or pay or provide such inducements if they meet certain conditions. The inducement must not impair compliance with our duty to act honestly, fairly and professionally in accordance with the best interest of our clients and it must enhance the quality of the relevant service to you. We must also make disclosures about the inducement to you before we provide the relevant service to you.
66. The Company may provide payments to third parties in relation to the services we provide to you only in the case where such third parties made the initial referral of you as potential client. The payment to such third parties might be linked to your transactions' turnover provided that it does not impair our compliance with relevant legislation. The payments shall be reasonable and proportionate and of such a scale, that they are unlikely to influence the Company's behaviour in any way that is detrimental to your interests. For such referral, the Company might provide to the third parties information or documentation in relation to an investment or/and ancillary service or/and financial instrument. The aforementioned payments will not lead to an increase of the overall fees to be paid by clients.

## **Investment Research**

67. We will provide information on investments or markets, such as research recommendations, market trends or investment analysis. This service is only intended for clients with sufficient financial sophistication to be able to appraise and evaluate the information. Where applicable, you must have a full understanding of the credit risks inherent in debt new issues, the price volatility of stocks when brought to the market and FX markets.
68. We will comply with the Rules in relation to the content of information on investments or markets which we may provide to you. We do not assert that the information is accurate, up to date or complete. We are not obliged to provide it to you before or at the same time as it is made available to our staff, other clients, or other people.



69. The information we provide through this service will not be assessed as suitable for you so you must not regard it as a personal recommendation or advice to you individually. You should consider seeking independent advice in relation to any investment mentioned in these materials prior to dealing in that investment.
70. Except to the extent that such information is freely available in the public domain, you must keep the information confidential and for your personal use and must not be used to provide advice to anyone else.
71. We are not obliged to consider investment research which we have given to you when dealing for you. We may suspend this service, or change its level of detail, layout/format and frequency from time to time without giving prior notice.
72. It is noted that ACM will disseminate investment research to you that is produced by third parties, provided that we have separately agreed to. Such separate agreement will set out the terms on which such research is provided, including payment terms, in accordance with the Applicable Regulations. You are responsible for ensuring you are entitled to accept and retain such research, and for notifying us in writing that you are no longer so entitled. We shall not be liable for any investment decision you make, based in whole or in part, on any investment research report, recommendation or other publication provided to you.

### **Positions in Leveraged Financial Instruments**

73. When you hold positions in leveraged financial instruments, ACM shall inform you, where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%. Reporting under this regulatory requirement should be on an instrument-by-instrument basis, unless otherwise agreed with you, and shall take place no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

### **Safeguarding and Administration of Clients' Assets**

74. The Company provides safekeeping and administration services to its clients by exercising due skill, care and diligence in the selection, appointment and periodic review of the third party and of the arrangements for the holding and safekeeping of your assets.
75. In case of financial instruments, the Company takes into account the expertise and market reputation of the third party as well as any legal requirements related to the holding of your financial instruments that could adversely affect your rights.
76. The Company only deposits financial instruments with a third party in a jurisdiction where the safekeeping of financial instruments for the account of another person is subject to specific regulation and supervision and that third party is subject to this specific regulation and supervision. The Company will not deposit the financial instruments held on your behalf with a third party in a third country that does not regulate the holding and safekeeping of financial instruments for the account of another person unless one of the following conditions is met:





- (a) The nature of the financial instruments or of the investment services connected with those instruments requires them to be deposited with a third party in that third country;
- (b) You have requested ACM in writing to deposit them with a third party in that third country.

The above terms shall also apply when the third-party has delegated any of its functions concerning the holding and safekeeping of financial instruments to another third-party.

77. When we receive your funds, we shall promptly place those funds into one or more accounts opened with any of the following:
- A central bank;
  - A credit institution authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council;
  - A bank authorised in a third country.
78. Unless otherwise provided in writing, Alfa Capital Markets Ltd will not pay interest on any clients' funds.
79. We shall exercise all due skill, care and diligence in the selection, appointment and periodic review of the credit institution where your funds are placed with the arrangements for the holding of those funds and we shall consider the need for diversification of these funds as part of our due diligence. We shall also take into account the expertise and market reputation of such institutions or money market funds with a view to ensuring the protection of your rights, as well as any legal or regulatory requirements or market practises related to the holding of your funds that could adversely affect your rights.
80. For the safeguarding of your assets (financial instruments and funds, where applicable), we have open accounts with the following credit institutions:

**Clients' Cash Accounts:**

- JSC "Alfa-Bank", Moscow, Russia
- J.P. Morgan AG, Frankfurt, Germany
- HSBC Continental Europe, France
- Euroclear Bank, Belgium
- Barclays Bank PLC, London, UK

**Clients' Financial Instruments Accounts (Custody):**

- JSC "Alfa-Bank", Moscow, Russia
- AO Raiffeisenbank, Moscow, Russia
- Euroclear Bank, Belgium
- HSBC Continental Europe, Irish branch / Dublin



81. A non-EEA state's law may be applicable to the clients' accounts containing clients' financial instruments or funds.
82. Funds or securities (collectively referred to in this section as "assets") deposited by you may be subject to limited or reduced protections, if placed with a third party that is subject to the laws of a jurisdiction other than that of an EU Member State, or when subject to any Security Interest. Such limited or reduced protection may result in loss of your assets, particularly in the event of that third party insolvency or bankruptcy.
83. The extent to which you may recover your assets may be governed by applicable legislation or local rules of that third party's jurisdiction. In some jurisdictions, securities, which are identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.
84. When your assets are held with a third party, we are not liable for the acts or omissions of that third party or for any loss or damage that you may incur other than as a direct result of gross negligence or wilful misconduct on our part in the initial selection of the relevant third party. In the event of the insolvency of a third party, you may not recover all of your assets.
85. All securities purchased by us, any of our brokers instructed by us and requiring registration will be registered in our name for the benefit of you or your client, or as you may request, in the name of a custodian appointed by you or such client. Neither we nor any of our brokers instructed by us will be responsible for supervising any such custodian or have any responsibility in respect of any such custodian's acts or omissions. Note that all custodians are regulated and authorised entities. You confirm that you shall indemnify ACM in respect of any stamp duty, which may be payable now or in the future, in connection with any aspect to any transaction undertaken for you or your benefit and (including but not limited to, execution, delivery, performance, registration, movement or amendment) related to any agreement entered into between us or of any document connected to such agreement.
86. ACM will take all the necessary steps to ensure that the clients' financial instruments and funds are safeguarded. Specifically, the Company will:
  - maintain records and accounts enabling ACM at any time and without delay to distinguish assets held for one client from assets held for any other client and from its own assets;
  - maintain records and accounts in a way that ensures their accuracy, and in particular their correspondence to the financial instruments and funds held for its clients and that they may be used as an audit trail;
  - take the necessary steps to ensure that any client financial instruments deposited with a third party, in accordance with Article 3 of Delegated Directive 2017/593, are identifiable separately from the financial instruments belonging to the Company and from financial instruments belonging to that third party, by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection. However, in some jurisdictions it may not be possible to identify separately the securities which a third party holds for clients from those which it holds for itself and for



ACM, and there is a risk that the Client's securities could be withdrawn or used to meet obligations of the third party, or lost altogether if the third party becomes insolvent;

- introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence;
- introduce arrangements to ensure that clients' assets are safeguarded in the case of insolvency;
- appoint a single officer of sufficient skill and authority with specific responsibility for the safeguarding of client financial instruments and funds.

## **Company's Obligations to Clients**

87. When we hold your financial instruments or funds, we shall send you at least on a quarterly basis, a statement by e-mail of those financial instruments or funds unless such a statement has been provided in any other periodic statement. Upon your request, we shall provide such statement more frequently at a commercial cost.
88. The Company is obligated to inform its clients about its intention to maintain their assets with a custodian. Particularly the Company is responsible for informing clients in a durable medium of:
- The Company's responsibilities with regards to any acts or omission or insolvency of the custodian and the consequences for the client of the insolvency of the third party;
  - The Company's intention to maintain the client's assets in an omnibus account and shall provide a prominent warning of the resulting risks;
  - The jurisdiction of the custodian, if other than a member state, and the rights of the client;
  - The Company's obligations and responsibilities in case it will be using client's financial instruments;
  - Cases where the financial instruments held with a third party cannot be separately identifiable from the proprietary financial instruments of that third party or of the Company's and shall provide a prominent warning of the resulting risks;
  - About the existence and the terms of any security interest or lien which the Company has or may have over the client's assets, or any right of set-off it holds in relation to those instruments or funds. Where applicable, it shall also inform the client of the fact that the custodian may have a security interest or lien over, or right of set-off in relation to those instruments or funds.

## **Use of client financial instruments**

89. Before entering into arrangements for securities financing transactions in respect of financial instruments held by it on behalf of a client, or otherwise use such financial instruments for its



own account or the account of another client of the Company the following conditions should be met:

- the client has given his prior express consent to the use of the instruments on specified terms, as clearly evidenced in writing and affirmatively executed by signature or equivalent, and
  - the use of that client's financial instruments is restricted to the specified terms to which the client consents.
90. Before entering into securities financing transactions in relation to financial instruments held by it on behalf of a client, or before otherwise using such financial instruments for its own account or the account of another client shall in good time before the use of those instruments provide the client, in a durable medium, with clear, full and accurate information on the obligations and responsibilities of the Company with respect to the use of those financial instruments, including the terms for their restitution, and on the risks involved.
91. The Company will not enter into arrangements for securities financing transactions in respect of financial instruments which are held on behalf of a client in an omnibus account maintained by a third party, or otherwise use financial instruments held in such an account for its own account or for the account of another client unless at least one of the following conditions is met:
- Each client whose financial instruments are held together in an omnibus account must have given prior express consent;
  - The Company's systems and controls ensure that only financial instruments belonging to clients who have given prior express consent are so used.
92. We shall take appropriate measures to prevent the unauthorised use of your financial instruments for our own account or the account of any other client.
93. We will adopt specific arrangements to ensure that the borrower of client of financial instruments provides the appropriate collateral and that ACM monitors the continued appropriateness of such collateral and takes the necessary steps to maintain the balance with the value of client instruments.
94. ACM will not conclude title transfer collateral arrangements (TTCAs) with Retail Clients for the purpose of securing or covering present or future, actual or contingent or prospective obligations.

### **Re-use Risks and Consequences**

95. Where we exercise a right of use in relation to any financial instruments that you have provided to us by way of collateral under a security collateral arrangement containing a right of use, we draw your attention to the following re-use risks and consequences:



(a) any proprietary or other rights that the Client had in those financial instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant security collateral arrangement;

(b) such financial instruments will not be held by ACM in accordance with client asset rules, and, if they had benefited from any client asset protection rights, those protection rights will not apply (for example, the financial instruments will not be segregated from our assets or held subject to a trust);

(c) in the event of our insolvency or default under the relevant agreement the Client's claim against ACM for delivery of equivalent financial instruments will not be secured and will be subject to the terms of the relevant security collateral arrangement and applicable law and, accordingly, the Client may not receive such equivalent financial instruments or recover the full value of the financial instruments (although the Client's exposure may be reduced to the extent that the Client has liabilities to ACM which can be set off or netted against or discharged by reference to ACM's obligation to deliver equivalent financial instruments to the Client)

(d) in the event that a resolution authority exercises its powers under any relevant resolution regime in relation to us any rights the Client may have to take any action against us, such as to terminate our agreement, may be subject to a stay by the relevant resolution authority and:

- i. the Client's claim for delivery of equivalent financial instruments may be reduced (in part or in full) or converted into equity; or
- ii. a transfer of assets or liabilities may result in the Client's claim on us, or our claim on the Client, being transferred to different entities

although the Client may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights;

(e) the Client will not be entitled to exercise any voting, consent or similar rights attached to the financial instruments as a result of ceasing to have a proprietary interest in those financial instruments, and even if we have agreed to exercise voting, consent or similar rights attached to any equivalent financial instruments in accordance with the Client instructions or the relevant security collateral arrangement entitles you to notify us that the equivalent financial instruments to be delivered by us to you should reflect your instructions with respect to the subject matter of such vote, consent or exercise of rights, in the event that we do not hold and are not able to readily obtain equivalent financial instruments, we may not be able to comply (subject to any other solution that may have been agreed between the parties);

(f) in the event that we are not able to readily obtain equivalent financial instruments to deliver to you at the time required: you may be unable to fulfil your settlement obligations under a hedging or other transaction you have entered into in relation to those financial instruments; a counterparty, exchange or other person may exercise a right to buy-in the



relevant financial instruments; and you may be unable to exercise rights or take other action in relation to those financial instruments;

(g) subject to any express agreement between ACM and the Client, ACM will have no obligation to inform the Client of any corporate events or actions in relation to those financial instruments;

(h) the Client will not be entitled to receive any dividends, coupon or other payments, interests or rights (including securities or property accruing or offered at any time) payable in relation to those financial instruments, although the express written terms of the relevant collateral arrangement or transaction may provide for you to receive or be credited with a payment by reference to such dividend, coupon or other payment (a “manufactured payment”)); and

(i) our exercise of a right of use in respect of any financial collateral provided to ACM by the Client and the delivery by ACM to the Client of equivalent financial instruments may give rise to tax consequences that differ from the tax consequences that would have otherwise applied in relation to the holding by the Client or by ACM for the Client account of those financial instruments;

(j) where you receive or are credited with a manufactured payment, your tax treatment may differ from your tax treatment in respect of the original dividend, coupon or other payment in relation to those financial instruments.

96. Where ACM provides the Client with clearing services (whether directly as a clearing member or otherwise), we draw your attention to the following additional re-use risks and consequences:

(a) if ACM is declared to be in default by an EU central counterparty (“EU CCP”) the EU CCP will try to transfer (“port”) the Client transactions and assets to another clearing broker or, if this cannot be achieved, the EU CCP will terminate the Client transactions;

(b) in the event that other parties in the clearing structure default (e.g. a central counterparty, a custodian, settlement agent or any clearing broker that we may instruct) the Client may not receive all of his assets back and his rights may differ depending on the law of the country in which the party is incorporated and the specific protections that that party has put in place;

97. In some cases, a central counterparty may benefit from legislation which protects actions it may take under its default rules in relation to a defaulting clearing member (e.g., to port transactions and related assets) from being challenged under relevant insolvency law.





## **Disclosure of Foreign Nominee Holders of Russian Securities**

98. Recent legislative developments in Russia have imposed obligations on non-Russian companies holding Russian securities (e.g. shares in Russian companies and depository receipts (“DR”) based on Russian securities) to disclose to depositaries and to Russian issuers of such securities information regarding the beneficial owners of the securities.
99. As a result of the amendments to the Russian legislation, upon receiving a request by an issuer, the Russian courts, the Federal Financial Markets Service and other Russian authorities, ACM is required to provide the following information regarding the owners of the securities and the persons who exercise rights in respect to the securities which are recorded in the accounts of those foreign nominee holders:
- Details of the beneficial owner (e.g. full name, id number, address, telephone number)
  - For legal entities, the registration number and date of registration, registered address, etc.
  - The type and number of securities held as well as other information relating to these securities (e.g. series, date and place of issue, information about the issuer and any other details requested as per the Russian legislation, as amended from time to time)
100. Failure to disclose information required will result in declared dividends not to be distributed to the registered owners and such undistributed dividends will be recovered as part of undistributed profits.

## **Settlement**

101. ACM shall be under no obligation to settle contracts or account to you unless and until it has received all necessary documents or assets. Delivery or payment is entirely at your risk.
102. Except as expressly provided in these Terms of Business, ACM shall have no obligation to exercise any subscription, conversion, voting or any other rights which are conferred by any investments held by or on behalf of ACM for you.
103. Unless we agree otherwise, you are responsible for the due performance of every transaction which we enter into or with you. Where permitted to do so by applicable rules, we may effect a net settlement with or for you or on your behalf.
104. Where we have acted as agent for you, it is the other party to the transaction and not us who is responsible for all obligations, including settlement, relating to the transaction and delivery or payment will be at your entire risk.
105. Our obligation to settle any transaction, whether we are acting as principal or agent for you, is conditional upon the receipt by us or our agents on or before the due date for settlement of all necessary documents or funds due to be received.



In those instances where we act as your agent, you may be required to settle directly with a third party or intermediate broker without our involvement in the settlement process. In such circumstances, ACM will have no obligations and accepts no liability in relation to such settlement process.

## Material Interests

106. ACM may have interests, relationships or arrangements that are material in relation to any transaction with or for you. Such interests, relationships or arrangements will not necessarily be disclosed to you at the time. ACM has procedures to identify and to prevent or manage conflicts of interest. A summary of our conflicts of interests' policy is available in section "Conflicts of Interests". Notwithstanding the foregoing, neither the relationship between ACM and any client nor any other matter will give rise to any fiduciary or equitable duties which would oblige ACM to accept responsibilities more extensive than those set out in these Terms or which would, subject to the Rules, prevent ACM from:

- acting as principal or as agent for any connected company in respect of the investments that you are buying or selling or providing services to other persons with interests in or proposing to acquire such investments;
- sponsoring or underwriting the new issue involving the investment that you are buying or selling;
- dealing as agent on your behalf with a connected company or conducting an "agency cross" by matching your order with the order of another party (who may be a connected company);
- having a holding or dealing position (whether a long or short position) in the investment that you are buying or selling.

ACM maintains arrangements which restrict access by its employees to information relating to areas of its business with which, and the affairs of clients with which, they are not directly concerned. Subject to the Rules, neither ACM nor its employees will be required to have regard to, nor have any duty to disclose to you, or utilise for your benefit any information which comes to ACM's notice in the course of carrying on business or as a result of or in connection with services provided to other persons, or which is not known to those employees who are handling your affairs.

107. The Company's Conflicts of Interests Policy will be provided to you upon request.

## Confidentiality and Data Protection

108. Information, in any form, given to you by us in respect of financial instruments may not be used or relied upon by you for any purpose other than the Services, and the terms of any engagement letter relating to the Services (including, inter-alia, details of our fees) may not be disclosed to any third party (unless you are required to disclose such information under a legal obligation or you disclose it to another of your advisers in connection with the Services, in either of which



cases you will promptly inform us of such disclosure), nor used or relied on by any third party without our prior written consent.

109. Without prejudice to any other provisions related to data disclosure contained in the Terms of Business, (i) where the client is a corporate or (ii) where the client is an individual, you hereby irrevocably authorize us to disclose the client's Confidential Information (which means any information in relation to you, your accounts, or any transaction), under the following circumstances:

109.1 as required by any Applicable Law, where Applicable Law means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, judgment or decision of a governmental authority (including an applicable regulator), the rules of any relevant exchange, any agreement entered into with or between any governmental authority or governmental authorities and any other laws or regulations (whether of the UK, EU, EEA, third country or transnational) applicable to us in the provision of Services to the client; to the Cyprus Securities and Exchange Commission or any other governmental authority, court or tribunal;

109.2 to any exchange, clearing house or self-regulated organisation (whether of a governmental nature or otherwise), in any jurisdiction, as and when requested by them;

109.3 to any of Company's affiliates, service providers, brokers, dealers, custodians, agents, bankers, auditors and professional advisers;

109.4 to credit reference agencies or other organisations that help Company and others make credit decisions and reduce the incidence of fraud or in the course of carrying out identity, fraud prevention or credit control checks; or

109.5 to a third party where required for the purpose of novation or for the purpose of transferring or managing risk, liquidity or capital requirements, provided that such third party must be required to hold such information confidential.

110. Except the cases specified above in clause 109 all information which we, and/or our brokers, receive from you concerning your business or affairs and any information or work product generated from such information, which is not in the public domain, or is not available to us on a non-confidential basis, or has not been independently developed by us and which we and/or our brokers are not required to disclose by any applicable regulation or as authorised or required to be disclosed by a court of law or by any competent authority, will be held in confidence by us and/or our brokers, as applicable, unless and until such time as you specifically consent to the disclosure of that Confidential Information. For the avoidance of doubt, nothing in this clause will prevent us from disclosing information to the extent required to perform the Services.

111. All information, documents and communications in our possession or control relating to the Services or the subject matter of the Services shall be our sole property, save for original contracts, share certificates and other original documents held on your behalf. We shall be



permitted to retain a copy of all information, documents and communications between us or sent or received by us in connection with the Services for regulatory and risk management purposes.

112. Client acknowledges and agrees that the Client's Confidential Information may include personal data of the client (where the Client is an individual), the client's employees, authorized persons or other individuals (where the Client is a legal entity) provided by the Client or a person acting on the Client's behalf to the Company in connection with the Services or the Terms of Business and/or any agreement between you and us (the "Personal Data").
113. Client acknowledges and agrees that ACM may process the Personal Data for the purposes of (i) the provision of the Services and operations of your accounts, (ii) administration and management of the Company's relationship with the client (including business development and IT management), (iii) informing you of our range of services and/or for any new products (marketing), (iv) complying with any requirement of law or regulation or of any competent authority or professional body (where applicable) (relating to inter-alia, fraud prevention, legal, tax, credit control and compliance with any other applicable law or regulation) including but not limited to the provisions of the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007-2019, as amended, and performing the Appropriateness test which is required under the 'Investment Services and Activities and Regulated Markets Law of 2017', as amended. ACM will be data controllers (i.e. person which, alone or jointly with others, determines the purposes and means of the processing of your personal data). ACM, where required for these purposes, shall disclose the Personal Data to persons in the categories set out in clause 109.
114. Further details of how we process Personal Data including principles of processing, our lawful basis of processing, rights of the data subject, security of personal data, principles and information in respect of transfer of personal data to third countries and international organisations are specified in our Privacy Policy available on our website. You confirm that you have read and acknowledged the content of our Privacy Policy prior to undertaking business with ACM and you have no objections to any matter arising under and/or out of the Privacy Policy. If you have any questions related to the Privacy Policy and/or complaints in respect of the way we process your Personal Data you may contact our Data Protection Officer by email to the address: [GDPR\\_dpo@alfacapital.com.cy](mailto:GDPR_dpo@alfacapital.com.cy) or by letter to 3, Themistocles Dervi Street, Julia House, 4th Floor, 1066, Nicosia, Cyprus.
115. The processing specified in clause 113 may include transfers of the Personal Data to countries outside the European Economic Area. In such cases, we will ensure that the Personal Data are transferred to a recipient (i) who is in a country which provides an adequate level of protection for personal data or (ii) under appropriate safeguards as required by applicable data protection laws (e.g. by a data transfer agreement in the form of standard data protection clauses adopted by the European Commission or a set of internal "binding corporate rules" which shall be approved by the competent authority in Cyprus).
116. ACM will retain the Personal Data for up to five years after the termination of the business relationship with the Client, unless otherwise required by applicable law.



117. Except in limited cases, where ACM might seek the consent of the client (where the client is an individual) and other relevant individuals outside the scope of these Terms of Business or/and any agreement between you and us, the Company does not rely on individual consent as a lawful basis to process the Personal Data. Pursuant to the provisions of applicable data protection law (Regulation (EU) 2016/679 of the European Parliament and of the Council of 17 April 2016) the Company's lawfulness of processing of Personal Data is based on being (i) necessary for the performance of a contract to which the client is party or in order to take steps at the request of the potential client prior to entering into a contract (ii) necessary for the purposes of the legitimate interests pursued by ACM as described in clause 113 herein (subject to the relevant individual's privacy and fundamental rights and freedoms overriding such interests); and/or (iii) necessary for compliance with a legal obligation to which ACM is subject.
118. Where the client is a legal entity, the client shall ensure that before the client or any person acting on the client's behalf provide the Company with any Personal Data in connection with these Terms of Business or/and any agreement between you and us, the relevant individual has been:
- 118.1. informed of the disclosure of the Personal Data (or categories of Personal Data) to be disclosed and of the Company's identity and contact details;
  - 118.2. provided with the information set forth in clauses 109 and 113 to 117; and
  - 118.3. informed that he/she has the right to request from ACM access to and correction or erasure of his/her Personal Data or restriction of processing and to object to processing of his/her Personal Data (e.g. for marketing purposes) as well as the right to data portability and the right to withdraw consent (where applicable).
  - 118.4. informed that he/she has the right to request further details of the international transfers of Personal Data and a copy of the appropriate safeguards referred to in clause 115, in each case by contacting ACM in writing.
119. Where the client is an individual, the client and each other individual to whom Personal Data may relate has the right to request from ACM access to, and correction and erasure of his/her Personal Data or restriction of processing and to object to processing of his/her Personal Data (e.g. for marketing purposes) as well as the right to data portability and the right to withdraw consent (where applicable) and/or request further details of the international transfers of Personal Data, and a copy of the appropriate safeguards referred to in clause 115, in each case by contacting ACM in writing.

The client shall ensure that, before the client or any person acting on the client's behalf provides the Company with any Personal Data relating to an individual other than the client, in connection with these Terms of Business or/and any agreement between you and us, the relevant individual has been:

- 119.1 informed of the disclosure, of the Personal Data (or categories of Personal Data) and of the Company's identity and contact details; and



119.2 given the information set forth in clauses 109 and 113 to 117.

120. The client shall provide the Company with such information as is necessary or desirable to keep the Personal Data up to date and accurate and it shall immediately (or as soon as reasonably expected) notify the Company of non-compliance with applicable data protection law by the Client which may be relevant to processing of the Personal Data by the Company.
121. The Company shall not incur any liability for any disclosure made by the Company in good faith in accordance with this part Confidentiality and Data Protection.
122. The Client represents and warrants to ACM that the Client processes personal data received from ACM related to ACM's directors and employees only for the purpose of performing obligations and exercise of rights under any agreement between the Client and ACM, provided that where the Client is a legal entity it only may be disclosed to the Client's employees or directors who are duly authorised to process such data for the purpose of performance of such agreement and who have committed themselves to confidentiality.
123. The Client shall ensure adequate, relevant and limited use of the personal data to what is necessary in relation to the performance of the agreement. The Client may not transfer such personal data to any third party without ACM's prior written authorisation. If the Client is required under any applicable law to transfer such personal data to any third party, it shall inform ACM before such transfer.
124. The Client acknowledges that at the choice of ACM, the Client shall delete or return all personal data to ACM after the end of the provision of the service provided by ACM, subject to applicable law.
125. The Client shall implement appropriate technical and organisational measures to ensure a level of security in respect of the personal data received from ACM for the purposes of, inter-alia, avoiding any unauthorised or unlawful processing of personal data and/or accidental loss, destruction or damage of personal data.
126. Where the Client is a legal entity the Client guarantees that it processes personal data received by the Client is in compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data" and other applicable data protection laws.

### **Joint Accounts**

127. In the case of a joint account, we may also disclose to any of you, information obtained by us from any of you, in relation to the Account or your transactions.
128. Where more than one of you has entered into an agreement with us for provisions of services and/or undertaken business with us:





- (a) each of you is individually and jointly liable for money owed to us, unless we have agreed otherwise in writing and we have the right to demand repayment from all or any of the account holders for all or part of such money;
- (b) any of you can give instructions or receive notices on behalf of the others, including instructions to sell, withdraw assets from our management or close any account, except that, if we know or suspect that there may be a dispute or conflict of interest between you, we may seek instructions from each of you;
- (c) any of you may give us an effective and final discharge in respect of any of our obligations under these Terms of Business and the relevant agreement;
- (d) were any of you to die, these Terms of Business and relevant agreement will continue and we may treat the survivor or survivors as the only party or parties to these Terms of Business and the relevant agreement as entitled to the assets and/or any bank account, but we may act on the instructions of any Personal Representative (or, as applicable, liquidator) appointed over your estate if we receive proof of their authority;
- (e) we may contact and otherwise deal only with the account holder named first in our records, subject to any legal requirements or unless you request otherwise; and
- (f) any of you may apply for an overdraft or other borrowing on an account and we may provide any required pre-contractual information to the person requesting the borrowing on behalf of all of you.

You may ask us to remove a person (or persons) from a joint account, including by converting it to a sole account. We may require authority from all account holders before doing so. Any person removed from the account will continue to be liable for all obligations and liabilities under these Terms of Business and the relevant agreement relating to the period before they were removed from the account.

Where you own investments individually, these investments may be placed into a joint account. If they are, they will be owned jointly.

In relation to our investment services, we will not act on instructions from any one joint account holder to register shares in a single name, change your account address or close your account. In these circumstances, we require written instructions signed by all joint account holders. If we give you notice to end the relationships with you and the relevant agreement, we will transfer the assets in your account into your joint names. Registration fees will apply for each transfer.

## Instructions

129. You hereby appoint and authorise us to execute transactions on your behalf or to arrange for the provision of execution services by any of our brokers, on an execution only basis, in respect of financial instruments including the reception of orders and their transmission to our brokers on your behalf. Any such broker may be outside Cyprus and in such circumstances the legal and



regulatory regime applying may be different from that of Cyprus. You separately authorise us to act upon orders received from you and transmit them to our brokers as your agent as though such orders had been given by you directly.

All such instructions given to us may be given orally, in writing or by electronic means (including, without limitation, Bloomberg) as we agree with you from time to time. They must be properly communicated to the person responsible for their reception and transmission in accordance with our normal business practice. You transmit any instruction at your own risk. You authorise us to rely and act upon any instruction received by us (orally, in writing or by electronic means) which we believe in good faith to come from you or to have been given on your behalf without any further enquiry of us. We or our brokers may require you to confirm instructions in writing where deemed necessary and may refuse instructions to arrange any particular transaction.

- (a) You shall confirm the name of each person authorised to give us instructions on your behalf in writing at the client acceptance stage. You may vary this list by written notice to us. We shall not take into consideration any such amendment until we have actually received such written notice. We will be entitled to act upon the instructions given orally, in writing or by electronic means of any person authorised by you or anyone who appears to be such an authorised person, including without limitation, by the fact that such person has access to your electronic means of communication and gives instructions on your behalf. You will be responsible for and bound by any actions taken by us on the basis of any instructions which we believe to have originated from your authorised person, including any transaction entered into or any obligation assumed by us on your behalf or any costs or expenses incurred by us, in each case as a result of or in connection with such instructions.

We are entitled to assume that any notices, authorisations, commitments or requests (whether in writing or not and however communicated to us) have been properly authorised by you if they are given or purport to be given by an individual or person who is, or purports to be and is reasonably believed by us to be authorised by you to give such notices, authorisations, commitments or requests.

- (b) ACM shall not be held responsible for delays or inaccuracies in the transmission of any instruction or other information or the execution of orders due to any cause whatsoever beyond the reasonable control of ACM. ACM shall not be liable for any loss, expense, cost or liability (including consequential loss) suffered or incurred by you as a result of instructions being given, or any other communications being made via the internet or other electronic media.
- (c) If after instructions are received, ACM reasonably believes that it is not in your best interests to act upon such instructions, ACM may defer acting upon those instructions until it is, in ACM's reasonable opinion under the circumstances, practicable to do so. Alternatively, if ACM declines to carry out a transaction it shall, subject to applicable law, promptly notify you but shall have no liability for any expense, cost, loss or damage incurred by you resulting from such deferral or refusal.



- (d) We will record all conversations in reference to the conditions set out under the sections “Electronic Communications” and “Telephone recording and monitoring communications”. These records will be and will remain sole property of the relevant party and may be used as evidence, or otherwise as necessary to comply with Applicable Regulations.
  - (e) Once given, instructions may only be withdrawn or amended with your consent as long as the order has not been executed, except where these Terms provide otherwise.
  - (f) You will promptly give any instructions we may request from you in respect of any proposed transaction for or with you. If you do not do so, we or any broker, in each case acting in its sole discretion, may take any steps at your cost as they consider appropriate for their protection or for your protection as long as the securities in question are fully fungible.
  - (g) Any instructions given to us with a condition described as Good Till Cancel ("GTC") will be deemed authorised for the period of one calendar month after which if a verbal or written reconfirmation of the instruction is not given for the continuation of the instruction, the instruction will be withdrawn.
130. In respect of transactions executed or arranged for you by us, we will send you with due despatch a confirmation note or contract note in respect of each transaction effected for or with you. You may request information from us concerning your order at any time.
131. Confirmation notes and contract notes, shall be conclusive and deemed acknowledged by you as correct (even if we or any of our broker requests but does not receive specific acknowledgement or acceptance from you) unless we or the relevant broker receive from you notice to the contrary within one (1) business day of despatch to you of the confirmation or contract note or we or the relevant broker notify you of an error therein.

### **Instructions for the Purchase of Securities of a New Issue**

132. You may instruct the Company to purchase securities of a new issue on your behalf from time to time. At the time your instruction is given to the Company, some parameters of the new issue and/or the securities issued or to be issued may not yet be defined. You acknowledge and agree that (i) the withdrawal or any amendment of your instruction for the purchase of the securities of the new issue from the moment it is given will be subject to the Company’s consent; and (ii) the Company may execute your order partially and/or on the terms which are not identical to the ones specified in your instruction, provided that the Company shall only execute your order on such terms that are not less advantageous to you compared to the terms of your instruction (determined by the Company at its sole discretion), and when it is unable to do so, the Company may not execute your order without any liability to you.

### **Provision of Information**

133. You shall provide us with such information as we require in relation to these Terms, including all information required for the initial customer identification and due diligence procedure, for



the periodic review and update of the customer identification procedure, as well as information to comply with all Applicable Regulations. You warrant that any information provided to us by you is complete, accurate and not misleading in any material respect and you agree to notify us should such information change in any material respect.

134. You undertake that you will promptly provide or procure the provision to use of all the information concerning your business and affairs which is relevant for the proper provision of the Services and any further information as we may reasonably request and that you will promptly correct any information provided to us if it subsequently appears that such information was or has become inaccurate or misleading in any respect.
135. You confirm that you have the right to supply such information to us and its receipt and use by us for the purpose of these Terms of Business, will not infringe any rights held by any third party, involve the unauthorised use of confidential information belonging to any third party or result in a breach by you or us of any law, regulatory obligation, fiduciary duty owed to any third party, intellectual property rights or agreement.
136. You will ensure that all announcements and documentation published or made or statements made by you or on your behalf in the course of the provision of the Services will only be made or published after consultation with us.
137. Where you supply information or documentation to us, if it is for publication to brokers or third parties or for use by us in verifying matter for publication to brokers or third parties or is or may be material in the context of any transaction or matter connected with the Services, you undertake that (i) such information or documentation when taken as a whole and each statement of fact therein will be true, fair and accurate in all material respects and not misleading, (ii) that every statement of opinion, intention or expectation therein will be honestly held and fairly based and (iii) that there will be no facts not disclosed therein which by their omission make any statement therein misleading. You undertake that, if anything occurs within a reasonable time after passing information to us that renders any statement therein untrue, unfair or misleading, you will promptly notify us and take such steps as we may require correcting such statement. Should you not promptly take such steps, we shall be entitled to take such action as we consider necessary or appropriate, including the publication of any correcting statement, in circumstances in which us or you would or might otherwise infringe any application regulation or incur any liability or penalty.
138. You agree to provide us with or to procure the provision to us of such confirmations and other evidence as we reasonably require in order to satisfy ourselves that any non-real-time communications which constitute financial promotions which we are asked to approve on your behalf or any document or announcement or information issued or to be issued in connection with any matter in respect of which we are advising complies with all Applicable Regulations.
139. You undertake that you will at all times keep us fully informed of all strategies, developments and discussions relevant to the provision of the Services and that no initiatives relevant to the Services will be taken without prior consultation with ourselves.



140. You irrevocably authorize ACM and its brokers to disclose to CySEC, its auditors, any government or other regulatory body or authority in any part of the world (including the Russian Federation) and to any connected person or third party, any information relating to you or any third party on whose behalf you may be acting (the consent of whom you confirm you have obtained for such purposes), including in relation to any relevant positions, which is in its possession and which it is obliged or required to disclose or the disclosure of which may be necessary for the performance of ACM's obligations under these Terms of Business, any additional agreement(s) or otherwise.
141. Neither we nor any of our brokers will have any duty to disclose to you any information that comes to us or one of our brokers, in the course of carrying on any other business or as a result of or in connection with the provision of services to other persons. You accept that we and any of our brokers may be prohibited from disclosing or having regard to, or it may be inappropriate for us and any of our brokers to disclose to you or have regard to, such information even if it relates to you or to the Services.

## **Payments**

142. You will pay to us (or to our order) or the relevant broker on demand by us or them such sums of money as may be required in clearance of any debit balance on any of your accounts with us or them and any amounts due to any of us. We may charge you a commission in relation to transactions executed for your account, and such commission may be deducted at the time of the transaction or invoiced to you separately. Any commission deduction will be shown on the transaction confirmation sent to you.
143. All your payments to us or any of our brokers hereunder shall be made in freely available transferable funds in such currency and to such bank account as the recipient may from time to time specify and without any deduction or withholding. If you are required by law to make any deduction or withholding, then you will pay such amount as will result in the recipient receiving an amount equal to the full amount which would have been received if no such deduction or withholding was required.



## Margin

144. ACM may require the pledging or charging of cash, securities or other assets and may require you to enter into pledge or charge documentation and the Company may at any time receive the pledging or charging of additional cash securities or other assets. Failure to provide additional security may result in closing out your positions.
145. ACM may undertake stock lending activity with or for you in relation to any assets held by ACM for you and any further assets as may be agreed from time to time. ACM may undertake such lending with or without taking collateral and if ACM does take collateral, such collateral may be in cash, investments of any type or physical commodities or any instrument representing any of the same as ACM may think fit and shall be of a value as determined by ACM in its absolute discretion at least equal to the value (as so determined) of the assets loaned.

## Soft Commission Agreements

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

## Security and Rights of Lien and Set-off

147. This clause shall apply subject to any other charge or security documentation between us applying to the relevant assets:
- (a) ACM shall have a lien, right of retention and power of sale and charge (a "security interest") over any and all cash, investments, documents of title, certificates and other assets (the "Security") of yours whether in sole or joint names or otherwise from time to time which are held by or with ACM now or at any time pursuant to these Terms of Business to the extent of and to satisfy any outstanding liability which you may have now or at any time towards us pursuant to these Terms of Business;
  - (b) you agree that you will not withdraw or seek to withdraw any property which is subject to the above security interest or in any way encumber, assign, transfer or deal with such property without our prior consent and until any outstanding liabilities are repaid;
  - (c) ACM may apply any property which is subject to the above security interest together with (if applicable) any interest thereon whether or not credited in reduction or discharge of your outstanding liabilities pursuant to these Terms of Business and for that purpose ACM may realize any such property without prior notice to you and generally exercise any remedies of a secured creditor;
  - (d) ACM may set off any obligation owed by you under these Terms of Business or any transaction entered into pursuant to it against any obligation owed by ACM to you (whether or not in connection with these Terms of Business or any transaction under them), regardless of the currency, booking branch or place of payment of either obligation. If such an obligation is neither unascertained nor liquidated, ACM may in good faith estimate the obligation and set off in respect of the estimate, subject to the relevant party accounting to





the other when the obligation is ascertained or liquidated. If the obligations are in different currencies, ACM may convert the obligations at a market rate of exchange in the usual course of its business for the purpose of set-off. You will indemnify ACM for any loss, damage, costs, claims and demands arising as a result of the operation of this set-off;

- (e) the rights conferred on ACM are continuing and outstanding liabilities are not to be considered satisfied by any partial repayment;
- (f) ACM may without prior notice to you at any time and in its absolute discretion sell or otherwise dispose of any part of the security without being under any liability to you in respect of the price or any other terms, ACM may debit your account with the costs of such sale and apply the costs of the proceeds as ACM thinks fit. This does not affect our right to enforce payment without resort to security;
- (g) if the proceeds of the realization of the security are not enough to repay all outstanding liabilities you will repay the amount of the deficiency immediately to ACM;
- (h) the security interest of ACM is not affected in any way by any time indulgence or relief being given by ACM; or
- (i) ACM does not permit security interests, liens or rights of set-off over client financial instruments or funds enabling a third party to dispose of client's financial instruments or funds in order to recover debts that do not relate to the client or provision of services to the client, except where this is required by applicable law in a third country jurisdiction in which the client funds or financial instruments are held. Where ACM is obliged to enter into agreements that create such security interests, liens or rights of set-off, will disclose this information to you indicating the risks associated with those arrangements. Where security interests, liens or rights of set-off are granted by ACM over client financial instruments or funds, or where ACM has been informed that they are granted, they shall be recorded in client contracts and the ACM's own accounts to make the ownership status of client assets clear, such as in the event of an insolvency.

### **Power of Set-off, to Sell or Close Out**

148. If you fail to pay any sums whatsoever due under these Terms of Business in respect of any transaction, ACM may close out any positions which you may have without prior reference to you and apply any proceeds thereof to payment of any amounts due to ACM and for these purposes ACM may exercise all the rights of a secured creditor without prior notice to you and free of any interest you may have in the margin or the collateral, including by registering, selling, realizing or otherwise dealing with any securities upon such terms as it may in its absolute discretion think fit (without being responsible for any loss or diminution in price) and for the purposes of carrying out the activities set out above, you appoint ACM as your attorney to execute any transfer on your behalf.
149. ACM reserves the right to retain, or make deductions from, any amounts which ACM owes to, or is holding for you, if any amounts are due from you to ACM. You authorize ACM, at ACM's



discretion, at any time and without notice or liability to you, to sell, apply, set-off and/or charge in any manner any or all of your property and/or the proceeds of any of the same of which ACM has custody or control, in order to discharge all or any of your obligations to ACM.

150. ACM may (without prejudice to any other rights which ACM may have under these Terms of Business or at common law or otherwise) take certain actions stated herein:

- (a) if you fail to make any payment, fail to do any other act or thing required by, or commit any other material breach of these Terms of Business;
- (b) if you fail to remit funds necessary to enable ACM to take delivery under any contract on the first due date;
- (c) if you fail to provide assets for delivery, or take delivery of assets, under any contract on the first due date;
- (d) if an application is made in your respect for an interim order pursuant to any applicable insolvency act or a receiver, trustee, administrative receiver or similar officer is appointed;
- (e) if you become, or appear to be, unable to pay your debts as they fall due or to fulfill any obligation for the repayment of borrowed monies or convene a meeting of your creditors or propose or make any composition or arrangement with or any assignment for the benefit of any of your creditors or an order or petition is presented for your winding up or liquidation or proceedings are commenced in respect of your insolvency, bankruptcy or similar matters (including the appointment of a receiver or administrator) other than for the purposes of amalgamation or reconstruction with the prior written approval of ACM;
- (f) if any distress, execution or other process is levied against any of your property and is not removed, discharged or paid within seven days;
- (g) if any security created by any mortgage or charge becomes enforceable against you and the mortgagee or charge takes steps to enforce the security or charge;
- (h) if any of your indebtedness or of any of your subsidiaries becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of your default (or of any of your subsidiaries) or you (or any of your subsidiaries) fail to discharge any indebtedness on its due date;
- (i) if any of the representations or warranties given by you are, or become, untrue;
- (j) if ACM or you are requested to close out a contract (or any part of a contract) by any regulatory agency or authority; or
- (k) if ACM reasonably considers it necessary for its own protection, including, but not limited to suffering a material adverse change in your financial condition.

151. Upon the occurrence of any of the events described in sub-clauses above, ACM shall have the right, and is authorized at its discretion:

- (a) to sell or charge in any way any or all of your assets and property which may from time to time be in the possession or control of ACM;
- (b) to buy any investment where this is, or is in the reasonable opinion of ACM likely to be, necessary in order for ACM to fulfil its obligations under any contract. You shall reimburse ACM for the full amount of the purchase price plus any associated costs and expenses;



- (c) to deliver any investment to any third party, or otherwise take any action ACM considers to be desirable in order to close out any contract;
- (d) to require you to immediately close out and settle a contract in such manner as ACM may in its absolute discretion request;
- (e) to close out and settle a contract in such manner as ACM may consider in its absolute discretion;
- (f) to enter into any foreign exchange transaction, at such rates and times as ACM may determine, in order to meet obligations incurred under a contract;
- (g) to invoice back all or part of any assets standing to the debit or credit of any account (this involves commuting ACM's or your obligation to deliver an asset into an obligation to pay an amount equal to the market value of the asset (determined by ACM in its absolute discretion) on the date invoicing back takes place); and/or
- (h) to treat any outstanding contracts as cancelled and terminated.

152. If ACM elects to close-out any open contract pursuant to this clause, then without prejudice to amounts which have become due and payable there under, all other open obligations shall be accelerated and immediately due and payable, and each such contract shall be discharged by the calculation of the market value of such contract as estimated or determined by us in good faith.

153. The market values for all accelerated contracts and any amounts due and payable but unpaid in respect of such contract shall be aggregated and netted against each other, so that a single liquidated amount is immediately due and payable by one party to the other, subject to our rights to apply any cash margin or other collateral (including the liquidated value of non-cash collateral) held by us by way of set-off. Interest will be payable on all outstanding sums due to ACM.

154. You authorize ACM to take any or all of the steps described in this clause without notice to you and acknowledge that ACM shall not be responsible for any consequences of it taking any such steps. The rights described in this clause are in addition to any other rights which ACM may have against you. You shall execute such documents and take such other action as ACM may request in order to protect the rights of ACM under these Terms of Business or under any agreement you may have with any of them.

155. If ACM exercises its rights to sell any of your assets under this clause, it will affect such sale, without notice or liability to you, on your behalf and apply the proceeds of sale in or towards discharge of any or all of your obligations to ACM.

156. Without prejudice to ACM's other rights, ACM may, at any time and without notice, combine or consolidate all or any of your accounts with ACM and off-set any and all amounts owed to, or by ACM, in such manner as ACM may determine.

## **Indemnity**

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

- i. you will on demand indemnify us and each of our brokers (each, an "Indemnified Person") against any and all actions, (e.g. claims, losses, liabilities (whether joint or several), damages,



costs, charges and expenses) which we or the brokers may suffer or incur or taken against us or them arising in connection with the provision of Services to you or the transaction to which the Services relate. This may include any costs, charges and expenses (including reasonable legal fees and time costs of our relevant personnel, which shall be calculated on the basis of our standard time cost rates) involved in investigating, preparing for or defending the relevant claim and/or in establishing its right to be indemnified whether or not this is connected with pending or threatened litigation in which we or any other Indemnified Person is a party provided that any of the abovementioned claims shall not have arisen from our or their negligence, fraud, or willful default or the breach by us of our duties under the CySEC Law and Directives which are in force for the time being in each case as finally determined by a court or other tribunal of competent jurisdiction from which there is no further appeal;

- ii. if the Cyprus Inland Revenue or any other taxing authority in any jurisdiction imposes taxation to any sum payable under the indemnity contained in this Term then (to the extent that the mentioned claim, loss, damage, cost, liability, charge or expense in respect of which the sum is payable is not allowable as a deduction for tax purposes against the payable sum and in the same accounting period as that in which such sum is brought into charge to taxation) the sum that had to be paid shall be grossed up by such an amount so as it will ensure that after deduction of the charged taxation there shall remain a sum equal to the amount that would otherwise be payable under such indemnity;
- iii. if any sum payable by you under the indemnity contained in this Term is required by law to be paid under any deduction or withholding for or on account of tax, you will, (except to the extent that the deduction or withholding gives rise to credit, benefit or saving for the relevant Indemnified Person), pay such additional amount as shall be required to ensure that the net amount received by such an Indemnified Person will equal the full amount which would have been received by it if no deduction or withholding for or on account of tax was made;
- iv. we shall have regard to (but not be bound to comply with) any reasonable request which you may make in relation to any relevant action or claim brought or made against us, subject to your indemnifying and securing us against any and all costs, charges and expenses incurred by it in complying with any such request; and
- v. this indemnity shall be in addition to any rights that we or any Indemnified Person may have at common law or otherwise including, but not limited to, any right of contribution.

## Conflicts of Interests

158. You acknowledge that we are part of a group of companies which is involved in providing a full range of services including investment banking, sales and trading. In relation to any transaction we execute or arrange with or for you, we, or some other person connected with us may have an interest, relationship, arrangement, or duty which is material or which may give rise to a conflict of interest with your interests in relation to the financial instrument or transaction concerned or financial instruments underlying, derived from or otherwise directly or indirectly related to such financial instrument or transaction.



159. In instances of actual or potential conflict of interest, ACM will abide by the principles of treating its customers fairly and dealing honestly and professionally with all its stakeholders. All employees have an obligation to comply with this conflicts of interest policy.
160. In line with regulatory requirements, ACM identifies actual and potential conflicts of interest and puts in place measures to either avoid or manage them so that you are not disadvantaged. Where specific conflicts of interests cannot be avoided or managed, full disclosure to the relevant parties will be made to facilitate a fully informed decision.
161. The management of business conflict situations is largely achieved through the charging structure, independent of the business lines, the existence of information barriers between entities, and where necessary within business divisions, procedures within each business division, training and awareness.
162. ACM operates internal arrangements restricting the movement of information (i.e. Chinese walls) between departments such as Brokerage, Own account, Underwriting etc. and in addition the ACM's Conflicts of Interest Policy and Procedures is subject to periodic internal review with a view to ensuring fair treatments of customers.
163. As a result of our business relationships, we may be offered non-monetary inducements from 3<sup>rd</sup> parties e.g. marketing and information materials, invitation to events, networking opportunities, etc. Accepting such inducements is not immediately connected to the services provided to you and we accept same where these can be used to improve the services we provide or are deemed to be minor, would not be detrimental to the interest of our clients, they are reasonable, proportionate and not excessive in value and could not be judged to influence behaviour.
164. Further details of the ACM's Conflict of Interest Policy will be available upon request.

## **Liability**

165. We will use reasonable skill and care in the provision of the Services.
166. We will accept liability without limit for (i) death or personal injury caused by our negligence or the negligence of our employees acting in the course of their employment, (ii) any fraudulent pre-contractual misrepresentations made by us on which you can be shown to have relied; and (iii) any other liability which by law we cannot exclude or limit. This does not in any way confer greater rights than you would otherwise have by law.
167. On the basis the you are a Retail Client, nothing in these Terms will exclude or restrict any liability or duty we may have to you under the Law which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters (L. 87(I)/2017), when supplying you with Investment Services.
168. Our liability to pay damages for all losses, including consequential damages, economic loss or failure to realise anticipated profits, savings or other benefits, incurred by you as a direct result of breach of contract or negligence or any other tort by us in connection with or arising out of



the engagement or any addition or variation shall be limited to that proportion only of your actual loss which was directly caused by us.

169. We do not accept any liability or responsibility for any act or omission of any third party (including without limitation, any broker, nominee or custodian in whose name your investments are registered).
170. In the absence of gross negligence or fraud, neither we, nor any person connected with us, including any of our brokers, nor any of our or their respective directors, employees or agents shall have any responsibility or liability whatsoever for any loss or loss of profit as a result of any advice or opinion which may be given or expressed by us or them to you in good faith concerning any investment or investment transaction.
171. In no circumstances shall we be liable to pay any damages to you for losses arising out of or in any way connected with the provision of information to us by you or your failure to provide information to us either punctually or at all or any fraudulent act, misrepresentation or wilful default on your part.

### **Legal Proceedings**

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

### **Charges and Commissions**

173. Our charges, together with any value added tax payable by you, shall be those set out in relevant service agreements and will be effective as from the date of the cover letter accompanying these Terms. We may amend these charges at any time by sending you a written notice and such amendment will be effective as of the date specified in such notice regardless whether or not you sent acknowledgement of notice.
174. We and our brokers, may share commissions with each other. We will provide you with details of any such commission sharing arrangements upon request.
175. You will be responsible for the payment of any tax and any brokerage fees, transfer fees, registration fees, stamp duty and all other liabilities, charges, costs and expenses payable or incurred by ACM in connection with its services to you hereunder.
176. Information on all costs and charges, including costs and charges in connection with the investment service and the financial instrument, which are not caused by the occurrence of underlying market risk, shall be aggregated to allow you to understand the overall cost as well as the cumulative effect on return of the investment. Where applicable, we will provide this information to you on a regular basis, at least annually, during the life of our service. If you so request, an itemised breakdown can be provided.





177. The information on costs and related charges will include information relating to our investment and ancillary services, including how you may pay for it. This information will itemize any third-party payments we receive in respect of the investment service to you.
178. We will pass on brokerage charges for transactions we execute for you. These charges will be indicated on the confirmation and periodic statement or otherwise in accordance with the Applicable Regulations.

### **Disclosure**

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

### **Termination**

180. These Terms may be terminated by us or by you without penalty at any time and, except as otherwise provided in this Term, shall terminate immediately upon the giving of written notice to terminate by either party to the other party as described below, provided that the termination:
- i. shall not affect the rights or liabilities of either of us or any of our brokers instructed by us in respect of transactions already initiated, including all open contracts, and you will be obliged to pay for such transactions initiated before notice of termination is received by us and a due proportion of any periodic payment for the Services provided hereunder;
  - ii. shall not affect (i) the Company's right to be compensated for the costs and expenses incurred by the Company in connection with the holding of any or all of your assets after the termination or taking actions relating to such assets (including, without limitation, participation in corporate actions), which compensation may be sought from you in the form of imposing the fees, and (ii) your respective obligation to compensate the Company for such costs and expenses, including by paying such fees;
  - iii. shall not prejudice any right of any person to all deposits and other sums held by such person and these Terms shall continue to apply in respect of such transactions; and
  - iv. Shall not terminate or affect any warranties and obligations which the parties hereto have made or have under these Terms.
181. Automatic termination of the Terms will be enforced if either party or any of their respective brokers goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation) or bankruptcy or makes any arrangement or composition with its creditors or a receiver or an administrator is appointed in respect of any party or any of its assets or any similar event occurs under the laws of domicile, residency or place of incorporation of any party.



## Complaints and Disputes

182. All complaints and disputes will be dealt with by the Compliance Department, and all our employees and staff will be required to co-operate in the investigation of any complaint or dispute.
183. Any complaint or dispute should be notified to us in writing, and sent to the Compliance Officer, together with all details and supporting documents.
184. Your complaint will be dealt with in accordance with ACM's **COMPLAINTS POLICY** available on our website, for handling complaints promptly and fairly (<https://alfacapital.com.cy/en/client-area/clients-complaints/>).

## Communications and Notices

185. We will accept communications from you in English or Greek. Communications may be made to either party at the address notified to it by the other party in writing for this purpose and will be deemed to have been made or delivered when despatched (in the case of any communication made by telex or facsimile) or when left at that address (in the case of any communication made by letter) or 48 hours after being sent to you at that address by prepaid first class post or, in the case of an address abroad, 7 days after being sent to you at that address by prepaid air mail.
186. You will ensure that at all times within business hours we will be able to communicate with you by telephone, telex or facsimile or any other means enabling recording and/or documenting our communication (e.g. electronic means). Please also refer to the "Instructions" section.

## Transfer and Assignment

187. We may assign our rights or otherwise transfer our rights and obligations under these Terms of Business, without your further consent, to any affiliate or to a successor pursuant to a merger, consolidation, reorganisation, sale or other transfer of all or substantially all of our stock or assets or all or part of our assets or business. Where we transfer our rights and obligations pursuant to this clause, then you and the Company as the transferor shall have no further rights to or obligations against one another under these Terms of Business subject to such transfer and you and the transferee shall assume rights against and obligations to one another under these Terms of Business as if the transferee were a party named in these Terms of Business in the place of the Company.

You agree that we may transfer to any affiliate or third party, as part of transferring all or part of our business to that person, client assets, including client money held under the client money rules. To the extent that we may transfer client money held under the client money rules, the sums transferred will either be held by the party to whom they are transferred in accordance with the client money rules or we will exercise due skill, care and diligence in assessing whether the person to whom your client money is transferred will apply adequate measures to protect the sums.



You may not assign your rights under these Terms of Business without our prior written consent.

### **No Waiver of Rights**

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

### **Validity of Terms of Business**

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

### **Force Majeure**

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

### **Law and Jurisdiction**

191. These Terms of Business shall be governed by and construed in accordance with Cyprus law.

192. We both irrevocably agree for our mutual benefit that the courts of Cyprus shall have exclusive jurisdiction to hear and determine any suit, action or proceeding which may arise out of or in connection with these Terms.

### **Interpretation**

193. These Terms of Business shall apply to all and any investment business undertaken with you on a Principal to Principal basis or for you or on your behalf as agent by ACM.

(a) These Terms of Business and all contracts undertaken in accordance with them shall be subject to the terms of any term sheet offered to you or other agreement entered into



between you and ACM, and in the event of any inconsistency between these Terms of Business and a particular agreement entered into with such agreement will govern with respect to relations and matters arising out of such agreement. Unless the context otherwise requires, words importing the singular shall be deemed to include the plural and vice versa;

- (b) headings are for ease of reference only;
- (c) all Republic of Cyprus laws and any successor legislation, including without limitation, the rules and guidance promulgated by the CySEC;
- (d) Rules, statements of principle and directives of applicable authorities (including self-regulating organizations) responsible for the regulation of investment business;
- (e) unless otherwise defined, terms used in this Terms of Business shall have the same meaning as given to them in the Law which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, Circulars and Directives issued by the CySEC and are in force for the time being.
- (f) references to statutes, statutory instruments, rules or regulations shall be to such statutes, statutory instruments, rules or regulations as amended or replaced from time to time;
- (g) All rules, regulations and by-laws of any relevant exchange and/or clearing institution;
- (h) references to persons are to any persons, firms, companies or corporations or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and
- (i) applicable accepted market practice and custom.

## Compliance

194. Notwithstanding any other provisions of these Terms, all investment business provided by ACM including all transactions effected by ACM with or for you under these Terms shall be subject to all applicable laws and regulations, including the rules, and to the dealing, settlement and other applicable rules or (if ACM considers it appropriate) the customs of the market or exchange (if any) on which the transaction is effected, unless otherwise agreed.
195. ACM may refuse to enter into, execute, transmit, deal in or otherwise arrange any transaction where you have not provided such information (and waived or procured the waiver of any confidentiality or data protection/privacy obligations in respect of such information) as we may reasonably require:
- (a) in order for us to comply with any transaction reporting requirements or market transparency requirements in respect of such transaction; or
  - (b) where our non-receipt of such information (including, without limitation, an applicable legal entity identifier code) would mean that we are prohibited by the rules to enter into, execute, transmit, deal in or otherwise arrange (as the case may be) such transaction.



196. We may refuse to enter into, execute, transmit, deal in or otherwise arrange your transaction or perform any obligation pursuant to these Terms where such action or performance:
- (a) would cause us to breach any prohibition or restriction imposed or specified by ESMA or by a Competent Authority pursuant to the Rules;
  - (b) would be prohibited, or made impracticable to effect on reasonably commercial terms, by any suspension or removal from trading of a financial instrument imposed by a Competent Authority pursuant to the Rules.
197. We will make all reasonable efforts to notify you promptly of such action, but shall not be responsible for any losses, costs, damages or expenses incurred by you as a result.

### **Investor Compensation Fund**

198. Alfa Capital Markets Ltd is a member of the Investors Compensation Fund for customers of Cypriot Investment Firms (the “Fund” or “ICF”) whose competences and operations are regulated by the provisions of the Law 87(I)/2017 and Directive DI87-07 of the Cyprus Securities and Exchange Commission for the operation of the Investors Compensation Fund as amended from time to time.
199. The objective of the Fund is to secure the claims of the covered customers against the members of the Fund (i.e. ACM) by the payment of compensation for their claims arising from the covered services provided by its members, so long as failure by the member to fulfil its obligations has been ascertained.

### **Covered Claims**

200. The Fund covers claims arising due to a Fund Member’s failure to repay the funds owed to covered customers or belonging to them and held on their behalf in connection with investment operations; or to return to covered customers any financial instruments belonging to them and held, managed or administered on their behalf in connection with investment operations; in accordance with the legal and contractual conditions applicable.

### **Covered Customers**

201. The Fund covers all customers of ACM except those who are included in the following categories of investors:
- 201.1 The following categories of institutional and professional investors:
- (a) investment firms;
  - (b) legal entities associated with ACM and generally belonging to the same group of companies;
  - (c) banks;



- (d) cooperative credit institutions;
- (e) insurance companies;
- (f) collective investment undertakings in transferable securities and their management companies;
- (g) social insurance institutions and funds;
- (h) investors characterized by ACM as professionals upon their request, pursuant to the provisions of Part II of the Second Appendix of the Law 87(I)/2017.

201.2 Supranational institutions, government and central administrative authorities.

201.3 Provincial, regional, local and municipal authorities.

201.4 Enterprises that have close links with ACM as the term «close links» is construed in section 2(1) of the Law 87(I)/2017.

201.5 Managerial and administrative staff of the Fund member.

201.6 Shareholders of ACM whose participation directly or indirectly in the capital of ACM amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of ACM as well as persons responsible for the carrying out of the financial audit of ACM, such as its qualified auditors.

201.7 Investors having in enterprises connected with ACM and, in general, with the group of companies to which ACM belongs, positions or duties corresponding to those listed in sub-paragraphs 201.5 and 201.6.

201.8 Up to second-degree relatives and spouses of the persons listed in sub-paragraphs 201.5, 201.6 and 201.7, as well as third parties acting for the account of such persons.

201.9 Investors-clients of ACM responsible for facts pertaining to ACM that have caused its financial difficulties or have contributed to the worsening of its financial situation or have profited from these facts.

201.10 Other firms in the same group.

201.11 Investors in the form of a company, which due to its size, is not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State.

202. In the cases of sub-paragraphs 201.5, 201.6, 201.7, 201.8, and 201.10 of paragraph above, the Fund shall suspend the payment of compensation informing the interested parties accordingly until it reaches a final decision as to whether such cases apply.





## Conditions and formalities for the payment of compensation

203. The Fund will commence the compensation payment process in at least one of the following circumstances:
- (a) CySEC has determined that ACM appears, for the time being, for reasons directly related to its financial circumstances, to be unable to meet its obligations arising out of investors' claims and has no early prospect of being able to do so.
  - (b) a Court of the Republic, has made a ruling, for reasons directly related to a member financial circumstances, which has the effect of suspending investors' ability to make claims against it.
204. CYSEC shall issue its decision for the initiation of the compensation payment procedure by the fund within a reasonable time, and publish the relevant information on its website.
205. Upon initiation of the compensation payment procedure, the Fund shall publish as soon as possible in at least two national newspapers, an invitation to submit applications for compensation, designating the procedure for the submission of the relevant applications, the deadline for their submission as well as their content. The said publication shall be communicated immediately to CySEC, which shall post the publication on its website.
206. In exceptional and justified cases, the Fund, with an announcement thereof, may extend the deadline for the submission of compensation applications up to three months, provided it obtains the approval of the CySEC. The said announcement shall be published by the Fund in at least two national newspapers, and the CySEC shall publish it on its website.
207. In case a covered customer was not in a position to submit such application within the deadline, the deadline of paragraph 205 shall not apply thereto, if conditions occurred that prevented the observance of the deadline for the submission of a compensation application or for the collection and submission of the information required.
208. A covered customer submitting a compensation application after the deadline, shall submit, in addition to the information forming the content of the application, a declaration explaining the reason, if any, for which he was not in a position to claim compensation in time, attaching all supporting evidence to that end.
209. The payment of compensation by the Fund shall entail the following:
- (a) the initiation of the compensation payment procedure;
  - (b) the existence of a valid claim by a covered customer against ACM, which derives from an investment operation;
  - (c) the submission of an application form as prescribed in CySEC Directive DI87-07;



- (d) that the claims do not arise from transactions for which there has been a criminal
- (e) conviction for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law as amended from time to time;
- (f) there are no pending criminal proceedings against the said covered customer for money laundering as defined in the Prevention and Suppression of Money Laundering Activities Law as amended from time to time;
- (g) the right of a covered customer has not been extinguished under the Limitation of Offenses Act.

### **Compensation Amount**

210. The amount of the claim of a covered customer shall be calculated based on legal and contractual conditions, in particular those relating to offsetting and counterclaims, that are applicable to the assessment on the date of the initiation of the compensation payment procedure of the amount of the funds or value determined with reference to the market value, where possible, of the financial instruments belonging to the covered customer and which such funds or instruments, the Fund member fails to repay or return, respectively.
211. The calculation of the compensation payable shall arise from the sum of the total established claims of the covered customer against ACM, arising from all covered services provided by ACM and regardless of the number of accounts of which it is the beneficiary, the currency and place where such services are provided within the European Union.
212. The maximum limit of coverage will be either the 90% of the cumulative covered claims of the covered customer, or the amount of €20.000, whichever is lower. Compensation shall be paid in Euro, and, where the funds and/or financial instruments are expressed in a currency other than the Euro, the exchange reference rate of the said currency against the Euro fixed by the European Central Bank at the end of the day on which the compensation payment procedure was activated, shall be used.
213. The Fund may at any time require the covered customer to return the compensation paid to it if it subsequently establishes that there has been a reason for the rejection of the application.
214. Upon completion of the procedure for the examination of the applications, the Fund:
- (a) issues a decision listing the customers of the Fund member, determining the amount of money each one of them is entitled to receive, and communicate it to the CySEC and the Fund member (ACM) within five working days from its issue; The said decision shall also list those clients to whom no compensation shall be paid, and the reasons for this;
  - (b) communicate to each affected client its decision the soonest possible from its issue.



215. The claimant to whom the Fund communicates its decision, may, in case of disagreement, submit an objection in writing to the CySEC, within one month from the date on which the decision was notified, justifying its objection sufficiently. The objection shall be submitted at [info@cysec.gov.cy](mailto:info@cysec.gov.cy) and entitled “Objection to the decision of the ICF”.
216. The CySEC in the context of examining an objection may request from the Fund, and/or the Fund member and/or the claimant to submit information and particulars; and conduct any investigation.
217. The CySEC, must conclude the examination of the objection within forty-five (45) days and in case that identifies an error in the evaluation carried out by the Fund, it shall request in writing from the Fund to immediately rectify the mistake and pay the claimant the correct amount, and inform the affected client accordingly.
218. The Fund is obliged to pay to each covered customer/claimant the compensation that he is entitled to within three months from the date that the decision was communicated to the covered customer. In extraordinary and justified circumstances, the Fund may request from the CySEC an extension of the said deadline. The said extension may not exceed three months.
219. The payment of the compensation by the Fund is deposited to a bank account of the covered customer designated by the latter in writing to the Fund.
220. For additional information with regards to the mandates of the Investor Compensation Fund, you may refer at the official website of the Cyprus Securities and Exchange Commission <https://www.cysec.gov.cy/en-gb/complaints/tae/>.
221. Upon request, ACM shall provide additional or clarifying information on the formalities and conditions for the payment of compensation. Such information is also provided in the Company’s ICF prospectus that is incorporated in these Terms and published on its website. A physical or electronic copy of the document can be requested from our Customer Support.



## Glossary

*Professional Client:* a professional client for the purposes of Annex II of MiFID II.

*Retail Client:* a Client who is neither a Professional Client nor an Eligible Counterparty.

*Trading Venue:* a regulated market, an MTF or an OTF.

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

*MTF (Multilateral Trading Facility):* a multilateral system operated by an investment firm or market operator, which brings together multiple third-party buying and selling interest in financial instruments- in the system and in accordance with its non-discretionary rules in a way that results in a contract in accordance with the provisions of the law.

*Organised trading facility (OTF):* means a multilateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interest in bonds, structured finance product, emissions allowances and derivatives are able to interact in the system in a way which results in a contract.

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

*Rules:* any relevant rules or guidance of a Competent Authority including all Republic of Cyprus laws and any successor legislation that apply to ACM when providing services to you.

*Client or Customer:* any natural or legal person to whom an investment firm provides investment or ancillary services.

*Limit order:* an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.

*Competent Authority:* the authority, designated by each Member State in accordance with Article 67 of Directive 2014/65/EU, unless otherwise specified in Law 87(I)/2017.

*Commodity Derivatives:* commodity derivatives as defined in Article 2(1)(30) of Regulation (EU) No 600/2014.

*Durable medium:* any instrument which enables a client to store information addressed personally to that client in a way accessible for future reference and for a period of time adequate for the purposes of the information; and allows the unchanged reproduction of the information stored.

*Securities Financing Transaction:* securities financing transactions as defined in Art. 3(11) of Regulation (EU) 2015/2365.

*Security Interest:* a pledge, a lien or any other form of security provided by the Client.



*Covered customer*: shall mean the client of a Fund member, who is covered by the Fund for claims against the Fund member, arising from the covered services, which are provided by the said Fund member.

### **Schedule 1: Financial Instruments**

1. Transferable securities
2. Money-market instruments
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF.