CLIENTS' TRADE ORDERS HANDLING PROCEDURE

Definitions and interpretation

Broker means the Head of Brokerage department or any other member of the Brokerage department;

Client means a person who has entered into the Legal Agreement with Skanestas;

Desk phone means recorded telephone line of the Broker;

File Server shared folder at Company's file server;

IT Support means IT Department of Skanestas;

Legal Agreements means legal agreements of any kind concluded between the Client and Skanestas with respect to specific type of trading activity;

Middle Office means Head of the Middle office or any other member of the Middle office department **Order** means the oral or written instruction of the Client given to the Broker by one of the Client's

authorized representatives, which incorporates the Basic Provisions of a transaction; **Skanestas** means Skanestas Investments Limited;

Software - 1C BackOffice;

Terms of Business means Terms of Business for Provision of Brokerage Services as currently in force; **Warning List of Instruments** means list of instruments prepared in accordance with various Regulatory documents (ESMA publications, EU/UN sanctions, CySEC directives).

Introduction

Skanestas currently offers a wide range of products to its Clients. List of products available for a Client depends on the Client type:

| Type of Order	Instrument	Type of Client
1. Trade order (Terms of Business, Appendix 14 A)	Fixed income securities (Bonds, Eurobonds)	All type of Clients
	Equities, Depositary Receipts, ETFs	All type of Clients
	(i) Complex instruments with ISIN code (ii) OTC derivatives, including Cash settled Forward on currency, futures, etc.; Cash settled Options (e.g. currency, equities and Depositary Receipts, commodities; (iii) Physically settled Options (e.g. currency, equities) (iv) Exchange traded derivatives	Professional Clients Retail Clients - are subject to specific client's Order
2. Currency trade order (Terms of Business, Appendix 14 B)	Currency	All type of Clients
3. REPO trade order (Terms of Business, Appendix 14 C)	Fixed income securities (Bonds, Eurobonds), Equities, Depositary Receipts, ETFs	All type of Clients/ subject to specific client's Order
4.Client Free-format instruction (Terms of Business, Appendix 14 C)	Provision of short-term loans	All type of Clients

The list above is not exhaustive.

Key steps in the Client Order processing can be identified as follows:

1. Client identification and legal clearance;
2. Taking Order (clarification of Clients' requirements);
3. Appropriateness check;
4. Limit / Margin status check;

5. Order acceptance/transmission;
6. Order Execution and Reporting.

Client Order processing scheme
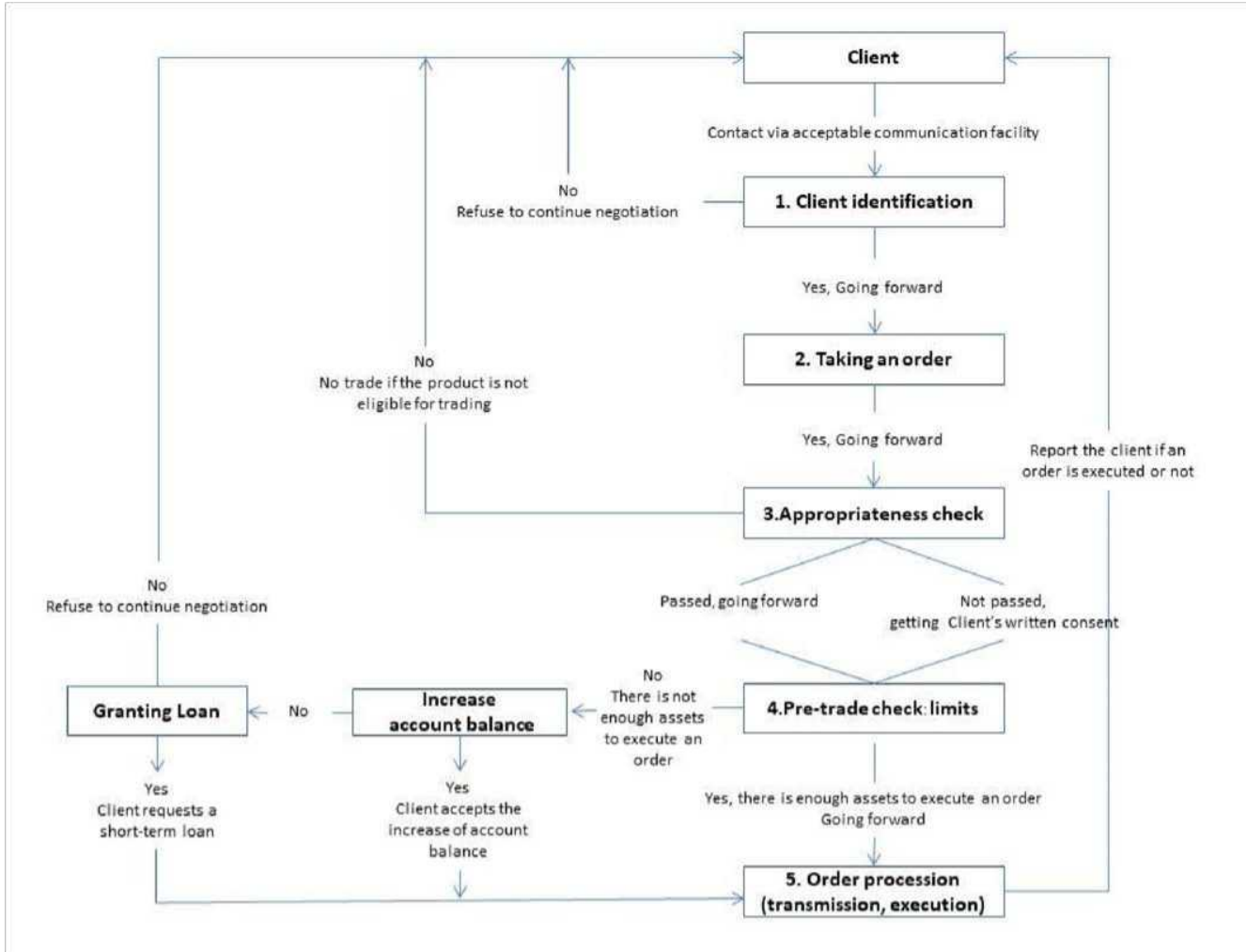
Process Description

The process starts when a Client contacts the Broker.

1.   **Client identification**

(a)   Initial contact and recording of evidence

Broker, first of all, needs to identify (recognize) the Client and ensure that the communication is made via approved communication media, thus its evidence is recorded.

Broker might receive initial contact from the Client via: (i) mobile phone; (ii) Desk phone; (iii)

Bloomberg chat; (iv) e-mail; (v) in person to person conversation during a meeting or even (vi) text message (SMS), WhatsApp, Viber, etc.

If Client wants to give an Order, Broker asks the Client to communicate only via (i) Desk phone; or (ii) fax (iii) authorized e-mail (the Authorized means of communication) or (iv) to provide the original of the Order.

All conversations made with the Client over Desk phone and e-mails are stored by Skanestas IT Support for at least

5 (five) years.

Using of mobiles phone or any other means such as (i) in person to person conversation during a meeting, (ii) text message (SMS), WhatsApp, Viber, etc, except indicated in previous paragraph is strictly prohibited.

In order to meet the specific Client's demands, the following procedure of obtaining Orders can be implemented for the Orders given by the client in writing:

- The Client may place an Order using an authorized e-mail expressly stating at least Basic Provisions (as provided in the Terms of Business) necessary for the processing and execution of the Order. However, for such Orders the hardcopies have to be obtained within reasonable time from the Order placement date. The Broker in this case may also make a call back on the authorized phone number;
- If the Order is placed through the Desk phone, it is advised to obtain hardcopy of the Order within reasonable time period from the Order placement date;
- For REPO transactions with open date (and consequently with automatic roll) the Client may sign only the opening and closing REPO instructions. It is not necessary to sign each instruction related to the automatic roll over. The Client also may in addition sign, confirmation of the acceptance of deals undertaken in Order to roll the REPOs over a Trade Register of REPO deals. However, the absence of disagreement with any such roll over transactions within five working days after information about relevant transactions was forwarded, published or otherwise made available to the Client is deemed to constitute Client's acceptance of the said transactions in any case.

When the hardcopy of the instruction is received, the Middle office has to scan and save it in proper directory on the File Server and then file it in the relevant client's file. The Client's Orders that are received by e-mail should be printed out and filed accordingly and, in such a case, the scan copies are to be saved in proper directory on the File Server, as per Record keeping policy of Skanestas.

In case the hardcopies of the client's instructions are not obtained within a reasonable time period after reasonable efforts made by the Middle office and the Broker, the company's management may take decision to stop executing further Client's Orders until all the hardcopies of the instructions are provided by the client.

(b) Recognition

Broker or Middle office verifies the Client's identity or the identity of Client's authorized representative and ensures proper identification of the relevant person.

Broker needs to recognize the Client right after the contact is initiated. If the contact is made through the Desk phone, the Broker shall verify if it is made from the Client's authorized telephone number. In addition the Client shall fully introduce himself to the Broker and name its company or account number with Skanestas.

If a person has several accounts with Skanestas, or has an account in its own name and at the same time acts as an authorized representative of any other Client, or acts as an authorized representative of several Clients, the person is asked to specify which Client the person represents in relation to a particular transaction.

The Software database is used as a source of information regarding Client's authorized e-mail accounts, signatories and directors. Front-office department is responsible for updating it and keeping it up to date.

2.   Taking Order

Once the Client is identified and validated (step 1), Broker can take the Order and/or Client specific requirements.

Order may refer to (i) a new deal with a new instrument; (ii) a new deal with an instrument the Client dealt in the past or (iii) termination (in full or in part) of an existing position.

Once Order refers to a new deal Broker proceeds with Appropriateness check (step 3), otherwise Broker proceeds with Limit status check (step 4) and Order acceptance (step 5).

Broker must enter the Order into the Order journal. If there are a number of related Orders given by the Client simultaneously, Broker shall book first the Order that shall be logically executed first (e.g. conversion of currency followed by the purchase of securities in converted currency). In case of Order rejection (for the reasons specified

below) the Broker shall make a relevant note in the Order journal.

3.   Appropriateness check

At the moment when the client enters the Legal Agreement with Skanestas the Client is also asked to fill in and sign the Client Questionnaire. Through this document Skanestas obtains information regarding Client's experience, knowledge and financial position. It enables Skanestas using a Decision tree (Appendix 3 and 2b, Customer Request Form and Questionnaire) to evaluate whether the Client has the necessary experience and knowledge in order to understand the risks involved in the investment services provided and the financial instruments traded. This information allows Skanestas to warn the Client when Skanestas consider that a financial product is not appropriate for the Client.

Once the Broker takes the new Order with a new instrument from the Client, Broker needs to judge if required instrument is appropriate for this Client according to its category. The Client's category is identified by the Front-Office and based on the replies of the Client to assessment questions in the Client Questionnaire.

The decision of the Broker shall be subject to market conditions. If Broker is unsure he shall do a check against the Warning List of Instruments. The Broker may also address this issue to the Compliance officer and Managing Director of Skanestas.

If the instrument is eligible for trading, but is not appropriate to the Client, Broker may accept an Order only after prior warning of the Client of instrument's inappropriateness and getting Client's consent in writing.

4.   Limit Status check (pre-trade check)

Once Broker completes Appropriateness check he needs to assess if the Client has sufficient assets on Client's account to settle the trade (including initial margin requirements, etc.).

Broker estimates (i) if the Client has to pay or to deliver anything under the trade on the T rade Date and what is the size of relevant Client's obligations and (ii) if the Client has sufficient assets on its account to perform its obligations (as per (i) above).

If Broker identifies that the Client does not have sufficient assets to settle the trade, the Broker:

0 informs the Client regarding the situation and requests whether the Client wishes to supplement his account including, but not limited to, closing of some positions;

0 requests if the Client wants to supplement account by means of Skanestas loan. If Client agrees with the proposal and accepts supplement, the Order might be accepted immediately (despite the account deficit) once it is approved in accordance with Skanestas internal policies, otherwise no negotiations are possible, unless Client supplements its account.

However the possibility of provision of margin loans by Skanestas and in particular the amount of such loan is subject to capital requirements and current capital adequacy ratio of Skanestas.

5.   Order acceptance

Once steps 3 and 4 are positively completed and there are no other obstacles to execute Client's Order, Broker proceeds with execution by means of appropriate communicating facilities.

Order details are inserted into the Order journal. Once an Order inserted into Order journal its status should be monitored continuously by the Middle-office.

The Order journal comprises of the following fields:

Order Received	Active Till	Executed At	Client Agreement (Account number)	Asset	Quantity	Price	Market	Order Type[1]	Order Status	Supplying Method

6. Order execution

In certain circumstances the Broker may aggregate Client Orders related to the same financial instrument due to the following reasons:

- execution of an aggregated Order may result in lesser execution costs;
- execution of an aggregated Order is the most suitable type of execution due to certain characteristics of the transaction, i.e. the transaction is based upon a takeover or mandatory bid, etc.;
- the large size of aggregated Order may result in more advantageous prices for the Clients.

Aggregation of Orders shall not result:

- in additional execution costs for any Client (and in any case under no circumstances the execution costs can be in excess of execution cost that Client will pay if the Order of the Client is executed separately);
- in change of prices for disadvantage of any Client compared to those prices the Client will have if the Order of the Client is executed separately;
- adversely to the Client in any other way.

In case of partial execution of the aggregated Order, the trade shall be allocated among the Clients, whose Orders were aggregated, on sequential basis, irrespective of price and volume of each client Order. Where it is not possible to allocate any part or all (as applicable) of the trade on sequential basis as described above, the Company shall allocate such part or all (as applicable) of the trade:

- equally among the Clients whose Orders were aggregated, irrespective of price and volume of each client Order, provided that such part or all (as applicable) of the trade is capable of being allocated equally;
- or proportionally to the volume of each client Order, but irrespective of the price of each client Order, provided that such part or all (as applicable) of the trade is not capable of being allocated equally and such allocation is performed on sequential basis as described above.

Broker shall confirm the final details of the executed Order to the Client.

The following terms shall be expressly confirmed to the Client by the Authorized means of communication:

Type of executed Order:	Terms confirmed to the Client:
1.1 Trade order (Equities, Depositary Receipts, ETFs, Fixed income securities)	(i) Direction of the Order (if Client a Buyer or a Seller of financial instrument); (ii) Description of financial instrument (at least: the type of financial instrument, issuer, ISIN code and/or other registration number); (iii) Quantity (number or notional amount); (iv) Price per instrument and/or total consideration (without Skanestas fees);
1.2 Trade order (Exchange traded derivatives)	(i) Direction of the Order (if client a Buyer or a Seller of Exchange traded derivative); (ii) Description of Exchange traded derivative (at least ticker, ISIN code and/or other registration number); (iii) Quantity (number); (iv) Price per instrument and/or total consideration (without Skanestas fees);

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[1] Means "Good till cancelled", "Good till day", etc.

2. Currency trade order	(i) Direction of the Order (if client a Buyer or a Seller of a currency); (ii) FX rate; (iii) Amount of currency sold/bought;
3. REPO trade order	(i) Direction of the Order (if Client is entering into REPO or reverse REPO); (ii) Description of financial instrument (at least the type of financial instrument (Equities, Depositary Receipts, ETFs, Fixed income securities), issuer, ISIN code and/or other registration number); (iii) Quantity (number or notional amount); (iv) Price per instrument;
	(v) Haircut/Premium (vi) REPO rate; (vii) REPO term;
4.Client Free-format instruction (Getting short-term loan)	(i) Amount and currency; (ii) Term; (iii) Loan rate;

With respect to the purchase or sale of OTC Derivatives, all details of the transaction shall be confirmed to the Client.

Skanestas fees are accrued automatically by the Back-Office, based on Fee schedule. If the fee is not standard, it should be negotiated with the Client and approved by Managing Director of Skanestas prior to transaction.

Each trade as soon as being executed is added (not later than 11 a.m. on the next working day) in the Deals Register by the Middle-office. Once the information is transferred to the Backoffice, the executed trades are entered in the Software for further procession and settlement.