



SKANESTAS
INVESTMENTS

TERMS OF RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS IN DERIVATIVES

THESE TERMS OF RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS IN DERIVATIVES (hereinafter the “ToD”) supplement the procedure, terms and conditions for reception, transmission and execution of Orders Derivatives Transactions by **Skanestas Investments Limited** (hereinafter the “Broker”) on the financial markets on behalf of the Client that meets the requirements established by ToB and respectively acceded to these ToD by signing the Brokerage Agreement with the Broker (hereinafter the “Client”).

The Client and the Broker are hereinafter from time to time referred to individually as a “Party” or collectively as “Parties”.

1. General

1.1 These ToD supplement the framework for reception, transmission and execution of Derivatives Transactions by the Broker on behalf of the Client. These ToD will supplement, form a part of, and be subject to, the Brokerage Agreement (as defined in the Terms of Business for provision of brokerage services of the Broker).

1.2 The present rules for execution of Derivatives shall be read as part of the Brokerage Agreement.

1.3 The provisions herein do not exclude any provisions in ToB and shall be read cumulatively.

2. Terms and Definitions

The terms in these ToD shall have the meanings ascribed to them in the ToB, unless explicitly defined otherwise herein:

“Applicable Laws” mean any law, statute, ordinance, decree, rule, regulation, order or determination of any governmental authority which is applicable to particular Party hereto or to any particular transaction in accordance with these ToD.

“Broker’s Agreements” mean various agreements concluded or to be concluded with third parties by the Broker, including but not limited to ISDA Agreements, in order inter alia to facilitate and effect reception, transmission and execution of Client’s Orders, to receive, transmit and/or execute Client’s Orders (as well as in order to provide ancillary services to the Client) or any other agreements deemed appropriate by the Broker for the purposes mentioned above, also this includes but not limited to standard terms of ISDA Agreements, credit support agreements, 2006 ISDA Definitions as all published by the International Swaps and Derivatives Association Inc. and 1998 FX and Currency Options Definitions as published by International Swaps and Derivatives Association Inc, the Emerging Market Traders Association and the Foreign exchange Committee.

“Collateral” or “Margin” means Client’s assets, requisite for securing his open positions in Derivatives Transactions in order to cover in full or in part the credit risk that entry to Derivatives Transaction poses to a counterparty or Exchange as defined in the relevant Exchange Rules or Broker’s Agreements.

“Derivative” means a financial instrument, which can generally be categorised as option, swap and forward rate agreement relating to underlyings including but not limited to securities, currencies, interest rates, commodities, emission allowances and weather derivatives.

“Derivatives Transaction” means a Derivative contract, whether Exchange-made or OTC Derivative;

“Exchange” means an organized market, on which Derivatives Transactions may be concluded.

“Exchange Rules” mean rules and regulations for transactions in derivatives, rules of trading, terms of transactions entered into with Clearing Center, clearing rules as well as internal Exchange documentation, Exchange or Clearing Center management and board decisions relating to procedure for trading in derivatives, including but not limited to, setting out rules for calculating the collateral and trading in securities.

“Margin Call” means a request from the relevant Exchange or counterparty under the Broker’s Agreement to provide additional Collateral (Margin) in the amount specified for particular Derivatives Transaction and calculated in accordance with relevant Exchange Rules or Broker’s Agreement.

“OTC Derivative” means a derivative contract the execution of which does not take place on a regulated market or on a third-country market considered as equivalent to a regulated market;

3. Regulation of reception, transmission and execution of Derivatives Transactions

3.1 Provision of services related to Derivatives Transactions are regulated by Applicable Laws and with respect to each Exchange are determined in accordance with the Exchange Rules, and with respect to OTC Derivatives in accordance with relevant Broker’s Agreements, including but not limited to ISDA Agreements (and other like master agreements, as well as ad hoc agreements), from time to time concluded between the Broker and third parties. By giving the particular Order the Client accepts relevant Exchange Rules or Broker’s Agreement to govern the particular Derivatives Transaction in accordance with the Order. The relevant documents may be provided to the Client on Client’s request before any Derivatives Transaction, of which fact the Client is hereby notified. By giving an Order in relation to Derivatives Transaction, the Client acknowledges that the Client is familiar with all the relevant terms and fully understands the performance of the relevant rights and obligations.

3.2 Both the Client and the Broker agree that they shall follow the Applicable Laws, applicable Exchange Rules, the rules of relevant clearing centers as well as the provisions of Broker’s Agreements and both Parties hereby expressly agree to abide by Applicable Laws, Exchange Rules (as applicable to Derivatives Transactions in any given case) or, in relation to OTC Derivatives – by the terms of relevant Broker’s Agreements.

3.3 The Client irrevocably guarantees, represents, warrants and confirms that:

- a.** it is familiar with Applicable Laws;
- b.** it accepts that has the required knowledge and experience to understand the risks involved in the Derivatives Transactions, including but not limited to market risks, counterparty risks, liquidity risks and interconnection risks;
- c.** it fully accepts and understands that any losses and/or damages connected with Derivatives Transactions, including OTC Derivatives, their transmission, execution, termination, collateral management and otherwise are solely on its own account;
- d.** it acknowledges that the Broker may determine at its sole discretion whether to effect any transaction for the Client as a riskless principal, as an agent, or partly as riskless principal and partly as an agent;
- e.** it acknowledges that the Broker may at its sole discretion, provided that it complies with Broker’s Best Execution Policy (if applicable to the Client in accordance with its categorization and particular Client’s Order), decide to choose an Exchange (unless the

venue specified by the Client) or a counterparty to OTC Derivative for transmission and/or execution of Client's Order, with consequence that all the respective Applicable Laws, Exchange Rules and/or Broker's Agreements are or may become applicable to such Derivatives Transaction and therefore binding for the Client;

f. it understands, assumes and bears all risks related to the Broker acting in accordance with Applicable Laws, Exchange Rules and Broker's Agreements;

g. it authorizes the Broker to comply (inter alia on Client's behalf) with all the terms and conditions of the Brokers' Agreements in relation to Derivatives Transactions received, transmitted and/or executed on behalf of the Client;

h. it confirms that any Derivatives Transaction, whether concluded by the Broker acting as an agent or riskless principal, is at Client's expense and to Client's express and direct benefit;

i. it obtained all necessary independent legal and other advice with respect to these ToD and Derivatives Transactions;

j. it consents that Client's Orders may be executed outside a regulated market or Exchange.

3.4 In accordance with the Applicable Laws, Exchange Rules and/or Broker's Agreements, the Broker determines whether to effect any transaction with or for the Client (inter alia with Client being an undisclosed principal) as riskless principal, as agent or partly as riskless principal and partly as agent. The Client agrees that any transaction may be made by the Broker on behalf of the Client but in the name of the Broker, in which case the Broker will act on behalf of the Client as a riskless principal. The Client further authorises the Broker to act as agent for the Client, where the Client will be either identified or unidentified principal.

3.5 Any and all assets on the client account shall be a collateral securing performance of the Client's obligations arising out or in connection with Derivatives Transactions and Client's obligations to pay remuneration to the Broker and compensate Broker's and other associated expenses.

4. Client Orders in relation to Derivatives Transactions

4.1 The Client shall make Orders in relation to Derivatives Transactions subject to the provisions of the Applicable Laws, Exchange Rules, Broker's Agreements, the Brokerage Agreement, including these ToD, the procedure of provision of Orders is established by ToB.

4.2 The Broker may execute a certain number of Client's Orders in full or in part, including in combination of Exchange-made Derivatives Transaction and OTC Derivatives, if not otherwise specified in the Client's Order;

4.3 The Broker may decline to take to the reception, transmission, execution and/or decline to receive, transmit or execute an Order in relation to Derivatives Contracts, including but not limited in the event when Client's funds reserved for trading on the Client Account are insufficient for execution of such Order and/or for the proper performance of duties by the Client, including those related to provision of collateral, security, margin or other similar funds in accordance with Applicable Laws, Exchange Rules and/or Broker's Agreements and/or for payment of remuneration to the Broker, and/or for reimbursement of the Broker's expenses.

4.4 In reception transmission and execution of Client's Orders including by closing Client's positions and by providing additional Margin to the relevant Exchange or Counterparty the

Broker always acts in the best interests of Client and discloses properly any conflict of interest that may arise in the process of such reception, transmission and execution.

5. Collateral (Margin)

5.1 The amount of Collateral (Margin) is calculated by the Broker or by the third party that may be either an exchange acting under Exchange Rules, or a counterparty of the Broker under the Broker's Agreements, for each Client's open position, or for the pool of Client's open positions, where net exposure resulting from all Client's Derivatives Transactions (under particular Exchange Rules or Broker's Agreements) is used for purposes of calculation of Collateral (Margin) requirements, according to Applicable Laws, Exchange Rules, clearing organizations' requirements, Broker's Agreements and the total size of the initial Collateral (Margin) and variable Collateral (Margin) for the positions of the Client, determined by the Broker or by the third party that may be either an Exchange acting under Exchange Rules, or a counterparty of the Broker under the Broker's Agreements, accordingly.

5.2 The Collateral (Margin) may be transferred to the relevant Exchange or counterparty under Broker's Agreement in the amounts requested and additional Collateral (Margin) may be kept by the Broker. In case the

Collateral (Margin) transferred to the relevant Exchange or a counterparty under the Broker's Agreement the Client agrees to the credit risk of any such Exchange or counterparty under the Broker's Agreement and to the mitigation techniques provided for in the relevant Exchange Rules of Broker's Agreements, including transfer of Collateral (Margin).

5.3 The amount of funds transferred under relevant initial Collateral (Margin) requirements or to be transferred in order to keep up with variable Collateral (Margin) requirements, as well as the value of nonmonetary assets accepted by the Broker as a collateral (margin) in any of the cases above, if applicable, should not be less than the amount set by the Broker as the size of Collateral (Margin) for all Client open positions and active Client's Orders.

5.4 The Client may deposit funds and, if agreed by the Broker, the securities as a Collateral (Margin).

5.5 The procedure for accepting the securities and funds as a Collateral (Margin) from the Client is to be agreed between the Client and the Broker in each case according to provisions of Applicable Laws, Exchange Rules and/or Broker's Agreements.

5.6 The Broker may increase or decrease the Collateral (Margin) requirements set by the relevant Applicable Laws, Exchange Rules and/or Broker's Agreements without any notice to Client by multiplying the amount of collateral specified by Applicable Laws, Exchange Rules and/or Broker's Agreements by a coefficient, determined by the Broker. The Broker has the right to unilaterally determine, including to increase or decrease, the value of this coefficient. The value of this coefficient is equal to 1 (one), unless otherwise stipulated by the Broker in accordance with this paragraph. It is the Client's responsibility to monitor the value of the collateral and the Client is liable to the Broker for any failure to maintain the Collateral (Margin) at the level required by the Broker.

5.7 In the event that the Collateral (Margin) is accepted from the Client in the form of cash and nonmonetary assets, as Collateral (Margin) may be, without prejudice to clause 3.5 herein, only that portion of non-monetary assets reserved and/or transferred to the relevant Exchange or counterparty under Broker's Agreement, that meets the requirements set by the relevant Exchange Rules and/or Broker's Agreements. In order to reserve non-monetary assets as

collateral the Client should also provide the Broker with a relevant statement. For avoidance of doubt, the Broker reserves the right not to accept the collateral in form of non-monetary assets.

5.8. The Broker maintains records of Client collateral required for execution of Derivatives Transactions.

6. Margin calls

6.1. In case the amount of Collateral (Margin) required as calculated in accordance with clause 5.1 hereof and as determined by the Broker in its sole discretion, exceeds the amounts already provided as a collateral (margin) by the Client, or the provided collateral (margin) otherwise does not meet the requirements stipulated by the relevant Exchange Rules or Broker's Agreements, and there are no sufficient uncollateralized funds on the Client's account, the Broker may serve a margin call notice to a Client, in which case the Client shall immediately perform any of the following: deposit funds to its account with the Broker in the amount that is no less than the amount required in the relevant notice, immediately provide the Broker with Order to sell securities to cover exposure or immediately provide the Broker with the Order in relation to closing of Derivatives Transactions that, in the discretionary opinion of the Broker are related to net exposure not covered by collateral (margin) earlier provided by the Client. The obligation of the Client to provide relevant Order does not limit any of the Broker's rights under these ToD.

6.2. When choosing to provide additional collateral (margin) the Client is obliged to serve the Broker with a document confirming the transfer of funds to the Broker's Clients' account.

6.3. It is the right but not an obligation of the Broker to serve the Client with margin call notice, and the Client is hereby notified that in market circumstances require immediate closure of Derivatives Transactions the Broker, as determined by the Broker in its sole discretion, that may close relevant Derivatives Transactions or other Client's open positions without obtaining a consent from the Client, and in case such closing led to losses that exceed the provided collateral, to use (including but not limited to sell, realize, release, pledge or otherwise) Client's funds or Client's assets deposited with the Broker in order to close relevant Derivatives transactions. By accepting this ToD the Client expressly authorizes the Broker to act accordingly and this acceptance together with this provision constitutes an Order from the Client for the Broker to act in accordance with provisions stipulated herein. This is without prejudice to the other Broker's rights under Applicable Laws and these ToD.

7. Settlement Procedure

7.1. The Broker may make all the transfers related to payment for services under these ToD or ToB, debit and credit the Client's account without prior notice to the Client in accordance with the Exchange Rules, rules of clearing organizations, Broker's Agreements and the terms and conditions hereof.

7.2. All the actions of the Broker aimed at margin support of Client's positions in Derivatives Transactions including but not limited to withdrawal of additional funds from the Client's account, sale of assets on the Client's account in order to make funds available to support Margin or close positions exposure of which cannot be covered by the funds on the Client's account or funds that may be obtained to the Client's account by way of sale of assets of the Client, are hereby authorized by the Client and all the relevant Orders deemed to be provided by agreement with these ToD.

7.3. In case of suspension of trading for any reason, except for the suspension of trading for the purpose of clearing session, and the Client's breach, after the resumption of trading, of paragraph 5.3 of these ToD the Client is obliged in order to remedy that breach, to close immediately a number of Derivatives Transactions or serve the Broker with a document confirming the transfer of funds to the Broker's account in the necessary amount.

7.4. The Broker hereby notifies the Client of the possible changes in the Exchange Rules or the Rules of clearing organizations, in the Specifications of derivative contracts and Brokers' Agreements and Client accepts such changes unless the Client notified the Broker before entering into Derivatives Transaction regulated accordingly.

8. Close out provisions

8.1. The Broker may, without any Order from the Client, at its discretion, close any and all positions of the Client to the extent necessary to meet obligations and indebtedness of the Client, including but not limited to those relating to Client's obligation to make collateral (margin) transfers, in case of events specified in clause 6.1 hereof, and if Client fails to comply with and/or improperly performs his obligations under clause 7 hereof.

8.2. The Broker may, without any Order from the Client and at any time, at the discretion of the Broker, close any and all positions of the Client in accordance with paragraph 7.1 of these ToD in the amount at least equal to the amount of obligations and indebtedness of the Client arisen out or in connection with Derivatives Transactions. By accepting this ToD the Client expressly authorizes the Broker to act accordingly and this acceptance together with this provision constitutes an Order from the Client for the Broker to act in accordance with provisions stipulated herein. This is without prejudice to the other Broker's rights under Applicable Laws and this ToD.

8.3. The Broker may, without the Client's Order, close all or part of the Client's Derivatives Transactions, if the Client violates limit established by the Broker on the total amount of open positions. By accepting this ToD the Client expressly authorizes the Broker to act accordingly and this acceptance together with this provision constitutes an Order from the Client for the Broker to act in accordance with provisions stipulated herein. This is without prejudice to the other Broker's rights under Applicable Laws and this ToD.

8.4. The Broker closes out Client's positions under paragraph 7.1 of these ToD at current prices, if the Client fails to comply with and/or improperly performs its obligations under paragraph 6.2 hereof and in cases specified in paragraph 8 hereof.

8.5. The Broker shall not be responsible for any losses and damages incurred to the Client due to close out of his positions and all the expenses to close Client's open positions shall be for the Client's account.

9. Termination of Derivatives Transaction

9.1. The Client is entitled to terminate the Derivatives Transaction at any time during the term of the Derivatives Transaction by submitting an order for offsetting Derivatives Transaction termination order, unless it is prohibited by relevant Exchange Rules or Broker's Agreements;

9.2. The Derivatives Transaction terminated in accordance with paragraph 8.1 above, will be terminated, therefore an offsetting transaction will be concluded, on conditions provided to the Client by the Broker due to the present conditions at the Exchange for such offsetting Derivatives

Transaction, or conditions provided to the Broker by the counterparty to the offsetting Derivatives Transaction.

9.3. Any losses arisen or that may arise due to early termination of the Derivatives Transaction, including by way of the offsetting Derivatives Transaction, all the expenses for conclusion of an offsetting Derivatives Transaction, all the losses that may be the result of termination and/or conclusion of offsetting Derivatives Transaction shall be born solely by the Client, and all the relevant risks of the Client shall be borne solely by the Client. For the avoidance of doubt it is hereby agreed that the Broker is not liable for losses arisen from Derivatives Transactions and shall not reimburse those losses.