



SKANESTAS
INVESTMENTS

TERMS OF RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS RELATED TO REPURCHASE TRANSACTIONS

THESE TERMS OF RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS RELATED TO REPURCHASE TRANSACTIONS (hereinafter the “ToR”) supplement the procedure, terms and conditions for reception, transmission and execution of Orders related to repurchase 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 ToR 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 ToR supplement the framework for reception, transmission and execution of REPOs by the Broker on behalf of the Client. These ToR 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 ToR 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 ToR 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 ToR.

“Broker’s Agreements” mean various agreements concluded or to be concluded with third parties by the Broker, including but not limited to Global Master Repurchase Agreements including in versions of 1995, 2000 and 2011 and any further versions as published on the website of International Capital Market Association and amended by the Broker or a counterparty to REPO, in order inter alia to facilitate and effect reception, transmission and execution of Client’s Orders related to REPOs, to receive, transmit and/or execute Client’s Orders related to REPOs (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 Global Master Repurchase Agreements in versions of 1995, 2000 and 2011 and any further versions as published on the website of International Capital Market Association and as amended by the Broker or a counterparty to REPO, and relevant protocols, and, where applicable, annexes including but not limited to Buy/Sell Back Annex, Bills Annex, Agency Annex, Equities Annex, Gilts Annex, Russian Annex, Canadian Annex, Italian Annex, Netherlands Annex, South Africa Annex, Thailand Annex, AFMA Annex I published by Australian Financial Markets Association, Gilts Annex published by the Bank of

England, Japanese Securities Annex published by Japanese Securities Dealers Association, Bills of Exchange Annex, EMU Annex, FASB 125 Annex, Net paying securities Annex, Swiss Annex published by Swiss National Bank and any other Annexes that may from time to time be published by International Capital Market Association or other authority, or any other master agreements that serve the purpose of facilitating of REPOs as well as single agreements for particular REPO.

“Margin” means a cash sum to be paid to the Client or by the Client or securities to be transferred to the Client or by the Client in accordance with relevant Applicable Laws, Exchange Rules or Broker’s Agreements.

“Margin Transfer” means any combination of payment, repayment or any other transfer of Margin.

“REPO” means a transaction for sale of Securities (1st Leg) which is performed subject to obligation to repurchase the same amount of Securities which are equivalent to those sold (2nd Leg) on the specific date or, on unspecified date (**“Open REPO”**), whether made at Exchange or outside of a regulated market (**“OTC REPO”**);

“Exchange Rules” mean rules and regulations for REPOs, 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 conclusion of REPOs, 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 Margin in the amount and on terms specified for particular REPOs and calculated in accordance with relevant Exchange Rules or Broker’s Agreement.

3. Regulation of reception, transmission and execution of REPOs

3.1. Provision of services related to REPOs are regulated by Applicable Laws and with respect to each Exchange are determined in accordance with the Exchange Rules, and with respect to OTC REPOs in accordance with relevant Broker’s Agreements, including but not limited to Global Master Repurchase Agreements (and other like master agreements, as well as specific 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 REPO in accordance with the Order. The relevant documents may be provided to the Client on Client’s request before any REPO, of which fact the Client is hereby notified. By giving an Order in relation to REPO, 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 REPO in any given case) or, in relation to OTC REPOs – 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 REPOs, 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 REPOs, including OTC REPOs, 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 REPO 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 REPO and therefore binding for the Client;
- f.** it understands, assumes and bears all risks and expenses 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 Exchange Rules and/or Brokers' Agreements in relation to REPO Orders received, transmitted and/or executed on behalf of the Client;
- h.** it confirms that any REPOs, whether concluded by the Broker acting as an agent or as a riskless principal, is at Client's expense and to Client's express and direct benefit;
- i.** it obtained all necessary independent legal, financial, tax and other advice with respect to these ToR and REPOs, including any particular REPO transaction concluded or to be concluded;
- j.** it consents that Client's Orders may be executed outside a regulated market or Exchange.

3.4. The Client understands and accepts that execution of voting rights that the Client may have in relation to securities that form the part of consideration in REPOs cannot be guaranteed and may be unavailable;

3.5. The Client understands and accepts that payments of interest, dividends or any other payable income in relation to securities in REPOs is subject to relevant Exchange Rules and/or Broker's Agreements.

3.6. The Client understands and accepts that in certain cases (as specified in Exchange Rules and/or Broker's Agreements) the closing of REPOs may be required by the relevant Exchange or counterparty or the Broker that may cause obligation of the Client to deliver sufficient funds in order to close relevant REPOs.

3.7. The Client understands, accepts and takes all relevant risks that in case of a default of the issuer or restrictions on trading of securities in REPOs monetary obligations under REPOs may remain unaffected, therefore the Client will be obliged to transfer agreed amount of money for securities that may be in default or restricted of trading.

3.8. The Client understands, accepts and takes all risks related to the default of the issuer of the securities, risk that debt under securities in REPOs may be written off pursuant to Applicable Law governing the securities or the issuer or prospectus or any other memorandum or agreement governing the securities in REPOs, may be restructured pursuant to Applicable Law governing the securities or the issuer or prospectus or any other memorandum or agreement governing the securities in REPOs, may be converted pursuant to Applicable Law governing the securities or the issuer or prospectus or any other memorandum or agreement governing the securities in REPOs and restrictions on trading of securities may be applied.

3.9. 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.

3.10. 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 REPOs and Client's obligations to pay remuneration to the Broker and compensate Broker's and other associated expenses.

4. Client Orders in relation to REPOs

4.1. The Client shall make Orders in relation to REPOs subject to the provisions of the Applicable Laws, Exchange Rules, Broker's Agreements, the Brokerage Agreement, including these ToR, 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 REPOs and OTC REPOs, if not otherwise specified in the Client's Order;

4.3. If the Broker receives an Order for OTC REPO, it is the Client's obligation to agree on all the details of the REPO, since OTC REPO may only be effected if the Counterparties agree on particular details of the REPO.

4.4. The Broker may decline to take to the reception, transmission, execution and/or decline to receive, transmit or execute an Order in relation to REPOs, 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.

4.5. In reception transmission and execution of Client's Orders 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. 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 REPO, or for the pool of Client's REPOs, where net exposure resulting from all Client's REPOs (under particular Exchange Rules or Broker's Agreements) is used for purposes of calculation of Margin requirements, according to Applicable Laws, Exchange Rules, clearing organizations' requirements, Broker's Agreements and the total size of 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 Margin requirements or to be transferred in order to keep up with Margin requirements, as well as the value of nonmonetary assets accepted by the Broker as a Margin in any of the cases above, if applicable, should not be less than the amount set by the Broker as the size of 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 Margin.

5.5. The procedure for accepting the securities and funds as a 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 the 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 Margin requirements and the Client is liable to the Broker for any failure to maintain the 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 Margin may be, without prejudice to clause 5.3 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 nonmonetary assets.

6. Margin calls

6.1. In case the amount of 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 Margin by the Client, or the provided 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: immediately provide the Broker with Order to sell other uncollateralized securities to cover exposure or immediately provide the Broker with the Order in relation to closing of REPOs (together with transfer of funds necessary for such closing) that, in the discretionary opinion of the Broker are related to net exposure not covered by 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 ToR.

6.2. 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 (including suspension of trading, closing of limits and other activities of the Exchanges, Central counterparties or Counterparties) that in sole opinion of the Broker require immediate closure of REPOs, the Broker, as determined by the Broker in its sole discretion, may close relevant REPOs 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 Margin, 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 REPOs. By accepting these ToR 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 ToR.

7. Settlement Procedure

7.1. The Broker may make all the transfers related to payment for services under these ToR 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 REPOs 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 ToR.

7.3. The Broker hereby notifies the Client of the possible changes in the Exchange Rules or the Rules of clearing organizations and Brokers' Agreements and Client accepts such changes unless the Client notified the Broker before entering into REPOs 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 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 ToR in the amount at least equal to the amount of obligations and indebtedness of the Client arisen out or in connection with REPOs. By accepting this ToR 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 ToR.

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