

# TERMS AND CONDITIONS



Pursuant to the Statute of Limit Markets Ltd., the Board of Directors of "LIMIT MARKETS LTD." Port Louis, Mauritius (hereinafter: Company) at the session held on January 13, 2021, passed the following:

## **TERMS AND CONDITIONS**

### **APPLIED WHILE PROVIDING SERVICES AND ACTIVITIES OF THE INVESTMENTS COMPANY**

#### **"LIMIT MARKETS LTD."**

### **BASIC TERMS**

**Client** - any natural or legal person to whom the Company provides or intends to provide services related to trading with financial instruments and other investment services;

**Credit Institution** - a legal entity that performs activities in accordance with the provisions of the law regulating banks' activities.

**Brokerage** - a company that, pursuant to a contract concluded with the Company is authorized to receive client orders in its premises on behalf of the Company and for the Company's account.

**Other person/partner** - a person to whom the Company forwards the received trading orders for execution on the domestic or foreign capital market, on which those financial instruments are being traded, in the case when the Company is not a member of that capital market, that is, when another person/partner has direct or indirect access to those markets.

**Small investor** - an investor of the Company that is not categorized as a professional client.

**Brokerage** - the activities of receiving the orders for trading financial instruments and orders for transferring the financial instruments and executing these orders on behalf of and for the account of the client.

**Dealer businesses** - purchase and sale of financial instruments on behalf of and for the account of the Company in order to make a difference in price.

**Portfolio management** – managing individual portfolio by the investment company in accordance with the concluded contract.

**Durable medium** - paper or a mean that enables the storage of data in digital a format (CD, Internet banking, e-mail if the client has authorized it, the Company's web site, etc.) in such a manner that the access, processing and completeness of the data are provided at least up to deadline stipulated by the relevant regulations.

**Regulated market (in the country or abroad)** – a unique information system for trading financial instruments managed by a market organizer, that has the work permit of the competent body,

and that enables the matching of interests of the third parties, the conclusion of a contract on the purchase and sale of financial instruments, in accordance with predefined terms and conditions.

**Multilateral trading platform (MTP)** - a unique information system managed by an investment company or another organizer, which allows the matching of supply and demand with the financial instruments of more interested third parties. Pairing of supply and demand takes place according to predefined regulations and as a result the contract between the contracting parties, in accordance with the provisions of the corresponding Law, is concluded.

**Unregulated (OTC) market (in the country or abroad)** - any other market on which financial instruments are traded, which does not have to have a market organizer and where the trading system involves negotiating between the seller and the buyer of financial instruments in order to conclude a transaction.

**Relevant person** - a person who is employed or has equity share in the Company, or who is at the managerial position in the Company, as well as any other natural person that is engaged by the Company for the provision of services under its jurisdiction.

**Persons who are in close relations with the relevant person are:**

- spouse, i.e. persons living in a common law marriage;
- direct lineal descendants and lineal ascendants indefinitely;
- collateral relatives by blood up to the third degree of kinship, in lateral line, including inlaws;
- adopter and adoptees and descendants of adoptees;
- foster parent and foster children and foster children's descendants; and
- every person living in the same household with the relevant person for at least one year from the date of the private transaction subject matter.

**Inside information** is the information about precisely specified facts which have not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if they were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of derived financial instruments;

**Personal transaction** is a financial instrument transaction conducted by the relevant person acting outside the scope of the activities he/she carries out in that capacity, or which is carried out for the account of the relevant person, or with whom the relevant person has close kinship links, or is in close relations in terms of the Law, or a person whose relationship with the relevant person is such that the relevant person has a direct or indirect material interest in the outcome of the transaction, other than a commission or fee for the execution of the transaction.

## GENERAL PROVISIONS

### Article 1

These Terms and Conditions shall define the activities of the Investment Dealer “LIMITMARKETS LTD.” (hereinafter: Company), the general conditions and modus operandi of the Company, as well as other issues on the Company’s activities, particularly:

- the type of investment activity that the Company performs;
- the type of financial instruments on which the Company operates;
- the code of conduct while providing business activities;
- the information provided to the clients;
- the content of the contract the Company concludes with the clients;
- the order and Order Execution Policy;
- the informing of clients;
- the registration and archiving of the business documentation;
- acting upon the client’s complaints;
- the protection of the clients’ assets;
- unauthorized activities;
- code of ethics;
- internal control;
- other issues relevant to the Company’s activities.

### Article 2

Terms and Conditions, can be found on the Company’s website [www.limitmarkets.com](http://www.limitmarkets.com) , as well as in the business premises of the Company in which the clients’ reception is carried out, or in the premises of the other brokerage, which, based on the contract concluded with the Company, receives the clients’ orders on behalf and for the account of the Company.

The insight into the Terms and Conditions is enabled to all clients of the Company and other interested persons in an equal manner, with the possibility of downloading and printing them.

### Article 3

In the event of an amendment to the Terms and Conditions, the Company shall, after obtaining the approval from the Mauritius Financial Services Commission (hereinafter: the Commission), provide clients with an insight into the amended act, within seven days prior to the beginning of its application, by publishing it on its website.

For the clients, foreign legal entities and natural persons, the Company shall publish these Terms and Conditions in the same manner as drafted for residents, translated into English.

## **TYPES OF THE INVESTMENT ACTIVITY THAT THE COMPANY PERFORMS, CONDITIONS AND METHOD OF THEIR PERFORMANCE**

### Article 4

The Company shall perform the following investments services and activities:

1. receiving and transferring orders related to one or more financial instruments;
2. executing orders for the client's account;

### Article 5

The Company shall also perform other services once it receives the approval of the Mauritius Financial Services Commission.

### **Types of Financial Instruments the Company Operates with**

#### Article 6

The subject of the investment activities are financial instruments, such as:

- transferable securities;
- money-market instruments;
- investment units, in terms of the Law regulating the foundation and operation of the investment funds and companies for managing the investments funds;

### **Terms and Method of Performing the Company's Activities**

#### Article 7

The aforementioned investment activities are performed by the Company on the basis of their performance by the Commission.

The Company entirely meets all conditions regarding human resources, organizational, technical equipment and other conditions in accordance with the Law and Terms and Conditions necessary for the performance of the activities of the investment company.

The Company meets all other requirements regarding business premises, organization and functioning of the information system, accounting procedures, as well as measures for ensuring the continuity of operations.

## Article 8

The Company may perform investment activities on the regulated market, or multilateral platform (hereinafter: MTP) and outside the regulated market (OTC) in Mauritius and abroad, in accordance with the provisions of the Law and relevant regulations of Mauritius and relevant regulations of the foreign capital market organizers.

While providing the investment services, the Company shall be obliged to perform activities in accordance with:

- the principle of solvency, i.e. that it is permanently able to fulfill all its monetary obligations,
- the principle of liquidity, i.e. to timely meet due financial obligations, at any moment.

## **Entrusting Services and Business Procedures to Another Person**

### Article 9

The Company may entrust another person with activities related to:

- the marketing services;
- the receipt of an order;
- the orders execution on the markets, of which the Company is not a member.

In order for the Company to entrust some of the above listed activities to another person, it is necessary for it to meet the following conditions:

1. to take into account knowledge, capabilities, means and necessary approvals for the professional performance of entrusted activities of another person,
2. to conclude with the service provider a contract regulating mutual rights and obligations
3. to predetermine methods for assessing the efficiency of the performance of entrusted activities;
4. to ensure that possible termination of the contract does not negatively affect the continuity and quality of services;
5. to undertake other measures in order to avoid risks, ensure the quality of internal control and the supervision implementation;

The Company is obliged to take into consideration that entrusting the activities to another investment company must not have the consequence of:

1. changing the conditions under which the work permit is given to the Company;
2. transferring the responsibilities of the investment company's manager to other persons;
3. changing the relations and obligations of the investment Company towards the clients;

4. creating unnecessary additional business risks;
5. violating the internal control quality;
6. violating the possibility of supervision implementation over the company's activities in accordance with the relevant regulations.

The Company is obliged to notify the Commission on entrusting the activities within seven days from the day of the contract conclusion.

## **TERMS AND CONDITIONS OF THE INVESTMENT SERVICE PROVISIONS**

While providing investment services, the Company is obliged to put the interests of its clients before its own interests and operate justly, fairly and professionally, in accordance with the best interests of the client and the principles set forth by the Law.

### **Collecting Data and Client Categorization**

#### **Client's Information**

##### Article 10

Prior to concluding a contract, the Company is obliged to collect information on knowledge and experience of the client in the investment field, that is significant for the financial instrument or the offered service.

Information on the knowledge and experience of the client or the potential client, is given in writing. Information from the previous paragraph can be given in the standardized form.

##### Article 11

Information regarding the client's knowledge and experience, suitable to the type of client, type and scope of the service, type of transaction, including complexities and risks, include:

- the type of services, transactions and financial instruments known to the client,
- type, quantity and frequency of client's financial instruments transactions and the period in which they are executed;
- the level of education (vocational qualification), profession or occupation and the title of the client.

If the Company considers that, based on the information provided by the client, the product or service is not suitable for the client, it is obliged to warn the client in writing.

The Company can rely on the information obtained from the client as true and complete and it is not held liable for the damage that arises because the obtained data is untrue or incomplete, except when it has known or should have been known that the data given by the client was

outdated, untrue or incomplete.

#### Article 12

Notwithstanding the previous Article, the Company that provides investment services related only to execution, or receipt and transfer of the clients' orders without providing additional services, can provide services to its clients without obtaining data, provided that the following conditions are met:

1. the services refer to stocks included in trading on a regulated market or on the market of the third countries, money market instruments, collective investment institutions in transferable securities and other simple financial instruments, bonds and other forms of securitized debt, excluding bonds and instruments of securitized debt containing derivative financial instruments;
2. the service is provided at the request of the client or potential client;
3. the client or potential client was clearly informed that, while providing a particular service, the Company has no obligation to assess the suitability of the offered financial instrument or service;
4. the Company meets the obligations that regulating the prevention of the conflict of interests between the Company and its clients.

#### Article 13

When investment services are provided to professional investors, the Company may consider that the client has sufficient knowledge and experience in the fields of investing and understands the risks related to a financial instrument or transaction.

The Company has no obligation to provide the following services to a professional client:

1. to provide suitable information in order to understand the nature and risks of the investment services and the type of financial instruments with a goal of making an adequate investment decision. Prior to this, it includes trading with derivative/complex financial instruments;
2. to notify in writing that a financial instrument or service is not suitable for the client;
3. to obtain from a professional client a written consent to the Order Execution Policy.

### **Information Provided to the Clients and Potential Clients**

#### Article 14

All information, including promotional materials, sent by the Company to its clients or potential



clients must be true, clear and must not be misleading.

Marketing information should also meet the following additional requirements:

- the marketing material must be clearly marked as such,
- it must be in compliance with all other information the Company sends to clients during the provision of investment services.

#### Article 15

The provision of information comparing the services, the persons providing them or financial instruments is permitted only if:

1. the comparison is designed and presented in an impartial and balanced way,
2. all the key facts and assumptions used for comparison are listed,
3. the sources of information used for comparison are listed.

Provision of the information that:

1. contains indicators of earlier results of a financial instrument, financial index or service,
2. includes or is related to simulated results from an earlier period, and must be linked to a financial instrument or financial index,
3. regards potential future results,
4. refers to a special tax treatment

is allowed only if it contains the elements and meets the requirements stipulated by the Law and relevant regulations.

#### **Information that the Company Provides to its Clients Prior to the Contract Conclusion**

#### Article 16

The Company is obliged to provide the client or potential client with an insight into the Terms and Conditions, as well as the insight into the amendments to this act in one of the following ways:

1. in the business premises in which the work with clients is performed,
2. by publishing them on the Company's website.

The Company is obliged to provide an insight into the amendments of the Terms and Conditions within 8 days before the beginning of the application of these changes.

## Article 17

All information the Company provides the client or potential client with must be:

1. true, clear and easily understood by the average client group to which they are addressed,
2. it must not emphasize the potential benefits of a service or financial instrument without simultaneous impartial warning about the risks related to them,
3. must not conceal, reduce or make important details, allegations or warnings, incomprehensible,
4. must not contain the name of a competent authority in a way that would indicate or suggest the approval of the instrument or service of the Company by that authority,
5. information must not be misleading,
6. provided in a comprehensive form so that the client can understand the nature and risks of the investment services and the type of the financial instrument based on which they would make an investment decision.

### **Information Provided by the Company Prior to the Order Execution**

## Article 18

When there is a possibility for a client's order to be executed outside the regulated market, or, MTP, the Company is obliged to notify the client about this possibility, prior to executing the client's order, once it previously obtains an explicit written consent from the client, except in the case of professional clients, when this consent is not necessary.

Client's consent may be part of a contract or a special statement, and may be made for all transactions or for each individual transaction.

## Article 19

The Company is obliged to:

- prior to the order execution, get from the client a written consent, if it is not given at the time of signing the contract, whereby the professional clients are not required to give this consent,
- monitor the efficiency of the adopted policies and procedures for executing orders, or monitor whether the execution of the order achieves the best results for the client, in order to spot and eliminate deficiencies in time,
- inform its clients about the methods and procedures for the order execution,
- inform its clients about significant changes in the way the order is executed or changes in the procedures of the order execution,
- prove, at the client's request, that he/she has executed orders in accordance with the

adopted Order Execution Policy.

## **Information on Financial Instruments**

### Article 20

Information on financial instruments contains a general presentation of the nature and risks characteristic for the financial instruments.

The risk description, taking into account the individual type of financial instrument, as a rule, contains:

1. the risks related to a particular type of financial instrument, including the clarification of the financial leverage and its effects, as well as the risk of loss of the entire investment;
2. the volatility of the financial instrument price, as well as any restrictions on existing markets for such instruments;
3. the explanation that a transaction with such an instrument, apart from the costs of acquiring the instrument itself, could include additional financial and other obligations, including potential obligations;
4. any condition arising from a loan on the basis of which the instrument is purchased or similar obligation applicable to a particular type of instrument.

The Company is obliged, while providing information on a financial instrument:

1. which is the subject of a public supply that is in progress and for which the prospectus is issued - to get the client and the potential client familiar with the way in which the prospectus is available;
2. which involves the third party's guarantee - to provide the client and the potential client with sufficient details on the guarantor and the guarantee, on the basis of which he/she can make a correct assessment of the security;
3. consisting of two or more different instruments or services and for which it is apparent that the risk related to that instrument will be greater than the risks related to each individual component of that instrument – to provide the client and the potential client with a suitable description of the individual components of such an instrument and the manner in which the mutual impact increases the risk.

## **Communication Method**

### Article 21

The language of communication is English. The Company can communicate with foreign legal or

natural persons in English or another foreign language stipulated by the contract, provided that the contract, orders and other necessary documents exchanged between the client and the Company are bilingual.

#### Article 22

Communication between the Company and the client is carried out in the most favourable manner for the client in accordance with the relevant regulations. The client can communicate with the Company by phone (in this case, conversations are recorded and records are kept according to the prescribed rules), e-mail, through the application, system, fax and in person.

#### Article 23

The Company may provide the information to customers through electronic means, if the following conditions are met:

3. the client has provided the Company with a valid electronic address,
4. the client has chosen this way of delivering the information,
5. the client is informed via electronic means about the website and the place where he/she can access the relevant data,
6. the Company regularly updates the information,
7. information is constantly available.

The client can give orders directly, via fax, phone and through electronic means, if this is stipulated by the contract concluded with the Client, documents and other information for the Client.

### **CONTRACTS THAT THE COMPANY CONCLUDES WITH ITS CLIENTS**

#### Article 24

A client of the Company may be any domestic or foreign legal or natural person.

The person from the previous paragraph becomes the client of the Company by concluding the contract on the provision of services in relation to the financial instruments in written form.

#### **Contract Conclusion and Client Identification**

#### Article 25

The Company is obliged to conclude with a client a written contract regulating mutual rights and obligations and other conditions under which the Company provides the investment services.

## Article 26

The Company is obliged to identify the client in accordance with the regulations coping with the prevention from money laundering prior to concluding the contract, as well as during the receipt of each individual order. The Company is obliged to prepare all necessary questionnaires and forms that the clients should fill in accordance with these regulations.

Identification of a client-natural person shall be performed based on a personal document containing a photo (ID card, passport or driver's license).

The identification of a client-legal entity shall be performed based on the identification of a representative or proxy who encloses the identification document from the previous paragraph and a certified copy from the Registry and/or a decision of the competent authority authorizing legal actions in relation to the purchase or sale of the financial instruments.

If the client is represented by a proxy, the authority must be certified in accordance with the law.

A copy of the above-mentioned documents, the original of the authority or documentation, proving the status of legal representative or guardian, shall remain in the file of the Company.

The Company in contact with the client must not neither give advice on activities on the financial instruments, nor conduct transactions for the client, until it determines that it has all the facts that the client should disclose to him and other relevant facts about the client he/she is aware of, or about which should have knowledge.

## Article 27

The Client shall enclose the following documents with the contract on the activities performance with financial instruments:

1. a copy of a valid identity document with a photo (e.g. identity card, passport, driver's license),
2. data on the residence;

## Article 28

Client that is a legal entity, in addition to the contract on the activities performance with financial instruments, encloses:

1. decision on entry into the court register in original or certified copy, with the name and basic identification data of the person authorized to represent and the person authorized to sign the order for the purchase and sale of the financial instruments;
2. copy of the identification document of the person authorized to represent the Client;

Foreign legal entities must submit the documentation from the previous paragraph, certified by the competent authority.

#### Article 29

In the event that the client communicates everything with the Company through electronic means, it is necessary to submit a statement that he/she accepts the defined email address as a mean of communication with the Company.

#### Article 30

Other statements and consents of the client may be an integral part of the contract.

Other statements, notices and consents may be given in a specific document with the contract, or with each individual transaction in accordance with the Law and relevant regulations.

#### Article 31

The Company may open financial instrument accounts directly or through another member or other person abroad, when the trading order is delivered to the foreign capital market.

#### Article 32

The Company has no obligation to conclude a contract with a professional client to whom it provides services of receiving, transferring or executing orders or additional services related to them, if the client corresponds to the persons.

For professional clients, for which the contract is not compulsory, the Company opens the financial instrument account based on the orders of such persons in accordance with the rules of the Commission or an authorized foreign company.

### **ORDER AND POLICY OF THE BEST ORDER EXECUTION**

#### **Types, Venues and Manner of the Client's Order Receipt**

#### Article 33

The Company executes clients' orders as well as dealer orders.

The types of orders that the client can deliver and the essential elements of the orders are determined by the market organizer.

The Company is obliged to ensure that the employee or contractor cannot realize, instruct or

receive phone conversations and electronic communication with private-owned equipment, which the Company cannot record or copy.

The violation of the obligations from the previous paragraph is a serious violation of a work obligation.

### **Accepting and Rejecting Orders**

#### Article 34

The client can deliver an order through the Company for a financial instrument that is included on the regulated market or MTP, as well as on the other OTC market where the Company provides the financial intermediation service.

The client can deliver an order through the Company and for financial instruments that are the subject of trading on foreign capital markets, of which the Company is not a member. The Company will receive and forward these orders to third parties - partners with whom a Contract of Cooperation has been signed, which have direct or indirect access to these markets.

#### Article 35

**Necessary conditions for accepting a sell order**—Prior to accepting or executing a sell order of the client, the Company shall verify if the client has sufficient financial instruments on the financial instruments account that are the subject of the sale. The Company is obliged to ensure that on the balance day there are sufficient financial instruments to balance the transaction on the suitable client's account.

#### Article 36

**Necessary conditions for accepting a purchase order** - Prior to accepting or executing a client's purchase order, the Company shall verify if the client's cash account has sufficient funds to settle the obligations arising from the order execution for the purchase of the financial instruments. The Company is obliged to ensure that on the balance day there is enough money to balance transactions on the client's dedicated cash account for the purchase of financial instruments.

If the client does not have sufficient financial instruments that are the subject of purchase on the financial instruments account, or if the client's cash account does not have sufficient funds to settle the obligations arising from the execution of the purchase order, the Company may reject the order execution. The Company shall immediately upon the order rejection and no later than the next working day from the day of rejection notify the client in writing about the reasons for the rejection, i.e. failure to accept the order.

The Company is obliged to reject:

- the receipt of the purchase or sale order if it determines that a criminal offense or violation would be committed by the order execution;
- the receipt of an order for purchase or sale that must be executed on a particular trading day, when the deadline for submission of that order for its execution expired in accordance with the regulations of the regulated market on which those financial instruments are included in trading;
- the order execution, if the order does not meet the conditions stipulated by the Law and the contract, or if all required data are not provided for their execution;
- the execution of an order, if there is a suspicion of money laundering and financing of the terrorism;
- the order execution, if the Company considers that the execution of the order can lead to manipulation on the regulated market.

In case of rejection of the order receipt, the Company is obliged to, in writing or through electronic means, in the manner in which it received an order, no later than the next working day from the day of the order receipt, inform the client about the rejection, stating the reasons why the order was rejected.

### **Confirmation on Acceptance/Rejection of the Client's Order Execution**

#### Article 37

The Company shall confirm to the client the receipt of the order, as well as the change and withdrawal of the received order, by submitting a notice on:

1. time and venue of the receipt, changes and withdrawal of the orders,
2. acceptance or rejection of the order execution, stating the reasons for rejecting the order, immediately upon the receipt of the order, and no later than the next working day from the day of the order receipt, as follows:
  - a. for orders received directly in the headquarters, the client shall deliver the certificate immediately upon the receipt of the order,
  - b. for orders received by phone, the client shall be informed immediately, during the phone conversation in which the phone order is being delivered by the client, orally announcing that the order has been accepted or forwarded to a particular market,
  - c. for orders received by fax, the certificate on the receipt is delivered to the client through the same medium through which the order was received, or through another durable medium in accordance with the client's contract.

The Client may, by submitting a special written notice to a broker employed in the Company, determine another method for receiving a certificate of acceptance/rejection or execution of an order (to a specific e-mail address, such as sending a written notice to the address of another



person authorized by the Client).

#### Article 38

Before delivering the order, the Client of the Company is obliged to:

1. have an adequate account of the financial instruments from which the Company will be authorized to transfer rights from the financial instruments based on the purchase and sale of these financial instruments and the registration of the third parties' rights;
2. have a cash account at a credit institution, from which the Company will be authorized to make payments of funds based on the concluded transactions;
3. authorize the Company to transfer and register the rights and to make payments on the above-mentioned accounts.

Authorization may be contained in a contract on the management of the financial instruments accounts and given based on another legal activity.

#### Order Content

##### Article 39

One order may require the purchase/sale of only one type of the financial instrument and at one price both on the regulated market and the MTP, or OTC capital market.

Regardless of the method of delivery, the order must contain the following elements:

- type of the activity (purchase/sale)
- date and time of the order delivery
- the name and headquarters of the client
- the label of a financial instrument (name, type, class, series, CFI code or ISIN number, or some other internationally recognized label)
- quantity
- price

In the case of an order with a limit price, the price at which the Company is obliged to execute an order is determined as:

- maximum price (for purchase)
- minimum price (for sale)

When it comes to an order with a market price, the client agrees that the order is executed according to the most favourable conditions that can be achieved on the market, that is, it is ready to accept the realization of the order at any price, defined by the Terms and Conditions of

the market organizer on the trading day.

### **Duration and Venue of the Order Execution**

#### Article 40

The order shall cease to be valid after the complete realization, withdrawal or upon the expiration of the deadline it is delivered to.

- a. daily order - an order is valid only for that trading day
- b. order up to date - the order is valid until a specific day in the future
- c. order to revoke - the order is valid until withdrawn by the client

After the expiration of the validity period, if the order has not been executed, the order cannot be extended or automatically renewed. It is necessary for the client to submit a new order.

A market order is always a daily order.

#### Article 41

While providing the service of the execution and/or receipt and transfer of the orders, on behalf and for the account of the client, the Company will select the venue of execution that allows executes under the most favourable conditions.

The Company executes orders of the client for the purchase or sale of financial instruments, traded on the domestic market at the following venues:

- a. regulated market
- b. Multilateral Trading Platform (MTP),
- c. outside the regulated market or MTP (unregulated or OTC market)

The Company shall execute client orders for the purchase or sale of financial instruments that are not traded on the domestic markets, in accordance with the abilities, on foreign markets that perform a function similar to the above-listed:

1. regulated market – foreign stock exchanges
2. Multilateral Trading Platform (MTP)
3. Outside the regulated market or MTP (unregulated or OTC market)

### **Time and Method of the Order Execution**

#### Article 42

The Company shall execute an order in accordance with its content and according to the time

priority with which the order was received. The Company will forward the order to the regulated market, or MTP or OTC market immediately upon the receipt, in accordance with the provisions of the investment company's Terms and Conditions regarding the provision of services.

While executing the client orders, the Company shall take all necessary measures for a fair and efficient execution of the client's orders in relation to the orders of other clients or the Company itself.

While executing an order for the client's account, the Company will take into consideration the following:

- information from the order shall immediately and accurately enter into the Order Book,
- the Company will immediately execute similar client orders in accordance with the time of receipt of the order, except:
  - if the conditions prevailing in the market do not allow this,
  - if this is not possible given the characteristics of the order,
  - if the interests of the client require different treatment,
- immediately and accurately categorize the orders executed for the client's account,
- undertake all necessary activities enabling the financial instruments, or funds to be timely and promptly transferred to the corresponding account of the client after balancing obligations.
- inform the Client on all significant difficulties related to the execution of the order, as soon as they are found out.

While executing the order, the Company will take all reasonable measures to obtain the most favourable outcome for the client and take into account the elements relevant to the execution of the order as follows:

1. the price of the financial instrument;
2. costs, speed, ability to execute;
3. costs, speed, ability to charge,
4. the size and type of orders
5. any other circumstances relevant for the order execution.

When the Company receives an order with the explicit client instruction, which, for example, refers to the execution of orders in a particular market, that is, on a regulated market or multilateral trading platform (MTP) or outside the regulated market or MTP and/or in a particular manner of the order execution, it is bound by such client's instruction in the part to which the instruction relates, which means that it is not able to act in accordance with the regulations of the most favourable outcome defined by this Policy.

## **Registration of the Accepted Orders/ Order Book**

### Article 43

The Company is obliged to keep an Order Book in electronic form, to which all the orders receipts, changes and withdrawals of these orders are entered immediately upon the receipt of the order.

The Order Book is kept in such way that immediately upon receipt of the order, the time of the order receipt is recorded in a manner that prevents later changes to the entered data.

The Order Book contains:

1. name, surname/ business name or other label of the client;
2. name, surname/ business name or other label of the person representing the client;
3. ordinary number of the order;
4. date and exact time of the receipt, changes and withdrawal of the orders;
5. identification label of a financial instrument;
6. price of a financial instrument;
7. quantity of the financial instrument;
8. purchase/ sales label;
9. nature of the order if it is not a purchase or sales order;
10. order type;
11. status of the order;
12. other details, conditions and instructions received from the client regarding the method of the order execution.

### Article 44

If the Company transfers the execution order to another person or vice versa, the Order Book contains the additional information:

1. name, surname and address/ name and headquarters of the client;
2. the name of the investment company to which the order has been forwarded;
3. date and exact time of the order transfer;
4. conditions of the order transferring;

## **Policies and Procedures for Order Execution Under the Most Favourable Conditions for the Client**

### Article 45

The Order Execution Policy defines the procedures and measures that the Company applies while

executing or receiving and transferring clients' orders for the purchase and sale of the financial instruments in order to achieve the most favourable outcome for the client.

The policy defines more closely the elements that the Company takes into account while executing or receiving and transferring orders to another authorized company, the places where the orders and factors affect the selection of the certain order execution venues, and the aggregation and allocation of the client orders.

Clients are warned that the Policy does not represent a guarantee that the most favourable outcome will be achieved while performing each individual order, but rather defines the criteria according to which the most favourable outcome should be achieved in the largest possible number of cases.

#### Article 46

The company is obliged, prior to receiving the order, to provide consent, and therefore it is advisable for clients to determine whether it is acceptable to them or not.

The consent is given in one of the manners that provide a durable record, i.e.:

1. in writing;
2. via e-mail;
3. by phone, along with the implementation of valid identification.

#### Article 47

The Company is obliged to:

1. monitor the efficiency of the adopted Order Execution Policies in order to timely identify and eliminate deficiencies,
2. evaluate at least once a year whether the systems and measures determined by the Order Execution Policies achieve the best possible effects for clients at the order execution venues and, if necessary, make changes in existing policies,
3. inform the clients about all significant amendments to the Order Execution Policies and the method of the order execution,
4. at the client's request, prove that the client's orders were executed in accordance with the Order Execution Policies.
5. after conducting a transaction for the client's account, the client is informed about the order execution venue.

## **The Most Favourable Conditions for the Order Execution**

### Article 48

The Company is obliged to:

1. enter the information immediately and accurately in the Order Book,
2. immediately execute similar client orders in accordance with the time of the order receipt, except:
  - a. if the conditions prevailing in the market do not allow this,
  - b. if this is not possible given the characteristics of the order,
  - c. if the interests of the client require different treatment,
3. immediately and accurately categorize orders executed for the client's account,
4. undertake all necessary activities for the financial instruments, or funds to be timely and promptly transferred to the corresponding client's account after balancing the obligations upon the executed order,
5. inform the client about every significant difficulty regarding the order execution as soon as they are found.

### Article 49

While executing the order, the Company shall take all reasonable steps to obtain the most favourable outcome for the client and take into account the elements relevant for the order execution, as follows:

1. the price of a financial instrument;
2. costs, speed, possibility of execution;
3. costs, speed, possibility of collection;
4. the size and type of order;
5. any other circumstances relevant for the order execution.

While executing the clients' orders, the following criteria shall be taken into account, in particular:

1. the characteristics of the client;
2. the characteristics of the client's order;
3. the characteristics of the financial instrument to which the order relates;
4. characteristics of the trading venue where the order can be executed.

## **Limited Orders**

### Article 50

A limited order is an order for purchasing or selling a certain quantity of a financial instrument at the price specified in the order or at more favourable price. If the limited order for the purchase or sale of the financial instruments listed on the regulated market cannot be executed immediately, the Company will place such an order on the trading system of a regulated market or MTP without delay, unless the client has given an explicitly different instruction.

### **Order Execution Outside the Regulated Market or MTP**

#### Article 51

The Company may execute the order outside the regulated market or MTP with the prior consent of the client, whereby the client's order can be executed by merging the client's order with the order of the other client, the Company order or the third party's order.

### **Aggregating and Allocating the Orders**

#### Article 52

Accepted client orders and dealer orders can be executed by aggregation provided that:

- the aggregation of the orders and transactions does not harm the client to whose account it is aggregating;
- the Company informs the client whose order is aggregated that the effect of the aggregation can be harmful in relation to the individual order;
- the Company establishes and effectively implements the procedures for allocating orders that provide the conditions for the proper allocation of the aggregated orders and transactions, including the manner in which the quantity and price specified in the order determine the allocation and the handling with partial orders execution.

The company is obliged, in case of aggregating an order to one or more client's orders, to allocate transactions in accordance with the procedures of the orders allocation.

If the orders are jointly exposed at the same price, and the quantity of the financial instruments is insufficient to execute all orders, the order of the client that was received earlier is executed first.

Within the framework of the financial instruments portfolio management, the Company allocates partially executed orders in proportion to the size of the client's portfolio and the average trading price.

### **Order Execution Through Third Parties**

#### Article 53

The Company in certain cases, when the order is to be executed on a regulated market or MTP,

of which the Company is not a member, forwards the order for execution to third parties that are defined by the same regulations, and are obliged to execute the clients' orders under the most favourable conditions.

### **Record of the Executed Transactions**

#### Article 54

After executing a client's order or transferring an order through another investment company for the execution and receipt of the transaction confirmation, the Company shall record:

- name, surname and address/ name and headquarters of the client;
- date, time and place of trading,
- purchase or sales label,
- the identification label of a financial instrument,
- the individual and the total price and the currency symbol in which the price is expressed;
- quantity of the financial instrument;
- the type of transaction, if it is not a sales or purchase transaction;
- the natural person who made the transaction or who is responsible for its realization.

### **INFORMING THE CLIENT**

#### **Informing the Client about the Order Execution**

#### Article 55

The Company is obliged, immediately upon the order execution, to:

1. provide important information on the order execution to the client;
2. send an information to the small client confirming the execution of the order, as soon as possible, and not later than:
  - a. the first working day after the execution;
  - b. the first working day after the receipt of the certificate, if the Company received a certificate of the order execution from the third party.
3. deliver information on the order status at the request of the client

The Company delivers the information/notification about the order execution through a durable medium.

The notice that relates to a client, in accordance with the type of the order contains in particular:

1. name of the investment company that submits the order report;



2. name and surname, or name of the client;
3. trading date;
4. time of trading;
5. type of order;
6. label of trading venue;
7. label of a financial instrument;
8. purchase/sale label;
9. type of order, if it is not a purchase/sale order;
10. quantity;
11. price per unit of the financial instrument;
12. total value of the order;
13. total amount of the calculated commissions and costs;
14. responsibility of the client related to the balance of the transaction, including the deadline for the payment of delivery, as well as the relevant information about the account, if the client has not previously been informed thereof;
15. statement saying that the other party in the transaction with the client is an investment company, a person from the investment company group or another client of the investment company, unless the order is executed through a trading system that allows anonymous trading.

#### Article 56

The provision from the previous Article shall not apply if the certificate of the order execution contains the same information that is contained in the certificate delivered to the investor without delay by a third party.

If an order is made in tranches, the investment company may provide the client with the information on the price of each tranche or the average price.

The client cannot be denied the right to be informed about the order execution. The client may order the sending of a notice to the person he authorizes.

### **Informing the Client about the Portfolio Management**

#### Article 57

When and if the Company provides a portfolio management service, it is obliged to provide a client on a durable medium with a periodic report on portfolio management services performed for that

client's account, unless the report is delivered by another person under the authority of the Company.

If it is a client, the report from the previous paragraph of the order contains:

1. the name and headquarters of the Company;
2. the name or other label of the investor's account;
3. the information on the content and the assessment of portfolio, including information on each financial instrument, its market value or fair value, if the market value is inaccessible, the cash balance at the beginning and at the end of the reporting period, and the yields of the portfolio during the reporting period;
4. the total amount and specification of fees and expenses incurred during the reporting period;
5. the comparison of yields during the reporting period with reference value of the yields on investment (if any), agreed between the Company and the client;
6. the total amount of dividends, interest and other payments received in the reporting period in relation to the client's portfolio;
7. the information on stocks that give rights in relation to the financial instruments in the portfolio;

The investment company referred to in paragraph 1 of this Article must submit the periodic report every six months to an investor, unless otherwise agreed.

## **KEEPING AND RECORDING OF THE BUSINESS DOCUMENTATION**

### Article 58

The Company is obliged to keep proper documentation and electronic records of all performed investment services and transactions in a manner that enables the implementation of supervision over the Company's activities.

### Article 59

The Company is obliged to enable:

1. availability of records;
2. the possibility of checking the flow of individual work at any time;
3. separate business documentation for each individual client, as well as the separate documentation on the Company's activities;
4. protection against unauthorized access and possible losses;
5. that records on transactions conducted on behalf of the client contain all data and details

regarding the identity of the client, as well as the data stipulated by the Law on the prevention of money laundering and terrorist financing.

#### Article 60

The Company undertakes the following activities concerning the business relation with the client:

1. organizes the keeping of records and documents on all services and transactions executed, and, in particular, on the execution of obligations towards the clients or potential clients;
2. records phone conversations or electronic communications of transactions conducted by trading for their own account, as well as receiving, transferring and executing the client orders, regardless of whether the transaction is completed or not;
3. provides recording of the phone conversations and electronic communications with the equipment it has given for the use by an employee or contractor or the use of which by the employee or contractor the Company has allowed;
4. prior to providing investment and ancillary services, informs the client that phone communication or conversations between the Company and its clients will be recorded.

#### Article 61

Clients can also deliver the orders through mail, fax, e-mail, documented client order drafted personally at a meeting, a record, or a note.

#### Article 62

The Company is obliged to keep all documentation on the activities with a particular client separate from the documentation on activities with other clients and documentation on its own activities.

The business documentation protects the Company from an unauthorized access and possible loss in the record and is kept in a manner that ensures the sustainability of records.

### **Record of the Received and Executed Orders**

#### Article 63

The Company shall keep a record of the received and executed orders in accordance with the provisions of these Terms and Conditions.

### **Record of the Phone and Electronic Communication**

#### Article 64

In accordance with the Terms and Conditions, the Company is obliged to inform all new and existing clients that phone communication or conversation between the Company and its clients that have led or could lead to transactions are being recorded. This information may be provided once, prior to the provision of the investment services to a new or existing client.

The Company is obliged to keep a special register of the clients who deliver orders by phone, containing:

1. list of all clients who signed the Contract which includes the delivery of orders by phone,
2. their codes/passwords and the phone number from which the client will constantly deliver trading orders.

The client's registry is kept electronically. Data from this registry is considered a business secret and is protected by a special password, which prevents unauthorized persons from accessing that data.

#### Article 65

The Company keeps all records on a durable medium that enables:

1. the Commission to promptly access information and revise the key stages of the processing of each transaction;
2. to easily determine the modifications or other changes, as well as the contents of the records before the modifications or changes;
3. to prevent manipulation or data changes from the registry in another manner.

#### **Period during which the Record is Kept**

#### Article 66

The Company shall, for at least five years after the end of the year in which the particular business was concluded, or five years after the end of the business year in which the contractual relation with the client was terminated, keep all the documentation and data on all activities with financial instruments that it performed both for its account and for the client's account.

If the contract between the Company and the client lasts more than five years, the Company will keep all records until the expiration of the contractual relation with the client.

The Company may, exceptionally, when necessary in order to ensure the rights or to protect the interests of the interested parties or the rights and interests of the Company or third parties, extend the deadlines for keeping records.

If the Commission instructs the Company to keep the whole or part of the records for a period of more than five years, the Company will keep all records until the Commission's request is terminated. The Company will provide or make available data from the records upon request to the client and the Commission.

### **ACTING UPON THE CLIENT'S COMPLAINTS**

#### Article 67

With the provisions of the separate heading, the Company determines activities related to the efficient, transparent and up-to-date treatment of the Company in relation to complaints of the clients or potential clients for performing investment services and activities.

#### Article 68

In its organization, the Company has established a position for managing the complaints of the clients and potential clients that is responsible for investigating the complaints.

#### Article 69

The procedure for receiving, reviewing and handling the client's complaints is carried out taking into account the following principles:

- protection of confidentiality of data and persons;
- consideration and decision-making on complaints following the criteria of urgency and the receipt order;
- consideration and decision-making on complaints within reasonable deadlines;
- deciding in accordance with the positive legal regulations that regulate the matter.

### **Complaint Submission**

#### Article 70

The complaint may be submitted by the Company's clients, or potential clients of the Company.

The complaints are submitted in one of the following manners:

1. directly submitting the written complaint in the headquarters of the Company,
2. sending it by post;
3. sending the scanned complaint via e-mail: **info@limitmarkets.com**

The Company shall solely consider the complaints that are within the scope of the Company's obligations and activities, which have been properly received by the Company in one of the

aforementioned manners, containing reasonable and substantiated allegations and evidence, as well as the data stipulated by the Form, which is an integral part of these Terms and Conditions.

The Company is not liable if it does not receive the complaint by the client due to unforeseen circumstances (an error in the mail's receipt), and accordingly, it is the responsibility of the client to check whether the Company has received a complaint or has not.

#### Article 71

Complaints shall be submitted in writing and must contain at least the following information:

1. personal data of the person submitting the complaint, namely: name and surname, or name of the legal entity, Unique Personal Registration Number (RN), address, contact email and contact phone number;
2. date of filing the complaint;
3. description of the subject matter of the complaint and evidence;
4. signature of the complainant.

The client can also submit a proposal for the solution of the situation that is the subject of the complaint, if it wishes.

The complainant is obliged to sign the complaint personally, and in case when the complainant is a legal person, then the complaint is signed by the person authorized to represent the complainant, and the complaint must contain the stamp of the legal entity and the official document number.

#### **Complaint Review**

#### Article 72

The person authorized to receive complaints shall immediately forward the complaint, no later than the next working day from the day of the receipt of the complaint, to the person performing the activity of managing the complaints referred to in Article 4 of these Terms and Conditions (hereinafter: Authorized person).

The authorized person shall, within a period of five working days from the day of the receipt of complaints, determine the possible disputable facts, prepare a report on the complaint and submit it to the Executive Director of the Company.

The Executive Director to whom the complaint is submitted with the report of the internal controller is obliged to make a decision on the complaint immediately and deliver it to the authorized person for further action within 3 working days from the day of the receipt.

Not later than the next working day from the day of receiving the decision of the Executive

Director, the authorized person sends a response to the complaint in writing.

#### Article 73

The Company shall respond to the complaint in a manner that the complainant stated in the complaint form. If the complainant does not indicate the manner of receiving the response to the complaint, the Company will send the reply to the indicated e-mail address or by post to the address stated in the complaint form.

### **Records**

#### Article 74

The Company keeps record of the complaints and measures taken based on them, and every complaint file must have the following information:

1. the official document number of the Company under which the complaint is registered;
2. the name and surname of the complainant;
3. the sector of the Company to which the complaint relates;
4. the subject of the complaint;
5. the date of the complaint receipt;
6. the date of the response to the complaint;
7. the official document number of the Company under which the complaint is registered.

### **CLIENT ASSETS PROTECTION**

#### Article 75

In carrying out the activities of keeping and administering financial instruments, i.e. funds of the clients, the Company ensures that:

1. the records and accounts are kept in such a way that at any moment, without delay, the assets of an individual client can be distinguished from the assets of another client, as well as from its assets;
2. the records and accounts are kept in a manner that ensures their accuracy, and, in particular, those relating to the financial instruments and funds held for clients;
3. its internal accounts, accounts records and records of the third parties holding such assets are adjusted on regular basis;
4. the necessary measures are taken to ensure that all financial instruments of the clients, which are deposited with third parties, are separated from the financial instruments of the Company and from the financial instruments of that third party;
5. the measures taken to ensure that the client's funds, which are deposited, are held on the

account or accounts in which the Company's funds are not held;

6. the corresponding organizational structure is established in order to reduce the risk of loss or reduction of the client's assets or rights in relation with those assets as a result of assets abuse, fraud, mismanagement, inappropriate record keeping or negligence.

#### Article 76

When managing clients' money, the Company is obliged to, at the credit institution, create a cash account of clients that is separated from the Company's cash account.

The Company is obliged to ensure that the funds from the client's cash account:

1. are used only for payment of obligations related to the services it performs for the client;
2. are not used for payment of another client's obligations;
3. are not used for payment of the Company's obligations.

#### Article 77

In order to protect investors, when the Company performs the services of holding and administering financial instruments and administering funds and collateral, it is obliged to secure its membership in the investor protection fund.

### **Management System Concerning the Client's Assets**

#### Article 78

The Company is obliged to appoint a person who has sufficient knowledge and expertise in matters related to the protection of the client's assets and to assign to that person the following powers and competencies for issues related to respecting the Company's obligations regarding the protection of the client's assets:

1. carrying out the supervision over the operational compliance of the investment company with the provisions in the area of client assets protection;
2. reporting of the managing bodies of the investment company and the Commission regarding the supervision referred to in item 1 of this paragraph.

### **Using the Financial Instruments of the Client**

#### Article 79

The Company may enter transactions in relation to financial instruments, which it holds for the client's account or otherwise use financial instruments for its own account or for the account of



another client of the Company, only if the client's financial instruments are used in accordance with the conditions that the client has agreed upon, whereby the client must give written consent.

#### Article 80

The Company is obliged to take appropriate measures to prevent the unauthorized use of the client's financial instruments for its own account or for the account of the client, as follows:

- to conclude a contract with the clients on the measures that the investment company shall undertake in case the client does not have sufficient funds on the account on the balance day, borrowing the appropriate financial instruments on behalf of the client or closing the position;
- to carefully monitor the execution possibilities on the balance day, and establish corrective measures if this cannot be accomplished;
- to carefully monitor and promptly respond requiring undelivered financial instruments that are unsettled on the balance day and thereafter.

#### Article 81

The Company may use the financial instruments of other clients held by the Company on a client's account, in transactions that finance financial instruments or for other purposes, only if there is an established control system ensuring that only the financial instruments of the clients that have explicitly given prior consent are used.

The Company keeps record on:

1. the details about the client according to whose instructions the use of financial instruments was performed;
2. the quantity of the financial instruments used, categorized by the clients who have given prior consent for the use of their financial instruments.

### **Depositing the Client's Financial Instruments**

#### Article 82

While choosing a depository on whose accounts the financial instruments of its clients will be held, the Company is obliged to take into account:

- the expertise and market reputation of the depository;
- that the depository is subject to the regulations, which in that state, regulate the holding of financial instruments for the account of the other person;
- to periodically review the choice of depository and agreed arrangements for holding and keeping financial instruments of the client.

### Article 83

Notwithstanding the provision of the previous Article, the Company may deposit the client's financial instruments with the depository in a country in which holding and keeping financial instruments for the account of another person are not specifically regulated, provided that one of the following conditions is met:

1. the nature of the financial instrument or the investment services related to the listed instrument requires depositing with the depository in that State;
2. a professional client, in writing, requests from the Company to deposit its financial instruments with the depository in that country.

### **Depositing Client Funds**

#### Article 84

The Company is obliged to, upon the receipt of the client funds, deposit those funds without delay on one or more accounts opened with any of the entities that are accepted by the Commission.

When the Company does not deposit the client's money with the Central Bank, it shall be obliged to act with the attention of a good expert during the selection, appointment and regular reviews of the credit institution, bank and/or funds in which the client's funds are deposited as well as the procedures for holding such funds, and that the need for diversification of the client's funds is deemed part of its attention as a good expert.

The Company is obliged to ensure that clients give their explicit consent for investing their funds in a qualified cash fund in accordance with the Law.

The amount of cash funds of the clients deposited with one or more entities that are accepted by Commission, which is a part of the same group as the Company, may not exceed 20% of the total funds of the clients held by the investment company.

Notwithstanding the provision, the Company shall not be obliged to comply with the limitations referred to in paragraph 4 of this Article if it can prove that, given the nature, scope and complexity of the investment company's activities, the safety of the entities where the funds are held and the size of the cash balance of the clients held by the Company, the request referred to in paragraph 4 of this Article, are not proportional.

The Company is obliged to periodically, and at least once a year, review the selection of the institutions that are accepted by the Commission and agreed arrangements related to the holding

of the client's funds, which may harm the interests of the clients.

### **Daily Calculation**

#### Article 85

The Company is obliged to ensure, on a daily basis, that the amount of the client funds held by the institutions that are accepted by the Commission, is at a minimum equal to the amount of the client's funds, which is recorded in the Company's internal records.

The listed amounts are adjusted through the daily calculations that must be completed by the end of the next working day in relation to the day for which the calculation is done.

In the event that the daily calculation determines that the amount of the client funds held by the institutions that are accepted by Commission is less than the amount of the client's funds, which is recorded in the Company's internal records, and it is obvious that the determined difference is the result of incorrect or incomplete records of the Company, the investment company must, within the deadline referred to in paragraph 1 of this Article, provide additional monetary funds and deposit it with the institutions that are accepted by the Commission.

The Company is obliged to inform the Commission about the inability to carry out daily adjustments of the records referred to in paragraph 1 of this Article or the inability to provide the funds referred to in paragraph 2 of this Article no later than the next working day from the day of emerging of the circumstances referred to in this paragraph.

The Company may hold additional (own) funds on the accounts where the client's funds are deposited when it deems it necessary in order to protect the assets of the clients.

### **UNAUTHORIZED ACTIVITIES**

#### Article 86

While determining and preventing prohibited activities (conflict of interest, unauthorized own transaction, misuse of privileged information, disclosure of business secrets) which may arise during the provision of services from the Company's activities, the Company shall comply with the measures and procedures stipulated by these Terms and Conditions.

### **CODE OF ETHICS**

#### Article 87

Employees of the Company are obliged to perform their duties in accordance with good business practices and business morality and to behave in a manner that will not endanger the reputation

and interest of the Company.

The Company keeps records of data, such as qualifications, success in work, fraud, misdemeanors, financial losses, sale of business information and similar, for all its employees.

#### Article 88

Authorized persons in the Company and other employees are obliged to communicate with the public in accordance with the usual standards. These persons must not give:

- information in which material facts are omitted;
- false and incomplete statements that may lead to confusion regarding the performance of trading financial instruments activities;
- anticipations on the movement of the trading financial instruments, if they do not state that they are nothing but anticipations.

### **INTERNAL CONTROL**

#### Article 89

The internal control system in the Company is defined by these Terms and Conditions, which further define the basic principles of the organization and activities of the internal control for efficient and successful operation, reliable financial reporting of business compliance with applicable legal regulations, and protection of the assets of the Company's and its clients.

The internal control system has several components:

1. administrative control procedures;
2. accounting control procedures;
3. risk assessment procedures;
4. supervising and monitoring procedures;

#### Article 90

Internal control is organized in the Company as a system of procedures that ensure:

1. continuous monitoring, checking and improving the safety and efficiency of the business activities;
2. identifying the risks to which the Company is exposed, or can be expected to be exposed in the future, in order to control and prevent all excessive exposure of the Company to risks;
3. monitoring the compliance of the Company's activities;
4. identifying and preventing the unauthorized activities;

5. the accuracy and completeness of accounting records;
6. integration of the Company's control system with daily business activities and business policies of the Company.

#### Article 91

The internal control activity is implemented through:

1. the control maintained by the Board of Directors;
2. the control maintained by the internal auditor;
3. the control maintained by the Audit Committee;
4. the control maintained by the Executive Director;
5. the control by a person related to the prevention of a conflict of interest;
6. the control by a person maintaining the control and risk management;

#### Article 92

The Board of Directors in the internal control system are responsible for the implementation of the following procedures:

1. establishment and development of an adequate and efficient system of internal control of the Company, as well as the control of the implementation of this system,
2. establishment and development of an adequate organizational structure of the Company, which enables full and effective involvement of all employees in the implementation and development of the internal control system,
3. preparation and periodic control of the implementation of the Company's acts,
4. control of the work of the Executive Director of the Company and persons with special powers and responsibilities in the Company, who, together with the internal audit, participate in the process of proposing new and updating the existing procedures from the domain of the internal audit work,
5. determination of the frequency and scope of the control to be carried out within all organizational units,
6. promotion and dissemination of the culture of continuous supervision of internal control procedures,
7. establishment of high ethical and professional standards in performing all activities in the Company.

Supervision over the work of the Board of Directors is performed by the Shareholders Assembly of the Company.

#### Article 93

Audit Committee in the internal control system is responsible for the implementation of the following procedures:

1. follows the financial reporting procedure;
2. monitors the effectiveness of internal control of a legal entity and the internal audit;
3. monitors the statutory audit of annual and consolidated financial statements;
4. monitors the independence of the engaged authorized auditors or audit companies that perform the audit, as well as contracts on the use of additional services;
5. makes recommendations to the Shareholders Assembly of the Company, or to the founders on the selection of the audit company or the authorized auditor;
6. reviews, plans and annual reports of the internal control, as well as other issues related to financial reporting and auditing.

Supervision over the work of the Audit Committee is performed by the Shareholders Assembly of the Company.

#### Article 94

The internal auditor in the internal control system is responsible for the implementation of the following procedures:

1. controls the work of the Compliance Sector, i.e. the Assistant;
2. establishes and implements an audit plan for assessing the suitability and costeffectiveness of the systems, mechanisms and measures of the internal control of the investment Company;
3. reports on internal audit issues;
4. manages the risks of the Company.

The internal auditor is responsible for monitoring the work of the Board of Directors and the Audit Committee.

#### Article 95

The Executive Director of the Company in the internal control system is responsible for:

1. implementing the established acts of the Company's Business Policy,
2. proposing the organizational structure, business policy and internal control system of the Company,
3. monitoring, analyzing and determining the acceptable risk limits that the Company assumes as well as the method of the risk management,

4. taking care of the efficient performance of the activities and duties of the Company's employees,
5. controlling the efficiency of the use of the engaged resources,
6. supervising that enables a timely assessment of the existing and new risks that occur in daily activities of the Company, and such risk control that will minimally decrease the negative impact on the Company's activities,
7. determining the procedures and monitoring their adequacy and efficiency in removing the identified deficiencies,
8. timely modifying all policies, procedures, instructions and actions deemed not to be adequate and purposeful, and adapting them to the changes in the organization of the Company and the business environment, the implementation of changes in business books in accordance with the opinion of the auditor accepted by the competent body of the Company.

Supervision over the work of the Executive Director is performed by the Board of Directors of the Company.

#### Article 96

The Assistant or the Compliance Sector in the internal control system is responsible for the implementation of the following activities:

1. maintains control of the Company's compliance with the regulations of Mauritius and other relevant regulations,
2. acts upon client complaints,
3. maintains the control of the formal and substantive validity of the contract on the brokerage performance,
4. maintains account control (review and approval), such as:
  - opening and checking the account of a client of an investment company,
  - checking the transfer of the financial instruments from the register account to the client's account,
  - checking the transfer of financial instruments from the client account to the register account,
  - checking the transfer of financial instruments from a client's account with one investment company to the client's account with another investment company, □ correcting the errors in the account with complete documentation, □ closing a client account.
5. maintains the control of the formal and substantive validity of the order, such as:

- using the stipulated order form,
  - the method of receiving the order,
  - adjusting the content of the recorded audio order with the contents of the order, in the case of orders delivered by phone,
  - the order elements,
  - the signature of the principal,
  - the signature of the authorized broker and the verification of the order,
  - issuing a certificate on the order receipt,
  - paying in advance in the case of a purchase order,
6. maintains control of the order execution, such as:
- reviewing and approving the correspondence related to finding or conducting a transaction,
  - introducing the order into the trading system,
  - order execution,
  - approving the transaction,
  - reporting on the executed order,
  - reviewing and approving the brokerage business activities,
  - reviewing the client's account with the bank,
  - reviewing and approving the instructions to the depository bank, □ responsibility for maintaining and settling accounts, □ archiving an order.
7. maintains control of the correspondence from the office, as follows:
- reviewing and verifying the entire mail sent to clients before it is dispatched,
  - viewing and approving outgoing e-mail before it is sent,
  - granting approval for each copy of the correspondence that comes out of the office,
  - reviewing the distribution of the correspondence,
  - reviewing the marketing and promotional materials and granting approval for it.

The supervision over the work of the internal controller is maintained by the Internal Auditor and the Board of Directors.

#### Article 97

A person performing the prevention of the conflict of interest is required to take actions and



measures in order to prevent conflict of interest and misuse of the confidential information.

## **TRANSITIONAL AND FINAL PROVISIONS**

### Article 98

The Company's Terms and Conditions must be accessible for insight to all the Company's clients.

The relation between the Company and the client, as well as in the authorized participant's performance of the activities, and in a part that is not defined by this Law and the relevant bylaws of the Commission.

### Article 99

The Board of Directors and the Executive Director may initiate amendments to these Terms and Conditions.

The initiative is submitted to the Board of Directors who evaluates the justification and establishes a proposal for amendments to the Company's Terms and Conditions.

### Article 100

These Terms and Conditions, as well as their amendments, shall enter into force on the day of their adoption and shall apply after the Commission's positive opinion on compliance with the regulations.