

ORDER EXECUTION AND HANDLING POLICY

SUMMARY

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1. INTRODUCTION

The Markets in Financial Instruments Directive 2014/65/EU and the Law 87(I) / 2017 (hereinafter referred to as “MiFID II”), imposes a general obligation on GPB-Financial Services Limited (hereinafter referred to as “GPBFS”), when providing services to clients, to act honestly, fairly and professionally in accordance with the best interests of its clients. More specifically, MiFID II requires GPBFS to maintain and operate an order execution policy in respect of orders it executes for its clients in order to ensure it takes reasonable steps to provide the best possible result for its clients.

The purpose of this document is to summarise the factors and processes that GPBFS will apply to meet its order execution obligations and in particular how it will identify and utilise execution factors which it may take into account when executing orders.

This document is not intended to cover all eventualities and all circumstances that may be relevant to a particular order placed with GPBFS. It is designed to serve as appropriate disclosure of the principles underpinning the order execution process that GPBFS will follow for orders which a client instructs it to execute or to pass to other entities for execution.

2. APPLICATION

(a) This **Order Execution and Handling Policy** applies to both Retail Clients and Professional Clients of GPBFS. **We are not obliged to provide best execution to you in the following cases:**

1. Where you are classified as an Eligible Counterparty;
2. Where your order concerns a specific class of Financial Instrument in respect of which we have agreed to your request to be treated as an Eligible Counterparty; and
3. In line with our basic obligation to act in your best interests, where you have given us a specific instruction in relation to your entire order, or any particular aspect of your order, in which case our obligation to provide best execution will be considered to be discharged by virtue of the

fact we are following your instruction. While we will not solicit specific instructions from you, we may ask you to express a preference between identified potential execution venues, provided the use of those venues is consistent with this policy. In line with our terms of business, we will not provide you with advice in relation to any orders you propose to place with us. If you provide specific instructions in respect of part of your order only, we will apply this execution policy to the remainder of your order.

- (b) Our obligations under this policy relate to relevant MiFID II business we conduct in relation to orders for Financial Instruments listed in Annex I of the MiFID II Directive (reproduced for reference at page 5 of the present Terms - "**Financial Instruments**").
1. GPBFS's relevant MiFID II business is to provide execution services, which include classic brokerage services and Direct Market Access service through a trading platform, to transmit and receive orders for execution of Financial Instruments whether or not the relevant Financial Instruments are admitted to trading on a regulated market in an EU member state. A summary of our order execution process is set forth in Schedule 1.
 2. Please note that provided we have obtained the relevant express consent from you, we may execute orders for Financial Instruments that are admitted to trading on a regulated market of an EU member state (a "**Regulated Market**") or a regulated multilateral trading facility ("**MTF**") outside a Regulated Market or MTF.
 3. We may decline to act for you or accept your instructions in cases where we are unable to manage the risk of providing best execution to you for a specific transaction, e.g. due to unclear instructions, market conditions, or factors beyond our control. In such circumstances we shall inform you prior to accepting any instruction from you that we will be unable to provide best execution and provide you with a summary of the justification for this decision.
 4. You will be deemed to have consented to this policy on the first occasion you instruct GPBFS to execute any transaction in Financial Instruments.
 5. We will regularly monitor and review transactions we execute to verify compliance with this policy and whether or not the best result has been achieved for the client. Monitoring will take place in a manner which is tailored and proportional to the types of orders GPBFS receives for execution.

3. BEST EXECUTION

- (a) The expression 'best execution' is not defined in MiFID II or related legislation or regulations. It may be best described in line with the Committee of European Securities Regulators' guidance (the "**CESR Guidance**") as the requirement for investment firms to take all reasonable steps to obtain the best possible result for their clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order execution.
- (b) The CESR Guidance describes the best execution requirement to be of a general and overarching nature. On this basis, investment firms are able to apply a certain degree of flexibility in setting relevant parameters for how they propose to achieve best execution for their clients. This document sets out how GPBFS proposes to meet its best execution obligations bearing in mind the nature of its business and of its clients.

- (c) Where we execute your order directly in the market/stock exchange the obligation for best execution will not be applicable. Such execution may arise (1) when you give us specific instruction to execute your order directly in the market (2) when you use the Direct Access Market ('DMA') facility we provide to you through which your order is automatically routed into the market/stock exchange for execution. In the above mentioned cases, your orders will be executed based on the current markets/stock exchange prices and based on market/stock exchange conditions.

4. EXECUTION FACTORS AND PROCESS

- (a) The order execution process is designed to provide our clients with the best overall result for executed orders rather than the best result in respect of each trade. A summary of GPBFS's order execution process is included at Schedule 1 for your reference.
- (b) Unless you give us specific execution instructions, we will use our discretion to determine the execution factors we should take into account with a view to achieving the best possible result for you. We will seek to tailor the factors that we consider in order to provide best execution for orders, drawing on our investment expertise. The factors we may take into account include, but are not limited to the following:
- i. If you give us a specific instruction to make an OTC transaction with an external counterparty, which is not a part of GPB group, we will require receiving your clearly expressed consent in order to proceed with the execution of the transaction with such external counterparty. Therefore, for such instructions the "best execution" principle applies with possible constraints.
 - ii. **Price:** which will vary according to factors such as market liquidity, market rules regarding quotations, bids and offers, etc.;
 - iii. **Costs:** firstly, transaction costs, fees, taxes and charges directly referable to the execution of your order that you will pay to any third parties, secondly venue costs. We will not include fees and commissions you pay to GPBFS in determining venue selection;
 - iv. **Size:** the influence the size of your order may have on the other execution factors, including the type of Financial Instrument and the type instruction, such as the availability of liquidity for large orders;
 - v. **Speed of Execution:** the speed with which we are likely to be able to execute your order on the venues available to us, meaning the time between reception of the order by the venue and the time it is allocated;
 - vi. **Likelihood of execution:** including the relative liquidity of the venues available for execution; and
 - vii. **Certainty of settlement:** the relative risk that a counterparty for an order may default on its obligation to settle a trade, taking into account venue rules and applicable legislation, trading conventions, identity of counterparty (where disclosed), technical and operational risk affecting delivery, etc.

- (c) In considering the application of best execution to your order, we will consider the relative importance of the execution factors by reference to the following criteria in order to provide you with the best result for your order:
- i. your characteristics as a client, including your categorisation as a Retail or;
 - ii. the characteristics of your order;
 - iii. the characteristics of the Financial Instrument that is the subject of your order; and
 - iv. the characteristics of the execution venues or entities to which your order can be directed.
 - v. In general, we will consider the total consideration payable by you as an appropriate concept to deploy in determining how to apply the factors listed above. Total consideration is defined in the CESR Guidance as the price of the Financial Instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order. However, for clients we classify as Professional Clients, we will bear in mind that total consideration may not be an appropriate guide for execution in all cases, e.g. speed of execution may take precedence. An indicative list of the factors on which we will place emphasis for trades in particular types of Financial Instruments in which we may deal on your behalf is provided at Schedule 1 for your reference.

5. EXECUTION VENUES

- (a) GPBFS has identified execution venues that will consistently provide clients with the best possible result for the execution of their orders.
- (b) GPBFS offers to clients 2 options of order passing:
- (i) Via fax, email, telephone (all telephone orders will be recorded) and Bloomberg
 - (ii) Through the use of Direct Market Access Platform to clients who wish to receive such service.
- (c) GPBFS may use for the execution of your orders the following Brokers (as defined in herein): Bank GPB Moscow, Russia
- GPBFS has arrangements in place that require our Brokers to provide a level of best execution compatible with the best execution requirements under MiFID II, although their approach to best execution may vary from this policy.
- (d) GPBFS is able to execute orders for you on any of the following venues:
- i. MICEX
 - ii. LSE
 - iii. Over the Counter from Own Portfolio

- iv. Off exchange by matching client orders
- (e) By using the DMA facility your order will be routed automatically for execution in the market/stock exchange. Currently GPBFS offers DMA service only for MICEX stock exchange.
- (f) GPBFS will not structure or change its commission in such a way as to discriminate unfairly between execution venues. In particular, GPBFS will keep differences in commissions under review in order to ensure that such payments due from the client are proportional to actual venue costs.

6. LIMIT ORDERS

Unless you expressly request us not to do so, if you instruct us with a limit order in respect of shares admitted to trading on a Regulated Market, other than a large scale order, and we do not execute this order immediately under prevailing market conditions, we will take measures to facilitate the earliest possible execution of your order by making your order publicly available to market participants via transmission to a Regulated Market or MTF that operates an order book trading system, or by some other means intended to make the order public and easily executable once market conditions allow.

7. ORDER ALLOCATION

- (a) In accordance with our obligations under MiFID II, we will endeavour to provide you with prompt, fair and expeditious execution for orders you place with us, relative to other orders from our client or proprietary trading interests of, our Brokers. In so doing, we will:
 - i. accurately record and allocate orders we execute for you; and
 - ii. carry out comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or your interests, as our client, require otherwise.
- (b) Without further reference to you, we, or our Brokers may combine your orders with ours or their own orders, with orders of persons connected with us or them, or with orders of other clients without further reference to you. However, we will only combine orders in this manner where it is unlikely that the aggregation of orders and transactions will work overall to your disadvantage.
- (c) Any aggregation of your orders may result in you obtaining on some occasions a more favourable price and on others a less favourable price than if your order had been executed separately.
- (d) We will aggregate orders in accordance with our internal Order Allocation Policy, which is designed to achieve a fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.
- (e) Where we aggregate your order with one or more other orders and your order is partially executed, we will allocate the related trades in accordance with our internal Order Allocation Policy.
- (f) Where your order is to be aggregated with our proprietary orders, or those of our Brokers we will allocate trades to you in priority to our proprietary orders or those of our Brokers, unless we are able to demonstrate on reasonable grounds that we would not have been able to carry out your order on such favourable terms without our aggregation, in which case we will allocate trades proportionally in accordance with our internal Order Allocation Policy.

- (g) We or our Brokers may execute your order as a series of transactions at different times and apply the average price to such transactions.
- (h) Neither we nor our Brokers will be held responsible for any delays or inaccuracies in the transmission of orders or the execution thereof in either case due to any cause whatsoever beyond the reasonable control of such party.
- (i) Where GPBFS is acting as your broker, it will not credit the clients' cash accounts with funds received from third party accounts and shall not transfer any clients' funds to any third party accounts.

8. COMMUNICATIONS

Should you believe that GPBFS has failed to apply this policy to one of your orders, you may make a written request to us for an explanation of how we applied this policy to the order, including details of how we considered the factors listed in section 5 based on the information available to us at the time of the order.

SCHEDULE 1

A. Summary Order Execution Process

1. Client Order Reception

(Via System Bloomberg or Telephone or Fax Order, durable medium)



2. Order Passed to Trader:

Determination and Application of Relevant Execution Factors Relating to Order:

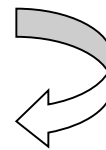
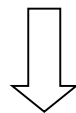
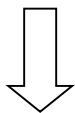
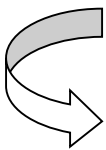
- Price
- Costs
- Order Size
- Liquidity



3. Application of Order Allocation Principles to Aggregated Orders

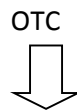


4. Determination of Execution Venue



Proprietary Book (GPBFS)

Broker



3. Trade Execution and Recording



4. Confirmation

B. Execution of order receipt through DMA platform

All orders which you will send to us through the DMA platform will be executed in the market/stock exchange. Currently GPBFS offers Direct Market Access for MICEX stock exchange.

NOTE: the chart included in this Schedule 1 is indented as an indicative example of the execution process and factors GPBFS will be likely to follow. This illustration will not bind GPBFS in relation to any different process, methodology, factors or any other information we deploy in endeavouring to achieve best execution for our clients. Please contact GPBFS's Compliance Officer if you require any further information.