

# TERMS OF BUSINESS

APPLICABLE AS OF JUNE 2020

## Introduction and contact details

GPB Financial Services Ltd (“**GPBFS**” or “**We**” or the “**Company**”) is authorized and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**”) under license number 113/10, to provide investment and ancillary services in the Republic of Cyprus.

Further details on GPBFS and its license can be found both:

- on the website of CYSEC: [www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/37668/](http://www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/37668/) and
- on the website of GPBFS: <https://www.gpbfs.com.cy/>

GPBFS’s registered office address is at Crystalserve Business Center 2nd Floor, 65 Spyrou Kyprianou, Mesa Getonia, CY-4003, Limassol, Cyprus and its registration number with the Registrar of Companies in Cyprus is HE 246301.

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Web Site: [www.gpbfs.com.cy](http://www.gpbfs.com.cy)

Please note that the official language of GPBFS is either the English or the Greek language. However, the Company offers support to its Clients in the Russian language as well.

## Important Notice

These Terms of Business (the “**Terms**”) are drafted in the English language and constitute part of the Client Agreement, on the basis of which we shall offer Services to you (“you” or the “Client”) and/or enter into Transactions with or for you. You are kindly requested to read them carefully, along with the Annexes to the Terms which constitute integral part hereto.

Certain policies and information documents of GPBFS are herein incorporated by reference. Such policies and documents are also available on the website of GPBFS at [www.gpbfs.com.cy](http://www.gpbfs.com.cy) (the “Website”) but you can request us to provide you with a copy of in physical form. Note is made that such policies and documents may or may not apply to you depending on your Client categorization. You shall be deemed to have accepted such policies by instructing or requesting us to provide you with or using our Services and/or entering into Transactions with or for you. You shall be bound by these Terms automatically upon entering into any relationship with the Company.

Unless agreed in writing, the Company shall treat only you as its Client for the purpose of any relationship. The Company will not, under any circumstances, owe any regulatory obligations to any shareholder, controlling person, trustee, principal, officer or director of the client and no such person will be treated as a Client of the Company.

These Terms shall apply to all business conducted between the Company and the Client, including any trading undertaken with the Client in all markets. By requesting the Company to perform any transaction for the Client, the Client agrees that any provisions of its own terms of business which conflict with, or are inconsistent with, the provisions of these Terms do not apply, and these Terms shall prevail.

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## TERMS OF BUSINESS

### 1. Definitions

**1.1** Unless otherwise defined, the below capitalized terms shall have the following meaning:

**Applicable Regulations** means the laws, rules and regulations of the Republic of Cyprus and of any country where we and/or our agents may carry out the transactions or provide the Services under these Terms, as well as any other country's law, regulations and rules affecting your rights and liabilities in respect of the Transactions or Services or related to each of them;

**Authorized Person** means any employee, agent or a person, authorized personally and/or jointly with other persons to act on behalf of the Client when providing the Instructions and performing any other actions, as well as when exercising the Client's rights, obligations and/or discretions under these Terms and any Schedule;

**Broker** means any third party appointed by GPBFS to provide Services under these Terms;

**Business Day** means a day other than a Saturday, Sunday or public holiday in Russia and Cyprus, when banks in Russia, Cyprus or London, United Kingdom are open for business.

**Cash Account** has the meaning given to that term in Schedule A (Safekeeping and Custody Services) of the Client Agreement;

**Client** means the natural or legal person that executes and delivers the Client Agreement;

**Client Agreement** means the agreement between GPBFS and you, as Client, consisting of the terms set out therein, the Client MiFID Categorization Letter, these Terms and any annexes thereto, the Schedules (if any) any other document, as amended and in force from time to time;

**Client Assets** means the Client's assets that are held in any Custody Account;

**Client's liabilities** means liabilities of Client before GPBFS on the loan in the form of cash or securities, which arose as a result of GPBFS Margin Transactions in accordance with the formula specified in Clause Schedule C (Margin Trading) of the Client Agreement, as well as accrued but not written off interest, penalties, interest, etc.;

**Collateral** means monetary funds in the form of cash and/or Margin Securities, taken as collateral for margin obligations of the Client;

**Commissions and Charges (Fee Schedule) Policy** means the charges payable by the Client for the provision of the Services in accordance with Term 15 Payments, Inducements, Charges and Commissions. The Commissions and Charges (Fee Schedule) Policy is available on GPBFS's website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and is herein incorporated by reference;

**Competent Authority** means CySEC and, as the content may require any other authority, designated by each Member State in accordance with Article 67 of Directive 2014/65/EU;

**Compromising of the Identification Tools** means loss of confidence in the fact that used passwords, keys or their sets cannot be accessed by third parties, as well as loss of key disks and other media on which the keys or passwords are recorded, loss of key disks, including the disks, which were found later, dismissal of employees who had access to key information, loss of keys from the safe deposit box with the media containing key information inside, temporary access of third parties to key information, other circumstances, which directly or indirectly provide an opportunity for unauthorized access to confidential information of the unauthorized parties, as well as disclosure of information, used for accessing the Electronic Systems;

**Confidential Information** means any information that may be treated as such in accordance with and for the purposes of Term 22 Confidentiality;

**Conflict of Interests Policy** means the document which sets out GPBFS's policy on conflicts of interest. The Conflict of Interests Policy is available on GPBFS's website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and is herein incorporated by reference;

**Controlling Person(s)** means the natural person(s) who exercise control over an entity. Where that entity is treated as a Passive Non-Financial Entity ("Passive NFE") then a Financial Institution is required to determine whether or not these Controlling Persons are Reportable Persons. This definition corresponds to the term "beneficial owner" described in Recommendation 10 of the Financial Action Task Force Recommendations (as adopted in February 2012). In the case of a trust, the Controlling Person(s) are the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). Under the CRS the settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, are always treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust. Where the settlor(s) of a trust is an Entity then the CRS requires Financial Institutions to also identify the Controlling Persons of the settlor(s) and when required report them as Controlling Persons of the trust. In the case of a legal arrangement other than a trust, "Controlling Person(s) means persons in equivalent or similar positions;

**Custody Accounts** means, as the context requires, each Securities Account and the Cash Account;

**Custody Cash (or Client Cash)** means cash in any currency, conditional upon the Custody Securities or connected with them, as well as other cash, accepted by GPBFS as part of the Custody Property;

**Custody Clearing System** means any clearing agency, settlement system or depository as may from time to time be used in connection with the safekeeping of or Transactions related to Custody Securities, including but not limited to the Central Securities Depository and Central Registry, and includes any nominee, clearing agency or depository of any of the foregoing;

**Custody Property** means the Custody Securities (or Client Securities) and/or the Custody Cash (or Client Cash) held in Custody Accounts pursuant to the provisions of these Terms and of Schedule A Safekeeping and Custody Services to the Client Agreement;

**Custody Securities (or Client Securities)** means each and every Security held by GPBFS as custodian for the Client pursuant to the provisions of these Terms and of Schedule A Safekeeping and Custody Services to the Client Agreement;

**Cyprus Investment Services Law** means L. 87(I)/2017 transposing MiFID, as well as the circulars, guidelines and directives issued, from time to time, by CySEC in accordance with the regulatory framework of MiFID;

**CySEC** means the Cyprus Securities and Exchange Commission (and any successor body);

**Data Protection Laws** means Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. The expressions “controller”, “personal data” and “process” shall have the meanings ascribed to them in the Data Protection Laws;

**Direct Market Access (DMA)** means the trading platform(s), system(s) or scheme(s) sponsored by brokers that permit buy-side investors to directly access equities, fixed income, futures, and exchange markets, clearing via the broker. An individual can enter their Limit Orders directly into the market via the Order book.

**Discount** means the measure set forth for a security, having an impact to the evaluation of the security upon its use as collateral;

**Discounted Collateral** means Collateral adjusted for current Discount, according to the formula set out in the Schedule D of the Client Agreement;

**Durable Medium** means any instrument which enables a Client to store information addressed personally to that Client in a way accessible for future reference and for a period of time adequate for the purposes of the information and allows the unchanged reproduction of the information stored;

**EEA** (European Economic Area) means the EEA comprises of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and the UK;

**Electronic Systems** means information and trading systems including Direct Market Access, used by GPB FS, provided to the Client and which represent a set of computers, software, databases, telecommunication devices, other equipment and which are designed for creation, acceptance and transfer of electronic documents, as well as for receipt of information;

**Eligible Counterparty** means an eligible counterparty for the purposes of Annex II of MiFID II;

**Financial Instruments** means any of the financial instruments set out in Term 5.2 below;



**GPBFS** (including “we”, “us”, “our” and “ourselves” as appropriate) means GPB-Financial Services Ltd and as the context requires and/or allows, the employees, independent contractors and authorized representatives of GPBFS;

**Indemnified Person** has the meaning attributed to it in Term 18 Indemnity;

**Instructions** means any instruction or Order, and they also include Orders submitted through the Electronic Systems and/or any instructions or Orders connected with and /or transmitted through the Electronic Systems;

**Intermediary** means any person to whom GPBFS transmits an Instruction in order to arrange for its execution;

**Investor Compensation Fund** means the Investment Services Firms’ Clients Compensation Fund as specified in Part VII of the Investment Services Law;

**Investor Compensation Fund Policy** means the document which sets out a general description on the operation and compensation of covered Clients under the Investor Compensation Fund applicable for Retail Clients. The Investor Compensation Fund Policy is available on request and is herein incorporated by reference;

**Limit Order** means an Order to buy or sell a financial instrument at its specified price limit or better and for a specified size;

**Margin Position** means a position, which has been opened as a result of Margin Transaction;

**Margin Purchase** means the Transaction on purchase of securities in conditions of partial or full absence of cash assets on the Client’s Account with the involvement of the appropriate cash loan from GPBFS;

**Margin Securities** means securities which can be used for Short Sale;

**Margin Trading** means entering by the Client into Margin Transactions;

**Margin Transaction** means any of the following Transactions – Margin Purchase or Short Sale;

**MiFID** means the regulatory framework set out in the Markets in Financial Instruments Directive (Directive 2014/65/EU) and Markets in Financial Instruments Regulation (Regulation (EU) 600/2014) and the regulations, directives and implementing measures issued from time to time to apply;

**MTF** (Multilateral Trading Facility): a multilateral system operated by an investment firm or market operator, which brings together multiple third-party buying and selling interest in financial instruments- in the system and in accordance with its non-discretionary rules in a way that results in a contract in accordance with the provisions of the law.

**Order or Client Order** means an Order of the Client (or its Authorized Person) received in accordance with these Terms and shall also include **Instructions**;

**Order Handling and Execution Policy** means the document which sets out GPBFS's policy on the handling and best execution of Client Order. The Order Handling and Execution Policy is available on GPBFS's website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and is herein incorporated by reference;

**OTF** (Organised Trading Facility) means a multilateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds, structure finance products, emission allowances and derivatives are able to interact in the system in a way which results in a contract;

**Parties** mean the parties to the Client Agreement, and "Party" means any one of them;

**Policies** means each of the GPBFS's following policies and information documents: The Conflict of Interests Policy, Risk Warnings and Disclosures, the Order Execution and Handling Policy, the Investor Compensation Fund Policy, the Clients' Complaints Policy, the Privacy Policy and the Charges and Commissions (Fee Schedule) Policy, all as amended and in force from time to time, which are incorporated by reference in these Terms;

**Privacy Policy** means the document which explains how, where and why we collect, store, use and share your personal information in accordance with the relevant privacy and data protections regulations that are applicable where we operate. The Privacy Policy is available on GPBFS's website on designated page <https://www.gpbfs.com.cy/mifid/> and is herein incorporated by reference; (must be made available on website)

**Professional Client** means a Client who has been categorized as such in accordance with the Client Categorization Policy set out in ANNEX A - CLIENT CATEGORIZATION POLICY. We are entitled to assume that as a Professional Client you have the necessary knowledge and experience to understand the relevant risks involved in the services or transactions covered by our Terms of Business, and therefore our obligation to assess the appropriateness of the services or transactions shall be deemed fulfilled.

**Regulated Market** means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interest in financial instruments- in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems and which is authorized and functions regularly in accordance with the provisions of the law;

**Retail Client** means a Client who is neither a Professional Client nor an Eligible Counterparty. GPBFS do not offer services or carry out any business with Retail Clients. You can only establish business relations with us if you are classified as a Professional Client or an Eligible Counterparty;

**Risk Warnings and Disclosures** means the document of GPBFS which provides a general description and overview of the main financial products and their associated risks that does not intend to be exhaustive and there may be other risk factors, which the Client should take into account in relation to a particular investment on financial instrument. It is intended to give the Client information on and a warning of the risks associated with them so that the Client is reasonably able to understand the nature and risks of the services and of the specific types of financial instruments being offered and, consequently, to take investment decisions on an informed basis. The Risk Warnings and Disclosures are available on GPBFS's

website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and is herein incorporated by reference;

**Rules** means any relevant rules or guidance of CySEC or, as the case may be, any other Competent Authority and any other market practices of any Trading Venue or other organization or market or third party involved in the execution of a Transaction or the provision of a Service that apply to GPBFS when providing Services to a Client;

**Schedule** means any schedule to the Client Agreement, as set out in Annex II thereto, with regard to the provision of Services to a Client;

**Securities Account** has the meaning attributed to it in Schedule A (Safekeeping and Custody Services) of the Client Agreement;

**Securities Financing Transaction** means securities financing transactions as defined in Art. 3(11) of Regulation (EU) 2015/2365.

**Securities for Collateral** means Securities which can be used as Collateral for Client's liabilities;

**Securities** means financial instruments such as shares, bonds, debentures, notes, certificates, warrants and any other Financial Instrument for which GPBFS has license to deal with;

**Security (or security interest)** means has the meaning attributed to it in Term 16.

**Services** means each of the investment services and ancillary services on Financial Instruments set out in Term 5.2 that may be offered to the Client on the basis of these Terms and/or in accordance with the Schedules set out in Annex II to the Client Agreement.

**Short Sale** means any Client's Transaction of sale of securities in conditions of absence of appropriate securities on the Client's Account and with its involvement from GPBFS;

**Software** means the software package, required for acceptance /transmission, creation of messages in the form of electronic documents, checking of electronic documents (sent by GPBFS and the Client / Authorized Person to each other) for their authenticity, as well as obtaining information using the Electronic Systems.

**Statements** mean statement of the Custody Property Account, as well as other statements, provided from time to time by third parties to GPBFS and which are connected with Transactions with the Custody Property;

**Tax or Taxation** means any tax (including, but not limited to any VAT), duty, charge, deduction, fee, contribution (including but not limited to any special contribution for defense purposes), deduction or withholding of any nature, as well as the interest and fines in respect of the above;

**Terms** means these General Terms of Business of GPBFS as amended and/or supplemented and/or as in force from time to time;

**Transactions** means any transactions, which we may be carrying out with or for you in accordance with these Terms; and

**Trading Venue** means a Regulated Market, an MTF or an OTF.

**1.2** In these Terms the following rules of interpretation shall apply:

- headings are for ease of reference only;
- unless the context otherwise requires, words importing the singular shall be deemed to include the plural and vice versa;
- unless otherwise defined, terms used in these Terms shall have the same meaning as given to them in Rules and as amended and in force in force for the time being;
- references to laws and/or any other legislative instruments, rules or regulations shall be to such statutes, statutory instruments, rules or regulations as amended or replaced from time to time;
- references to persons are to any persons, firms, companies or corporations or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and
- a reference to writing or written includes fax and email.

## 2. Client Categorization, Consent and Re-categorization

**2.1.** These Terms shall apply to you in accordance with your categorization under our Client Categorization Policy (attached hereto as ANNEX A - CLIENT CATEGORIZATION POLICY) and on the basis of the information you have provided to us. To the extent applicable, the Company will notify the Client separately of whether the Client will be treated as **an Eligible Counterparty, a Per se Professional Client** or an **Elective Professional Client**, each term as defined under Directive 2014/65/EU of 15 May 2014 on markets in financial instruments, as amended and all rules and regulations made thereunder, including any Cyprus implementing legislation (“MIFID II”), for the purposes of the services provided by the Company under these Terms. Eligible Counterparties and Per se Professional Clients are presumed to have knowledge and experience to take their investment decisions and assess any risks with respect to entering into transactions with finance instruments. Elective Professional Clients are subject to Appropriateness Test to verify their level of knowledge & experience.

**2.2.** Before we provide any Services to you, you will have to provide us with the “*MiFID Consent and Contact Details Form*” that is attached as Annex I to the Client Agreement or provided as a separate document, stating your consent to your categorization. You are entitled to request a different Client classification to that allocated by the Company, if the relevant legal requirements are satisfied. The change of Client’s classification, however, is subject to the sole discretion of the Company. The Client acknowledges that a request to be classified as an Eligible Counterparty (rather than a Professional Client) or a Professional Client (rather than a retail Client) will result in a lesser degree of protection.

**2.3.** Where you have been categorized as, or have requested to be treated as, a Professional Client (*per se* professional or *elective* professional), you will lose certain investor protections and you will not be entitled to the compensation under the Investors Compensation Fund provided to Retail Clients. Please refer to the *MiFID Consent and Contact Details Form* and *Elective Professional Consent Letter* (if applicable) for details. When you are categorized as an Elective Professional Client, your categorization will only cover the range of financial instruments as described in *Elective Professional Consent Letter*,

depending on the results of your Appropriateness Test. Please note that you can only establish business relations with us if you are classified as a Professional Client (*per se* professional or *elective* professional) or an Eligible Counterparty.

Where you have been categorized as, or have requested to be treated as, an Eligible Counterparty, you will not normally benefit from the protection reserved for Retail Clients or Professional Clients and you will not be entitled to the compensation under the Investors Compensation Fund.

Under MiFID, you have the right to request your re-categorization as a Professional Client generally or in respect of a specific Service or Financial Instrument, provided that you will provide to us a written request stating your intention to change categorization. A relevant request form of re-categorization **FROM ELIGIBLE COUNTERPARTY TO PROFESSIONAL CLIENT** is attached as Appendix 1 of ANNEX A - CLIENT CATEGORIZATION POLICY hereto.

**2.4.** If we agree to re-categorize you either as Professional Client or as an Eligible Counterparty, we will inform you accordingly.

**2.5.** When classifying the Client, the Company solely relies on the information provided by the Client. You are responsible to inform us immediately of any change that would impact your current categorization. Nevertheless, if we become aware of any such changes, we will take appropriate action.

**2.6.** The Company deals only with Clients who fall under the MiFID categories of Professionals and Eligible Counterparties, and, as a normal practice, who are trading in principal. Unless the Client notifies us that he is acting on behalf of other Clients, we will assume that the Client is the end Client.

In cases where the Client notifies the Company that he is not the end Client and there is a distribution intermediation chain, the person with the direct Client relationship has the ultimate responsibility to meet the product governance obligations.

In the above case, the Company's obligation will be limited, as follows:

- 2.6.1. ensure that relevant product information is passed from the product's/instrument's manufacturer to the final distributor in the chain;
- 2.6.2. if the manufacturer requires information on product sales in order to comply with their own product governance obligations, the Company will provide it to them, upon request.

### 3. Appropriateness and Suitability

**3.1.** *Appropriateness.* As a result of Client's qualification as a Per se Professional Client or an Eligible Counterparty, we will assume that the Client has the knowledge and experience to understand each transaction in financial instruments and services provided under these Terms. It is the sole responsibility of the above mentioned Clients to ensure that any and all transactions with or through the Company are in accordance with the Client's investment and business objectives and in compliance with all applicable legal or regulatory restrictions upon the Client entering into such transactions. Elective Professional Clients are assessed under the Appropriateness Test to establish the level of their knowledge and experience to understand each transaction in financial instruments and services provided. Elective

Professional Clients will not have access to the financial instruments, unless they demonstrate that they possess the relevant level of knowledge and experience.

**3.2.** The Company shall not be liable to assess the appropriateness for the Client, classified as a Per se Professional Client or an Eligible Counterparty, of any transaction in financial instruments and services provided under these Terms. The Company accepts no liability on the basis that Per se Professional Clients or Eligible Counterparties claim that they did not have the knowledge and experience to understand any financial instruments and services provided under these Terms.

**3.3.** Where the Company considers that an investment service or product is not appropriate for the Client, it notifies the Client that this service or product is not appropriate for him and the Company is not obliged to carry on with the execution of the Instruction. In this context, the Client agrees not to hold the Company liable for any prejudice suffered by the Client due to non-execution of its Instruction. The Company may not be held liable for a possible delay in the execution of Instructions due to the Company's legal obligations inter alia in relation to the assessment of the appropriateness of an investment service or product for the Client. This paragraph is applicable to Elective Professional Clients only.

**3.4.** In cases where the Client elects not to provide the information required for the assessment of the appropriateness, or where it provides insufficient information regarding its knowledge and experience, the Company hereby expressly warns the Client that such a decision will not allow the Company to determine whether the service or product envisaged is appropriate for it. As a result, when the Client is not able to demonstrate the relevant level of knowledge and experience, he will not have access to such financial instruments. This paragraph is applicable to Elective Professional Clients only.

**3.5.** The Client shall inform the Company of any change in its financial situation and/or its investment knowledge and experience and, in particular of changes which impact or are likely to impact the appropriateness of a service provided to the Client by us. In case the Client does not inform us of such changes, we will bear no responsibility for any damage resulting therefrom.

**3.6.** The Company furthermore specifically warns the Client that with regard to services that only consist of execution and/or the reception and transmission of Instructions carried out at the initiative of the Client and relating to non-complex financial instruments, such as, e.g., shares admitted to trading on a regulated market, bonds or UCITS the Company is not required to assess whether the service or instrument provided or offered is appropriate for the Client and that the Client does therefore not benefit from the corresponding protection of the relevant conduct of business rules.

**3.7.** *Suitability.* The Company does not establish business relations with the non-professional Clients. The Company does not offer investment advice or portfolio management and therefore the Company is not obliged to set out an investment profile of the Client, which is based on the Client's: (i) knowledge and experience in the relevant financial instruments; (ii) financial situation and risk tolerance; and (iii) investment horizon and objectives.

#### 4. Risk warning

**4.1.** The Client acknowledges and agrees that placing an Instruction in respect of a financial instrument or entering into any transaction related to a financial instrument carries various risks and the Client confirms that it has evaluated these risks before making a decision to enter into such transaction.

**4.2.** Without prejudice to the MIFID II obligation of the Company to assess whether a transaction is “appropriate” for the Client, the Client shall, prior to entering into any transaction or placing an Instruction with respect to any financial instrument, make its own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences resulted from being involved in each financial instrument and its appropriateness for its own purposes.

**4.3.** In connection with any transaction or placing an Instruction with respect to any financial instrument the Client should:

- 4.3.1. have sufficient knowledge and experience to make a meaningful evaluation of each financial instrument, the merits and risks of each financial instrument and the information contained in each document setting out the terms of each financial instrument;
- 4.3.2. have sufficient knowledge and experience to make a meaningful evaluation of any issuer or security provider of each financial instrument, its financial and business prospects and applicable risks;
- 4.3.3. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, each financial instrument and the impact such financial instrument will have on its overall financial situation;
- 4.3.4. have sufficient financial resources and liquidity to bear all of the risks of investing in a financial instrument and taking any risk linked to each financial instrument;
- 4.3.5. fully understand the terms of each financial instrument and be familiar with the behavior of financial markets; and
- 4.3.6. be able to evaluate possible scenarios for economic, interest rate and other factors that may affect the price of each financial instrument and its ability to bear the applicable risks.

**4.4.** For a more detailed description of risks arising out of the financial instruments, please review the detailed overview of risks in financial instruments which is available on the Website.

## 5. Services

**5.1.** We may provide Services to you (in accordance with these Term and as may be specified in any Schedule to the Client Agreement) in respect of any Transactions to be executed on a Regulated Market or, where appropriate and subject to the compliance with the Applicable Regulations and Rules, we will arrange for the provision of the Services through one of our Brokers. We or one of our Brokers will execute Transactions for you in respect of Financial Instruments traded in a Regulated Market of which we are a member or over the counter securities markets. We will require your explicit consent prior to executing Transactions outside a Regulated Market or MTF or OTF in any Securities which are listed on a Regulated Market.

**5.2.** The Services shall consist of:

### **Investment Services**



1. Reception and transmission of orders in relation to one or more financial instruments
2. Execution of orders on behalf of Clients
3. Dealing on own account
4. Underwriting of financial instruments and or placing of financial instruments on a firm commitment basis
5. Placing of financial instruments without a firm commitment basis

#### **Ancillary Services**

1. Safekeeping and administration of financial instruments, including custodianship and related services
2. Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the in the transaction
3. Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
4. Foreign exchange services where these are connected to the provision of investment services
5. Services related to underwriting

#### **Financial Instruments**

The Services may be offered in relation to the following Financial Instruments:

1. Transferable securities;
2. Money-market instruments;
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields or other derivative instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of default or other termination event);
6. Options, futures, swaps and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through clearing houses or are subject to regular margin calls;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences
10. Options, futures, swaps forward rate agreements and any other derivative contracts relating to climatic variables freight rates, emission allowance or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at option of one of the parties (otherwise than by reason of a default or other or termination or event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls.



**5.3.** We may offer Services to you using the Electronic Systems on the basis of these Terms and subject to the conditions set out herein and provide such other services as may be set out in Client Agreement or otherwise agreed between the Parties in writing. In such instance, we shall ensure the Client's access to the Electronic Systems and shall offer the Services of reception and transmission of orders in relation to one or more financial instruments and of execution of orders on behalf of Clients.

5.3.1. In order to use the Electronic Systems, the Client will provide to GPBFS all the necessary information and data for the purpose of connection to the Electronic Systems, and GPB FS will provide for such connection within 2 (two) Business Days after receipt of all the necessary information from the Client.

5.3.2. Upon the Client's request, GPBFS will provide to the Client the Software for the Electronic Systems' workplace, which will be copied and installed by the Client.

5.3.3. GPB FS will assign to the Client a unique ID and will notify same to the Client through the Durable medium provided by the Client in the Client Agreement.

5.3.4. The Client will be authorized in the Electronic Systems using the passwords, keys or their sets, depending on a specific system, which will be formed according to its requirements in order to obtain access. The Client may appoint its Authorized Persons for using the Electronic Systems. The Client agrees hereby that it should register each Authorized Person, who will obtain access to the Electronic Systems, and such Authorized Person will not be entitled to assign such access right to third parties. The Client will create for each Authorized Person a separate profile in the Electronic Systems and provide to GPBFS the list of the Authorized Persons. GPBFS may believe, without additional verifications, that the Authorized Persons, who are included into the list of the Authorized Persons, provided by the Client, will possess relevant powers before the Client notifies GPBFS in writing otherwise. The Client also agrees to take all reasonable precautions that the information about logins, passwords and keys to the Electronic Systems would not be disclosed to unauthorized persons.

5.3.5. If the passwords or access keys were damaged, lost, stolen, or if the Client suspects that such information may be known to third parties, the Client undertakes to immediately inform GPBFS about it. Upon receipt of such notification, access to the Electronic Systems will be terminated and/or blocked as soon as possible. However, the Client remains responsible for all actions, which were taken using the Electronic Systems, before the access was terminated, and GPBFS will not assume any liability to the Client for such possible actions.

5.3.6. GPB FS may update (without the Client's consent) the Software, requirements to the Client's hardware, which are used in order to access the Electronic Systems. The Client is obliged to update the Software at its workplace by its own.

5.3.7. GPBFS will block the Client's access to the Electronic Systems:

5.3.7.1. in case of termination of these Terms or of the Client Agreement;

- 5.3.7.2. in case of receipt by GPBFS of a notification on Compromising of the Client's Identification Tools, notwithstanding the obligation of the Client in such instance to immediately (by phone, fax or email) notify GPBFS about such event and stop using the Electronic Systems;
- 5.3.7.3. if for any reason under these Terms, the Applicable Regulations and the Rule GPBFS has suspended the operation of any account of the Client and/or is unable to provide any Service to the Client.
- 5.3.8. GPBFS shall notify the Client, through the Durable Medium provided by the Client, for any re-activation of the access to the Electronic Systems. Upon conclusion of this Agreement, GPB FS will provide to the Client the Software for the Electronic Systems' workplace, which will be copied and installed by the Client.

## 6. Basis of Dealings, Applicable Regulations and Rules

**6.1.** The Services and any Transactions with or for you are subject to the Applicable Regulations and Rules. Nothing in these Terms or in the Client Agreement shall prevent us from taking all such actions as may be required by law or statute or to comply with the Applicable Regulations and the Rules and/or our obligations to any Competent Authority or any relevant professional or regulatory body or governmental agency or authority or otherwise.

**6.2.** In accordance with our obligations under the Applicable Regulations and the terms of any Schedule (if applicable), we will endeavor to provide you with prompt, fair and expeditious execution of Orders you place with us, relative to other Orders from our Brokers' other Clients or our Brokers or our own proprietary trading interests. In doing so, we will:

- 6.2.1. accurately record and allocate Orders we execute for you; and
- 6.2.2. 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, requires otherwise.

**6.3.** GPBFS may refuse to enter into, execute, transmit, deal in or otherwise arrange any Transaction where you have not provided such information (and waived or procured the waiver of any confidentiality or data protection/privacy obligations in respect of such information) as we may reasonably require:

- 6.3.1. in order for us to comply with any transaction reporting requirements or market transparency requirements in respect of such transaction; or
- 6.3.2. where our non-receipt of such information (including, without limitation, an applicable legal entity identifier code) would mean that we are prohibited by the Applicable Regulation and/or the Rules to enter into, execute, transmit, deal in or otherwise arrange (as the case may be) such transaction.

**6.4.** We may further refuse to enter into, execute, transmit, deal in or otherwise arrange any Transaction or perform any obligation pursuant to these Terms where such action or performance:

- 6.4.1. would cause us to breach any prohibition or restriction imposed or specified by any Competent Authority; and/or
- 6.4.2. would be prohibited, or made impracticable to effect on reasonable commercial terms, by any suspension or removal from trading of a financial instrument imposed by a Competent Authority pursuant to the Rules.

**6.5.** We will make all reasonable efforts to notify you promptly of such action or inaction, if and to the extent permitted by the Applicable Regulations and Rules, but shall not be responsible for any losses, costs, damages or expenses incurred by you as a result.

**6.6.** If you have been categorized as a **Per se Professional Client and/or as Eligible Counterparty**:

6.6.1. GPBFS will assume that you have the requisite knowledge and experience to engage in the Transactions which you instruct us on, taking into account the particular financial instrument(s) and market(s) concerned, on the basis that you are a Professional Client or Eligible Counterparty. On this basis GPBFS will assume that you are aware of the risks associated with a particular Transaction you instruct us on. This presumption of risk awareness will extend to instructions relating to Orders which we pass to any of our brokers, in accordance with the law, circulars and directives issued by CySEC from time to time and which are in force;

6.6.2. It is your responsibility to ensure that all Transactions performed with or through GPBFS are appropriate for you and comply in all respects with any applicable legal or regulatory restrictions upon you entering into such Transactions. GPBFS will assume, since you are a Professional Client or Eligible Counterparty, that you possess the relevant knowledge and experience to assess such investments. For analysis of risks embedded in each financial instrument we offer to you, you may wish to refer to the financial instruments description and associated risks document (the “**Risk Warnings and Disclosures**”) that is available on the GPBFS website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and **which is also incorporated by reference herein**. We note that our Risk Warnings and Disclosures policy is intended as a general description of the risks associated with specific products or services. There may be other risks that it does not identify. You should therefore not rely on the Risk Warnings and Disclosures as covering all possible risks and should always satisfy yourself that the Services or Transactions are suitable for you in light of your specific circumstances;

6.6.3. Unless you notify us otherwise in writing we will assume that there is no restriction on the type of Financial Instruments you wish to deal in, the nature of the Transactions you may instruct us on, or the market in which we may execute your Orders;

6.6.4. Your Orders will be executed in accordance with our Order Execution and Handling Policy (as amended from time to time), which however, applies only to Professional Clients (and not Eligible Counterparties) which is available on our website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and **is also incorporated by reference herein**.

## 7. Representations and Warranties

**7.1.** You make to us the representations and warranties set out below, which will be deemed to be repeated on each date on which a Service is to be provided and/or a Transaction is to be entered into or securities are to be transferred or a payment is to be made under these Terms:

7.1.1. You have been duly incorporated and validly existing under the law of your jurisdiction of incorporation, where relevant, and have the power, capacity and authority to carry on your business as it is being conducted in any relevant jurisdiction such as your country of

incorporation or country where you have your registered seat or where you have you reside or domicile or have your principal place of business.

- 7.1.2. You have the power, capacity and authority to execute, deliver and perform your obligations under these Terms and any and all Transactions contemplated by them. No limit on your powers, capacity and authority will be exceeded as a result of any Instruction provided or Transaction contemplated by the Terms.
- 7.1.3. The execution, delivery and performance of the obligations in, and Transactions contemplated by, the Terms do not and will not contravene or conflict with your constitutional documents and/or any agreement or instrument binding on you or any of your assets.
- 7.1.4. If relevant, you are authorised under all Applicable Regulations and have all necessary permissions in each case to enable you to perform your obligations under the Terms or any Transaction and have taken all necessary action and obtained all other required or desirable authorizations to enable you to execute, deliver and perform your obligations under the Terms, the Transactions contemplated by them and to make them admissible in evidence in your jurisdiction of incorporation, residence, domicile or principal place of business. Any such authorizations are in full force and effect.
  - 7.1.4.1. Your obligations under the Terms and any Transaction are legal, valid, binding and enforceable and the Terms, Transactions create (or, once entered into, will create) valid and legally binding obligations enforceable in accordance with their terms.
- 7.1.5. These Terms and each Transaction creates (or, once entered into, will create) valid, legally binding and enforceable security interest for the obligations expressed to be secured by it in our favour, having the priority and ranking ahead of all (if any) security and rights of third parties.
- 7.1.6. It is not necessary to file, record or enroll these Terms with any court or other authority or pay any stamp, registration or similar taxes in relation to the Terms or any Transaction, other than in as required by Cyprus law.
- 7.1.7. The choice of Cyprus law as the governing law of the Terms will be recognised and enforced in your jurisdiction of incorporation, residence, domicile or principal place of business and any judgment obtained in relation to the Terms will be recognised and enforced in that jurisdiction.
- 7.1.8. You are willing and financially able to sustain a total loss of the Client Assets that may result from the Services and Transactions.
- 7.1.9. No event of default has occurred, is continuing or will occur as a result of entering into or performing your obligations under these Terms or any Transaction and no other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other

agreement or instrument or any law or regulation or judicial or official Order which is binding on you or to which any of Client Assets is subject. You shall notify us of any event of default (and the steps, if any, being taken to remedy it) immediately on becoming aware of its occurrence.

- 7.1.10. No litigation, arbitration or administrative proceedings are taking place, pending or, to your knowledge, threatened against you, where relevant, any of your directors or any of Client Assets at law or in equity before any court, tribunal, governmental body, agency or official or any arbitrator.
- 7.1.11. You will comply with all laws, rules, regulations and disclosure requirements of Cyprus and of any other Applicable Regulations and/or Rules.
- 7.1.12. Unless otherwise expressly agreed with us, you are the ultimate beneficiary of any and all income which may be paid or distributed to you hereunder, i.e. the person who actually benefits from the income and determines its further economic fate.
- 7.1.13. Unless otherwise expressly agreed with us, there are no limitations to your authorities to dispose of any income which may be paid or distributed to you hereunder, on the basis of your business and operations (including -if applicable- instructions you receive by other persons) and risks assumed by you in relation to the receipt of the income.
- 7.1.14. You are subject to tax in the country of your tax residency you have disclosed to us.
- 7.1.15. Whenever a reduced rate of, or exemption from, withholding tax is being claimed under an income tax treaty, you derive the item of income for which the treaty benefit is claimed, and meet the limitation on benefits provisions contained in the treaty, if any.
- 7.1.16. You will fully discharge any tax liabilities which may arise in relation to any income which may be paid or distributed to you hereunder as and when they fall due.
- 7.1.17. The sources of funds in respect of any investing are good, clean, cleared, of non-criminal origin and were lawfully earned.
- 7.1.18. You abide and will abide by specific anti-abuse provisions in relevant treaties and general anti-abuse rules at all times.
- 7.1.19. You shall assist us and shall supply to us promptly, any information about your financial condition, business and operations that we may reasonably request or which we must hold for discharge of our regulatory and/or tax obligations.
- 7.1.20. All investments to which these Terms apply are and will so long as these Terms are in force, be free from any impediment which would prevent any related Transactions or arrangements and are beneficially owned by you or subject to our express agreement, the person or ultimate beneficiary on whose behalf you are acting directly or indirectly. You have good, valid and marketable title to, all Client Assets.

- 7.1.21. The information, in written or electronic format, supplied to us in connection herewith was, at the time it was supplied or at the date it was stated to be given (as the case may be) complete, true and accurate and not misleading in any material respect, nor rendered misleading by a failure to disclose other information except to the extent that it was amended, superseded or updated by more recent information supplied to us and we may rely on such information until you notify us otherwise.
- 7.1.22. All investments or other property supplied to us under these Terms are at all times free from any charge, lien, pledge or encumbrance other than one which is routinely imposed by a system in which such investments or property may be held.
- 7.1.23. You have requested from us any Service and are entering into these Terms at your own initiative without any solicitation by us or any of our affiliates and have made your own independent decision with respect to the matters contemplated by the Terms with no reliance is being made upon us.
- 7.1.24. Unless otherwise expressly agreed with us, you are entering into these Terms as principal and not as an intermediary, agent, nominee, fiduciary or administrator for another person. If you are acting on behalf of any other person when transacting investment business with us, to the extent permitted by the Applicable Regulation and the Rules, GPBFS will continue to treat you alone (rather than any other person) as its Client for all purposes and in relation to all obligations, and you will be liable as such. This applies even if you act on behalf of a person whom you have identified to us. If you act as an agent, (and GPBFS has agreed to you acting in an agency capacity) we shall proceed on the basis that you have undertaken all necessary steps to verify the identity of your principal to comply with any local regulatory or legal requirements.
- 7.1.25. All investments to which these Terms apply are and will be for as long as these Terms are in force, free from any charge, lien, pledge, encumbrance or other security interest and beneficially owned by you or the person or ultimate beneficial owner on whose behalf you are acting.

## 8. Client Order Handling and Execution, Aggregation of Orders

**8.1.** According to the Applicable Regulations, GPBFS is required to take all sufficient steps to provide the best possible result taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to an Order, when receiving, transmitting and executing Orders. GPBFS owes a duty to act honestly, fairly and professionally in the best interests of the Clients when receiving and transmitting Orders to other entities for execution. It is noted that the duty of the Company when executing the Orders received by its Clients, is to apply best execution. This obligation does not apply where you have been categorized as an Eligible Counterparty or 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.

**8.2.** We will closely work with the relevant Brokers to ensure that they provide best execution in a manner that is compliant with the Applicable Regulations, in fulfilling an Order or executing Transactions for you.

**8.3.** In connection with the above, GPBFS has established an Order Handling and Execution Policy which is available on our website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and also is incorporated by reference herein. The Order Handling and Execution Policy describes the factors and processes that GPBFS will adopt to meet the above obligations, and in particular how it will identify and utilise execution factors and criteria considering their relative importance when carrying out the above activities in relation to each class of Financial Instrument within the scope of MiFID II. This policy 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 and transmission process that GPBFS will follow for Orders when a Client instructs it to execute or to pass to other entities for execution.

**8.4.** Where you provide us with specific Instructions, either relating to an Order or a particular aspect of an Order, we will execute the Order in accordance with those Instructions. **You should be aware that providing specific Instructions to us in relation to the execution of a particular Order may prevent us from following procedures under our Order Handling and Execution Policy to achieve best execution.**

**8.5.** On an annual basis, we will publish on our website by trading volume the top five execution venues / brokers used in the preceding year for each Client category and asset class. In addition, a summary of execution quality obtained will be drawn and published on our website on designated page MiFID <https://www.gpbfs.com.cy/mifid/>.

**8.6.** By using our Services, you are deemed to consent to our Order Handling and Execution Policy.

**8.7.** Unless you request us not to, if you instruct us with a Limit Order in respect of shares admitted to trading on a Regulated Market or traded on a trading venue which have not been immediately executed under prevailing market conditions, unless we receive your express consent for not making such Limit Orders public, it shall be considered available to the public when GPBFS has submitted the Order for execution to a Regulated Market or an MTF or the Order has been published by the data reporting services provider located in one member state and can be easily executed as soon as market conditions allow. Regulated Markets and MTFs shall be prioritised according to the GPBFS's Best Execution Policy to ensure execution as soon as market conditions allow.

**8.8.** Neither we nor any of our Brokers will be 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.

**8.9.** Where GPBFS is acting as your broker, we shall not credit the Cash Account with funds received from third party accounts and shall not transfer any Client Cash Account to any third party accounts.

**8.10.** We shall not carry out an Order or a Transaction for own account in aggregation with another Order unless the following conditions are met:



- 8.10.1. It is unlikely that the aggregation of Orders and Transactions will work overall to the disadvantage of any Client whose Order is to be aggregated;
- 8.10.2. It is disclosed to each Client whose Order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular Order;
- 8.10.3. Our allocation policy provides for the fair allocation of aggregated Orders and Transactions, including how the volume and price of Orders determines allocations and the treatment of partial executions

**8.11.** Where we aggregate your Order with one or more other Client Orders and the aggregated Order is partially executed, we shall allocate the trades in accordance with our Order allocation policy.

**8.12.** Where we aggregate Transactions for own account with one or more Client Orders, we shall not allocate the related trades in a way that is detrimental to you or any other Client.

**8.13.** In addition, where the aggregated Order is partially executed, we shall allocate the related trades to you in priority to GPBFS. However, where GPBFS is able to demonstrate on reasonable grounds that without the combination it would not have been able to carry out the Order on such advantageous terms, or at all, it may allocate the Transaction for own account proportionally, in accordance with its Order allocation policy

## 9. Instructions, Confirmations and Provision of Information

**9.1.** You or any Authorized Person that has been notified to us as authorised by you may give us Orders and Instructions (including standing instructions) concerning any Transaction or proposed Transaction with or for you or any other matter including without limitation, to buy, sell, and trade in financial instruments, deliver securities, make payments and otherwise take action or give any third party instructions in connection with the performance of our obligations under the Terms.

**9.2.** You may appoint and authorize us to execute Transactions with or for you on your behalf or to arrange for the provision of execution Services by any of our Brokers (on an execution only basis) in respect of Financial Instruments including the reception of Orders and their transmission to our Brokers on your behalf. Any such Broker may be outside Cyprus and in such circumstances the legal and regulatory regime applying may be different from that of Cyprus. You hereby separately authorize us to act upon Orders received from you and transmit to our Brokers as your agent as aforesaid as though such Orders had been given by you directly. All such Instructions given to us may be given orally, in writing or by electronic means and must be properly communicated to the person responsible for their reception and transmission in accordance with our normal business practice. We or our Brokers may require you to confirm Instructions in writing where deemed necessary and may refuse Instructions to arrange any particular Transaction.

9.2.1. You shall confirm the name of each person authorised to give us Instructions on your behalf in writing at the Client acceptance stage. You may vary this list by written notice to us. We shall not be bound by any such amendment until we have actually received such written notice. We will be entitled to act upon the oral or written Instructions of any person so authorised or anyone who appears to us to be such an Authorized Person and you will be bound by actions taken by us on the basis of unconfirmed telephone or facsimile instructions, or e-mail which we in good faith believe to have originated from such a person.



We are entitled to assume that any instructions, notices, authorizations, commitments or requests (whether in writing or not and however communicated to us) have been properly authorised by you if they are given or purports to be and is reasonably believed by us to be given by an Authorized Person or Authorized Persons who is or are or purports to be and is reasonably believed by us to be authorised by you to give such instructions, notices, authorizations, commitments or requests.

- 9.2.2. GPBFS shall not be held responsible for delays or inaccuracies in the transmission of any instruction or other information or the execution of Orders due to any cause whatsoever beyond the reasonable control of GPBFS. GPBFS shall not be liable for any loss, expense or liability (including consequential loss) suffered or incurred by you as a result of instructions being given, or any other communications being made via the internet or other electronic media.
  - 9.2.3. If after instructions are received, GPBFS reasonably believes that it is not in your best interests to act upon such instructions, GPBFS may defer acting upon those instructions until it is, in GPBFS's reasonable opinion under the circumstances, practicable to do so. Alternatively, if GPBFS declines to carry out a Transaction it shall, subject to applicable law, promptly notify you but shall have no liability for any expense, cost, loss or damage incurred by you resulting from such deferral or refusal
  - 9.2.4. Both parties shall be free to record all telephone conversations. These records will be and will remain sole property of the relevant party and may be used as evidence.
  - 9.2.5. Once given, instructions may only be withdrawn or amended with your express (written or oral) consent as long as the Order has not been executed.
  - 9.2.6. You will promptly (and within any time limit imposed by us) give any Instructions we may request from you in respect of any proposed Transaction for or with you. If you do not do so, we or any Broker, in each case, acting in its sole discretion, may take any steps at your cost as they consider appropriate for their protection or for your protection as long as the securities in question are fully fungible.
  - 9.2.7. Any instructions given to us with a condition described as Good Till Cancel ("**GTC**") will be deemed authorised for the period of one calendar month after which if a verbal or written reconfirmation of the instruction is not given for the continuation of the instruction, the instruction will be withdrawn.
- 9.3. Instructions using the Electronic Systems:**
- 9.3.1. Submission of the Instructions using the Electronic Systems will be made by the Client or the Authorized Person through completion of the input request, supported by the Electronic Systems. The Parties agree that the Instructions' period will be specified by the rules and regulations of the relevant financial market, in which the Instructions are to be executed. If Instructions cannot be submitted electronically according to the terms hereof the Instructions may be submitted by phone, fax or email. After the Instructions' authorization, the employee of GPBFS will post the order in the Electronic Systems on behalf of the Client.

- 9.3.2. The Parties agree that the Instructions, submitted by the Client through the Electronic Systems, fax and e-mail provided by the Client in the Client Agreement which contains the Client's ID, will be deemed as properly made and provided by the Client or Authorized Person and result in relevant rights and responsibilities of the Client. Under no circumstances GPBFS will be responsible for any actions for execution of the Instructions, which contain Client's unique ID and which were provided by the unauthorized parties.
- 9.3.3. After submission, the Instructions may be revoked or modified using written notification through email, fax or phone only if and to the extent such Instructions have not been executed. For Direct Market Access (DMA) the instructions with regard to Transactions will be deemed as executed, and the Transactions (as execution of the Instructions) will be deemed as made at the moment of registration in the Electronic Systems.
- 9.3.4. In case of any incomplete, unclear or ambiguous Instructions, or if they conflict with any other Instructions and/or if the Client's unique ID is not provided in the Instructions sent through Electronic Systems, GPBFS may, at its own discretion, act in such a way, which GPBFS considers fair, and GPBFS may also reject similar Instructions until elimination of any incompleteness, vagueness, ambiguity and/or conflict to the extent, acceptable for GPBFS. Under no circumstances GPBFS will be responsible for the results of execution or failure of execution for the Instructions in such situations and GPBFS does not accept any responsibility for verification of any Instructions or making inquiries about them. In the instances set out in this clause, all Instructions will be deemed as final Instructions.
- 9.3.5. For the purposes of any purchase, sale, exchange, conversion, subscription, transfer or another transaction with any Security, GPBFS must receive relevant Instructions. The Instructions will be clear and specific in terms of quantity and price. GPBFS has the right (but under no circumstances the obligation), prior to execution of any Transaction, to demand from the Client or the Authorized Person to provide written confirmation in respect of certain Instructions.
- 9.4.** In respect of Transactions executed or arranged for you by us, we will send you with due dispatch a confirmation note or contract note in respect of each Transaction effected for or with you. You may request information from us concerning your Order at any time.
- 9.5.** Confirmation notes and contract notes, in the absence of manifest error, shall be conclusive and deemed acknowledged by you as correct (even if we or any of our Broker requests but does not receive specific acknowledgement or acceptance from you) unless we or the relevant Broker receive from you notice to the contrary within twenty-four (24) hours from the dispatch to you of the confirmation or contract note or we or the relevant Broker notify you of an error therein.
- 9.6.** You undertake that you will promptly provide or procure the provision to use of all the information concerning your business and affairs which is relevant for the proper provision of the Services and all such further information as we may reasonably request and that you will promptly correct any information so provided to us if it subsequently appears that any such information was or has become inaccurate or misleading in any respect.

**9.7.** You confirm that you have the right to supply such information to us and that the supply of such information by you and its receipt and use by us for the purpose of this Agreement, will not infringe any rights held by any third party, involve the unauthorized use of confidential information belonging to any third party or result in a breach by you or us of any law, regulatory obligation, fiduciary duty owed to any third party, intellectual property rights or agreement.

**9.8.** You will ensure that all announcements and documentation published or made or statements made by you or on your behalf in the course of the provision of the Services and relevant thereto will only be made or published after consultation with us.

**9.9.** Where you supply information or documentation to us, if it is for publication to Brokers or third parties or for use by us in verifying matter for publication to Brokers or third parties or is or may be material in the context of any Transaction or matter connected with the Services, you undertake that (i) such information or documentation when taken as a whole and each statement of fact therein will be true, fair and accurate in all material respects and not misleading, (ii) that every statement of opinion, intention or expectation therein will be honestly held and fairly based and (iii) that there will be no facts not disclosed therein which by their omission make any statement therein misleading. You undertake that, if anything occurs within a reasonable time after passing information to us that renders any statement therein untrue, unfair or misleading, you will promptly notify us and take such steps as we may require correcting such statement. Should you not promptly take such steps, we shall be entitled to take such action as we consider necessary or appropriate, including the publication of any correcting statement, in circumstances in which us or you would or might otherwise infringe any application regulation or incur any liability or penalty.

**9.10.** You agree to provide us with or to procure the provision to us of such confirmations and other evidence as we reasonably require in order to satisfy ourselves that any non-real-time communications which constitute financial promotions which we are asked to approve on your behalf or any document or announcement or information issued or to be issued in connection with any matter in respect of which we are advising complies with all applicable regulations.

**9.11.** You undertake that you will at all times keep us fully informed of all strategies, developments and discussions relevant to the provision of the Services and that no initiatives relevant to the Services will be taken without prior consultation with ourselves.

## 10. Transaction Reporting and Client Reporting

**10.1.** We will make transaction reports for all Orders we execute on your behalf as part of a Service, concerning any Financial Instruments when:

10.1.1. The financial instrument is admitted to trading or traded on a Trading Venue; and

10.1.2. The underlying is a financial instrument traded on a Trading Venue; and

10.1.3. The underlying is an index or a basket composed of financial instruments traded on a Trading Venue.

**10.2.** The aforementioned obligation shall apply to Transactions in Financial Instruments referred to in all instances above irrespective of whether or not such Transactions are carried out on the Trading Venue.

**10.3.** Transactions executed by our Brokers on your behalf will be reported to the appropriate Competent Authority in the jurisdiction where the trade is executed. These Transactions will also be reported by GPBFS to CySEC in accordance with MiFID and the Applicable Regulations and/or the Rules.

**10.4.** Transactions in derivative instruments may also be subject to the requirements of the European Markets and Infrastructure Regulation, EU No. 648/2012, as supplemented by each delegated regulation and implementing standard thereunder (“**EMIR**”) and will be subject to GPBFS EMIR reporting obligation.

**10.5.** Trade reporting (“**Post-trade transparency**”): For Transactions executed outside a Trading Venue, in Financial Instruments that are traded on a Trading Venue, GPBFS has to publish certain information. This requirement applies to shares, depositary receipts, exchange traded-funds, certificates and other similar financial instruments as well as to bonds, structured finance products and derivatives. The information will be made public via an approved publication arrangement (“**APA**”).

**10.6.** Trading obligation: Where we execute or transmit your Order in shares admitted to trading on a Trading Venue, we shall ensure that the execution takes place on a Regulated Market, MTF or with a Systematic Internaliser or a third-country trading venue assessed as equivalent in accordance to the Applicable Regulations.

10.6.1. We may not need to follow the above rules if such trades are:

10.6.1.1. non-systematic, ad-hoc, irregular and infrequent, or

10.6.1.2. are carried out between eligible and/or professional counterparties and it do not contribute to the price discovery process.

**10.7.** The Trading obligation shall also apply when GPBFS enters into derivatives transactions pertaining to a class of derivatives that has been declared subject to the trading obligation with financial counterparties as defined in Regulation (EU) No 648/2012 and non-financial counterparties that meet the conditions referred to in Article 10(1)(b) of Regulation (EU) No 648/2012, which are neither intragroup transactions nor transactions covered by the transitional provisions in Article 89 of that Regulation, as well as with third-country financial institutions or other third-country entities that would be subject to the clearing obligation if they were established in the Union. Where we enter into a Transaction for your Order for a class of derivatives that have been declared subject to the trading obligation in accordance with the procedure set out in Article 32 of Regulation (EU) 600/2017 and listed in the register referred to in Article 34 of Regulation (EU) 600/2017, execution should only take place on Regulated Markets, MTFs, OTFs or third-country trading venues.

**10.8.** Where we carry out an Order for you in the course of a Service, we will promptly provide you with a summary of the execution of the Order and (unless the confirmation would contain the same information as a confirmation that is to be promptly dispatched to you by another person) send you a trade confirmation notice no later than the first business day following that execution or where we receive confirmation from a third party or Broker, no later than the first business day following our receipt of the confirmation.

**10.9.** Confirmations will be distributed by electronic mail to the email address on record for you. It is your responsibility to inform us of any change to your email address or non-receipt of a confirmation. Confirmations shall, in the absence of a manifest error, be conclusive and binding on you, unless we

receive from you objection in writing within one business day of making such confirmation available to you or we notify you of an error in the confirmation within the same period.

**10.10.** We will provide you on a monthly basis with an analytical statement about the Transactions effected within the reported period not later than ten (10) business days after every reported period ends. For DMA services, GPB FS will provide daily statements if the Client has made any Transactions.

## 11. Safeguarding and Administration of Client Assets, Settlement of Transactions

**11.1.** GPBFS provides safekeeping and administration services to its Clients by exercising due professional care and diligence in selecting the bank and/or custodian where the Client Assets will be held and by periodically reviewing such credit institutions and/or custodians where your funds are placed with the arrangements for the holding of those funds and we shall consider the need for diversification of these funds as part of our due diligence. We shall also take into account the expertise and market reputation of such institutions or money market funds with a view to ensuring the protection of your rights, as well as any legal or regulatory requirements or market practices related to the holding of your funds that could adversely affect your rights

**11.2.** Clients' funds will be deposited in reputable authorised banks both in the EU and third countries.

**11.3.** GPBFS will take all the necessary steps to ensure that the Client Securities and Client Cash are safeguarded. Specifically, we will:

- 11.3.1. maintain records and accounts enabling GPBFS at any time and without delay to distinguish Client Assets held for one Client from Client Assets held for any other Client and from its own assets;
- 11.3.2. maintain records and accounts in a way that ensures their accuracy, and in particular their correspondence to the Client Securities and Client Cash held for its Clients and that they may be used as an audit trail;
- 11.3.3. take the necessary steps to ensure that any Client Securities deposited with a third party, in accordance with Article 3 of Delegated Directive 2017/593, are identifiable separately from the financial instruments belonging to GPBFS and from financial instruments or securities belonging to that third party, by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection. However, in some jurisdictions it may not be possible to identify separately the securities which a third party holds for Clients from those which it holds for itself and for GPBFS, and there is a risk that the Client Securities could be withdrawn or used to meet obligations of the third party, or lost altogether if the third party becomes insolvent;
- 11.3.4. introduce adequate organisational arrangements to minimise the risk of the loss or diminution of Client Assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence;
- 11.3.5. introduce arrangements to ensure that Client Assets are safeguarded in the case of insolvency;
- 11.3.6. appoint a single officer of sufficient skill and authority with specific responsibility for the safeguarding of Client Securities and Client Cash.

**11.4.** As regards the Client Securities, in making its assessment, GPBFS will take into account the expertise and market reputation of the third party that will keep the Client Securities as well as any legal requirements or market practices related to the holding of the financial instruments that could adversely affect the Clients' rights. GPBFS will also perform periodic reviews to assess the third parties as well as the arrangements made for the safekeeping of the financial instruments.

**11.5.** We may agree to provide you with the Service of Safeguarding Financial Instruments on a retail Client's behalf; in such instance the following information must be disclosed to such Clients (where applicable):

- 11.5.1. GPBFS holds Client Assets in Custody Accounts opened in its name with authorized and regulated custodians
- 11.5.2. GPBFS's responsibility under applicable national law for any acts or omissions of such third party
- 11.5.3. Consequences for the Clients of the insolvency or the third party

**National Settlement Depository, Bank GPB Moscow-:** According to the Russian law insolvent entity responsible for its obligations only with its own property, thus Clients' securities holding by the depository and/or Clients' money holding by the bank are protected from any claims of third parties. As a result totally protected are only cash funds of the retail Clients in the bank for the limited amount (guaranteed by the state). Securities and other funds are protected only formally. Other financial instruments are not protected at all.

**Clearstream ("CBL"):** CBL shall not be liable for the acts or omissions or the bankruptcy or insolvency of any of CLB's depositories, sub depositories, custodians, sub custodians or of any other clearance system. If however, a customer suffers any loss or liability as the result of any act or omission of, or the bankruptcy or insolvency of, any entity acting for issuers and in charge of such issuers register, CBL's depositories, sub depositories, custodians, sub custodians or of any other clearance system, CBL's shall take such steps in order to effect recovery as it shall reasonably deem appropriate under all the circumstances.

**11.6.** When GPBFS provides you with the Service of custody and safekeeping of Financial Instruments the following must be noted by the Client:

- 11.6.1. Client Assets may be held by a third party in an omnibus account but we internally segregate the assets for each Client
- 11.6.2. We will be opening as many Custody Accounts as needed in our internal system which will be used to facilitate your trading activity and needs.
- 11.6.3. GPBFS keeps Client Assets in separate accounts from its own assets.
- 11.6.4. GPBFS on a daily basis will perform reconciliations for Client cash and assets and in cases of discrepancies will immediately investigate and take corrective measures. Any movement of the Client cash and assets will be recorded in the internal system of the Company in addition to the statements which will be received from the custodians and banks

GPBFS Clients Cash Accounts:

- Bank GPB, Moscow, Russia
- Clearstream
- National Settlement Depository
- Bank GPB International S.A



GPBFS Clients Assets Accounts (Custody):

- Clearstream
- Bank GPB, Moscow, Russia

- 11.6.5. Where you choose to trade under the Direct Market Access scheme GPBFS will open for you separate accounts (for cash and securities) which will be used only for Direct Market Access trading.
- 11.6.6. Where you choose to trade under Direct Market Access trading platform and classic brokerage service you will have different accounts for each type of brokerage service.
- 11.6.7. Any cash or securities incoming or outgoing to or from any external accounts will be executed only through your classic brokerage accounts, since the accounts connected with the Direct Market Access trading platform will be connected directly with the relevant market/stock exchange.
- 11.6.8. GPBFS will be transferring cash or securities from your accounts designated for trading through Direct Market Access platform to your accounts designated for classic brokerage services based on your instructions. In order to be able to use the Direct Market Access trading platform your accounts connected with the trading platform must have sufficient funds.
- 11.6.9. If your classic Brokerage account has the required funds or securities, you are required to give to GPBFS the relevant instruction to transfer in your Direct Market Access trading accounts the amount you need to use for trading through the electronic platform.
- 11.6.10. A non-EEA state's law may be applicable to the Client's account containing Client investments or money
- 11.6.11. summary of steps taken by firm to ensure protection of Client's assets or money it holds
- 11.6.12. any security lien /right of set-off etc. GPBFS or a third party depositor may have over the Client's assets or money.

**11.7.** Neither we nor any of our brokers instructed by us will be responsible for supervising any such custodian or have any responsibility in respect of any such custodian's acts or omissions. Note that all custodians are regulated and authorised entities. You confirm that you shall indemnify GPBFS in respect of any stamp duty, which may be payable now or in the future, in connection with any aspect to any Transaction undertaken for you or your benefit and (including but not limited to, execution, delivery, performance, registration, movement or amendment) related to any agreement entered into between us or of any document connected to such agreement.

**11.8.** When entering into title transfer collateral arrangements with you, we shall properly consider, and shall be able to demonstrate it, the use of title transfer collateral arrangements in the context of the relationship between us and your assets subject to title transfer collateral arrangements. Where using title transfer collateral arrangements, we will highlight to you as a Professional Client the risks involved and the effect of any title transfer collateral arrangement on your financial instruments and funds.

**11.9.** When we hold your financial instruments or funds, we shall send you at least on a quarterly basis, a statement by e-mail of those financial instruments or funds unless such a statement has been provided in any other periodic statement. Upon your request, we shall provide such statement more frequently at a commercial cost. For DMA transactions GPB FS can correct errors only during 1 (one) business day after the trade date.

**11.10.** GPBFS shall settle all transactions which are executed under these Terms and the Client Agreement following any Instructions, except for Transactions executed by an Intermediary. GPBFS will settle Transactions in such manner, and may use such Custody Clearing System and other systems, as it may in its absolute and unfettered discretion elect on the basis of the terms of business of such Custody Clearing System. GPBFS's obligation to make any settlements under the transactions will be conditional upon receipt by GPB FS of all the necessary documents, means and financial instruments. In addition, the risk of failed delivery of Securities and failed payment by the Intermediary and/or the counterparty to any such Transactions will be at the Client's risk, and any obligation of GPBFS to transfer to the Client any Security or the profit from the sale of any Security, kept in the Custody Accounts, will be conditional on GPBFS's receipt of necessary documents or sale proceeds from the Intermediary and/or the counterparty for the Transaction. Without prejudice to the generality of the foregoing, GPBFS will have no liability in connection with any delay in the issuance of certificates in relation to any Custody Security by any company or other issuer or competent authority or person, as the case may be.

**11.11.** In relation to each Transactions which may involve any reissue of title or other certificate or statement of ownership for any financial instrument under custody, GPBFS will have no responsibility whatsoever for the invalid issue or loss of any title or other certificate or statement of ownership by the custodian or by the corresponding company or other issuer or competent authority or person, as the case may be.

## 12. Disclosure of the Nominee Holder of Financial Instruments

**12.1. Disclosure of ultimate beneficiary of income by GPBFS as foreign nominee holder:** Recent legislative amendments to the Russian tax legislation (the "Amendments") have imposed obligations on all foreign companies holding Russian securities to disclose to Russian authorities beneficial owners of the securities that are actual recipients of any revenues generated by such security, e.g. dividends. As a result of the Amendments GPBFS is required to provide information with respect to its Clients, on whose behalf GPB FS holds such securities, disclosing the country of tax residency and other information that is sufficient to elect applicable tax treatment of such distributions. The Amendments are designed to prevent non-Cypriot recipients of the income from benefiting from favorable taxation regime granted by the Double Taxation Treaty signed between Russia and Cyprus ("DTT").

**12.2.** The information we are required to disclose consist but is not limited to the following:

- 12.2.1. Details of the beneficial owner (i.e. Full name, ID number, address, telephone number)
- 12.2.2. For legal entities, the registration number and date of registration, registered address etc.
- 12.2.3. The type and number of securities held as well as other information relating to these securities (i.e. series, date and place of issue)

**12.3.** Failure to disclose information required will result in disapplication of favourable tax treatment under DTT and application of higher taxation rates. For more detail analysis of the tax implications you should seek advice of your personal tax advisor.

**12.4. Disclosure of nominee holders of financial instruments to depositaries/sub-custodians (i.e. Clearstream etc.):** Following various legislative developments in the European Union relating to regulatory compliance, transparency and terrorism financing we are now obliged very often to disclose



to depositaries in which we maintain Nominee Client accounts (i.e. Clearstream) information regarding the beneficial owners of the financial instruments.

**12.5.** The information we are required to disclose consist but is not limited to the following:

- 12.5.1. For legal entities, the registration number and date of registration, registered address etc.
- 12.5.2. Details of the beneficial owner (i.e. Full name, ID details, country of residence)
- 12.5.3. The type and number of securities held

**12.6. Disclosure of information under the common reporting standard (CRS):** The Organisation for Economic Co-operation and Development (OECD) introduced a standard on automatic exchange of information on financial accounts (the Standard) which is an international initiative directed at increasing tax transparency and to help protect the integrity of tax systems, thus governments around the world are introducing a new information gathering and reporting requirement for financial institutions, the Common Reporting Standard (CRS). There are currently 57 signatories to the CRS Multilateral Competent Authority Agreement ("CRS MCAA"), key international framework agreement for putting in place the automatic exchange on offshore financial accounts. As at the 27/01/2017 Cyprus, Russian Federation, China, Luxembourg and Malta are among the signatories of the CRS MCAA.

**12.7.** Under the CRS, we are required to determine where you are 'tax resident' (this will usually be where you are liable to pay income taxes). If you are tax resident outside the country where your account is held (accounts with GPBFS are considered to be held in Cyprus), we may need to give the national tax authority this information, along with information relating to your accounts. That may then be shared between different countries' tax authorities. We will define your tax residency status based on the information we already have about you or we may ask you to provide. In cases of Clients which are legal entities, we will have to disclose information about the legal entity itself but also about the UBO or Controlling Person/s of the legal entity. In case you are an individual Client we will be disclosing information as usual.

**12.8.** The information we are required to disclose consists of but is not limited to the following:

- 12.8.1. Tax ID and Tax residency jurisdiction
- 12.8.2. Personal identification details: name, address, date of birth, ID
- 12.8.3. Account numbers
- 12.8.4. Year end balances and valuations
- 12.8.5. Interest credited
- 12.8.6. Proceeds of assets sold

### 13. Use of Client Assets and Obligations of GPBFS

**13.1.** Before entering into arrangements for Securities Financing Transactions in respect of Financial Instruments held by us on behalf of a Client, or otherwise use such Financial Instruments for our own account or the account of another Client of the Company the following conditions should be met:

- 13.1.1. the Client has given his prior express consent to the use of the instruments on specified terms, as clearly evidenced in writing and affirmatively executed by signature or equivalent, and
- 13.1.2. the use of that Client's financial instruments is restricted to the specified terms to which the Client consents.

**13.2.** Before entering into Securities Financing Transactions in relation to Financial Instruments held by us on behalf of a Client, or before otherwise using such financial instruments for its own account or the account of another Client shall in good time before the use of those instruments provide the Client, in a durable medium, with clear, full and accurate information on the obligations and responsibilities of GPBFS with respect to the use of those Financial Instruments, including the terms for their restitution, and on the risks involved.

**13.3.** GPBFS will not enter into arrangements for Securities Financing Transactions in respect of Financial instruments which are held on behalf of a Client in an omnibus account maintained by a third party, or otherwise use financial instruments held in such an account for its own account or for the account of another Client unless at least one of the following conditions is met:

13.3.1. Each Client whose financial instruments are held together in an omnibus account must have given prior express consent,

13.3.2. GPBFS' systems and controls ensure that only Financial Instruments belonging to Clients who have given prior express consent are so used.

**13.4.** We shall take appropriate measures to prevent the unauthorised use of your Financial Instruments for our own account or the account of any other Client.

**13.5.** We will adopt specific arrangements to ensure that the borrower of Client of Financial Instruments provides the appropriate Collateral and that GPBFS monitors the continued appropriateness of such Collateral and takes the necessary steps to maintain the balance with the value of Client instruments.

## 14. Margin

**14.1.** GPBFS may require the pledging or charging of cash, securities or other assets and may require you to enter into pledge or charge documentation and we may at any time receive the pledging or charging of additional cash securities or other assets. Failure to provide additional security may result in closing out your positions.

**14.2.** GPBFS may undertake stock lending activity with or for you in relation to any assets held by GPBFS for you and any further assets as may be agreed from time to time. GPBFS may undertake such lending with or without taking Collateral and if GPBFS does take Collateral, such Collateral may be in cash, investments of any type or physical commodities or any instrument representing any of the same as GPBFS may think fit and shall be of a value as determined by GPBFS in its absolute discretion at least equal to the value (as so determined) of the assets loaned.

**14.3.** If you have been categorized as a Professional Client, GPBFS may deposit your margin or other Collateral with a third party. In such event, the collateral will not be registered in your name. You agree that GPBFS may return Collateral other than the original Collateral or the original type of Collateral.

## 15. Payments, Inducements, Charges and Commissions

**15.1.** You will pay to us (or to our Order) or the relevant Broker on demand by us or them, such sums of money as may be required in or towards clearance of any debit balance on any of your accounts with

us or them and any amounts due to any of us. We may charge you a commission in relation to Transactions executed for your account, and such commission may be deducted at the time of the transaction or invoiced to you separately. Any commission deduction will be shown on the transaction confirmation sent to you. We may receive commissions from our Brokers in relation to transactions executed for your account, in relation to Orders which we pass to them on your behalf, in which case we shall disclose the basis for the payment of such commissions prior to agreeing to provide a Service to you and undertake to provide you with further details upon request.

**15.2.** All your payments to us or any of our Brokers hereunder shall be made in freely available transferable funds in such currency and to such bank account as the recipient may from time to time specify and without any deduction or withholding. If you are required by law to make any deduction or withholding, then you will pay such amount as will result in the recipient receiving an amount equal to the full amount which would have been received had no such deduction or withholding been required.

**15.3. Inducements:** We are required to comply with regulatory requirements on inducements. This means in summary that we are not permitted to accept or retain any fees, commissions, monetary or non-monetary benefits (each an inducement) paid or provided by a third party in relation to our service to you. We are similarly not allowed to pay or provide any inducement to any third party in relation to the provision of services to you. We can only accept or retain or pay or provide such inducements if they meet certain conditions. The inducement must not impair compliance with our duty to act honestly, fairly and professionally in accordance with the best interest of our Clients and it must enhance the quality of the relevant service to you. We must also make disclosures about the inducement to you before we provide the relevant service to you.

**15.4.** We do not have, and do not intend to enter into, any soft commission agreements.

**15.5.** Our Charges, together with any value added tax payable by you, shall be those set out the Commissions and Charges (Fee Schedule) Policy, which is available on our website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and is also herein incorporated by reference and will be effective as from the date stated in the Client Agreement.

**15.6.** We or the Brokers we instruct may share commissions with each other. We will provide you with details of any such commission sharing arrangements upon request.

**15.7.** You will be responsible for the payment of any tax and any brokerage fees, transfer fees, registration fees, stamp duty and all other liabilities, charges, costs and expenses payable or incurred by GPBFS in connection with its services to you hereunder.

**15.8.** Information on all costs and charges, including costs and charges in connection with the investment service and the financial instrument, which are not caused by the occurrence of underlying market risk, shall be aggregated to allow you to understand the overall cost as well as the cumulative effect on return of the investment. Where applicable, we will provide this information to you on a regular basis, at least annually, during the life of our service. If you so request, an itemized breakdown can be provided.

**15.9.** The information on costs and related charges will include information relating to our investment and ancillary services, including how you may pay for it. This information will itemize any third-party payments we receive in respect of the investment service to you.

**15.10.** We will pass on brokerage charges for Transactions we execute for you. These charges will be indicated on the confirmation and periodic statement or otherwise in accordance with the Applicable Regulations and the Rules.

**15.11.** Without prejudice to the obligations set out in Article 24(4) of MIFID II, the Company have the right to agree to a limited application of the detailed requirements set out in this article. If you have been categorized as a Professional Client or Eligible Counterparty you agree to the limited application of the costs and charges disclosure and GPBFS will provide on an ex-ante basis and ex-post basis the costs and charges in an aggregated amount, unless the financial instrument embeds a derivative. If you so request, an itemized breakdown can be provided.

**15.12.** For ex-ante and ex-post disclosure of information on costs and charges, the Company shall aggregate the following as listed in Annex II to the MIFID II Delegated Regulation:

15.12.1. All costs and associated charges by the Company or other parties where the Client has been directed to such other parties, for the investment services and/or ancillary services provided to the Client; and

15.12.2. All cost and associated charges associated with the manufacturing and managing of the financial instruments.

**15.13.** The limited application of the costs and charges disclosure will not include the illustration showing the cumulative effect of costs on return or an indication of the currency involved and the applicable conversion rates and costs where any part of the total costs and charges is expressed in foreign currency.

## 16. Security and Rights of Lien and Set-off

**16.1.** This Term shall apply subject to any other charge or security documentation between us applying to the relevant assets:

16.1.1. GPBFS shall have a lien, right of retention and power of sale and charge (a "**security interest**") over any and all cash, investments, documents of title, certificates and other assets (the "**Security**") of yours whether in sole or joint names or otherwise from time to time which are held by or with GPBFS now or at any time pursuant to these Terms of Business to the extent of and to satisfy any outstanding liability which you may have now or at any time towards us pursuant to these Terms of;

16.1.2. you agree that you will not withdraw or seek to withdraw any property which is subject to the above security interest or in any way encumber, assign, transfer or deal with such property without our prior consent and until any outstanding liabilities are repaid;

16.1.3. GPBFS may apply any property which is subject to the above security interest together with (if applicable) any interest thereon whether or not credited in reduction or discharge of your outstanding liabilities pursuant to these Terms of Business and for that purpose GPBFS may

realize any such property without prior notice to you and generally exercise any remedies of a secured creditor;

16.1.4. GPBFS may set off any obligation owed by you under these Terms or any Transaction entered into pursuant to it against any obligation owed by GPBFS to you (under the Client Agreement and whether or not in connection with these Terms or any Transaction under them or any Schedule thereto), regardless of the currency, booking branch or place of payment of either obligation. If such an obligation is neither unascertained nor liquidated, GPBFS may in good faith estimate the obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained or liquidated. If the obligations are in different currencies, GPBFS may convert the obligations at a market rate of exchange in the usual course of its business for the purpose of set-off. You will indemnify GPBFS for any loss, damage, costs, claims and demands arising as a result of the operation of this set-off;

16.1.5. The rights conferred on GPBFS are continuing and outstanding liabilities are not to be considered satisfied by any partial repayment;

16.1.6. GPBFS may without prior notice to you at any time and in its absolute discretion sell or otherwise dispose of any part of the security without being under any liability to you in respect of the price or any other terms, GPBFS may debit your account with the costs of such sale and apply the costs of the proceeds as GPBFS thinks fit. This does not affect our right to enforce payment without resort to security;

16.1.7. if the proceeds of the realization of the security are not enough to repay all outstanding liabilities you will repay the amount of the deficiency immediately to GPBFS; or

16.1.8. the security interest of GPBFS is not affected in any way by any time indulgence or relief being given by GPBFS.

**16.2.** GPBFS does not permit security interests, liens or rights of set-off over Client financial instruments or funds enabling a third party to dispose of Client's financial instruments or funds in order to recover debts that do not relate to the Client or provision of services to the Client, except where this is required by applicable law in a third country jurisdiction in which the Client funds or financial instruments are held. Where GPBFS is obliged to enter into agreements that create such security interests, liens or rights of set-off, will disclose this information to you indicating the risks associated with those arrangements. Where security interests, liens or rights of set-off are granted by GPBFS over Client financial instruments or funds, or where GPBFS has been informed that they are granted, they shall be recorded in Client contracts and the GPBFS's own accounts to make the ownership status of Client Assets clear, such as in the event of an insolvency.

## 17. Power of Set-off, to Sell or Close Out

**17.1.** If you fail to pay any sums whatsoever due under these terms of business in respect of any Transaction, GPBFS may, subject to any restrictions in the Applicable Regulations and the Rules but to the maximum extent permitted thereunder, close out any positions which you may have without prior

reference to you and apply any proceeds thereof to payment of any amounts due to GPBFS and for these purposes GPBFS may exercise all the rights of a secured creditor without prior notice to you and free of any interest you may have in the margin or the Collateral, including by registering, selling, realizing or otherwise dealing with any securities upon such terms as it may in its absolute discretion think fit (without being responsible for any loss or diminution in price) and for the purposes of carrying out the activities set out above, you appoint GPBFS as your attorney to execute any transfer on your behalf.

**17.2.** GPBFS reserves the right to retain, or make deductions from, any amounts which GPBFS owes to, or is holding for you, if any amounts are due from you to GPBFS. You authorize GPBFS, at GPBFS's discretion, at any time and without notice or liability to you, to sell, apply, set-off and/or charge in any manner any or all of your property and/or the proceeds of any of the same of which GPBFS has custody or control, in order to discharge all or any of your obligations to GPBFS.

**17.3.** GPBFS may (without prejudice to any other rights which GPBFS may have under these Terms or at common law or otherwise) take certain actions stated herein:

- 17.3.1. if you fail to make any payment, fail to do any other act or thing required by, or commit any other material breach of these Terms of Business;
- 17.3.2. if you fail to remit funds necessary to enable GPBFS to take delivery under any contract on the first due date;
- 17.3.3. if you fail to provide assets for delivery, or take delivery of assets, under any contract on the first due date;
- 17.3.4. if an application is made in your respect for an interim Order pursuant to any applicable insolvency act or a receiver, trustee, administrative receiver or similar officer is appointed;
- 17.3.5. if you become, or appear to be, unable to pay your debts as they fall due or to fulfill any obligation for the repayment of borrowed monies or convene a meeting of your creditors or propose or make any composition or arrangement with or any assignment for the benefit of any of your creditors or an Order or petition is presented for your winding up or liquidation or proceedings are commenced in respect of your insolvency, bankruptcy or similar matters (including the appointment of a receiver or administrator) other than for the purposes of amalgamation or reconstruction with the prior written approval of GPBFS;
- 17.3.6. if any distress, execution or other process is levied against any of your property and is not removed, discharged or paid within seven days;
- 17.3.7. if any security created by any mortgage or charge becomes enforceable against you and the mortgagee or charge takes steps to enforce the security or charge;
- 17.3.8. if any of your indebtedness or of any of your subsidiaries becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of your default (or of any of your subsidiaries) or you (or any of your subsidiaries) fail to discharge any indebtedness on its due date;
- 17.3.9. if any of the representations or warranties given by you are, or become, untrue;
- 17.3.10. if GPBFS or you are requested to close out a contract (or any part of a contract) by any regulatory agency or authority or Competent Authority; or
- 17.3.11. if GPBFS reasonably considers it necessary for its own protection, including, but not limited to suffering a material adverse change in your financial condition.

**17.4.** Upon the occurrence of any of the events described in sub-clauses above, GPBFS shall have the right, and is authorized at its discretion:

- 17.4.1. to sell or charge in any way any or all of your assets and property which may from time to time be in the possession or control of GPBFS;
- 17.4.2. to buy any investment where this is, or is in the reasonable opinion of GPBFS likely to be, necessary in order for GPBFS to fulfill its obligations under any contract. You shall reimburse GPBFS for the full amount of the purchase price plus any associated costs and expenses;
- 17.4.3. to deliver any investment to any third party, or otherwise take any action GPBFS considers to be desirable in order to close out any contract;
- 17.4.4. to require you to immediately close out and settle a contract in such manner as GPBFS may in its absolute discretion request;
- 17.4.5. to enter into any foreign exchange transaction, at such rates and times as GPBFS may determine, in order to meet obligations incurred under a contract;
- 17.4.6. to invoice back all or part of any assets standing to the debit or credit of any account (this involves commuting GPBFS's or your obligation to deliver an asset into an obligation to pay an amount equal to the market value of the asset (determined by GPBFS in its absolute discretion) on the date invoicing back takes place); and/or
- 17.4.7. to treat any outstanding contracts as cancelled and terminated

**17.5.** If GPBFS elects to close-out any open contract pursuant to this clause, then without prejudice to amounts which have become due and payable there under, all other open obligations shall be accelerated and immediately due and payable, and each such contract shall be discharged by the calculation of the market value of such contract as estimated or determined by us in good faith.

**17.6.** The market values for all accelerated contracts and any amounts due and payable but unpaid in respect of such contract shall be aggregated and netted against each other, so that a single liquidated amount is immediately due and payable by one party to the other, subject to our rights to apply any cash margin or other Collateral (including the liquidated value of non-cash Collateral) held by us by way of set-off. Interest will be payable on all outstanding sums due to GPBFS.

**17.7.** You authorize GPBFS to take any or all of the steps described in this clause without notice to you and acknowledge that GPBFS shall not be responsible for any consequences of it taking any such steps. The rights described in this clause are in addition to any other rights which GPBFS may have against you. You shall execute such documents and take such other action as GPBFS may request in order to protect the rights of GPBFS under these Terms of Business or under any agreement you may have with any of them.

**17.8.** If GPBFS exercises its rights to sell any of your assets under this clause, it will affect such sale, without notice or liability to you, on your behalf and apply the proceeds of sale in or towards discharge of any or all of your obligations to GPBFS.

**17.9.** Without prejudice to GPBFS's other rights, GPBFS may, at any time and without notice, combine or consolidate all or any of your accounts with GPBFS and off-set any and all amounts owed to, or by GPBFS, in such manner as GPBFS may determine.



## 18. Indemnity

**18.1.** You agree with us (on trust and as agent for our Brokers) that:

18.1.1. you will on demand indemnify us and each of our Brokers (each, an "**Indemnified Person**") against any and all actions, claims, losses, liabilities (whether joint or several), damages, costs, Charges and expenses which we or the Brokers may suffer or incur or which may be made or taken against us or them arising under, out of or in connection with the Services or the Transaction to which the Services relate including any costs, Charges and expenses (including legal fees and time costs of our relevant personnel, which shall be calculated on the basis of our standard time cost rates) involved in investigating, preparing for or defending the relevant claim and/or in establishing its right to be indemnified pursuant to this Term whether or not in connection with pending or threatened litigation in which we or any other Indemnified Person is a party provided that the same shall not have arisen from our or their negligence or willful default or the breach by us of our duties under the Applicable Regulations and Rules which are in force for the time being in each case as finally determined by a court or other tribunal of competent jurisdiction from which there is no further appeal;

18.1.2. if the Cyprus Inland Revenue or any other taxing authority in any jurisdiction brings into charge to taxation any sum payable under the indemnity contained in this Term then (to the extent that the claim, loss, damage, cost, liability, Charge or expense in respect of which the sum is payable is not allowable as a deduction for tax purposes against the sum so payable and in the same accounting period as that in which such sum is brought into charge to taxation) the sum so payable shall be grossed up by such amount as will ensure that after deduction of the taxation so chargeable there shall remain a sum equal to the amount that would otherwise be payable under such indemnity;

18.1.3. if any sum payable by you under the indemnity contained in this Term is required by law to be paid under any deduction or withholding for or on account of tax, you will, except to the extent that the deduction or withholding gives rise to credit, benefit or saving for the relevant Indemnified Person, pay such additional amount as shall be required to ensure that the net amount received by such Indemnified Person will equal the full amount which would have been received by it had no deduction or withholding for or on account of tax been made;

18.1.4. we shall have regard to (but not be bound to comply with) any reasonable request which you may make in relation to any relevant action or claim brought or made against us, subject to your indemnifying and securing us against any and all costs, Charges and expenses incurred by it in complying with any such request; and

**18.2.** You expressly recognize and acknowledge that the indemnity included in this Term 18 Indemnity shall be in addition to any rights that we or any Indemnified Person may have at common law or otherwise including, but not limited to, any right of contribution.



## 19. Conflict of Interests

**19.1.** You acknowledge that we are part of a group of companies which is involved in providing a full range of services including investment banking, sales and trading. In relation to any Transaction we execute or arrange with or for you, we, or some other person connected with us may have an interest, relationship, arrangement, or duty which is material or which may give rise to a conflict of interest with your interests in relation to the Financial Instrument or Transaction concerned or Financial Instruments underlying, derived from or otherwise directly or indirectly related to such Financial Instrument or Transaction.

**19.2.** In instances of actual or potential conflict of interest, GPBFS will abide by the principles of treating its Clients fairly and dealing honestly and professionally with all its stakeholders. All employees have an obligation to comply with this conflicts of interest policy.

**19.3.** In line with regulatory requirements GPBFS identifies actual and potential conflicts of interest and puts in place measures to either avoid or manage them so that you are not disadvantaged. Where specific conflicts of interests cannot be avoided or managed, full disclosure to the relevant parties will be made to facilitate a fully informed decision.

**19.4.** The management of business conflict situations is largely achieved through the charging structure, independent of the business lines, the existence of information barriers between entities, and where necessary within business divisions, procedures within each business division, training and awareness.

**19.5.** GPBFS operates internal arrangements restricting the movement of information (i.e. Chinese walls) between departments such as brokerage, Own account, Underwriting etc. and in addition the GPBFS's Conflicts of Interest Policy and Procedures is subject to periodic internal review with a view to ensuring fair treatments of Clients.

**19.6.** As a result of our business relationships, we may be offered non-monetary inducements from 3rd parties e.g. marketing and information materials, invitation to events, networking opportunities, etc. Accepting such inducements is not immediately connected to the services provided to you and we accept same where these can be used to improve the services we provide or are deemed to be minor, would not be detrimental to the interest of our Clients, they are reasonable, proportionate and not excessive in value and could not be judged to influence behaviour.

**19.7.** Further details of the GPBFS's conflict of interest policy are provided herein in the relevant Conflict of Interests Policy that is available on our website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and **is also incorporated by reference herein.**

## 20. Liability

**20.1.** We will use reasonable skill and care in the provision of the Services.

**20.2.** We will accept liability without limit for (i) death or personal injury caused by our negligence or the negligence of our employees acting in the course of their employment: (ii) any fraudulent pre-

contractual misrepresentations made by us on which you can be shown to have relied; and (iii) any other liability which by law we cannot exclude or limit. This does not in any way confer greater rights than you would otherwise have by law.

**20.3.** Our liability to pay damages for all losses, including consequential damages, economic loss or failure to realize anticipated profits, savings or other benefits, incurred by you as a direct result of breach of contract or negligence or any other tort by us in connection with or arising out of the engagement or any addition or variation shall be limited to that proportion only of your actual loss which was directly caused by us.

**20.4.** We do not accept any liability or responsibility for any act or omission of any third party (including without limitation, any Broker, nominee or custodian in whose name your investments are registered).

**20.5.** In no circumstances shall we be liable to pay any damages to you for losses arising out of or in any way connected with the provision of information to us by you or your failure to provide information to us either punctually or at all or any fraudulent act, misrepresentation or willful default on your part.

## 21. Disclosure

**21.1.** We, or any of our Brokers may be required, from time to time, to disclose to officials of exchanges or clearing houses or to regulatory or tax or other competent authorities particulars of you and your dealings with us or them. To the extent permitted by the Applicable Regulations and Rules and if reasonably practicable, we will inform you prior to any disclosure being made.

## 22. Confidentiality

**22.1.** Information, in any form, given to you by us in respect of Financial Instruments may not be used or relied on by you for any purpose other than the Services and such advice and the terms of any engagement letter relating to the Services (including details of our fees in relation thereto) may not be disclosed to any third party (unless you come under a legal obligation to disclose it or you disclose it to another of your advisors in connection with the Services, in either of which cases you will promptly inform us of such disclosure), nor used or relied on by any third party without our prior written consent.

**22.2.** All information which we receive from you concerning your business or affairs and any information or work product generated from such information, which is not in the public domain, which is not available to us on a non-confidential basis, which has not been independently developed by us and which we are not required to disclose by any applicable regulation ("**Confidential Information**") will be held in confidence by us unless and until such time as you specifically consent to the disclosure of that Confidential Information.

**22.3.** For the avoidance of doubt, nothing in this Term will prevent us from disclosing information to the extent required to perform the Services.

**22.4.** In addition to any other right or obligation by virtue of which we or any of our Brokers may be entitled or bound by law to disclose information, we or any of our Brokers will be entitled, if requested

or required to do so, at our discretion, to disclose any information (including Confidential Information) known to us or any of our Broker, and/or to produce any documents relating to your business or affairs to any governmental or regulatory agency or authority (whether in Cyprus or elsewhere) including, without limitation, the CySEC and the Securities and Exchange Commission or the Russian Federation and any relevant self-regulatory organization. In addition, we will, where reasonably practicable, seek to impose a confidentiality requirement in any case where the information is not subject to statutory restrictions on disclosure by the recipient.

**22.5.** Neither we nor any of our Brokers will have any duty to disclose to you any information that comes to the notice of us, or such Broker, in the course of carrying on any other business or as a result of or in connection with the provision of services to other persons. You accept that we and any of our Brokers may be prohibited from disclosing or having regard to, or it may be inappropriate for us and any of our Brokers to disclose to you or have regard to, such information even if it relates to you or to the Services.

**22.6.** All information, documents and communications in our possession or control relating to the Services or the subject matter of the Services shall be our sole property, save original contracts, share certificates and other original documents held on your behalf. We shall be permitted to retain a copy of all information, documents and communications between us or sent or received by us in connection with the Services for regulatory and risk management purposes.

**22.7.** Any information which (i) was already in our possession prior to delivery by you, (ii) was or becomes available in the public domain other than as a result of disclosure by us, (iii) becomes available to us from a third party who we do not know may be under an obligation of confidentiality to you, or (iv) was or is independently developed by us, shall not be Confidential Information for the purposes of this subject.

## 23. Data Protection

**23.1.** GPBFS and/or its Brokers may collect from you, certain personal information relating to you and/or your employees and/or directors and/or authorised representatives and/or any third party on whose behalf you may be acting in connection with the performance of the Services, including, but not limited to, your name and contact details and/or the name and contact details of any third party on whose behalf you may be acting. We will only collect and process such personal information as is necessary in order to provide the Services to you, including any obligation we may have to apply the Appropriateness Test, if applicable, and in order to fulfill our legal and regulatory obligations. GPBFS will be data controller (i.e. the party in control of your personal information) in relation to such processing of your personal information. All personal information provided to GPBFS and/or requested by GPBFS shall be processed in accordance with our Privacy Policy, which may be periodically revised, and our internal data protection procedures. Our Privacy Policy is available on our website on designated page <https://www.gpbfs.com.cy/mifid/> and is also incorporated by reference herein. The Privacy Policy explains how and why we collect, store, use and share your personal information and sets out our legitimate reasons for doing so. The Privacy Policy may be amended from time to time but you will be informed about major changes to the handling and/or processing of your data.

**23.2.** We may arrange for the provision of the Services by our Brokers and disclose your personal information and the personal information of any third party on whose behalf you may be acting to such parties to carry out the Services. Such Brokers may be based in a country outside the EEA, whose laws may not provide the same level of protection for the processing of personal data as the level of protection provided by Regulation 2016/679 in Cyprus and other Member States. This will include transfers in Russia, the USA and/or the countries of the Commonwealth of Independent States. We shall take appropriate steps to ensure that any such Broker will implement measures to protect your personal information and only process such information in accordance with Regulation 2016/679.

**23.3.** GPBFS will treat all of your personal information as confidential, even when you are no longer a Client, but may disclose it (a) as required by the Applicable Law and Regulations, and (b) as necessary in the provision of services pursuant to these Terms of Business. Any such information may be held and/or processed by our Brokers or agents and transmitted to our Brokers based in countries outside the EEA, whose laws may not provide the same level of protection for personal data as the level of protection provided by Regulation 2016/679 in Cyprus and other Member States. This will include transfers in Russia or the countries of the Commonwealth of Independent States. We shall take appropriate steps to ensure that any such Broker will implement measures to protect your personal information and only process such information in accordance with Regulation 2016/679. Please note that, if you are a company, the information we hold may include information regarding your employees and you will inform them that we hold such information in the manner described above.

**23.4.** By signing the Client Agreement and/or by instructing or requesting us to provide you with or using our Services and/or entering into Transactions with or for you, **you consent to the processing and disclosure of your personal information**, for the purposes and in the manner described above and for the purposes described in our Privacy Policy, by us and by our Brokers and any party to whom your personal information is disclosed in accordance with these Terms. You confirm that in relation to the personal information of any third party on whose behalf you may be acting, you have obtained such third party's consent in respect to the use, transmission and disclosure of such third party's personal information for the purposes and in the manner described above by us and or/our brokers, to whom such personal information is disclosed in accordance with these Terms.

**23.5.** Any requests for, among others, access, rectification, erasure, restriction of processing of your personal data as well as any complaints in relation to the processing of your personal data will be dealt by the Data Protection Officer, whom you can contact at (email address) [mchrysostomou@gpbfs.com.cy](mailto:mchrysostomou@gpbfs.com.cy) and you can also find the relevant contact details on our website on designated page <https://www.gpbfs.com.cy/contacts/>.

## 24. Complaints and Disputes

**24.1.** All complaints and disputes will be dealt with by the Compliance Officer, and all our employees and staff will be required to co-operate in the investigation of any complaint or dispute. If a complaint or dispute cannot be resolved in accordance with the Clients' Complaint Handling Policy, which is available on our website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and **is also incorporated by reference herein**. You may refer the matter to the Financial Ombudsman of the Republic of Cyprus or the court.

**24.2.** Any complaint or dispute should be notified to us in writing, and sent to the Compliance Officer, together with all details and supporting documents.

## 25. Legal Proceedings

**25.1.** Notwithstanding our liability for the acts and omissions of our employees acting in the course of their employment, you agree that you will only commence proceedings arising from or in connection with the provisions of the Services (or any variation or addition thereto) against us, and not against any of our employees personally.

**25.2.** GPBFS's senior management and compliance function will, on an annual basis, review the terms and if any changes or amendments, will be published to the GPBFS's website on designated page MiFID <https://www.gpbfs.com.cy/mifid/> and it is the Client's responsibility to be constantly updated by visiting the website on a regular basis.

## 26. Communications and Notices

**26.1.** We will accept communications from you in English.

**26.2.** We may wish to communicate electronically with each other. We each recognize the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost or destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, we shall regard your acceptance of these Terms as including your authorisation for communicating with you and third parties on your behalf using electronic means. Each party agrees to use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically and to take responsibility for ensuring that an electronic communication is not misaddressed. Accordingly, each party confirms that it accepts the risks of electronic communication and will be responsible for protecting its own interests in relation to electronic communications. Subject to the foregoing, no party shall have any liability to any other party on any basis, whether in contract, tort (including negligence), or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between the parties or any third party on the other party's behalf. As part of the consent form that is attached to the Terms, we enquire as to the possibility of obtaining your confirmation that you have regular access to the internet. This will enable us to post important information that is not specifically addressed to you on our website <https://www.gpbfs.com.cy> and communicate with you via email.

**26.3.** Subject to applicable law and regulation, any communication between us using electronic signatures shall be binding as if it were in writing. Orders or instructions given via email or other electronic means will constitute evidence of the Orders or instructions given. Your communications with us will be recorded. A copy of such record will be available on request for a period of five years and, where requested by a Competent Authority, for a period up to seven years. All records will be stored in a durable medium, which allows them to be replayed or copied and the format shall not allow the original record to be altered or deleted. In addition, we will ensure the quality, accuracy and completeness of the records.

**26.4.** Communications may be made to either party at the address and other contact details notified by the other party in writing for this purpose and will be deemed to have been made or (as the case may be) delivered when dispatched (in the case of any communication made by telex or facsimile) or (in the case of any communication made by letter) when left at that address or (as the case may be) 48 hours after being sent to you at that address by prepaid first class post or, in the case of an address abroad, 7 days after being sent to you at that address by prepaid air mail.

**26.5.** You will ensure that at all times we will be able to communicate with you by telephone, telex or facsimile or any other means enabling recording and/or documenting our communication (e.g. electronic means and including an email), on the details specified to us.

## 27. Assignment

**27.1.** These Terms shall be for the benefit of and will be binding on both parties and our respective successors and assigns, provided that neither party may assign any of their rights and obligations under these Terms without the other party's prior written consent.

## 28. No Waiver of Rights

**28.1.** Failure by either party to exercise, or delay by the either party in exercising, any of its respective rights under these Terms shall not operate as a waiver of such party's rights.

## 29. Severability

**29.1.** If any provision of these Terms is held to be invalid, in whole or in part, such provision shall be deemed not to form part of these Terms. In any event, the enforceability of the remainder of these Terms will not be affected, provided always that if any such deletion substantially affects or alters the commercial basis of these Terms, the parties shall negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

## 30. Force Majeure

**30.1.** Neither GPBFS nor you shall be liable for any failure or delay in performing any of its obligations under or pursuant to these Terms, and any such failure or delay in performing its obligations will not constitute a breach of these Terms, if such failure or delay is due to any cause whatsoever outside its reasonable control and it shall be entitled to a reasonable extension of the time for performing such obligations as a result of such cause. Events outside a party's reasonable control shall include without limitation: acts of God; any change to the law, Order or regulation of a governmental, supranational or regulatory body; currency restrictions, devaluations and fluctuations; any act of terrorism; market conditions affecting the execution or settlement of transactions or the value of assets; failure or breakdown in communications not reasonably within the party's control; and the failure of any relevant stock exchange, securities trading facility or clearing house and shall include any event or circumstance that the party is unable, using reasonable skill and care, to avoid. This clause is without prejudice to

your liability to any counterparty or broker for any transaction effected by GPBFS pursuant to these Terms.

### 31. Termination

**31.1.** These Terms may be terminated by us or by you without penalty at any time and, except as otherwise provided in this Term, shall terminate immediately upon the giving of written notice to terminate by either party to the other party provided that termination:

- 31.1.1. shall not affect the rights or liabilities of either of us or any of our Brokers instructed by us in respect of Services provided or Transactions already initiated, including all open contracts, and you will be obliged to pay for such Services provided or Transactions initiated before notice of termination is received by us and a due proportion of any periodic payment for the Services provided hereunder and/or any other document under the Client Agreement;
- 31.1.2. shall not prejudice any right of any person to all deposits and other sums held by such person and these Terms and any other agreement entered into between us, shall continue to apply in respect of such Transactions; and
- 31.1.3. shall not terminate or affect any warranties and obligations which the parties hereto have made or have under these Terms and/or the Client Agreement and/or any other document between GPBFS and the Client (including any Authorized Person).

**31.2.** Automatic termination of the Terms will be enforced if either party or any of their respective Broker goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation) or bankruptcy or makes any arrangement or composition with its creditors or a receiver or an administrator is appointed in respect of any party or any of its assets or any similar event occurs under the laws of domicile, residency or place of incorporation of any party.

### 32. Law and Jurisdiction

**32.1.** These Terms shall be governed by and construed in accordance with the laws of the Republic of Cyprus

**32.2.** We and you irrevocably agree for our mutual benefit that the courts of the Republic of Cyprus shall have exclusive jurisdiction to hear and adjudicate any suit, action or proceeding which may arise out of or in connection with these Terms.



## ANNEX A - CLIENT CATEGORIZATION POLICY

According to the Cyprus Investment Services Law and the relevant Rules issued by CySEC, GPBFS is required to categorize its Clients as:

- Retail Client
- Professional Client (*per se* professional or *elective* professional) or
- Eligible Counterparty

according to their knowledge, experience and financial profile.

### **Retail Clients**

GPBFS do not offer services or carry out any business with Retail Clients.

### **Professional Clients**

Professional Client (*per se* professional or *elective* professional) is a Client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered a Professional Client, the Client must comply with the following criteria:

#### **A. Categories of Client who are considered to be Per se Professionals:**

For the purposes of the Cyprus Investment Services Law, the following shall be regarded as Per se Professionals in relation to all investment services and activities and financial instruments:

1. Entities which are required to be authorized or regulated to operate in the financial markets. The list below should be understood as including all authorized entities carrying out the characteristic activities of the entities mentioned: entities authorized by a member state under a European Union Directive, entities authorized or regulated by a member state without reference to such Directive, and entities authorized or regulated by a third county:

- (a) Credit institutions;
- (b) Investment firms;
- (c) Other authorized or regulated financial institutions;
- (d) Insurance undertakings;
- (e) Collective investment schemes and management companies of such schemes;
- (f) Pension funds and management companies of such funds;
- (g) Commodity and commodity derivatives dealers;
- (h) Locals;
- (i) Other institutional investors

2. Large undertakings meeting two of the following size requirements, on a proportional basis:

- balance sheet total at least: 20 000 000 euro
- net turnover at least: 40 000 000 euro
- own funds at least: 2 000 000 euro

3. National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.

4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions.

**B. Clients who may be treated as Elective Professionals on request:**

1. Identification criteria

Clients other than those mentioned in Part A above, including public sector bodies and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules of IFs. IFs should therefore be allowed to treat any of the above Clients as Elective Professionals provided the relevant criteria and procedures mentioned below are fulfilled. These Clients should not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed in Part A above.

Any such waiver of the protection afforded by the standard conduct of business regime shall be considered valid only if an adequate assessment of the expertise, experience and knowledge of the Client, undertaken by the IF, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the Client is capable of making his own investment decisions and understanding the risks involved.

The fitness test applied to managers and directors of entities licensed under European Directives in the financial field could be regarded as an example of the assessment of expertise and knowledge. In the case of small entities, the person subject to the above assessment should be the person authorized to carry out transactions on behalf of the entity.

In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- the Client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,
- the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds 500 000 euro,
- the Client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

2. Procedure:

The Clients defined above may waive the benefit of the detailed rules of conduct only where the following procedure is followed:

- they must state in writing to the Company that they wish to be treated as Professional Clients, either generally or in respect of a particular investment service or transaction, or type of transaction or product,
- the Company must give them a clear written warning of the protections and investor compensation rights they may lose,
- they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.

Before deciding to accept any request for waiver, IFs must take all reasonable steps to ensure that the Client requesting to be treated as a Professional Client meets the relevant requirements stated in paragraph (1) of Part B above.

However, if Clients have already been categorized as professionals under parameters and procedures similar to those above, it is not intended that their relationships with the Company should be affected by any new rules adopted pursuant to this policy.

#### **Eligible Counterparties:**

The Law recognizes as eligible counterparties the following:

- (a) Investment Firms;
- (b) Credit Institutions;
- (c) Insurance Companies;
- (d) UCITS and their management companies;
- (e) Pension funds and their management companies;
- (f) Other financial institutions authorized or regulated under the European Union legislation or national law of a Member State;
- (g) Undertakings whose main business consists of dealing for own account in commodities and or Commodity Derivatives or undertakings which provide investment services and or perform activities consisting exclusively in dealing on own account on markets in financial futures or options or other derivatives markets or which deal for the accounts of other member of those markets;
- (h) National and regional governments public bodies that manage public debt, central banks, international and supranational institutions such as the world Bank, the Internal Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations;
- (i) Large undertaking meeting predetermined proportionate requirements, including quantitative thresholds.

#### **Differences between the treatment of Professional Client and Eligible Counterparty**

1. Where we treat you as a **Professional Client**, some of the CySEC rules will cease to apply to us and we will be entitled to take advantage of several lighter provisions. In particular:

- you will be given fewer information disclosures with regard to the firm, its services and any costs, commissions, fees and Charges

- when we assess whether a product or service is appropriate for you, we can assume that you have the necessary level of knowledge and experience to understand the risks involved in it
- if we are ever required to assess the appropriateness of a personal recommendation made to you we can assume that you have the necessary experience and knowledge to understand the risks involved, and can sometimes assume that you are able financially to bear any investment risks consistent with your investment objectives
- when providing best execution, we are not required to prioritize the overall cost of the transaction as being the most important factor in achieving best execution for you
- we do not need to inform you of material difficulties relevant to the proper carrying out of your Order/s promptly
- should we provide you with periodic statements we are not required to provide them as frequently as for non-professional Clients.

2. Where we treat you as an **Eligible Counterparty**, you will be entitled fewer protections under CySEC rules than you would be entitled to as a Professional Client. In particular:

- we are not required to provide you with best execution when executing your Orders
- we are not required to disclose to you information regarding any fees or commissions that we pay or receive
- we are not required to assess the appropriateness of a product or a service that we provide to you but can sometimes assume that you have the expertise to choose the most appropriate product or service for yourself
- we are not required to provide you with information about ourselves, our services and the agreements through which we will be remunerated
- we are not required to provide you with risk disclosures on the products or services that you select from us.

## APPENDIX 1: RE-CATEGORIZATION REQUEST FORM

When you have been categorized as an Eligible Counterparty you may request your re-categorization subject to providing us with a separate form setting out the information below (as applicable you):

### **FROM ELIGIBLE COUNTERPARTY TO PROFESSIONAL CLIENT (per se or elective)**

If you wish to be re-categorized, please note that you have to specify if:

- You require re categorization for a specific service, please indicate: \_\_\_\_\_
- You require re categorization for a specific financial instrument you will be trading, please indicate the relevant Financial Instrument: \_\_\_\_\_
- You require re categorization for all services and financial instruments

### **Where you are categorized as Professional Client**

Where we treat you as a Professional Client, some of the CySEC rules will cease to apply to us and we will be entitled to take advantage of several lighter provisions. In particular:

- you will be given fewer information disclosures with regard to the firm, its services and any costs, commissions, fees and charges;
- when we assess whether a product or service is appropriate for you, we can assume that you have the necessary level of knowledge and experience to understand the risks involved in it<sup>1</sup>;
- if we are ever required to assess the appropriateness of a personal recommendation made to you we can assume that you have the necessary experience and knowledge to understand the risks involved, and can sometimes assume that you are able financially to bear any investment risks consistent with your investment objectives<sup>1</sup>;
- when providing best execution, we are not required to prioritize the overall cost of the transaction as being the most important factor in achieving best execution for you;
- we do not need to inform you of material difficulties relevant to the proper carrying out of your Order/s promptly; and
- should we provide you with periodic statements we are not required to provide them as frequently as for non-professional Clients.

***You must consider that your re-categorization as a Per se Professional Client will cover all range of financial instruments, either complex or non-complex. Please make sure that you possess the relevant knowledge and experience before proceeding with investments in Complex Financial instruments. In case you do not possess the knowledge and experience, we advise you to refrain from such investments.<sup>2</sup>***

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<sup>1</sup> We can not presume adequate level of knowledge & experience of Elective Professional Clients; therefore, such Clients must demonstrate that they possess the relevant knowledge & experience by means of Appropriateness Test.

<sup>2</sup> In case of Elective Professional Client - Your categorisation will cover only the financial instruments described in the appendix A of the Elective Professional Consent Letter. You will not have access to the financial instruments outside of the classes in the appendix A, unless you demonstrate that you possess the relevant knowledge and experience.

You understand, accept and are prepared and ready to manage the risk resulting from losing the above mentioned protections

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Date \_\_\_\_\_  
Company \_\_\_\_\_