

TERMS OF BUSINESS WITH SPA FINANCIAL SERVICES LTD

1. The Regulator and Compliance with the Law

We are authorized by the Cyprus Securities and Exchange Commission (CySEC) under license number 141/11 to provide specific investment services in full compliance with the requirements of the Markets in Financial Instruments Directive (MiFID), pursuant to the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2007 (the Law) and the relevant Directives and Regulations. We are also obliged to strictly observe the laws for the prevention of Money Laundering and Terrorist Financing, Market Abuse and Insider Dealing as well as other legislation applicable in the Republic of Cyprus.

CySEC address:

4th Floor, 32 Stasikratous Street, 1065 Nicosia, Cyprus
P.O.Box 24966 Nicosia, Cyprus
Tel: +357 22 875475
Fax: +357 22 754671

Further details can be found at CySEC's web-site on: www.cysec.gov.cy

2. Authorized activities and services

In respect of the proposed Agreements to be entered between us; SPA FINANCIAL SERVICES LTD is fully licensed to provide the following investment and ancillary services, as listed below:

Details of the Investment Services:

- Investment Advice
- Portfolio management
- Reception and Transmission of orders

Details of the Ancillary Services:

- Safekeeping and administration of financial instruments for your account, including custodianship and related services such as cash/collateral management

Unless agreed in writing, we will not provide you with discretionary portfolio management of your investment portfolio.

Please note that we may disseminate research publications prepared by us, by other business associates where we believe it may be of interest. These publications are not (unless otherwise indicated) intended for use by retail clients or by clients to whom they are not addressed specifically and you should not rely on them. We may use execution brokers or sub-custodians in the discharge of our responsibilities to you.

3. Client's Best Interests and our Best Order Execution Policy

Under the Law, we have to offer you Best Order Execution results. Put simply, we should endeavour to act in accordance with the best interests of our client when transmitting client's orders to other entities for execution. We will take all reasonable steps to obtain the best possible result for the client taking into account price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The manner in which we act as to obtain the best possible result for our client is described by our Best Order Execution Policy available on our Company's website. We highly recommend that you read our Best Order Execution Policy to which, unless you notify us to the contrary, you will be deemed to have consented to.

4. Conflicts of interest

We are part of a group of companies involved in a full range of legal, corporate and accounting services. As such, we or a company of our Group may have a material interest or a conflict of interest in the services or transactions we carry out with or for you.

We have in place arrangements to manage conflicts of interest, which may arise between ourselves and our clients and between our different clients. These conflicts may not necessarily be disclosed to you prior or at the time of your transactions with us. Where we consider that arrangements under our Conflicts of Interest Policy are insufficient to manage a particular conflict, we will inform you of the nature of the conflict so that you may decide how to proceed. We have posted the full Conflicts of Interest Policy on the Company's website.

5. Client categorization

In order to serve you, while complying with the legislation governing investment and financial activities, we need to receive from you the required information. This will enable our Company to classify you as a Retail or Professional Client or as an Eligible Counterparty. We seek your understanding and prompt provision of the requested information.

Depending on this classification, the Client enjoys different levels of protection and information disclosure. Classification as a Retail Client affords you the maximum protections under the legislation, including participation in the Investor Compensation Fund for Clients of Cypriot Investment Firms.

Information disclosure is also more substantial, both in terms of content and in terms of frequency. The Client should also be aware that he can be treated differently on his/her request. A comprehensive analysis about differences in protection for different Client categories is available on the Company's website.

A candidate Client, after reading carefully those differences and understanding the relevant criteria, should complete a particular form declaring his/her categorization. In the case of a legal entity, its authorised representative must complete the declaration. For any other classification except retail client the customer must present the corresponding evidence if requested to do so.

6. Your assets and funds

We have in place policies which relate to the safekeeping of your assets and funds in our custody. We are required to be in a position to identify at all times your assets and funds which may be in pooled (or omnibus) accounts.

7. Language

The Investment Services Agreement and the entire Client Document Pack (statements, confirmation etc) are in the English language. Where translated copies have been made available to you, you should be aware that in all cases of conflict, the English version shall prevail.

We will communicate with you in the English language and we require that you do so as well. Where you choose to communicate with us in a language other than English, you agree that, in the event of dispute, the English language versions of relevant Client Document Pack will prevail.

8. Mode of communication

You can communicate with us via telephone, fax, e-mail or other means of electronic communication. Where you have provided us with an e-mail address, we will supply you with the relevant information through this address. We deem that no changes have taken place with respect to your details provided at the entering in the relations with us, unless a written notice is received from you of such changes. We would also like to inform you that we have the right to record telephone conversations between us and retain records in physical, electronic or other form in relation to our business relationship.

For the above purposes a candidate client should complete the letter of indemnity for authorisation to act upon telecommunications.

9. Reporting obligations

We will keep on file, for all discretionary portfolio management mandates, a record of the results of all orders we have executed together with all relevant details, including details of all costs. We also supply each Client with a periodic statement of the portfolio management activities carried out with all relevant details, including the contents and valuation of Client's investments, total amount of fees and charges and how the investments have performed during the reporting period.

Where we offer custody services to you, we shall provide you with a statement of your investments and funds under our custody at least on an annual basis. This statement will include details of all your assets and funds and the extent to which any of these are subject to securities financing transactions. We will report via e-mail or fax or any other means specified using the details provided by you.

10. Our charges

The provision of our services is subject to charges. These may take the form of variable commissions and fixed fees. We would like to inform you that our charges will include all out of pocket expenses incurred by us while providing the agreed services to you. Out of pocket expenses may include custody fees, settlement and exchange fees, regulatory levies, legal fees, etc. If not otherwise paid, we reserve the right to deduct our charges plus any applicable taxes from any funds we hold on your behalf at our sole discretion.

We will charge you in euro or in any other currency that we may agree from time to time. Where the initial transaction is in any other currency and we agree to invoice you in Euros, we shall apply the mid rate of exchange from such currency to Euro, as published by the relevant Central Bank on the date of transaction or invoice.

The general schedule of fees and charges for our services is available on the Company's website. Note that services provided to you may be subject to third party fees, levies and taxes which are also payable by you.

11. Money laundering and terrorist financing

While transacting with our Clients, we implement the provisions of Anti-Money Laundering and Terrorist Financing legislation of the Republic of Cyprus. The established procedure for opening an account, including the "Know Your Client" (KYC) documentation, enable us to combat money laundering, terrorist financing and fraudulent activity. We appreciate your effort in providing the requested information and your role in preventing and revealing criminal activity.

12. Complaints

If you have a complaint about us, you should raise it in the first instance with our employee acting for you. If you are not satisfied with the response of our employee (or if you prefer not to raise the matter with our employee), you may raise the matter with our Head of Compliance. A detailed complaint procedure and a particular complaints form are available on the Company's website.

We will aim to resolve your complaint as soon as possible after its receipt. Where you feel that we have not properly addressed your concerns, you have the right to refer the matter to our Regulator using the contact details provided above.

13. Investor Compensation Fund

We participate in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. You will be entitled to compensation under the Investor Compensation Fund where we are unable to meet our duties and obligations arising from your claim or in other circumstances.

Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand euro (€ 20.000). This applies to your aggregate claims against us. More information about Company's investment compensation fund schedule is available on the Company's website.

14. Account details

We shall assume that no changes have taken place with respect to your account details provided to us at the commencement of cooperation unless you send us written advice regarding such changes.

15. Risks

You should be aware that in investing in the financial instruments contemplated in the Investment Services Agreement, you are faced with substantial risks which we kindly ask you to consider and evaluate prior to deciding to invest in financial instruments.

You should be particularly aware of the risks involved in investing in the financial instruments of issuers located in Emerging Markets and of the risks involved in investing in Complex Financial Instruments such as derivatives which may lead to losses which are substantially bigger than the initial capital invested.

You should also be aware that past performance is not a guarantee of, nor a guide to future performance.

We hereby provide an initial outline of certain risks that you need to be aware of – we urge you to refer to the Statement of Risk Warnings plus the Description of Financial Instruments and Principal Risks available on our Company's website where more detailed risk analysis is provided.

Type of Risks

a) Emerging Markets Risk

Associated with the risks of the countries which are less developed. They may indicatively relate to unstable economic and/or political conditions, government interventionism and corruption, overdependence of the economy on a particular sector or in foreign aid, high inflation, unemployment, poverty, imbalance of trade, severe fiscal deficits, unstable economic growth, famine and other natural disasters etc.

b) General Investment Risks

Poor or inadequate corporate governance and financial reporting standards, untested or uncertain tax regimes, restricted liquidity, inability to repatriate funds, fixed or controlled foreign exchange market etc, market specific settlement procedures and ownership risks including the concept of nominee or beneficial ownership not being accepted; corporate actions may be delayed, cancelled or cumbersome; market liquidity may be restricted and volatility heightened, repatriation of funds may be hindered; there may be exchange controls; market practices and transparency may be questionable; absence or inadequate investor compensation or protection mechanism etc.

c) Risks associated with Financial Instruments

Risk associated with unforeseen market fluctuations or with specific financial instruments. For equities: company performance risk, market price risk, dividend risk, etc. For bonds: credit risk, pre-payment risk, etc. Risks of Derivative Products You should be aware that the volatility in the value of derivative instruments is usually significantly greater than that of the underlying instruments. Crucially, the use of financial leverage (i.e. where you actually only pay a small amount up-front) can cause loss of amounts far greater than your original investment.

