

Conflict of Interests Policy of Investment Broker Intercapital Markets AD

Art. 1. This Conflict of interests policy was adopted and implemented by IB “Intercapital Markets” AD and shall be applied in respect of situations which may damage the interests of the client and which arise at the provision of investment services and/or ancillary services by IB “Intercapital Markets” AD, the latter called hereinafter “investment broker”.

Art. 2. The following situations may constitute conflicts of interests in respect of the services provided by the investment broker:

- The investment broker may enter into agreement relations for provision of financial and investment advice services with an issuer whose shares are subject to a transaction, with regard to a client's order, or to an investment research produced by the investment broker;
- Individuals who work with the investment broker by virtue of agreement or relevant individuals to the investment broker may be a party in a deal concluded in execution of a client's order for purchase or sale of securities;
- Conclusion of a cross-deal with another client of the investment broker;
- Client accounts operated by the investment broker in accordance with agreement for management of individual investment portfolio may contain securities or related securities which are subject to a transaction in accordance with a client's order or of an investment research produced by the investment broker;
- Individuals who work with the investment broker by virtue of agreement or relevant individuals to the investment broker may own securities or related securities which are subject of a transaction in accordance with a client's order or of an investment research produced by the investment broker;
- The investment broker may be book-builder of a new issue of securities' emission or relevant securities which are subject of a transaction in accordance with a client's order or of an investment research produced by the investment broker;
- The investment broker may receive monetary remunerations, commissions and other non-monetary inducements for transmission of orders to third entities for execution;
- The investment broker may be a relevant entity to an issuer whose shares are subject of a client's order or of an investment research produced by the investment broker.

Art. 3. The investment broker shall adopt and put in place the following procedures for treatment of conflicts of interests which may arise at the provision of investment and/or ancillary services:

(1) Disclosure of conflicts of interests to clients of the investment broker:

- In case a client is placing an order and/or in case the investment broker is providing investment advice, the latter shall inform the client about all possible situations which may constitute conflicts of interests referred to in Art. 2. The information provided by

the investment broker to the client must be clear, accurate and detailed so to enable the client to make a decision on an informed basis;

- In case the client is not able to make an informed decision on the basis of the information provided by the investment broker and the broker assesses that a risk exists for the client's interests, it shall refuse to undertake any steps in respect of execution of the client's order or provision of investment advice;
- The investment broker shall not conclude transactions for account of clients at such volume, frequency, and price or with such counterparty, which may be considered exclusively in the investment broker's interest;
- Members of the management and control bodies of the investment broker; individuals managing its activity, as well as individuals who work with the investment broker by virtue of agreement, and relevant individuals shall not purchase for own account financial instruments for which a client has placed an order and sell them to the client at a higher price compared to the purchase price;
- The investment broker shall inform the client in all cases when the client is one of the parties in a deal and another client of the investment broker is his counterparty, unless the order is being executed through a trade system which allows anonymous trading.

(2) Disclosure of conflicts of interests to the investment broker

- All individuals who work with the investment broker by virtue of agreement shall disclose in due time to the investment broker all circumstances which may constitute or give rise to a conflict of interests in the course of the execution of their professional duties, in particular:

- When they own, personally or through a relevant person, securities or relevant securities, which are subject to stock exchange trading or original public offering;
- When they occupy a managing position or a position which presumes access to internal information with an issuer whose securities are subject of stock exchange trading or original public offering;
- Participation in the management or presence of access to internal information through relevant individuals at an issuer whose securities are subject of stock exchange trading or original public offering.

(3) Priority of transactions

- At the execution of transactions individuals who work with the investment broker by virtue of agreement shall not be in a privileged position compared to the clients of the investment broker. Transactions of the officials of the broker shall not contravene the interests of the clients. In the case of a conflict of interests, clients shall be granted priority;
- The number and the volume of the transactions of the officials of the investment broker shall not take up much time, effort and shall not affect the performance of the professional duties of the officials.
- The Regulations for personal transactions in securities by members of the Board of Directors, officials and relevant individuals of the investment broker are directly related to this Policy and the monitoring of the compliance of the former by the

investment broker is part of the regulation of conflicts of interests applied by the broker.

(4) Measures for provision of independence between the individuals who work with the investment broker by virtue of agreement in the course of execution of their main functions:

- The investment broker shall control the exchange of information between officials carrying out activities, involving conflicts of interests, where the exchange of that information between individuals engaged in activities involving conflicts of interests may damage the interests of one or more clients of the investment broker;
- The investment broker shall provide effective monitoring and control to avoid and prevent the occurrence of situations there is direct link between the remuneration of relevant individuals principally engaged in one activity and the remuneration of, or revenues generated by, different relevant individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- The investment broker shall undertake the necessary measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- The investment broker shall implement measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

(5) Disclosure of information on fees and commissions received or paid by the investment broker to third entities in relation to the provision of investment and/or ancillary services to a client

- Where providing investment and/or ancillary services, the investment broker shall disclose to its clients the circumstances in respect of fees, commissions or nonmonetary benefits paid or provided by a third entity or a person acting on behalf of the third entity in relation to the execution of the above services;
- The investment broker shall disclose to clients the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, clearly, in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant investment or ancillary service;
- The investment broker shall not pay, provide or receive fees, commissions and benefits unless the latter are designed to enhance the quality of the relevant service to the client and do not impair compliance with the firm's duty to act in the best interests of the client.

Art. 4. Where the investment broker produces, or arranges for the production of, investment research that is intended or likely to be subsequently disseminated to its clients or to the public, under its own responsibility, the investment broker shall apply the following measures for treatment of conflicts of interests:

- All relevant individuals engaged in production of investment recommendations on behalf of the investment broker shall be obliged to disclose all connections and circumstances which may harm the objectiveness of the recommendation, such as

existence of material financial interests in one or more financial instruments, subject of the recommendation or of a conflict of interests in respect of the issuer to whom the recommendation is addressed;

- Financial analysts and other relevant individuals must not undertake personal transactions on behalf of any other person, including the investment firm, in financial instruments to which investment research relates, or in any related financial instruments, with knowledge of the likely timing or content of that investment research which is not publicly available or available to clients and cannot readily be inferred from information that is so available, until the recipients of the investment research have had a reasonable opportunity to act on it; the prohibition under the previous sentence shall not apply to execution of client's orders placed at the own initiative of the client;
- In circumstances not covered by point 1, the investment broker shall provide that financial analysts and any other relevant individuals involved in the production of investment research do not undertake personal transactions in financial instruments to which the investment research relates, or in any related financial instruments, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the broker's legal or compliance function;
- The investment broker, financial analysts, and other relevant individuals involved in the production of the investment research must not accept inducements in violation of the provisions of Art. 14 of Ordinance №38, from those with a material interest in the subject-matter of the investment research;
- The investment broker, financial analysts, and other relevant individuals involved in the production of the investment research must not promise issuers favorable research coverage;
- Issuers, relevant individuals other than financial analysts, and any other individuals must not before the dissemination of investment research be permitted to review a draft of the investment research for the purpose of verifying the accuracy of compliance with the broker's legal obligations, if the draft includes a recommendation or a target price.

Art.5. The investment broker provides that the information disseminated to its clients, including the information in its advertisement materials and public statements of members of its Board of Directors and relevant individuals, is comprehensive, accurate, clear and not misleading for the purpose of prevention of conflicts of interests in relation to its dissemination.

Art.6. The investment broker shall keep and regularly update a record of the kinds of investment or ancillary service or investment activity carried out by it or on its behalf in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.