MARGIN TRANSACTION RULES

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Wisdompoint Capital Ltd. ("the Company") is a Cyprus Investment Firm established under the laws of the Republic of Cyprus (HE 307126), authorized and regulated by the Cyprus Securities and Exchange Commission under the license of a Cyprus Company providing investment services, license number 275/15, dated 30/10/2013, and with registered address: Andrea Zappa 1, Office 9, 4040, Limassol, Cyprus.

1. Subject of the Rules

The present Margin Transactions Rules (the "Rules") are an integral part of the General Rules and Regulations on Services in the Securities Market (the "General Rules") and establish common procedures for Margin Transactions.

2. Definitions

"Client's Assets" – unless otherwise specified, shall be defined as the aggregate sum of Client's Funds and Financial Instruments available in the Client's Account with the Company (the "Client's Account"). Such Financial Instruments shall meet the Company's requirements and shall be included in the list of Marginable Financial Instruments.

"Amount of Client's Indebtedness" – the aggregate sum of Client's obligations to the Company arising in connection with Margin Transactions.

"Interest" – the amount to be paid by the Client to the Company for borrowed Funds and/or Financial Instruments in connection with the conclusion and settlement of Margin Transactions, calculated as a percentage of the Amount of Client's Indebtedness (according to the rates established in the Company's Tariffs).

"Client's Indebtedness to the Company in connection with Margin and Non-covered Transactions" shall hereinafter refer to:

- an obligation to pay the Sum of Compensation and expenses to the Company in connection with the conclusion of Margin Transactions involving the purchase of Financial Instruments and their settlement (including the settlements of Transactions with Funds provided to the Client by the Company), and/or

- an obligation to return Financial Instruments to the Company in connection with Margin and Non-covered Transactions involving the sale of Financial Instruments (including the settlements of Transactions with Financial Instruments provided to the Client by the Company);
- an obligation to return Funds to the Company in connection with Margin and Non-covered Transactions involving the purchase of Financial Instruments (including the settlements of Transactions utilizing Funds provided to the Client by the Company);
- an obligation to pay to the Company an Additional Fee in connection with the conclusion of Margin and Non-covered Transactions and Loans granted to the Client;
- an obligation to pay to the Company a sum of money equal to the Analytical Value (hereinafter referred to as "Analytical Value") calculated as the product of Financial Instruments used by the Company for settling Margin and Non-covered Transactions concluded in the Client's interests and declared dividend rates for such Financial Instruments.

Explanatory Note: For the purposes of the Rules, in the calculation of the Analytical Value for evaluating the Amount of Client's Indebtedness to the Company, the dividends for Financial Instruments are taken into account when the decision on dividend payment is announced by the issuer, provided that the Client's Liability in Financial Instruments existed on the date of compiling the list of shareholders entitled to receive the dividends for the corresponding Financial Instruments (record date). The Analytical Value is calculated, and the corresponding sum is deducted immediately upon receipt of necessary information from the issuer.

"Client's Property" – unless otherwise specified, shall be defined as the total sum of Funds and Financial Instruments in the Client's Account with the Company.

"Margin Loan" – a sum of Funds and/or Financial Instruments provided by the Company to the Client for settlements of Margin Transactions.

"Margin Transaction" is a transaction for the sale or purchase of Financial Instruments based on Client's Instructions when such transaction is not secured by Client's funds or Financial Instruments, including cases when a transaction is settled with funds borrowed by the Client.

"Margin Transaction of Buying Financial Instruments" is a transaction involving Financial Instruments where the settlement is performed by the Company with funds credited by the Company to the Client due to insufficient Client Funds for fulfilling the obligation to settle for such Financial Instruments and other Client obligations to the Company arising in connection with the Margin Transaction.

"Margin Transaction of Selling Financial Instruments" is a transaction involving Financial Instruments where the settlement is performed by the Company with Financial Instruments credited by the Company to the Client due to insufficient Client Financial Instruments for fulfilling the obligation to supply the Financial Instruments under the transaction.

"Margin Call" (requirement to maintain a margin level) is the notice served by the Company to the Client to transfer additional Assets to the Client's Account in connection with the necessity to meet the margin level requirement or at the Company's discretion due to changing market conditions.

“Non-covered Transaction” is a transaction for the sale and purchase of Financial Instruments concluded based on Client’s Instruction without the necessary Funds and Financial Instruments available in the Client’s account opened with the Company at the moment of its conclusion to secure the execution and fulfill obligations under such transaction.

“List of Liquid Financial Instruments” includes the Financial Instruments that meet the Company’s requirements.

“Compensation Sum” applies to: (I) the sum of funds to be paid by the Client to the Company in connection with the conclusion and/or settlements of Margin and Non-covered Transactions, or (II) the current market value of Financial Instruments to be returned by the Client to the Company in connection with the conclusion and execution of Margin and Non-covered Transactions; the current market value of Financial Instruments is determined by the Company.

“Sum of Expenses” is the amount of expenses (costs) incurred by the Company in connection with Margin and Non-covered Transactions, other than the Compensation Sum.

“Current Market Value of Financial Instruments” is a calculated value equal to the current market value of Financial Instruments, as determined by the Company.

“Actual Margin Level” is a calculated value expressed as a percentage and applied by the Company for evaluating the current ability of the Client to fulfill the obligations to the Company under concluded transactions.

“Financial Instruments on Client’s Account with the Company” are Client’s Financial Instruments kept in the Client’s Account with the Company.

Any terms and definitions used in the present Rules but not defined herein shall be interpreted according to the Investment Services Agreement and the normative acts and provisions of the Applicable Law, including but not limited to laws and other legal acts regulating the issuance and turnover of Financial Instruments, and professional and investment activities in the stock market. In cases where such terms and definitions are not defined in the said acts, they shall be interpreted based on general practices acceptable in the stock market.

3. General Provisions

The Company provides the Client with an opportunity to use the facilities described in the Rules when concluding Margin Transactions. The Client shall perform under and settle all margin trades as set out in the Applicable Regulations and Market Rules and by applicable settlement deadlines. The Client understands that if they fail to comply with the provisions of this clause, the Company shall have the right, in addition to other rights and remedies under the Rules and the General Rules, to immediately change the Client’s margin status to Critical Margin Level.

The following conditions are mandatory for providing the Client with the Services under the present Rules:

- The Client shall have a Client Account opened in the Client’s name with the Company based on the General Rules.

- The Client shall assume the risks related to Margin Transactions.
- The Company has determined that Margin Transactions are appropriate for the Client.

The Client's application for Margin Transactions shall be considered the Client's instruction to execute a Transaction when the Client does not have sufficient Funds or appropriate Financial Instruments to secure execution or to execute such a transaction. Instructions for the conclusion of Margin Transactions may be given by the Client in any form, manner, and order envisaged by the General Rules.

4. Conditions of conclusion of Margin Transactions

All Client's funds and Financial Instruments in the Client's accounts with the Company that are included at the time in the List of Marginable Financial Instruments are used as collateral against the Client's obligations related to Margin Transactions. The Company determines the Marginable Financial Instruments solely at its own discretion without any notification to clients. Instructions for Margin Transactions are accepted for execution exclusively under the condition that:

- a minimal Margin Level is maintained;
- to secure the obligations arising as a result of a corresponding Margin Transaction, the Client provides the Company with Financial Instruments owned by the Client and/or acquired by the Company for the Client as a result of executing the corresponding Margin Transaction; and/or
- to secure the obligations arising as a result of a corresponding Margin Transaction, the Client provides the Company with Funds owned by the Client and/or received for the Client as a result of executing the corresponding Margin Transaction.

The following conditions shall serve as unconditional grounds for rejecting Instructions for Margin Transactions:

- the Client's refusal to sign the Declaration of Risks Related to Margin Transactions;
- withdrawal by the Client of the Client's Instruction;
- violation of the requirement concerning the Restrictive Margin Level existing at the moment of Instruction transmission or arising in connection with its execution;
- the Company does not consider that Margin Trading is appropriate for the Client.

Notwithstanding the aforementioned, the Company hereby notifies the Client, and the Client agrees to the following:

- Whereas the performance by the Company of Margin Transactions may result in the arising and increment of credit and/or market risks borne by the Company, the Company exclusively at its own discretion and without any sanctions against the Company has the right to refuse the execution of the Client's Instruction for Margin Transactions, suspend its execution, and close open Margin positions.
- Provided that granting Funds and Financial Instruments for Margin Transactions depends on the actual availability of the Funds and Financial Instruments in the market and at the Company's

disposal, the Company, exclusively at its own discretion and without any sanctions against the Company, makes decisions on whether to provide clients with Margin Trading.

The Company grants Funds and Financial Instruments for Margin Trading for an account of Brokers to which the Client's order is transmitted for execution by crediting an omnibus account opened by the Company with this Broker.

From the moment of concluding a Margin Transaction, the Client has Indebtedness to the Company, and in this connection, the Client hereby undertakes the following obligations and risks:

- Throughout the entire period of Indebtedness, the Client shall maintain a Margin Level in line with the Rules, which, for the purposes of the Rules, implies an unconditional right of the Company to reject in full or in part the Client's Instructions to withdraw (transfer) assets from the Client's Account if as a result of its execution, the Margin Level requirement is not satisfied.
- To follow the Rules and Company requirements in case of violating the Margin Level requirements.
- To bear and accept the risk of possible refusal by the Company to execute the Client's Instruction for Margin Transactions or possible suspension of its execution, and the risk of actual or possible losses arising from such refusal or suspension.
- To bear and accept the risk of possible refusal by the Company to provide the Client with a loan (Funds or Financial Instruments) in connection with the conclusion and/or execution of Margin Transactions and the risk of actual or possible losses arising from such refusal.

For the term of the Client's Indebtedness, the Company has the right to reject the Client's Instructions to withdraw Funds from the Client's Account with the Company.

Explanatory Note: For the purposes of the Rules, the Company establishes the following normative Margin Level values (parameters):

- Restrictive Margin Level is the minimal required Margin Level for Margin Transactions and other transactions reducing the Margin Level.
- Margin Call Level is the Margin Level at which the Company has the right to require the Client to transfer additional Funds to the Client's Account with the Company.
- Critical Margin Level is a Margin Level providing for the procedure of selling Client's Financial Instruments or buying Financial Instruments using Client's Funds for the purpose of settling a part of the Client's Indebtedness to the Company.

For the purpose of managing arising risks, the Company calculates the Actual Margin Level (AML) according to the following formula:

$$\mathrm{AML} = \frac{CC + CSV - CSV^{*} - CL}{CC + CSV} * 100\%$$

where:

- **CC** is the sum of Client's Funds in the Client's Account with the Company,

- **CSV** is the current market value of Client's Financial Instruments accepted by the Company as collateral against the Client's Indebtedness in the Client's Account with the Company,
- **CSV*** is the current market value of Client's Financial Instruments borrowed by the Client for settling Margin Transactions,
- **CL** is the Client's Indebtedness to the Company as a result of Margin Transactions concluded by the Company.

Unilaterally and exclusively at its own discretion, the Company determines normative Margin values (parameters). If the Applicable Legislation provides for any requirements pertaining to Margin Level values (parameters) and/or the order of their determination, the Company establishes normative Margin Level values (parameters) according to such requirements.

5. Interest and Sum of Expenses

The Client, having Indebtedness to the Company, undertakes to pay Interest to the Company for using borrowed Financial Instruments and Funds, as well as a Sum of Expenses related to Margin Transaction settlements. Payment of Interest in connection with Margin Transactions shall be performed based on the interest rates for its calculation specified in the Company's Tariffs, which are an appendix to the General Rules and are amended from time to time. The Company may unilaterally adopt new Tariffs and make changes/amendments to current Tariffs without the prior consent of the Client and shall inform the Client regarding such changes no later than 10 (Ten) calendar days before the respective changes/new Tariffs come into force and become applicable to the Client(s).

6.Settlements with the Client when concluding Margin Transactions

If the Actual Margin Level is reduced to the Margin Call Level, the Company sends the Client a request to transfer additional funds (sufficient for increasing the Margin Level to the Restrictive Level) to the Client's Account (hereinafter referred to as a Margin Call). The Margin Call shall be sent to the Client:

- by an authorized email indicated in the Client Questionnaire;
- within the framework of the electronic trading system.

Notwithstanding the above, the Company, exclusively at its own discretion, has the right to request the Client to execute the Margin Call before the end of the current Business Day. The Company has the right to abstain from accepting incoming Instructions for execution or suspend execution of the accepted Instructions until the Client transfers Additional Assets or issues an order to provide such Assets, or sends the Company an Instruction to receive such Assets on behalf of the Client to the Client's Account with the Company.

The Client undertakes to transfer to the Company the interest/coupons (income on Financial Instruments) and other distributions of profits from the Financial Instruments to which the Client was entitled after the conclusion of the Margin/Non-covered Transaction on selling the Financial Instruments credited by the Company to the Client. This obligation lasts from the moment of the conclusion of the respective Transaction until the Client's Indebtedness is paid off in full, irrespective of whether they received such interest/coupon payment or distribution or not, and, if applicable, after the deduction of any taxes and duties established for such class of Financial Instruments. Thereupon, the Client hereby empowers the Company to withhold interest/coupon income (income on Financial Instruments) and other distributions on Financial Instruments due to the Company and to directly debit the respective amount/sum of interests/distribution on Financial Instruments from the Client's account (opened with the Company) and credit the said amounts/sum to the Company's account. In case of insufficient funds, the Client shall pay the respective amount due to the Company no later than 3 (Three) Banking Days following the receipt of the Company's notice sent by e-mail, fax, or delivered to the Client by hand. The Client hereby requests the Company to treat the aforesaid as the Client's instruction issued under the terms of the present Rules and the General Rules.

7.The Client's Debt Repayment

Funds and Financial Instruments transferred to the Client are primarily used for paying off Margin loans. The Client's Indebtedness to the Company shall be set off in full by payment of the Amount of the Client's Indebtedness or return of Financial Instruments, compensation of the Sum of Expenses related to Margin Transactions, payment of the Interest, and the entire sum of money equal to the calculated Analytical Value.

The Client's Indebtedness in Funds shall be offset by a transfer of Funds to the Client's Funds Account or by entering funds from the realization (selling) of Financial Instruments. The Client's Indebtedness in Financial Instruments shall be offset in full or in part by the transfer of Financial Instruments of the same quality (Issuer, kind/category, type, state registration number of the issue) and the same amount (used by the Company for settling a Margin Transaction) to the Client's Account with the Company.

If the Margin Level is reduced to Critical and the Margin Call is not executed, the Company sells the Financial Instruments belonging to the Client and serving as collateral or buys Financial Instruments using the Client's Funds serving as collateral in the amount sufficient for offsetting the Client's Indebtedness to the Company.

The Actual Margin Level after the settlement of a part of the Client's Indebtedness to the Company shall be at least equal to the Restrictive Margin Level, or, in case it is impossible to increase the Margin Level to the Restrictive Margin Level, to minimal values exceeding the Margin Call Level, to which the Margin Level can be restored in case the Client's Financial Instruments are sold or appropriate Financial Instruments are purchased with the Client's Funds.

As a general rule, the Company performs trading and non-trading operations with the Client's Financial Instruments to pay off the Client's Indebtedness for the purpose of recovering the required Margin Level based on Instructions issued by the Client's Authorized Person according to the Rules, including those expressed in the present Rules. The Company has the right to determine independently the Financial Instruments from the List of Marginable Financial Instruments to be sold as collateral to cover the Client's Indebtedness or partial Indebtedness.

To acquire Financial Instruments returnable to the Client, the Company has the right to sell other Financial Instruments placed as collateral. As a general rule, the sufficient and required quantity of the Client's

Financial Instruments shall be sold to cover the Client's Indebtedness to the Company.

Explanatory Note: If the internal rules of the Trade Organizer or Stock Exchange selected by the Company as a place for selling the Client's Financial Instruments stipulate trading by lots or in amounts that are multiples of the minimal standard lot set by the internal rules of the Trade Organizer or Stock Exchange, the Financial Instruments can be sold in amounts exceeding those required for settling the Client's Indebtedness to the Company.

The Funds obtained as a result of selling the Client's Financial Instruments are credited to the Client's Account with the Company in the order stipulated by the Custody Service Agreement on the next day after the Transaction is concluded. The Funds for settling the Client's Indebtedness to the Company are debited from the Client's Account with the Company and credited to the Company's Account with a credit organization. Any remaining Funds left after such settlement are credited to the Client's Account with the Company.

If the Funds obtained as a result of selling the Financial Instruments are not sufficient for covering in full the Client's Indebtedness to the Company and there are no other Financial Instruments which the Company has the right to sell, before the end of the Business Day following the day when notice was served by the Company, the Client shall transfer to the Company the remaining part of the Client's Indebtedness and/or deliver Financial Instruments to the account in the Authorized Organization indicated by the Company.

When performing transactions and operations with the Client's Assets aimed at paying off the Client's Indebtedness, the Company reserves the right to collect from the Client, in addition to any fees, charges, or levies stipulated by the present Rules, a fee for the provision of investment services and compensation for expenses related to the execution of Instructions issued by the Client's Authorized Person in addition to the Rules, in the amount and according to the order stipulated by the General Rules.

If the Actual Margin Level reaches the Restrictive Level, the Company shall refuse to accept and execute any Client's Instructions, except for those aimed at increasing the Margin Level (in this case, all previous Instructions accepted for execution, including Instructions for Margin Transactions, shall become invalid).

Notwithstanding the above, the Company and the Client hereby agree that for the purposes of the Rules and for ensuring its interests in Margin Transactions executed in the Client's interests, the Company has the right:

- Exclusively at the Company's own discretion, to require the Client to pay off Indebtedness in full or in part regardless of the Actual Margin Level;
- To dispose of the Client's Funds available in the Client's account(s) with the Company for the purpose of acquiring Financial Instruments to settle the Client's Indebtedness to the Company;
- To sell the Client's Financial Instruments available in the Client's account(s) with the Company for the purpose of settling the Client's Indebtedness to the Company.

8. Presentation of the Client's Debt in Reports

Information on all Transactions, including Margin Transactions and Transactions aimed at paying off the Client's Indebtedness to the Company during the accounting period, along with the amount of Interest for the use of Financial Instruments and Funds in Margin Transactions, is included by the Company in reports and statements of account provided to the Client according to the General Rules.

9.Risks and Liability of the Client on Margin Transactions

The Client accepts that investment in financial instruments is connected to certain risks, and responsibility cannot be borne by the Company, as it is outside of the Company's control, and the possibility of foreseeing and preventing the effects of those risks is limited. Due to the above, the Client shall evaluate the feasibility of their investments independently, and the Company will do its best to help the Client reduce possible investment risks according to the present Rules.

Margin Transaction Risk: This is the risk related to the possibility of loss during margin transactions. A relatively insignificant change in market conditions can have a proportionally more significant impact on the Client's funds that have been contributed or will be contributed, and it may work both ways—either in favor of or against the Client. To support their position, the Client may suffer the loss of all assets in the investment account, as well as any additional funds in their bank account. In case of unfavorable changes in market conditions, or an increase in the margin level, supporting the Client's position may require the payment of additional significant funds in the short term. If the Client fails to meet the requirement to contribute additional funds within the specified timeframe, the Client's position may be liquidated at a loss, and the Client shall be solely responsible for any related deficit.

During the course of Margin Transactions, additional types of risks may arise:

- **Failure or Partial Failure Risk:** This risk occurs during the processing of Instructions for Margin Transactions at the discretion of the Company.
- **Price Increase Risk:** During the processing of Margin Transactions, the Client bears the risk of price increases for securities transferred to the Client. The Client is obliged to return securities independently of changes in their value. The current market price can significantly exceed the cost during its initial sale.
- **Adverse Price Change Risk:** During Margin Transactions, the Client bears the price risk on assets purchased with their own funds, as well as on assets that serve as collateral for the Client's liabilities to the Company. The amount of assets at risk of adverse price changes is higher than in simple trading; consequently, losses can occur on a larger scale compared to trading with the Client's own funds.
- **Collateral Maintenance Risk:** The Client is obliged to maintain an adequate level of collateral for their obligations to the Company, which can result in the need to execute transactions for purchase/sale, irrespective of the current level of market prices, leading to the realization of risks related to loss of revenue, loss of invested funds, or losses exceeding the amount of invested funds.

- **Liquidation Risk:** In the event of adverse price changes for the Client, to maintain the margin level, in cases provided by the Rules, the Client's position may be liquidated, which may affect the risk of revenue loss, risk of loss of invested funds, or risks of loss exceeding the realization of invested funds.

10. Client's Prior Consent

By signing the General Terms of Business the Client agrees to and fully accepts all conditions of the present Rules.