MARGIN TRANSACTIONS RULES

Freedom Finance Europe Ltd (the "**Company"**), a company established under the laws of the Republic of Cyprus (HE 324220), authorized and regulated by the Cyprus Securities and Exchange Commission under license of a Cyprus Company providing investment services, license number 275/15, dated 20.05.2015, and with registered address: Christaki Kranou 20, Freedom Tower, Germasogeia, 4041, Limassol, Cyprus.

1. Subject of the Rules

The present Margin Transactions Rules (the "**Rules**") are an integral part of the General Terms of Business (the "**General Terms**") and establish standard procedures for Margin Transactions.

2. Definitions

Any terms and definitions used in the present Rules but not defined herein shall be interpreted according to the General Terms and applicable Law, and in case such terms and definitions are not defined in the said ways, they shall be construed under the standard business practice in the stock market.

"Additional Fee" is the amount of money to be paid by the Client to the Company when requirements on CAR are failed by the Client, to compensate the Company's expenses incurred during the transactions to increase CAR of the Client's Account in cases stated in the Margin Transactions Rules.

"Adjusted initial Margin" (AIM) is a sum of Margin Requirements both on Open positions and orders sent by the Client to the Company to be executed.

"Analytical Value" is the latest mark-to-market value of Securities, which Client is obligated to buy or sell under Margin Transaction, or the theoretical fair value computed by the Company in the case of impossibility to obtain the market price of Securities, plus accrued Interest.

An **"Open position"** refers to a transaction in a Security that has been initiated but has not yet been closed. For example, if the Client buys a Security and does not immediately sell it, they have an Open long position in that Security. Similarly, if the Client sells a Security short and does not immediately cover their position, they have an Open short position in that Security.

"Capital Adequacy Ratio" (CAR) is calculated according to the following formula:

$$CAR = 100\% * NAV / (AIM + NMI),$$

where NMI is the total value of Non-marginable Assets.

"Client's Assets" if otherwise not specified, shall be defined as Funds and Securities that shall meet the Company's requirements.

"Client's obligations or Client's Indebtedness" shall hereinafter refer to the aggregate sum of the following items:

— an obligation to pay the Compensation Sum and Expenses to the Company in connection with the conclusion of Margin Transactions of buying Securities and their settlement (including the settlements of Transactions with Funds provided to the Client by the Company), and/or

— an obligation to return Securities to the Company borrowed by the Client in connection with Margin Transactions of selling Securities (including the settlements of Transactions with Securities provided to the Client by the Company);

— an obligation to return Funds to the Company borrowed by the Client in connection with Margin purchase Securities Transactions (including the settlements of Transactions using the Company's Securities provided to the Client by the Company);

— an obligation to pay the Company an Additional Fee in connection with conclusion of Margin Transactions and Loans granted to the Client;

− an obligation to buy or sell Securities under Margin Transaction in the amount equal to the Analytical Value;

— an obligation to pay Interest to the Company for using borrowed Securities and Funds;

— other fees and expenses related to the Client's trading activities.

"Compensation Sum" applies to:

(I) the sum of Funds to be paid by the Client to the Company in connection with the conclusion or/and settlements of Margin Transactions,

or

(II) the current market value of Securities to be returned by the Client to the Company in connection with the conclusion, execution of Margin Transactions; the current market value of Securities is determined by the Company.

"Expenses" - the amount of expenses (costs) of the Company in connection with Margin Transactions, other than Compensation Sum.

"Explanatory Note" for the purposes of the Rules, in the calculation of the Expenses for evaluating the amount of Client's Indebtedness to the Company the dividends for Securities are taken into account when the decision on dividend payment is announced by the issuer under the condition that Client's Liability in Securities existed on the date of compiling the list of shareholders with a right to receive the dividends for corresponding Securities (record date). The Expenses are calculated and deducted immediately upon reception of necessary information from the issuer.

"Interest" is the amount to be paid by the Client to the Company for using borrowed Funds and/or Securities in connection with the Client's Margin Transactions, to be calculated daily according to the rates established in the Company's Fee Schedule as a percentage to the total amount of borrowed Funds and/or Securities.

"Marginable Assets" are Client's Assets that can be used as collateral for Margin Transactions.

"Margin Call" is the Company's notice to the Client to top up Client's Account or close Open positions to release collateral to meet CAR.

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

"Margin Requirements" refer to the amount of collateral (in the form of Marginable Assets) that the Company requires the Client to deposit in order to conclude a Margin Transaction. These requirements are put in place to ensure that the Company has sufficient Funds to cover potential losses on the Margin Transaction. The specific Margin Requirements may depending on the specific Asset being involved in the Margin Transaction, but generally the higher level of risk assessed by the Company, the higher the Margin Requirement.

"Margin Transaction" occurs when Client sells or buys Securities by borrowing Funds or Securities from the Company and offering the Company the Marginable Assets in the Client's Account (Accounts) as collateral.

"Net Assets Value" (NAV) is the total market value of Client's Assets reduced by the total amount of all existing Client's obligations to the Company.

"Non-marginable Assets" are Client's Assets that cannot be used as collateral for Margin Transactions.

3. General Provisions

The Company allows the Client to use the facilities described in the Rules when entering into Margin Transactions.

The Client understands and agrees that any credits/loans granted to him hereunder are intraday credits and shall be fully paid off by the end of the same day before the close of business at 21:00 UTC without further notice unless otherwise agreed by the Company.

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 in case of failure to comply with the provisions of this clause, the Company shall have the right, in addition to other rights and remedies under the present Rules and the General Terms, to immediately change the Client's margin status to Critical Capital Adequacy.

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

— the Client shall have the Client's Account opened in the Client's name with the Company under the General Terms;

— the Client shall acknowledge the risks related to Margin Transactions and stated in the Margin Transactions Rules;

— the Company has considered that Margin Transactions are appropriate for the Client.

Client's application for Margin transactions shall be the Client's instruction to execute a Transaction when the Client does not have sufficient Funds or appropriate Securities in order to secure execution or to execute such transaction.

The Client may give instruction for entering into Margin Transactions in any form, manner, and order envisaged by the General Terms.

4. Terms and Conditions of entering into Margin Transactions

All Client's Funds and Securities in the Client's Accounts with the Company included at the time in the List of Marginable Assets are used as collateral against the Client's obligations related to Margin Transactions. The Company determines the Marginable Assets and their leverage rates that are used to calculate Margin requirements solely at its own discretion without any notification to Clients.

Instructions for Margin Transactions are accepted for execution exclusively under the condition that:

— Minimal Capital Adequacy is maintained;

— to secure the obligations arisen as a result of a corresponding Margin Transaction, the Client provides the Company with Securities 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 arisen 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 Client provides the Company with a complete set of signed documents stipulated by the Rules.

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

— 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 in respect to Minimal Capital Adequacy existing at the moment of Instruction transmission leading to decreasing Capital Adequacy, or arising in connection with its execution;

— the Company does not consider that a Margin Transaction is appropriate for the Client.

Notwithstanding the aforesaid the Company hereby notifies the Client, and the Client agrees with the following:

(I) whereas, the performance by the Company of Margin Transactions may result in arising and incremental of credit or/and market risks borne by the Company, the Company exclusively at its own discretion and without any sanctions against the Company has a right to refuse the execution of Client's Instruction for Margin Transaction, suspend its execution, close Open Margin position, and

(II) provided that granting Funds and Securities for Margin Transactions depends on actual availability of the Funds and Securities in the market and at Company's disposal, the Company, exclusively at its own discretion and without any sanctions against the Company, makes decision whether to provide clients with Margin Transactions or not.

The Company grants Funds and Securities for Margin Transactions for an account of Brokers to which the Client's order 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 Capital Adequacy 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 Client's Account if as the result of its execution, the Capital Adequacy requirement is not satisfied;

— to follow the Rules and Company requirements in case of violating Capital Adequacy requirements;

— to bear and accept a risk of possible refusal of the Company to execute Client's Instruction for Margin Transactions, or possible suspending of its execution, and the risk of actual or possible losses arising from such refusal or suspending;

— to bear and accept a risk of possible refusal of the Company to provide the Client with loan (Funds or Securities) in connection with conclusion or/and execution of Margin Transactions and risk of actual or possible losses arising from such refusal.

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

Explanatory Note

For the purposes of the Rules, the Company establishes the following normative Capital Adequacy Ratios (parameters):

— Minimal Capital Adequacy Ratio is required for Margin Transactions and other transactions reducing Capital Adequacy Ratio;

— Margin Call Level is CAR at which the Company has a right to require the Client either to transfer additional Assets to Client's Account with the Company or close Open positions to release collateral to the level of the Minimal Capital Adequacy Ratio;

— Critical Capital Adequacy Ratio is a ratio at which the Company launches the procedure of selling Client's Securities or buying Securities using Client's Funds for the purpose of settling a part of Client's Indebtedness to the Company.

If the Applicable Legislation provides for any requirements pertaining to Capital Adequacy Ratios (parameters) and/or the order of their determination, the Company establishes normative Capital Adequacy Ratios (parameters) according to such requirements.

The following conditions shall serve unconditional grounds for suspending execution of Instruction for Margin Transaction:

— violation of the requirement in respect to Minimal Capital Adequacy.

The Company also has a right to suspend the execution of Instructions at its exclusive discretion.

The Client has an obligation to monitor positions in short sold Securities and close them as soon as the Company disables their ability to be sold using margin. In the case of failing to fulfill this requirement the Company liquidates these positions by it's own and immediately.

5. Interest and Expenses

The Client having Indebtedness to the Company undertakes to pay Interest to the Company for using borrowed Securities and Funds, and Expenses related to Margin Transaction settlements. Payment of Interest in connection with Margin Transactions shall be performed on the basis of interest rates for its calculating, specified in Company's Fee Schedule being an appendix to the General Terms and as amended from time to time. The Company unilaterally without the prior consent of the Client adopts new and makes changes/amendments to current Fee Schedule and informs the Client regarding it not later than 10 (Ten) calendar days before the respective changes/new Fee Schedule come into force and become applicable to the Client(s).

6. Settlements with the Client when concluding Margin Transactions

If CAR reduced to the Minimal Level, the Company sends the Client a Margin Call either:

— by phone;

— or by authorized and indicated in the Client Questionnaire e-mail;

— or within the framework of electronic trading system.

Before the next 20:00 UTC after the moment the Margin Call was sent at, the Client shall execute the Margin Call funding the Client's account with Funds or Securities or closing Open positions to release collateral sufficient for increasing CAR to the Minimal Level.

The Company has a right to abstain from accepting the incoming Instructions for execution or suspend execution of the accepted Instructions until the Client transfers Additional Assets or closes Open positions or issues an order to provide such Assets or close Open positions or sends the Company an Instruction to receive such Assets on behalf of the Client to Client's Account with the Company.

The Client undertakes to transfer to the Company any distribution of profits of the Securities to which the Client was entitled to after conclusion of the Margin Transaction on selling the Securities credited by the Company to the Client for the period from the moment of conclusion respective Transaction until the Client's Indebtedness is paid off by the Client in full, irrespective of whether the Client received such distribution or not, and, if applicable, after deduction of any taxes and duties, established for such class of Securities as the case may be. Thereupon the Client hereby empowers the Company to withhold any distribution of profits on Securities due to the Company and to directly debit the respective amount of distribution on Securities from the Client's Account and credit the said amounts/sum to the Company's account.

7. The Client debt's repayment

Funds and Securities transferred to the Client are primarily used for paying off Margin Loans.

Client＇s Indebtedness to the Company shall be set-off in full by payment of the Amount of Client's Indebtedness or return of Securities, compensation of the Expenses related to Margin Transaction, payment of the Interest and the entire sum of money equal to the calculated Analytical Value.

Client's Indebtedness in Funds shall be offset by transfer of Funds to Client's Funds Account or entering Funds from the liquidation of Securities positions.

Client's Indebtedness in Securities shall be offset in full or in part by transfer of the same quality of Securities (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 Capital Adequacy is reduced to the Critical Level or the Margin Call is not executed on time, the Company sells the Securities belonging to the Client and serves as collateral or buys Securities using the Client's Assets serving as collateral in the amount sufficient for offsetting Client's Indebtedness towards the Company.

Open positions in these Securities will be closed by the Company at the current market price action Company's Trading Platform.

CAR after settlement of a part of Client's Indebtedness to the Company shall at least be equal to Minimal Capital Adequacy.

As a general rule the Company performs trading and non-trading operations with Client's Securities to pay off Client's Indebtedness for the purpose of recovering the required Capital Adequacy on the basis of Instructions issued by Client's Authorized Person according to the Rules, including those which are expressed in the present Rules.

The Company has a right to determine independently the Securities from the List of Marginable Assets used as collateral to be sold or bought for the purpose of covering the Client's Indebtedness/partial Indebtedness.

To acquire Securities returnable to the Client, the Company has a right to sell other Securities placed as collateral.

As a general rule, the sufficient and required quantity of Client's Securities shall be sold or bought in order to cover the Client's Indebtedness towards the Company.

Explanatory Note

If internal rules of Trade Organizer or Stock Exchange selected by the Company as a place for selling Client's Securities stipulate for trading by lots or in the amounts that are multiple to a minimal standard lot set by the internal rules of Trade Organizer or Stock Exchange, the Securities can be sold in the amount exceeding that which is required for setting off Client's Indebtedness towards the Company.

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

If the Funds obtained as the result of selling the Securities are not sufficient for covering in full Client's Indebtedness to the Company and there are no other Securities which the Company has a 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 Client's Indebtedness and/or deliver Securities to the account in the Authorized Organization indicated by the Company.

When performing transactions and operations with Client's Asset aimed at paying off Client's Indebtedness, the Company reserves a 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 of expenses related to execution of the Instructions issued by Client's Authorized Person in addition to the Rules, in the amount and according to the order stipulated by General Terms.

If CAR reaches the Minimal Level, the Company shall refuse to accept and execute any Client's Instructions, except for those aimed to increase Capital Adequacy (in this case all previous Instructions accepted for execution including Instructions for Margin Transaction shall become invalid).

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

— exclusively at the Company's own discretion to require the Client to pay off Indebtedness in full or in part regardless of CAR, particularly but not limited to the case of recalling debt in a Security;

— to dispose Client's Funds available in Client's Account(s) with the Company for the purpose of acquiring Securities to settle the Client's Indebtedness to the Company;

— to sell Client's Securities available in Client's Account(s) with the Company for the purpose of settling 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 to pay off Client's Indebtedness to the Company in the accounting period, and the amount of Interest for use of Securities and Funds in Margin Transactions is included by the Company in reports and statements of account provided to the Client according to General Terms.

9. Risks and Liability of the Client on Margin Transactions

Client accepts, that investment into Securities is connected to certain risks, and the responsibility cannot be borne by the Company, as it is out of the Company's control, and possibility to foresee and prevent effect of those risks, are limited. Due to the above, the Client shall evaluate the possibility of investments at own discretion, and the Company will do its best to help the Client to reduce possible risks of investments according to the present Rules.

Margin Transactions risk is a type of risk related to possibility of loss during the Margin Transactions. Relatively insignificant change of market conjuncture can render inproportionally more significant impact on Client's Funds, has been contributed or will be contributed: and may work both ways, in favor or against of the Client. To support the position, the Client may suffer from loss exceeding NAV. In case of change in the market conjuncture against the Client's interests, or decreasing of Capital Adequacy, to support the Client's position, it may require the payment of additional significant Funds during the short term. In case of unfulfillment by the Client the requirement on contribution of additional Funds in certain terms, the Client's position can be liquidated with loss to the Client, and only the Client shall be responsible for any related deficit.

During proceeding of the Margin Transactions additional types of risks may arise:

(I) Failure or partial failure risk during proceeding of Instruction on Margin Transaction on the discretion of Company.

(II) During proceeds of the Margin Transactions, the Client bears the risk of price increase on Securities, transferred to the Client. The Client is obliged to return Securities independently from change of its value. The current market price can significantly exceed its costs during its initial sale.

(III) During proceeds the Margin Transactions, the Client bears the price risk on Assets, purchased with own Funds, and also on Assets, which are collateral of Client's Liabilities for the Company. The size of Assets under the risk of adverse price change is higher, than during the simple trading. Respectively, losses can occur on a large scale as compared to trading with the Client's own Funds.

(IV) The Client is obliged to keep an adequate level of collateral of obligations to the Company, which can result in the need to conclude transactions on purchase/sale, independently from the current level of market prices and the following realization of risks of loss of revenue, risk of loss of investing Funds or risks of loss, exceeding the investing Funds.

(V) During the adverse price changes for the Client, to support CAR, in cases, provided by the Rules, the Client's position can be liquidated, which may effect on revenue loss risk, risk of loss of investing Funds or risks of loss, exceeding the investing Funds realization.

Further information

Further information or details of these Margin Transactions Rules are available at any time that the Client requests it by means of durable medium or website freedomfinance.eu.

Client's Prior Consent

By accepting the General Terms, the Client agrees and fully accepts all conditions of the present Rules.