

GENERAL TERMS AND CONDITIONS

2nd June, 2010

These terms and conditions („Terms and Conditions“) govern the relationship and describe the principles of cooperation between AS Trigon Wealth Management („TWM“) and parties (“Clients”) to the agreement for provision of wealth management services (“Agreement”). Particular attentions should be paid to highlighted terms and conditions.

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1. General Principles

- 1.1. The relationship between the Client and TWM shall be based on mutual trust. TWM places its knowhow and resources at the disposal of the Client and the Client places its assets and investment capabilities at the disposal of TWM. Such relationship is assumed to rely on trust and therefore require drawing up these Terms and Conditions governing all main aspects of Services rendered by TWM to the Client or on Client’s behalf. These “Terms and Conditions“ are also available on TWM web page www.trigoncapital.com.
- 1.2. Words and definitions used herein, regardless whether plural or singular or gender specific, shall be deemed to include any gender and both plural and singular as the context requires.
- 1.3. The Agreement concluded for provision of wealth management services shall include: a) these Terms and Conditions, b) Client Categorisation Rules, c) Best Execution Rules, d) Rules of Prevention of Conflicts of Interest, e) Price List and f) Wealth Management Agreement with appendixes that specify Client’s accounts, assets, representatives, power of attorneys, investment profile, communication standards and other individual terms and conditions. In addition, a relationship between TWM and the Client shall be governed by the applicable laws and regulations of the Republic of Estonia and, insofar as relevant, also the Agreements amongst TWM and third parties used in outsourcing.
- 1.4. TWM is providing investment management and ancillary financial services for wealthy individuals that, inter alia, include: a) financial planning, b) investment management, c) product and partner selection in the areas of retail banking, estate planning, taxation and lifestyle management and d) accepting and forwarding for execution and executing Client’s transaction orders in the name of or on behalf of Client, e) other ad hoc services befitting and adequate (for example holding mail service) or as may be from time to time agreed between TWM and the Client („Services“). TWM service offering is accompanied by client relationship management.
- 1.5. TWM is subject to prudential supervision by the Estonian Financial Supervision Authority (Sakala 4, Tallinn 15030, Republic of Estonia). TWM was granted a license of an investment firm by Estonian Financial Supervision Authority on 2nd of June 2010. See further www.fi.ee.

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- 1.6. TWM Services are subject to Estonian Investor Protection Scheme. More information can be obtained from Collateral Fund internet page www.tf.ee.
- 1.7. TWM provides Services to present and near-term perspective high net worth individuals, small business owners and families with minimum 500 000 EUR of financial assets (excluding property) or of net worth (total assets minus liabilities) unless exception granted at the discretion of TWM.
- 1.8. **Investment activities are accompanied by various risks that may affect the return on investments. The investment activities may or may not be profitable, thus, there is no guarantee that the Client will earn profits from the Services concluded by TWM. The Client is informed and acknowledges that investments may incur losses and that past performance is not necessarily an indication of future results. The Client should make investments and investment related decisions which are within his financial capacity and risk tolerance. Clients are asked to pay particular attention to some of the risks related to investing that are further described below under Section 5.**
- 1.9. TWM is obliged to:
 - 1.9.1. consider Client's categorisation according to "**Client Categorisation Rules**", map Client's investment profile with the help of "**Personal Investment Profile Questionnaire**", agree with the Client his investment profile after introducing the Client with relevant risk scenarios and set out the investments appropriate to the Client according to "**Investment Policy Statement**" ("**IPS**");
 - 1.9.2. provide its Services in compliance with its duties of "**Best Execution Rules**", "**Rules of Prevention of Conflicts of Interest**" and "**Price List**".
- 1.10. The Client confirms that:
 - 1.10.1. he is fluent in English and therefore these Terms and Conditions as well any other communication exchanged and/or signed by and between the Client and TWM in English is understandable to him;
 - 1.10.2. he will inform TWM without any delay in changes in his name, address, e-mail address, phone and fax number;
 - 1.10.3. he has and will give TWM true and correct information in terms of his knowledge, experience and understanding of investment activities, financial instruments, risk tolerance and assets to be managed by TWM and the Client understands that TWM shall not be able to recommend suitable products and/or services or assess the appropriateness of services and/or products in case incorrect or incomplete information is provided;
 - 1.10.4. he agrees to notify TWM of material changes in his financial capacity and risk tolerance and rectify any known incorrect information available to TWM about the Client;
 - 1.10.5. he shall immediately inform TWM of any Assets on the Accounts or of any other financial assets acquired by TWM on behalf or in the name of the Client that does, in the opinion of the Client, not correspond to the investment profile or risk tolerance of the Client. For the latter purpose the Client shall immediately inspect all reports provided to him by TWM;
 - 1.10.6. prior to signing an Agreement with TWM ("**Agreement**"), he has acquainted himself with documents referred to in section 1.3 and he fully understands the contents and consequences thereof.

2. Client Categorisation and Investment Profile

- 2.1. Each Client shall be categorised by TWM either as "Retail Client", "Professional Client" or "Eligible CounterParty" in accordance with the "Client Categorisation Rules". TWM notifies each Client of his categorisation after conducting procedures for categorisation and introduces the Client of the consequences thereof. Each Client shall by default be categorised as Retail Client.
- 2.2. Prior to signing the Agreement, TWM shall determine each Client's investment profile and risk tolerance based on information provided to TWM by the Client. Based on the latter, the Client and TWM shall agree upon Client's individual investment profile as further described in IPS in Appendix 4 to the Agreement.
- 2.3. TWM is entitled to rely on information provided by the Client without further inquiry. Incorrect, incomplete or conflicting information may lead TWM to determine the Client's profile that may not suit the Client's financial capacity and/or risk tolerance. This may lead to adverse consequences for the Client for which TWM shall bear no responsibility.
- 2.4. On the basis of information provided by the Client, TWM reserves the right not to provide certain Services or restrict transactions with certain instruments it deems to be irrelevant or not suitable for the Client.
- 2.5. TWM is entitled to modify at any time the Client's investment profile (i) following any change in the information provided by the Client or (ii) following changes in market conditions, provided that a delay in waiting for a respective confirmation of the Client would cause unfavourable consequences for the Client and it may be presumed that the Client would approve of the modification of the profile.

3. Assets and Client Accounts

- 3.1. The Assets of the Client to be managed by TWM under the Agreement (the "**Assets**") are the funds and securities kept in the current account(s), term deposit(s), securities account(s) or in other form of holding financial Assets (the "**Accounts**") set out in Appendix 2 in the Agreement at the time of the entry into the Agreement and to be received after the entry into the

- Agreement, as well as other Assets set out in the Agreement and the Assets to be acquired as a result of investing the said Assets under the Agreement.
- 3.2. Assets are to be divided into discretionary managed, non-discretionary managed and separate Assets. TWM provides the Client with a financial plan and investment profiling taking into account all type of the aforementioned Assets. TWM provides an investment proposal accompanied with risk scenario visualization for the Assets. After the diversification principles with regards to Asset classes, Asset classes to be managed, amounts, allowed sectors and regiois and other important investment clauses are agreed, TWM commences with provision of Services for the Assets.
 - 3.3. For discretionary managed Assets, TWM decides and executes single transactions with no additional Client confirmation provided that these transactions remain in the framework of IPS.
 - 3.4. For non-discretionary managed Assets, TWM, as being aware of the Client's risk profile, investment targets and personal financial situation, provides suggestions for financial transactions and such transactions shall require separate confirmation by the Client.
 - 3.5. For any other type of separate Assets, TWM can provide execution service only based on the Client's specific request.
 - 3.6. For the purposes of providing quality investment management and reporting, special purpose investment accounts will be opened for discretionary managed Assets. The same is advisable with regards to non-discretionary managed Assets.
 - 3.7. The Client Accounts can be opened (or nominee accounts used) with a financial institution suggested by the Client, however, TWM may, upon Clients respective wish, suggest financial institutions in Estonia and other countries, provided TWM has conducted relevant check on such financial institutions.
 - 3.8. The Client undertakes to ensure that the Accounts shall be usable for the performance of the Agreement during the entire term of validity of the Agreement, and he shall not do anything that would complicate to render the performance of the Agreement by TWM impossible (including in relations with discretionary managed Assets establishment of restrictions with regard to the Accounts, transferring funds or securities away from the Accounts without prior notice and/or closing of the Accounts without TWM's knowledge). During the term of validity of the Agreement the Client will be entitled to use the Accounts if so agreed with TWM in the Agreement.
 - 3.9. TWM shall be authorised to open and close the Accounts for discretionary managed Assets.
 - 3.10. All transaction executed based on investment ideas recommended or decided by TWM are to be executed on Accounts specified in Appendix 2.
 - 3.11. The Assets are held in the name of the Client and separately from TWM's (or any other company belonging to the same group with TWM) or its other Clients' Accounts. Any time during the duration of the Agreement, the Assets belong to the Client.
 - 3.12. The exact powers of TWM for fulfilling the performance of the Agreement in relation with the Accounts are specified in Appendix 2 in the Agreement. Should it be necessary, the Client shall issue an additional power of attorney to TWM in the required form to evidence the powers set out.

4. Investment Management

- 4.1. TWM shall invest the Assets based on the Investment Policy Statement set forth individually with each Client in Appendix 4 to the Agreement. The Parties shall review the IPS, if it is requested by at least one of the Parties, and if needed, shall make the respective amendments to IPS. Until an amendment to the IPS is reflected in the Agreement, TWM shall act on the basis of the IPS previously set out in the Agreement, except for the circumstances set forth in clause 4.6.
- 4.2. TWM shall act in accordance with the "Best Execution Rules". TWM shall invest the Assets with sufficient competence, accuracy and care, avoid or manage conflicts of interest and consider primarily the best interests of the Client.
- 4.3. The Client agrees that by entering into an Agreement and/or giving an order to TWM the Client agrees to Best Execution Rules. The Client acknowledges the risks inherent in such transactions.
- 4.4. All transactions with Client's Assets will be executed in accordance with the rules and practices of the market on which they are executed.
- 4.5. Upon the entry into the Agreement, TWM has categorised and profiled the Client, has agreed the types of relationships in terms of Assets (discretionary managed, non-discretionary managed and/or separate Assets as described in section 3.2.) and has provided the Client with relevant information regarding the planned transactions and the risks involved therewith. In case of discretionary managed Assets, the Parties have agreed that upon the performance of the Agreement, TWM shall not be obliged to continuously forward information to the Client regarding any planned transactions and the risks involved therein. TWM shall provide the Client with such information additionally at the respective request of the Client and also at the review of the Investment Policy Statement. In case of non-discretionary managed Assets, TWM shall provide prior to each transaction the Client with information regarding the essence and risks of the suggested transactions and the final approval of each transaction lies with the Client. In case of separately managed Assets, TWM does not have to indicate its arguments and (dis)favour of the transaction.
- 4.6. TWM will be entitled to deviate from the IPS, if TWM considers, primarily in a situation of an unexpected change in the market situation, that it is necessary to avoid damages to the Client or to minimize possible damage. TWM shall immediately inform the Client about such decisions and, if possible, shall wait for the decision of the Client. If a delay could clearly bring about adverse consequences to the Client and if TWM has grounds to expect, due to the circumstances, that the Client will

- approve the deviation from the IPS, TWM will not have to wait for the decision of the Client. TWM shall not be liable for the damages caused to the Client as a result of such transactions.
- 4.7. The Client is entitled to issue orders to TWM for concluding transactions with the Assets, including for a deviation from the IPS. In case TWM finds such transaction orders not suitable for the Client taking into account Client's categorisation, investment knowledge, experience and/or risk tolerance, then TWM shall prior to executing the transaction order, inform the Client of the latter. TWM shall not be liable for damages caused to the Client as a result of transactions concluded by the order of the Client.
- 4.8. If the composition of the Assets does not correspond to the IPS due to a change in the market value of the Assets, this shall not be deemed as a violation of the Agreement by TWM. In such case, TWM shall make changes in the composition of the Assets to bring the composition of the Assets into conformity with the IPS in a meaningful time and cost level.
- 4.9. **Under the Agreement, TWM shall not undertake the responsibility to ensure any return to the Client on the investments to be made on the basis of the Agreement, but TWM shall make efforts to achieve the said objective. The Client confirms that he is aware of the fact that investing of the Assets can bring profits or losses, and that past earnings do not guarantee that similar results will be achieved in the future.**
- 4.10. TWM will be entitled to conclude any transactions and perform other legal acts in the name and for the account of the Client, including with TWM itself, with a company affiliated with TWM and with another Client of TWM, which transactions and legal acts are necessary for the provision of the Services to the Client as set forth in the Agreement, including for acquisition and transfer of the Assets. *Inter alia*, TWM will be entitled to use the assistance of credit institutions, brokers, investment funds and other persons of Estonia and foreign states, including conclude transactions with them, upon the performance of the Agreement. The Client hereby agrees that TWM may receive inducements from such persons but acknowledges that according to Price List these inducements are to be distributed to the Client by fee offsetting. Inducements may be received only in case those are enhancing the quality of Services and do not provide any conflict of interests. The Client hereby authorizes TWM to conclude said transactions and perform said legal acts and organize all the procedures related thereto. Furthermore, the Client agrees with the disclosure of necessary information regarding the Client to the persons to be used in the performance of the Agreement by TWM.
- 4.11. The general rules for managing and avoiding conflict of interest situations are described in Rules of Prevention of Conflict of Interests document. The Client hereby agrees that TWM shall not have to inform him about a situation where TWM will conclude a transaction in the name of the Client with TWM itself, with a company affiliated with TWM, or with another client of TWM provided that the transaction is in the framework of Best Execution Rules. In cases where the conflict of interests is evident, TWM shall inform the Client prior to executing a transaction and acquire Client's permission in a format which can be reproduced in writing.

5. Risks

- 5.1. Clients are warned that investment in the financial markets entails certain risks among what special attention should be paid especially to the following:
- 5.1.1. **Market risk** is the risk that Client's investments will depreciate due to unfavourable price movements of the securities causing the Client to lose money.
- 5.1.2. **Liquidity risk** is the risk that a given security or Asset cannot be traded quickly enough in the market to prevent a loss.
- 5.1.3. **Credit risk** is a possibility that an issuer of a security belonging to the Clients' portfolio does not fulfil its obligations in part or in full.
- 5.1.4. **Currency risk** is a possibility that due to movements in exchange rates the value of an investment nominated in a given currency changes in an undesirable direction. Whenever investors have Assets not denominated in base currency, they face currency risk if their positions are not hedged.
- 5.1.5. **Concentration risk** is a possibility that an event or circumstance has a substantial impact on the Client' portfolio returns due to its investments being focused on one or a small number of markets or Asset classes or issuers.
- 5.1.6. **Issuer risk** arises from the specifics and from success of the business activities of an issuer that could affect prices of securities issued by it (e.g. worsening of issuer's financial results due to poor decisions by the management, bankruptcy etc).
- 5.1.7. **Interest rate risk** is the risk borne by an interest-bearing Asset, such as a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.
- 5.1.8. **Legal risk** arises as a result of changes in local or international tax laws, regulatory environments, political environments etc in a way that adversely affects the Client's investments.
- 5.1.9. **Operational risk** encompasses various counterParty risks that specifically are risks in the systems of securities depositories, stock exchanges, market places, clearing houses etc. Should the counterParty fail to meet its obligations e.g. in delivering securities in time, this may cause losses to the Client.
- 5.2. Specific risks related to Client's Assets and Accounts will be reviewed and introduced to the Client prior to signing IPS.

6. Client Instructions

- 6.1. Notices related to the Agreement, including orders and instructions from the Client to TWM, shall be sent to a Party according to the contact details set forth in the Agreement or after the entry into the Agreement, according to the new contact details provided by the Party in a format which can be reproduced in writing.
- 6.2. TWM will be entitled to refuse to accept and execute an order of the Client, if the order is incomprehensible or controversial due to technical errors in transmission or due to any other reason, or if TWM has reasonable doubt as to the powers or intention of the sender. In such case, TWM shall make reasonable efforts to check the order. If TWM performs said obligation of checking, TWM shall not be liable for damages caused to the Client by the execution of or failure to execute such order.
- 6.3. A notice related to the Agreement shall be given to the other Party in a format which can be reproduced in writing (i.e. recorded phone call, e-mail, fax, letter), unless submission of the notice in another format is prescribed or permitted under the Agreement.
- 6.4. Notices to be submitted by the Client by e-mail shall be sent to TWM from the e-mail address of the Client that is set out in the Agreement or notified by the Client after the entry into the Agreement, unless the respective e-mail bears a digital signature. Instructions given by an unsecured e-mail channel have to be confirmed over a phone with a recording facility from TWM side.
- 6.5. Notices sent by e-mail and fax shall be deemed as received on the day of their successful receipt, and notices sent by post shall be deemed as received on the fifth calendar day after their posting, except for the notices sent by registered post with a notice of delivery, which shall be deemed as delivered upon their actual delivery to the recipient.
- 6.6. An order or instruction for concluding a transaction with the Assets, submitted by the Client over the telephone to TWM, shall be deemed as received by TWM upon the end of the respective telephone call between the Client and TWM. An order or instruction for concluding a transaction with the Assets, submitted by e-mail or fax to TWM by the Client, shall be deemed as received by TWM not later than at noon of the banking day following the day of successful receipt of the order. In this Agreement, a banking day refers to a day from Monday to Friday, when banks are generally open in Estonia.
- 6.7. Client instructions can not be withdrawn unless TWM agrees to the withdrawal (i.e. TWM has not forwarded the instruction for execution or other circumstances giving substantial grounds for withdrawal).
- 6.8. **The Client hereby provides TWM with his consent for recording and storing the telephone calls, faxes and e-mails between the Client (including a representative of the Client) and TWM. TWM will be entitled to use the recordings as evidence of the content of communication between the Client and TWM.**
- 6.9. A Party shall inform the other Party immediately about a change in its contact details.
- 6.10. TWM shall not be liable for any damage to the Client that emerges in relation to the transmission of declarations of intention and information related to the Agreement by means of communication, including damages that emerge in relation to loss and/or receipt by a wrong recipient of any declarations of intention and/or information, and/or transmission of any declarations of intention and/or information in the name of the Client by a third Party.

7. Client Communication

- 7.1. TWM shall provide the Client with an investment report on the management of the Assets in the manner and at the interval set forth in Appendix 5 in the Agreement, but not less than once in a calendar quarter. In said report, TWM shall set out the composition of the Assets, the market value of the Assets, the list of transactions concluded during the reporting period, the calculation of performance and overview of fees involved.
- 7.2. Appendix 5 to the Agreement specifies preferred communication language, frequency and means of communication and specifies relevant subjects of interest, such as financial markets overviews, wealth management news, personal meetings, phone calls and events.

8. Representatives of Client

- 8.1. The representative(s) of the Client, for the purpose of any issues related to the Agreement, are the person(s) indicated in the Agreement and individuals as set out in written Client notices after the entry into the Agreement. While notifying about a new representative after the entry into the Agreement, the Client shall provide TWM in writing with the contact details of the new representative, a copy of his identification document and his signature specimen.
- 8.2. For a Client that is a legal person, TWM will be entitled to deem also a member or members of the board, who has (have) been entered in the Commercial Register and who is (are) entitled to represent the Client according to the entry in the Commercial Register, as the representatives of the Client, irrespective of whether such person(s) has (have) been appointed as the representative(s) of the Client according to the Agreement.
- 8.3. The Client hereby authorizes every person who is deemed as a representative of the Client within the meaning of the Agreement, to solely represent the Client with all the rights regarding all issues related to the Agreement. A restriction regarding the right of representation of the representatives of the Client, including restrictions regarding the right of

representation entered in the Commercial Register, shall be valid with regard to TWM provided only and from the moment when the Client informs TWM about it in writing.

- 8.4. The Client shall immediately inform TWM in writing about the expiration of the powers of his representative. TWM will be entitled to treat a person as the authorized representative of the Client up until the moment when TWM receives a written notice from the Client regarding the expiration of the powers of the respective person. TWM will also be entitled to treat a person as the authorized representative of the Client up until said moment in case an entry has been made in a public register regarding the expiry of the right of representation of such person, if relevant data has been published in the media (in Estonia incl. in *Ametlikud Teadaanded*), or if a judicial decision has taken effect with regard to the expiry of the right of representation.

9. Confirmations and Obligations of Client

- 9.1. The Client confirms that:
- 9.1.1. Before the entry into the Agreement, TWM has introduced the risks related to investment activities to him, and that he is aware of such risks, their extent and the probability of their occurrence;
 - 9.1.2. Upon the entry into the Agreement, TWM has provided him with relevant information regarding the planned Asset allocation and transactions with the Assets and the risks involved therein;
 - 9.1.3. He is aware of the fact that despite the application of necessary care by TWM, investment decisions may turn out to bring losses, and the Client shall not deem TWM to be liable for any damages deriving from such decisions;
 - 9.1.4. He is aware of the fact that securities depositaries may have security rights as well as a right of retention and the right to set off in respect of shares belonging to the Client;
 - 9.1.5. He is solely entitled to decide to enter into, amend and terminate the Agreement and dispose of the Assets, including in the case where the Client who is a natural person is married and the Assets belong to the joint property of spouses, the Client has the consent of his spouse in the required form for the entry into, amendment and termination of the Agreement and disposal of the Assets or, in case the representative of the Client that is a legal person, has the consent of the management or controlling body for the entry into, amendment and/or termination of the Agreement and/or disposal of the Assets, the Client has the respective decision of the respective body in the required form;
 - 9.1.6. He is aware of the risks involved with the transmission of declarations of intention and information by means of communication (including fax, e-mail and telephone), but nevertheless he wishes that the Parties would communicate in relation to the Agreement, *inter alia*, by the means of communication and that TWM would accept and perform the declarations of intention transmitted in the name of the Client by the means of communication;
 - 9.1.7. Before the entry into the Agreement, TWM has introduced to him the applicable investor protection scheme;
 - 9.1.8. The funds and securities held in the Accounts at the time of entering into the Agreement and to be transferred to the Accounts by the Client after the entry into the Agreement have not been received as a result of a criminal offence or for participation in a criminal offence, and said funds and securities have not been nor will they be used for the financing of terrorism or money laundering.
- 9.2. In addition to other obligations set forth by law and in these Terms and Conditions and the Agreement, the Client shall:
- 9.2.1. Ensure that the Accounts shall hold a sufficient amount of funds at all times to cover the fees and expenses related to the Agreement and to perform the obligations of the Client deriving from the Agreement;
 - 9.2.2. At the request of TWM, enable the establishment of his identity within the meaning of the Money Laundering and Terrorism Financing Prevention Act or meeting of other requirements deriving from said Act, and submit necessary data and documents to TWM in relation to the same. Should the Client fail to perform said obligation, TWM will be entitled to suspend the performance of the Agreement or to cancel the Agreement extraordinarily;
 - 9.2.3. At the request of TWM, provide TWM with information regarding his knowledge and experience related to investment services and ancillary investment services, objectives and circumstances as well as his financial position and the legality of the funds constituting the basis for a transaction;
 - 9.2.4. At the request of TWM, release TWM immediately from obligations and liability to third parties that TWM may incur in relation to the performance of the Agreement, i.e. perform the respective obligations to such third parties for TWM by himself, and compensate TWM for the expenses and damages related to such obligations and/or liability.

10. Client Data and Confidentiality

- 10.1. Client information held by TWM is confidential and TWM shall process Client data with utmost secrecy. Access to Client data shall be provided to TWM employees up to the extent required for provision of Services.
- 10.2. TWM shall collect, process and store only such information that is essentially necessary for the performance of its Services under the Agreement and for the execution of TWM's legal, regulatory and prudential obligations.
- 10.3. The Client hereby authorises and empowers TWM to act in his name and on his behalf to collect, process and store information concerning his identification, Assets, Accounts and other similar information. TWM is entitled to forward any part of such information to state authorities or third parties such as custodian banks, banks, registrars or similar for the purposes of fulfilling its obligations under the Agreement or if so validly requested by such third parties.**

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- 10.4. The Parties agree to maintain the confidentiality of the terms and conditions of the Agreement and of information that has become known regarding the other Party in relation to the performance of the Agreement, unless the disclosure of such information is necessary in relation to the performance of the Agreement or is obligatory pursuant to applicable legal acts and/or stock exchange rules.
- 10.5. The obligation to maintain the confidentiality of the information shall survive the expiration of the Agreement.

11. Fees

- 11.1. For the provision of the Services set forth in the Agreement, TWM shall be entitled to receive and the Client shall pay a management fee (“**Management Fee**”), a performance fee (“**Performance Fee**”) and additional pre-agreed *ad hoc* service fees (“**Service Fee**”) as described in the Price List. The Price List is available in TWM web page and in case of changes is subject to one month personalized preannouncement.
- 11.2. The monthly Management Fee is the percentage of the market value of the Assets discretionary and/ or non-discretionary managed and/or advised by TWM on the last day of every month as set forth in Appendix 2 in the Agreement. The percentage of the Management Fee as set out in the Price List is calculated on the basis of a calendar year of 360 days. TWM shall calculate the Management Fee. TWM has the right to transfer the Management Fee for the previous month or a part thereof from the discretionary managed Accounts to itself. For non-discretionary managed Accounts, TWM shall provide the Client with an invoice for the Management Fee for the previous month by the 15th day of every calendar month due to be paid by the end of the same month. For discretionary Accounts, TWM shall provide an invoice on Client request.
- 11.3. The Performance Fee is to be applied on long-term performance of the Assets discretionary and/or non-discretionary managed and/or advised by TWM that exceed targets agreed within Investment Policy Statement. The Performance Fee is calculated annually, except in case the Performance Fee Only service model has been agreed. Half is paid promptly after year-end. The other half is subject to longer term performance – it is paid promptly, but is remunerated in case performance over next 2 years is negative compared to the basis of preliminary calculation. The Performance Fee is subject to high watermark principle. This principle takes into account the highest peak in value that Assets have reached and whereby TWM cannot earn Performance Fee until any prior losses have been made up. The settlement and invoicing of The Performance Fee is annual or upon termination of the Agreement and the procedure of invoicing and collecting is similar to that of the Management Fee. In case the service is Performance Fee Only service model, then Performance Fee is charged on a monthly basis and calculated based on positive realized net return for the Client on each transaction or in case the Client chooses not to realize the position based on TWM recommendation, the difference between the purchase price and closing price of the day TWM has provided selling recommendation.
- 11.4. Additional ad hoc Services are subject to separately pre-agreed Service Fee that are based on market rates and hours involved for the work.
- 11.5. The Value Added Tax shall be added to the Management Fee, Performance Fee and Service Fee, if it is required under applicable laws.
- 11.6. The market value of the Assets shall be calculated by TWM. TWM shall calculate the market value of the Assets listed on the stock exchange on the basis of the closing prices on the respective stock exchange. TWM shall calculate the market value of the Assets that are not listed on the stock exchange on the basis of the practice applicable in the respective market, and if there is no respective practice, then on the basis of the presumable sale price of the respective Assets. By settlement day we mean the day on which purchased securities are due for delivery to the buyer and payment is due to be made to the seller.
- 11.7. For determining the initial market value of the Assets for the calculation of the Performance Fee, the securities included in the Assets that are held in the Accounts at the moment of entering into the Agreement shall be calculated using the market prices as of the end of the day of entering into the Agreement, and the securities to be received and included in the Assets during the term of validity of the Agreement shall be calculated using the market prices as of the end of the day of receipt of the respective securities in the Accounts. TWM shall calculate the market value of the securities that are not listed on the stock exchange on the basis of the practice applicable in the respective market, and if there is no respective practice, then on the basis of the presumable sale price of the respective Assets.
- 11.8. In addition to the Management Fee and Performance Fee, the Client shall borne himself or pay to TWM, as the case may be, all the fees and expenses related to transactions performed with the Assets, including any taxes to be paid and the charges according to the TWM Price List.
- 11.9. If the discretionary managed Accounts do not hold a sufficient amount of funds for performing the obligations of the Client deriving from the Agreement, TWM, at its own discretion, shall be entitled to sell the Assets to the extent necessary for the performance of the obligations of the Client. In such case, the market value of the Assets, on the basis of which the calculation of the Management Fee and Performance Fee will be made, shall be calculated before the selling of the Assets.

12. Liability

- 12.1. A Party shall be liable for the violation of an obligation deriving from the Agreement only in case of wilful misconduct or gross negligence.

- 12.2. TWM shall be liable only for direct damages caused to the Client. TWM shall not be liable for any income lost by the Client or for any other indirect damages.
- 12.3. TWM shall remain liable for licensed but outsourced Services as it was TWM itself providing such Services to Clients.
- 12.4. TWM shall not be liable for any damage of the Client that has occurred due to the actions or failures to act of the Client and/or a third Party or for any damages of the Client that have occurred as a result of the activities of authorities, including upon establishment of restrictions regarding the disposal of the Assets.
- 12.5. TWM shall not be liable for the solvency of any issuer of securities included in the Assets, or for the solvency of a guarantor thereof, or for the activities of a payment intermediary. If the Assets are being kept by third parties, TWM shall not be liable for the solvency of such third parties or for preservation of the Assets that are in the possession of such persons.
- 12.6. TWM shall not be liable for any tax obligations of the Client that have emerged in relation to the performance of the Agreement. TWM shall not provide any tax advice to the Client under the Agreement.
- 12.7. Upon delay in performance of a payment obligation deriving from the Agreement, the Party in delay shall pay to the other Party default interest at the rate of 0.05% of the overdue amount for each day of delay.

13. Client Complaints

- 13.1. Resolving Client complaints fairly and without unnecessary delay is considered priority. While handling the Client complaint, TWM shall always seek solution in compliance with relevant laws and regulations and most fair to the parties.
- 13.2. The Client shall submit his complaint in writing. The complaint must describe all the essential circumstances and relevant details of the incident. Supporting evidence must be enclosed to the complaint.
- 13.3. Client complaints will be handled immediately. TWM shall without delay determine the nature, background and circumstances concerning the complaint.
- 13.4. The Client shall be contacted within 5 business days as of receipt of the complaint the latest. The Client will be informed of the actions taken for determining the circumstances and findings surrounding the complaint, the proposed solution or settlement and possibilities of appealing in case the Client does not agree with TWM's proposal of solution.

14. Amendments

- 14.1. TWM will be entitled to amend these Terms and Conditions, Best Execution Rules, Client Categorisation Rules, Prevention of Conflicts of Interest and Price List unilaterally while notifying the Client about it by e-mail or post not less than one month in advance.
- 14.2. If the Client does not agree with an amendment to the said documents, the Client will be entitled to terminate the Agreement before the amendment comes into force by sending a written notice to TWM.
- 14.3. Unless the Client terminates the Agreement, the Client shall be deemed to have accepted the amendments to the Agreement in case no notice of cancellation is received by TWM by the date of coming into force of the amendments.
- 14.4. Other amendments to Agreement (Investment Policy Statements etc) shall be agreed mutually in writing.

15. Force Majeure

- 15.1. A Party shall not be liable for the default of an obligation deriving from the Agreement, if such default was caused by the occurrence of Force Majeure. The parties understand Force Majeure as circumstances and events, the occurrence of which is beyond the control of a Party and that could not be anticipated by a Party, or even if they could be anticipated, they could not be avoided. Inter alia, the parties deem Force Majeure to refer to natural disasters, an outbreak of disease, strike, war, civil commotion, amendments to legal acts and power discontinuity.
- 15.2. Upon the occurrence of Force Majeure, the affected Party shall immediately inform the other Party about it.
- 15.3. The parties shall make reasonable efforts to avoid the emergence of Force Majeure circumstances and to eliminate the impediment to the performance of the Agreement that is caused by the occurrence of Force Majeure.
- 15.4. If the performance of an obligation deriving from the Agreement is impeded due to the occurrence of Force Majeure, the due date for the performance of the obligation shall be deemed to be prolonged by the duration of Force Majeure.

16. Validity and Termination

- 16.1. The Agreement shall enter into force as of signing thereof by both parties.
- 16.2. The Agreement is entered into for an unspecified term.
- 16.3. Both parties will be entitled to terminate the Agreement ordinarily by informing the other Party about it in writing at least 30 (thirty) days in advance.
- 16.4. In case of a fundamental breach of the Agreement by either Party, the Party shall grant the Party in breach additional time to remedy the situation (grace period), unless the Agreement may be terminated without a grace period under the law. In case no

remedy has taken place by the end of the grace period, the Agreement may be terminated immediately and extraordinarily by informing the Party in breach about it in writing.

- 16.5. If the Agreement is terminated, for whatever reason, on a day that is not the day of calculation and payment of the Management Fee and/or Performance Fee, the Management Fee and Performance Fee shall be calculated and paid on the day of termination of the Agreement.
- 16.6. The termination of the Agreement on whatever basis shall not affect the rights and obligations of the parties regarding any transactions that have been entered into under the Agreement, but are not completed by the moment of termination of the Agreement. If the respective transaction is binding to TWM with regard to a third Party, TWM will be entitled, at its own discretion, to take necessary steps to avoid or minimize potential expenses and damages.
- 16.7. Upon termination of the Agreement, the Client is obliged to give detailed instructions regarding actions with the Assets up until the date of termination.
- 16.8. After termination of the Agreement, the financial institutions where the Assets are held will be notified of the termination of the powers of attorney. The Party to perform the notification will be agreed by the Parties separately.

17. Final Provisions

- 17.1. Each Provision of these General Terms and Conditions is severable and in the event of any provision becoming invalid, void or contravening any applicable laws or regulations, the remaining provisions shall remain binding to the parties.
- 17.2. If a due date for the performance of an act, deriving from the Agreement, is not a banking day, the respective act shall be performed on the first banking day following the due date for the performance of such act.
- 17.3. In addition to the Agreement and the legal acts of the Republic of Estonia, the legal relationship between the parties, deriving from the Agreement, shall be regulated by the rules of the central securities depository where the securities included in the Assets are kept, rules of the stock exchanges and other trading places where transactions with the securities included in the Assets are performed, and the practice applicable with regard to the respective Assets. If the Assets comprise any Assets related to a foreign country, the respective Assets may also be governed by the legal acts of the respective foreign country.
- 17.4. TWM will be entitled to assign the rights and obligations deriving from the Agreement to companies affiliated with TWM and also to third parties, while informing the Client about it, provided that the quality of performance of the Agreement is not likely to decrease as a result thereof. The Client hereby provides his consent for the assignment of the rights and obligations deriving from the Agreement to such persons by TWM.
- 17.5. Upon any variance between the General Terms and Conditions and special terms stated in the Agreement, incl. Investment Policy Statement, the special terms shall prevail.
- 17.6. The Agreement shall be governed by the legal acts applicable in the Republic of Estonia.
- 17.7. All disputes and controversies deriving from the Agreement shall be settled by negotiations between the parties. Should negotiations fail, the dispute shall be settled in Harju County Court.