

Appendix 10 to the Regulations for provision of brokerage and agency services on the Securities market

Policy for managing a conflict of interests

When the Company provides services according to the Agreement, circumstances can occur which can cause a conflict of interests which poses a significant risk of damage to interests of one or several Clients. A conflict of interests arises when the Company in the process of providing investment services under the Agreement performs activities at the expense and in the interests of the Client which is at variance or could be at variance with the interests of another Client if their activities are not organized and not controlled by an authorized body.

The conflict of interests policy aims to provide maximum protection of Client interests and ensure observation by the Company of reasonable professional conduct. The content of the policy, its specific procedures and measures shall be reviewed and updated by the Company on a regular basis to reflect amendments in the statutory framework and/or generally accepted rules for conducting commercial activity. The Company shall always endeavor to operate so as to observe market integrity and make the Client's interests a top priority. This is a key principle of the Company which is supported by another policy and procedures including provisions related to acceptance, processing and execution of Client Orders in the best way, assessing the Client's suitability and compliance with the financial instruments and services of the Company.

A conflict of interests arises in any case specified below, regardless of whether or not it occurred as a result of services provided under the present Agreement and/or other investment and/or additional services provided by the Company to any persons and/or investment activities performed by the Company.

1. The Company, the Company's respective official or a person directly or indirectly controlled by the Company can derive financial income or avoid financial losses at the Client's expense.
2. The Company, the Company's respective official or a person directly or indirectly controlled by the Company are interested in the final result of the service provided to the Client or a transaction concluded in the interests of the Client and their interest does not match the Client's interest in such result.
3. The Company, the Company's respective official or the person directly or indirectly controlled by the Company have financial or other motives to act in favor of the interests of one Client or a group of clients to the detriment of the interests of another Client;
4. The Company, the Company's respective official or the person directly or indirectly controlled by the Company perform the same activity (conduct the same business) as the Client does;
5. The Company, the Company's respective official or the person directly or indirectly controlled by the Company receive or will receive in the future in relation to provision of the service to the Client an incentive in the form of monetary funds, goods, services or in another form except for usual commission or fee for such service.

To prevent the risk of a conflict of interests and increasing Client confidence the Company implements procedures and takes control measures aimed at

- preventing conflict of interests, including where necessary the Company's refusal to perform any activity, operation or mandate;
- the Company's conducts its commercial activity in such a way which would ensure that the interests of the Company's clients are upheld and strictly confidential information is held securely with regard to all types of the Company's activities, and the disclosure of which could result in conflict of interests.

The aforementioned control procedures and measures include:

1. Ensuring physical spin-off of units (departments) inside the Company with a view to preventing improper dissemination of confidential information among units (departments) and its use in such a way which could cause damage to market integrity or Client interests (hereinafter "the Chinese Wall Policy").

Confidential information includes, but is not limited to, the following data:

- any precise information about any Client Order except for information publicly known to third parties.
- any information about non-executed or partly executed Client Orders; name of the Client or information which makes it possible to precisely identify the Client.
- The Chinese Wall Policy also provides for:
- identification of permissible cases involving the transmission of confidential information by one unit (department) of the Company to another unit (department) and a list of actions associated with such transmission, including if necessary approval of the Company's management and/or person which performs the functions of internal control of the Company's observation of legislative norms, records about cases of such transmission, persons transmitting and accepting information, the date and circumstances of information transmission, what information was transmitted, who approved it, etc.;
- training the Company's employees about realizing the need to keep confidential information in secret;
- permanent update of procedures of the Chinese Wall Policy in the event of amendments made to internal organizational and/or changes made to the Company's regulatory norms;
- strict sanctions in relation to employees which committed violation of the Chinese Wall Policy;
- implementing continuous control over observation of the Chinese Wall Policy on the part of the Company's respective officials.

2. Protection of confidential information.

The Company does not disclose information which is deemed confidential, including information about Client Orders, information about transactions concluded for Accounts and other information about the Client which became known to the Company during the period when services are provided in accordance with the Regulations.

Information (data) about client Accounts, transactions concluded and other information about Clients is only provided to the following persons:

- the Client's associate; authorized
- representatives of Clients; persons
- appointed by Clients;
- a regulatory body as part of its powers when an inspection is conducted of the Company's operations;
- other government authorities and their officials in cases provided for under the current legislation; private organizations regulating securities trading;

Information about registered securities recorded on a Client account and necessary data about such Client are transmitted to the registrar which maintains a register of securities owners or to a depositary at their request.

The Company shall be liable for any and all losses caused to the Client as a result of disclosing confidential information.

The Company also develops and implements a set of measures aimed at ensuring the integrity of registered data and the possibility of restoring them in the event of a loss resulting from force majeure events.

3. Ensuring equal and fair treatment of all Clients.

All Clients are serviced fairly and on equal terms regardless of the amount of their funds assigned to the Company.

These principles are implemented in relation to all services of the Company without exception, including the opening and maintenance of an account, acceptance and execution of Client Orders, technical support and other services provided by the Company.

4. In order to draw Client attention to transactions which carry the risk of a conflict of interests the Company complies with the following rules:

- informs authorized bodies if confidential information is disclosed about transactions or information about transactions is disclosed with a view to market price manipulation;
- monitors and prevents information disclosure about opened positions and Client Orders to third parties;
- prevents use of free cash flows of Clients.

5. Implementation of internal control at the Company.

Internal control includes, inter alia, the following procedures:

5.1 Internal control over document flow

Each Order, inquiry, complaint, or application received by the Company and each report about their execution and/or reply sent to the Client is registered. Incoming documents are stored in accordance with the established procedure. The Company guarantees that all incoming documents are processed on time and in accordance with the established procedure or order and the person which sent a document to the Company is given a reply.

5.2 Operating control

Operating control is implemented on the basis of periodical and unscheduled inspections of registration logs of incoming and outgoing documents and also inspections of source documents.

5.3 Regular reconciliation of balances of registered securities.

Reconciliation of balances of securities is implemented by inspecting the number of securities registered on Client accounts compared to the number of securities registered in custody locations. If discrepancies are identified, the Company takes measures to identify the reasons behind such discrepancies and their elimination.

In cases when the aforementioned procedures and measures cannot ensure identification, prevention and management of the risks of clashes of interests, the Company either refuses to enter into respective transactions (perform respective operations and hold respective activities) or, where confidentiality issues permit, will disclose detailed information about the nature and/or source of a conflict of interests to the Client or a potential client so that the Client or potential client could take a reasonable decision whether he/she is willing to cooperate with the Company.