

KG

Investment Services General Conditions and Policies

KG XGUVQTUGWTQRG LIMITED (“**KG**”) is a Company duly registered under the Investment Services Law with Registration Number : 3988. It is authorised and regulated as a “**KG**” Investment Firm by the Hapcpekn'Ugtxleg'Eqo o kulkap (HUE), under the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007), and subject to HUE Rules. **KG**'s registered office at 967'GWTQRQTV, I KDTCNVCT.'I Z33'3CC "

1. SCOPE

This document (the “Investment Services General Conditions and Policies”) constitutes part of the contractual framework between **KG** XGUVQTUGWTQRG LIMITED and its Clients for the provision of investment services and ancillary services referred to under Clause 2 (Services) in relation to certain financial instruments.

The Investment Services General Conditions and Policies applies in addition to any specific agreement which specifies the investment services and/or ancillary services provided to such Client and/or particular financial instrument. In case of discrepancy between the Investment Services General Conditions and Policies and that specific agreement, the latter shall prevail.

The Investment Services General Conditions and Policies includes basic pre-contractual information given to prospective Clients in compliance to Law 144(I)/2007.

2. SERVICES

2.1 **KG** may offer the following investment and ancillary services:

(a) Investment Services:

- reception and transmission of orders in relation to one or more Financial Instruments.
- dealing on own account.

(b) Ancillary Services:

- safekeeping and administration of Funds and Financial Instruments for client's accounts, including custodianship and management of cash/collateral and other related services.
- granting credits or loans to an investor to allow him to carry out a transaction in one or more Financial Instruments where **KG** is involved in the transaction.
- ~~Foreign~~ foreign exchange services where these services are connected to the provision of investment services.

2.2 In these Investment Services General Conditions and Policies, “financial instruments” has the meaning given to it in paragraph 2 of Law 144(I)/2007 and includes:

- Transferable Securities.
- Money-market instruments.
- Units in collective investment undertakings.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.

- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).
- Financial contracts for differences.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

3. CLIENT CATEGORISATION

3.1 General

In compliance to Law 144(I)/2007, each Client is categorised by **KG** as a “Retail Client” or a “Professional Client”. In addition, certain professional Clients may be further categorised as “Eligible Counterparties”. Categorisation is undertaken on the basis of objective criteria. A Client may be put in different categories for particular investment services or transactions or types of transactions or products.

KG notifies each Client of his categorisation as a Retail Client or Professional Client or, as the case may be, Eligible Counterparty.

It is stressed that different rules and different levels of protection apply to Clients depending on their categorisation.

3.2 “Retail Client”

“Retail Client” is a Client who is not a Professional Client or an Eligible Counterparty.

3.3 “Professional Client”

“Professional Client” is a Client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that he incurs. In order to be considered a Professional Client, a Client must comply with one of the following criteria:

(i) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under the above Directive, entities authorised or regulated by a Member State without reference to the above Directive, and entities authorised or regulated by a non-Member State:

- (a) Credit Institutions;
- (b) Investment Firms;
- (c) Other Authorised or regulated financial institutions;
- (d) Insurance Companies;
- (e) Collective Investment Schemes and management companies of such schemes;
- (f) Pension funds and management companies of such funds;
- (g) Commodities and commodity derivatives dealers;
- (h) Locals;
- (i) Other Institutional Investors (like Portfolio Investment Companies).

(ii) Large undertakings meeting two of the following size requirements on a company basis:

- (a) Balance Sheet Total: EUR 20,000,000

(b) Net Turnover: EUR 40,000,000

(c) Own Funds: EUR 2,000,000

(iii) National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.

(iv) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

(v) Clients who may be treated as professionals on request, following approval by **KG** (please see further below under „Opt-up for retail Clients“).

The entities mentioned above from (i) to (iv) are considered to be professionals in relation to all investment services and activities and financial instruments. The Clients mentioned in (v) may be treated as professionals generally or in respect of a particular investment service or transaction, or type of transaction or product.

3.4 Eligible Counterparty

“Eligible Counterparty” is any of the following entities to which an investment firm provides the services of reception and transmission of orders on behalf of Clients and/or execution of such orders and/or dealing on own account: Investment Firm/Investment Firm, other investment firms, credit institutions, insurance companies, UCITS and their management companies, Portfolio Investment Companies, pension funds and their management companies and other financial institutions authorised by a Member State of the European Union or regulated under Community legislation or the national law of a Member State, undertakings exempted from the application of the Investment Services and Activities and Regulated Markets Law 144(I) of 2007 in accordance with paragraphs (k) and (l) of subsection (2) of section 3, national governments and their corresponding offices, including public bodies that deal with public debt, central banks and supranational organisations.

3.5 Provisions not applicable to Professional Clients

The following provisions of these Investment Services General Conditions do not apply to Clients when categorised as Professional Clients: Clause 4 (Investor Compensation Fund) and Clause 9.1 third and fourth paragraphs (Costs).

3.6 Provisions not applicable to Eligible Counterparties

The following provisions of these Investment Services General Conditions do not apply to Clients when categorised as eligible counterparties: Clause 4 (Investor Compensation Fund), Clause 7 (Policy to act in the Best Interest of the Client), Clause 9.1 third and fourth paragraphs (Costs) and Clause 9.2 second paragraph (Inducements).

3.7 Opt-down

A Client that has been categorised as a Professional Client may, at any time, request **KG** to be treated as a retail Client (and hence benefit from the higher level of protection of retail Clients). Likewise, an Eligible Counterparty may, at any time, request **KG** to be treated as a Professional Client or as a retail Client. If **KG** accepts such request, the Client shall enter into a written agreement with **KG**.

The agreement will specify the particular services or transactions, or the types of products or transactions to which the opt-down applies.

3.8 Opt-up

3.8.1 Opt-up for retail Clients

A Client who has been categorised as a retail Client by **KG** may ask **KG** in writing to be treated as a Professional Client (and hence may lose certain protection and investor compensation rights), either generally or in respect of a particular investment service or transaction, or type of transaction or product. **KG** may, at its discretion, decide not to take into consideration such treatment.

If **KG** agrees to take into consideration such request, it will upon receipt of such request assess whether the Client meets the objective opt-up conditions. **KG** will further assess the expertise, experience and knowledge of the Client and any other element that it deems appropriate. In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- (a) the Client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,
- (b) the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500 000,
- (c) the Client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

KG will notify the Client if and when it agrees to categorise the Client as a Professional Client.

3.8.2 Opt-up for Professional Clients

Clients that have been categorised as Professional Clients and that meet the opt-up conditions may, with their express consent, be treated as Eligible Counterparties either for all services for which such opt-up is permitted by law or in respect of a particular investment service or transaction, or type of transaction or product.

3.9 Changes to Professional Client / Eligible Counterparty categorisation

Professional Clients and Eligible Counterparties are responsible for keeping **KG** informed of any change which could affect their categorisation as such. If **KG** becomes aware that a Professional Client or Eligible Counterparty no longer fulfils the initial conditions that made him eligible for a Professional Client/Eligible Counterparty treatment, it may take appropriate action, including re-categorising the Client as a Professional Client or a Retail Client.

4. INVESTOR COMPENSATION FUND

4.1 General

In compliance to Law 144(I)/2007, **KG** is a member of the "Investor Compensation Uj go g (I ICU) for the Clients of **KG** XGUVQTUGWTQRG.

The object of the I ICU is to secure the claims of the covered Clients against **KG** XGUVQTUGWTQRG, members of the I ICU, through the payment of compensation in cases where the I ICU concerned is unable, due to its financial circumstances and when no realistic prospect of improvement in the above circumstances in the near future seems possible:

- (a) to return to its covered Clients funds owed to them or funds which belong to them but are held by the I ICU in the context of providing investment services to the said Clients or

(b) to hand over to covered Clients financial instruments which belong to them and which the I EEU concerned holds, manages or keeps on their account.

The I EEU does not cover Professional investors but only retail Clients of I EEU's.

The total payable compensation to each covered Client of an I EEU's member may not exceed €20.000, irrespective of the number of accounts held, currency and place of offering the investment service.

4.2 Non-Covered Clients

4.2.1 Under applicable Regulation the Fund does not compensate the following investor categories:

(1) The following categories of institutional and professional investors:

- (a) Investment Firms (IFs).
- (b) Legal entities associated with the member of the Fund and, in general, belonging to the same group of companies.
- (c) Banks.
- (d) Cooperative credit institutions.
- (e) Insurance companies.
- (f) Collective investment organizations in transferable securities and their management companies.
- (g) Social insurance institutions and funds.
- (h) Investors characterized by the member as professionals, upon their request, in accordance with articles 14 and 15 of the Code of Professional Conduct of IFs.

(2) States and international organizations.

(3) Central, federal, confederate, regional and local administrative authorities.

(4) Enterprises associated with the member of the Fund, in accordance with the Fifth Schedule of the Law 144(I).

(5) Managerial and administrative staff of the member of the Fund.

(6) Shareholders of the member of the Fund, whose participation directly or indirectly in the capital of the member of the Fund amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the member of the Fund, as well as persons responsible for the carrying out of the financial audit of the member of the Fund as provided by the Law, such as its qualified auditors.

(7) Investors having in enterprises connected with the member of the Fund and, in general, of the group of companies, to which the member of the Fund belongs, positions or duties corresponding to the ones listed in paragraphs (5) and (6).

(8) Second-degree relatives and spouses of the persons listed in paragraphs (5), (6) and (7), as well as third parties acting for the account of these persons.

(9) Apart from the investors referred to in subsection (2) of section 55 of the Law 144(I), investors-Clients of a member of the Fund responsible for facts pertaining to the member of the Fund that have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts.

(10) Investors in the form of a company, which due to its size, is not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State of the European Union.

4.2.2. In the cases of paragraphs 4.2.1[(5), (6), (7) and (8)], the Fund suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

5. RISK DISCLOSURE FOR CONTRACTS FOR DIFFERENCE

5.1 Introduction

This notice is provided to you in compliance to Law 144(I)/2007, because you are considering dealing with **IG** in the financial instrument of Contracts for Difference (CFDs). Reference to CFDs herein in this document also means NDFs (Non-Deliverable Forwards) and Rolling Spot.

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in CFDs. The notice was designed to explain in general terms the nature of the risks involved when dealing in CFDs and to help you take investment decisions on an informed basis. This notice should be read together with the "General Risk Disclosure" (herein below in paragraph 6).

The Client should consider carefully whether trading in the financial instruments of CFDs is suitable for him/her in the light of his/her circumstances and financial resources. In considering whether to engage in this form of trading, the Client should be aware of the following:

5.2 Risks Associated with Transactions in CFDs

It is emphasized that for many members of the public dealings in CFDs will not be suitable. The Client should not engage in any dealings directly or indirectly in CFDs unless he knows and understands the features risks involved in them.

The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by **IG**, the value of CFDs may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

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Financial Instruments such as CFDs. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client's entire deposit, but may also expose the Client to a large additional loss. The CFDs available for trading with **IG** are non deliverable spot transactions giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying instrument movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client's entire deposit but also any additional commissions and other expenses incurred. So, the Client must not enter into CFDs unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

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CFDs are derivative securities, where their price is derived from the price of the underlying instrument in which the CFDs refer to. Derivative securities / markets can be highly volatile. The prices of CFDs and the underlying instrument and Indices may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or **IG**.

Under certain market conditions it can be impossible to execute any type of Client's order at declared price.

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The prices of CFDs will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore Stop Loss order can not guarantee the limit of loss.

CFDs Transactions have a contingent liability, and the Client should be aware of the implications of this in particular the margining requirements as set out below.

Clients are required to deposit funds in their trading account in order to open a position. The Margin requirement will depend on the underlying instrument of the CFDs. Margin requirements can be fixed or calculated from current price of the underlying instrument, it can be found on the web site of IG link at www.ig.com. IG will not notify the Client for any Margin Call to sustain a loss making position. Some of the CFD underlying instruments may not become immediately liquid as a result of reduced demand for the underlying instrument and Client may not be able to obtain the information on the value of these or the extent of the associated risks.

Information of the previous performance of the CFD does not guarantee its current and/or future performance as well as a performance of the underlying instrument. Use of the historical data does not constitute safe forecast as to the corresponding future performance of the CFD and underlying instrument to which that information refers.

The Client may be called upon to deposit substantial additional margin, at short notice, to maintain his investment. If the Client does not provide such additional funds within the time required, his investment position may be closed at a loss and he will be liable for any resulting deficit. With regards to transactions in CFDs, IG has the discretionary right to start closing positions starting from the one with biggest loss when equity goes below 50% of the required margins. Whenever in a trading day the total equity drops below 100% of the required margin, a margin call will be made on the Account. If the equity drops below 50% of the required margins, then the open position/s will be automatically liquidated without having to notify the customer until such time that the equity will be equivalent or more than 100% of the remaining open position/s" required margin.

Transactions in CFDs are not undertaken on a recognized exchange, rather they are undertaken through IG's Trading Platform whereby execution is effected via IG or other financial institutions and, accordingly, CFDs may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the counterparty which may be IG or some financial institution to be disclosed to the Client. The Client may be obliged to close an open position of any given CFD during the opening hours of IG's Trading Platform.

5.3 Additional Considerations

Before the Client begins to trade, he/she should obtain details of all commissions and other charges for which the Client will be liable, which may be found on IG's website. Some charges may not be expressed in money terms but for example as a dealing spread.

The Client should take the risk that his trades in CFDs may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. IG does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.

6. GENERAL RISK DISCLOSURE

All Customers should read carefully the following Product Information Statement.

6.1 General

This notice is provided to you in accordance with Law 144(I) of 2007.

6.2 Risk Warnings

The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments. So, prior to applying for an account the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources.

The Client is warned of the following risks:

- (a) "KG does not and cannot guarantee the initial capital of the Client's portfolio or its value at any time or any money invested in any financial instrument.
- (b) The Client should acknowledge that, regardless of any information which may be offered by KG, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- (c) The Client should acknowledge that he runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that he is willing to undertake this risk.
- (d) Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- (e) The Client is hereby advised that the transactions undertaken through the dealing services of KE may be of a speculative nature. Large losses may occur in a short period of time, equaling " the total of funds deposited with KG.
- (f) Some Financial Instruments may not become immediately liquid as a result, for example, of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or to the extent of the risks.
- (g) When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.
- (h) A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- (i) A Derivative Financial Instrument (i.e. option, future, forward, swap, contract for difference) may be a non delivery spot transaction does not necessarily limit the risks associated with the changes in currency rates, commodity, stock market indices or share prices called the underlying instrument.
- (j) The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying instrument which is the object of the acquisition.
- (k) The Client must not purchase a Derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.
- (l) Under certain market conditions it may be difficult or impossible to execute an order.
- (m) Placing Stop Loss Orders serves to limit your losses. However, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

- (n) Should the margin capital be insufficient to hold current open positions, you may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so in the time required may result in the liquidation of positions at a loss and you will be liable for any resulting deficit.
- (o) A Bank or Broker through whom **KG** deals or **KG** itself may act in the same market as you, its own account involvement could be contrary to your interests.
- (p) The insolvency of **KG** or of a Bank or Broker used by **KG** to effect its transactions may lead to your positions being closed out against your wishes.
- (q) The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counter party.
- (r) Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.
- (s) There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. **KG** does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- (t) Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (but for example as a dealing spread), the Client should ask for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- (u) Investing in some Financial Instruments entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, the Client should be aware that the high degree of leverage that is obtainable in Spot Foreign Exchange Trading can work against him as well as for him. The use of leverage can lead to large losses as well as gains. So, the Client should unreservedly acknowledge and accept that he runs a great risk of incurring losses and damages as a result of the dealing in some Financial Instruments and accepts and declares that he is willing to undertake this risk.
- (v) Transactions may not be undertaken on a recognised or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the counterparty. The Client may only be able to close an open position of any given contract during the opening hours of the exchange. The Client may also have to close any position with the same counterparty with whom it was originally entered into. In regard to transactions in CFD's with **KG**, **KG** is using a Trading Platform for transactions in CFD's which does not fall into the definition of a recognised exchange as this is not a Multilateral Trading Facility because **KG** may be a counterparty in a client transaction.
- (w) ~~**KG**~~ will not provide the Client with investment advice relating to investments or possible transactions in investments or make investment recommendations of any kind.
- (x) ~~**KG**~~ may be required to hold the Client's money in an account that is segregated from other clients and **KG**'s money in accordance with current regulations, but this may not afford complete protection.

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in all Financial Instrument and investment services.

Please refer to the Risk Disclosure for Contract for Differences if you are considering trading with **KG** in the financial instrument of CFDs.

7. POLICY TO ACT IN THE BEST INTEREST OF THE CLIENT

7.1 Introduction

Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and its transposition in Ireland with Law 144(I) of 2007, **KG** is required to provide its Clients and potential Clients with its Policy to Act in the Best Interest of the Client (hereinafter the “Best Interest Policy”).

Under the above legislation, **KG** is required to take all reasonable steps to act in the best interest of the Client when receiving and transmitting orders for execution. In addition, these rules require investment firms to put in place a Best Interest Policy and to provide appropriate information to their Clients on their Best Interest Policy.

7.2 Scope of Policy

The Policy applies to retail and professional Clients. So, if we classify you as an Eligible Counterparty, this policy does not apply to you.

This Policy applies when transmitting transactions with you for the financial instruments of Contract for Differences (CFDs). CFDs are derivatives with an underlying instrument, and it is up to **KG**'s discretion to decide which types of CFDs to make available to its Clients and to publish the prices at which these can be traded.

The Client is trading on the outcome of the price of a financial instrument (i.e. an equity or currency). The trading does not happen in a regulated market. Therefore the Client may be trading with **KG** as a counterparty (whereby **KG** will be acting as a principal) or with a third financial institution/Market maker (whereby **KG** will be acting as an agent). If the Client decides to open a position in a CFD with **KG**, then that open position can only be closed with **KG**.

The Client is given the option to place with ENISI the following orders for transmission for execution in the following ways:

- (a) The Client places a “market order” which is an order executed against a price that **KG** has provided (when **KG** is acting as an agent the price may be based on a price obtained by a third market maker but although it may be based on such a price it is not necessarily identical) (in both instances whether **KG** is acting as agent or principal to be called “**KG**'s quoted price”). The Client may attach to a market order a Stop Loss and/or Take Profit.
- (b) The Client places a “pending order”, which is an order to be executed at a later time at the price that the Client specifies. **KG** will monitor the pending order and when the price provided by **KG** reaches the price specified by the Client, the order will be executed at that price. The following types of pending orders are available: Buy Limit, Buy Stop, Sell Limit and Sell Stop.
- (c) The Client may modify an order before it is executed. The Client has no right to change or remove Stop Loss, Take Profit and Pending Orders if the price has reached the level of the order execution or the freeze level.

7.3 Best Execution Factors

KG shall take all reasonable steps to obtain the best possible results for its Clients taking into account the following factors when executing Clients orders against **KG**'s quoted prices:

(a) Price: For any given CFD, **KG** will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD; collectively they are referred to as **KG**' price. The difference between the lower and the higher price of a given CFD is the spread. Such orders as Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price. **KG**' price for a given CFD is calculated by reference to the price of the relevant underlying instrument, which **KG** obtains from third party external reference sources. **KG**' prices can be found on **KG**' website. **KG** updates its prices as frequently as the limitations of technology and communications links allow. **KG** reviews its used third party external reference sources at least once a day, to ensure that the data obtained continue to be competitive. **KG** will not quote any price outside **KG**' operations time (see execution venue below) therefore no orders can be placed by the Client during that time

If the price touches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop these orders are executed at once. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients price. In this case **KG** has the right to execute the order at the first available price on the market. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted, or this may occur at the trading session start moments.

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified on the main Website of **KG** at www.kpguqtugwqr.g.com.

(b) Costs: For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on **KG** Website commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee "swap rate" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on **KG**' website.

For all types of CFDs that **KG** offers, the commission and financing fees are not incorporated into **KG** "quoted price and are instead charged explicitly to the Client account.

(c) Speed of Execution: In both cases where **KG** acts either as principal or as agent, **KG** places a significant importance when executing Client's orders and strives to offer high speed of execution within the limitations of technology and communications links at all times.

The Client may request **KG** (by using **KG**' standard "Telecommunications Instructions" letter) to execute upon receipt instructions conveyed by telephone, facsimile, e-mail or any other written or oral means of communication that each of the present and future account holders, attorneys and duly authorized representatives shall give individually to **KG** even if these instructions are not followed by a confirmation in writing. **KG** does not accept any liability in case of misunderstanding, error in the identification of the person giving the instruction or other errors on its part related to such method of communication and which may involve losses or other inconveniences for the Client. If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system including the failure of hardware and software (Internet / Servers). The result of any system failure may be that his order is either not executed according to his instructions or it is not executed at all. **KG** does not accept any liability in the case of such a failure. **KG** reserves the right not to execute instructions transmitted by telephone or facsimile. Telephone conversations may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions.

(d) Likelihood of Execution: As it is explained in the Execution Venue section of this Policy, **KG** in some cases may act as principal whereby it will be Execution Venue for the execution of the Client's orders for the financial instrument of CFDs. In other cases, **KG** may act as agent whereby some other Financial Institution (to be disclosed to the Client) will be Execution Venue, in which case

execution may be more difficult. In addition, **KG** whether it acts as a principal or agent, it reserves the right to decline an order of any type or to offer the Client a new price for “market order”. In this case, Client can either accept or refuse the new price. If **KG** is acting as an agent, likelihood of execution depends on the availability of prices of other market makers/financial institutions.

(e) Likelihood of settlement: **KG** shall proceed to a settlement of all transaction upon execution of such transactions whether it is acting as agent or principal.

(f) Size of order: The minimum size of an order is 0.1 lots (one tenth of a lot). A lot is a unit measuring the transaction amount and it is different for each type of CFD.

Please refer to **KG**'s website for the value of each lot for a given CFD type.

It is noted that **KG** may limit the maximum volume of the single transaction to 500 standard lots. In addition, **KG** reserves the right to decline an order as explained in the agreement entered with the Client.

(g) Market Impact: Some factors may affect rapidly the price of the underlying instruments from which the **KG**'s quoted price is derived and may also affect the rest of the factors herein. **KG** will take all reasonable steps to obtain the best possible result for its Clients.

KG does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Nevertheless, whenever there is a specific instruction from the Client **KG** shall make sure that the Client's order shall be executed following the specific instruction.

7.4 Best Execution Criteria

KG will determine the relative importance of the above Best Execution Factors by using its commercial judgment and experience in the light of the information available on the market and taking into account the criteria described below:

- (a) The characteristics of the Client including the categorization of the Client as retail or professional;
- (b) The characteristics of the Client order;
- (c) The characteristics of financial instruments that are the subject of that order;
- (d) The characteristics of the execution venues to which that order can be directed.

For Retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

7.5 Execution Venues

Execution Venues are the entities with which the orders are placed. For the purposes of orders for the financial instrument of CFDs, **KG** may act either as a principal (therefore, **KG**'s is the sole Execution Venue for the execution of the Client's orders) or as an agent (therefore some third financial institution will be the Execution Venue).

KG's operation time for the trading of CFDs, whether it is acting as agent or principal, is round – the – clock From 23:00 am to 23:00 pm Central European Time, Monday to Friday, except the 25th of December, the 1st of January. Other holidays will be announced on the **KG** website or through the internal mail of the Electronic Trading System at least 5 working days before.

The Client acknowledges that the transactions entered in CFDs with **KG** are not undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions. Therefore **KG** may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the trading platform or quote feeds.

7.6 Monitor and Review

KG will monitor on a regular basis the effectiveness of this Policy. In addition, **KG** will review the Policy at least annually. A review will also be carried out whenever a material change occurs that affects the ability of **KG** to continue to the best possible result for the execution of its Client orders on a consistent basis using the venues included in this Policy. **KG** will notify its affected Clients on any changes in its Policy.

7.7 Client Consent

When establishing a business relation with the Client, **KG** is required to obtain the Client's prior consent to this Policy.

KG is also required to obtain the Client's prior express consent before it executes or transmits its order for execution outside a regulated market or an MTF (Multilateral Trading Facility).

KG may obtain the above consents in the form of an agreement.

This Policy forms part of our CFDs Customer Agreement. Therefore, by entering into a CFDs Customer Agreement with **KG**, you are also agreeing to the terms of our Policy to Act in the Best Interest of the Client.

8. CONFLICTS OF INTEREST POLICY

8.1 Introduction

Under the Law 144(I) of 2007, **KG** is required to take all reasonable steps to detect and avoid conflicts of interest. **KG** is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply, in particular, with the principles set out in the above legislation when providing investment services and other ancillary services related to such investment services.

We provide herein a summary of the policy we maintain in order to manage conflicts of interest in respect of the duties we owe to our Clients.

8.2 Scope

The Policy applies to all its directors, employees, any persons directly or indirectly linked to **KG** (hereinafter called "related persons") and refers to all interactions with all Clients.

8.3 Identification of Conflicts of Interest

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a Client, **KG** takes into account, whether **KG** or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

(1) **KG** or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;

- (2) **KG** or a relevant person has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- (3) **KG** or a relevant person has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
- (4) **KG** or a relevant person carries on the same business as the Client;
- (5) **KG** or a relevant person receives or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

8.4 Procedures and Controls to Managing Conflicts of Interests

In general, the procedures and controls that **KG** follows to manage the identified conflicts of interest include the following measures:

- (1) Effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more Clients;
- (2) The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of **KG**;
- (3) The removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (4) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- (5) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest. Such measures include the following:
 - (a) A „need to know“ policy governing the dissemination of confidential or inside information within **KG0**
 - (b) Restriction on the flow of confidential information within **KG**, and physical separation of departments.
 - (c) Procedures governing access to electronic data.
 - (d) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
 - (e) Personal account dealing requirements applicable to relevant persons in relation to their own investments.
 - (f) A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
 - (g) The prohibition of external business interests conflicting with our interests as far as **KG**'s officers and employees are concerned, unless Board of Directors approval is provided.
 - (h) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
 - (i) Establishment of in-house Compliance Department to monitor and report on the above to **KG**'s Board of Directors.
 - (j) Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to **KG**'s Board of Directors.
 - (k) Establishment of the four-eyes principle in supervising **KG**'s activities.
- (6) **KG** also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;

(7) **KG** has an in-house Compliance Department that is responsible for identifying and managing potential conflicts of interests. The above will also update the relevant internal procedures and ensure compliance with such procedures.

8.5 Disclosure

Where a conflict arises and **KG** is aware of it, it will disclose the conflict to the Client prior to undertaking investment business for that Client or, if it does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.

KG reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate.

9. COSTS AND INDUCEMENTS

9.1 Costs

The provision of services by **KG** is subject to the payment of costs, fees, commissions, charges, taxes, etc (the “Costs”). In addition to those Costs, other costs may be due by Clients directly to third parties.

Unless agreed otherwise, all Costs payable by a Client to **KG** are automatically debited from the Client’s current account.

Information on Costs is provided to Clients in accordance with Clause 10.2 herein (Provision of Information).

Changes to its costs will be notified to Clients by **KG**. In case of changes to fees of **KG**, the Client may, within a period of 30 days from the notification, terminate the relationship with **KG**. This paragraph applies to retail Clients only.

9.2 Inducements

When providing a service to a Client, **KG** may pay or receive fees, commissions or other non-monetary benefits from third parties as far as permissible.

To the extent required by law, **KG** will provide information on such benefits to its Clients in accordance with the provisions of Clause 11.2 herein (Provision of information). This paragraph applies to retail Clients only.

10. COMMUNICATION

10.1 General

Subject to Clause 10.2 (Provision of Information) all communications between **KG** and Clients will be made in accordance with the Investment Services General Conditions and Policies.

10.2 Provision of Information

Subject to the second paragraph of this Clause 10.2, all information to be provided by **KG** pursuant to these Investment Services General Conditions and Policies will be provided either in paper format, or by means of a website or in any other format.

For retail clients, **KG** may provide information by means of a Website subject to **KG** being satisfied that the Client has regular access to the Internet (which shall be deemed to be the case when the retail Client has provided **KG** with an e-mail address for the purposes of corresponding with **KG** or when the retail client has access to an Internet-based system of **KG**). Retail Clients specifically consent to the provision of information by means of a Website. **KG** will notify the Retail Client electronically (by e-mail or otherwise) of the place where the information may be accessed.

11. CHANGES TO THE TERMS

Changes to these Investment Services General Conditions and Policies, unless agreed otherwise, changes to agreements relating to the provision of investment services, shall be agreed upon between **KG** and Clients as follows:

- Clients will be notified of the contemplated changes in accordance with the provisions of Clause 10.2 herein (Provision of Information);
- unless requested otherwise by law, we will endeavour to provide you with one Business Day notice of such amendments unless it is otherwise impractical for us to do so.
- in case of a Client's disapproval of the contemplated changes, the Client may, within the same period, terminate the relationship with IE.

12. ADDITIONAL INFORMATION

Should you request any additional information about the Policies of IE, please contact IE with telephone numbers found on www.investorseurope.com

Disclaimer

The information herein is intended for general guidance only. It does not constitute an offer or solicitation for the purchase or sale of securities or any other service. It does not purport to provide a full description of the products and services referred to and is not intended to guide investment decisions.

Not all products and services may be available under different national jurisdictions. The precise extent of local laws and regulations must be sought on beforehand. The information contained in this brochure herein is subject to change.