

Otkritie Capital Cyprus Limited
Registration # HE 165058
Date of Incorporation: 06/09/2005

License Number: 069/06
Issued by the Cyprus Securities and Exchange Commission

Customer Acceptance Policy

Initially performed by:	Name:	Position:	Date:	Comments on changes	Status:
	Valeriya Evseeva	Compliance Manager, MLCO	November, 2014		Approved by BoD on 27.11.2014
Amended by:					

As approved by the Board of Directors on 27.11.2014

OTKRITIE CAPITAL CYPRUS LIMITED ("OCCL") IS TRADING AS OTKRITIE CAPITAL.
OCCL IS AUTHORISED AND REGULATED BY CYPRUS SECURITIES AND EXCHANGE COMMISSION.

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INTERNAL CUSTOMER IDENTIFICATION AND DUE DILIGENCE PROCEDURE

Purpose & background

The Company and its personnel should establish to its satisfaction that it is dealing with a real person (natural or legal) and verify the identity of those persons who have power to operate any account.

The purpose of a compliance review is to ensure that the client/counterparty has been adequately identified through documentation and then to understand the client/counterparty's profile, ownership, business activities, source of wealth, funding for the account and so on. That will enable Compliance to assess and address any legal, financial crime or other reputation risks the client may bring to the Firm. The AML/Client Due Diligence process is carried out regardless of whether the entity is carrying out a single transaction or is entering into an ongoing business relationship with the client.

Otkritie Capital Cyprus Limited is regulated by Cyprus Securities and Exchange Commission ("CySEC") and is under obligation to cooperate with MOKAS.

The policy is written taken into account the following:

- Law 188(I) 2007 (issued pursuant to Directive 2005/60/EC 3rd Anti Money Laundering Directive and Directive DI144-2007-08 of 2012 of the Cyprus Securities and Exchange Commission for the Prevention of Money Laundering and Terrorist Financing.
- Law 144(I) 2007 Investment Services and Activities & Regulated Markets Law of 2007
- CySEC Circular Ci144-2008-12
- CySEC Circular issued by the Chairman of CySEC on 21 January 2008 with respect to companies with bearer shares.
- In addition Otkritie Capital Cyprus Limited is committed to complying with all aspects of AML legislation and regulation and to adhering to the Financial Action Task Force's ("FATF") recommendations wherever possible.

The Law adopts a principle based approach as opposed to a rule based approach in accordance with a risk based approach.

This document should be read in conjunction with other policies and procedures of Otkritie Capital Cyprus Limited.

Due Diligence

The Law requires that due diligence must be conducted in the following cases:

- Entry into a business relationship.
- Occasional transaction amounting to EUR 15,000 or more whether the transaction is carried out in a single operation or in several operations which appear to be linked.
- Where there is a suspicion of money laundering regardless of any derogation exemption or threshold
- When there are doubts about the veracity or accuracy of previously obtained customer identification data.

The Company and its personnel apply each of the customer due diligence measures and identification procedures specified below, but may determine the extent of such measures on a risk-sensitive basis depending on the type of customer, business relationship, product or

transaction upon receiving approval by the Managing Director and Money Laundering Compliance Officer so to be able to demonstrate to the competent Supervisory Authorities that the extent of the measures is appropriate in view of the risks of the use of their services for the purposes of money laundering and terrorist financing.

In addition to the provisions of sections 60, 61 and 62 of the Law that refer to the obligation for customer identification and due diligence procedures, the Financial Organisation ensure that the customer identification records remain completely updated with all relevant identification data and information throughout the business relationship.

The Company may also apply simplified or enhanced due diligence (please refer to KYC Policy).

Specific customer identification issues

Under recommendations given in the Fifth Appendix of the Directive the Company implement into its customer acceptance police the following identification and due diligence procedures that Company and its personnel applies for specific customer identification issues:

A. Natural persons Cyprus Resident:

1. True name and / or names used, based on the official identity card or passport. Document should be issued by an independent and reliable source and which bears a photograph of the customer.
The following document can be accepted: Certified copy of the Passport/ID/Driver's License or other form of identity with photograph, included.
2. Full permanent address in the Republic, including the postcode:
 - The employee can visit the customer's home, or
 - The presentation of a recent (up to 6 months) telephone bill, electricity, municipal taxes, or bank account statement, or similar, with the above, documents (to protect against the presentation of forged or counterfeit documents, the presentation of original documents is required) is required.
 - Proof of address can be demonstrated through any of the following documents: Utility Bill, Bank Statement, Credit Card Statement, Voting Card, Telephone Directory, Tenancy Agreement or other similar 3rd party documentation.
3. Phone number, landline and mobile, and fax
 - This can be accepted via completing the Questionnaire.
4. Email address, if any
 - This can be accepted via completing the Questionnaire.
5. Date and place of birth
 - This can be accepted via completing the Questionnaire and via identification document (passport, id, driving license)
6. Nationality
 - This can be accepted via completing the Questionnaire and via identification document (passport, id, driving license)
7. Details of profession and other occupations, including the name of the employer / business organization.
 - This can be accepted via completing the Questionnaire.
8. In addition to the above, where the client was introduced by a trusted member of the staff of the Company, or by other reliable existing client or a third person personally known, member of the Board of Directors, details of these recommendations must be produced and kept in the client's file.
9. Screening against Sanctions, Any adverse findings (crime, fraud, money laundering)
10. Information regarding public places (functions) owned or held by the customer during the last twelve months and whether is a close relative or close associate of such person

in order to determine whether the customer is a politically exposed person. This can be accepted via screening checks. Also screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

B. Natural persons Non-Cyprus Resident

1. True name and / or names used, based on the official identity card or passport:
 - a. Document should be issued by an independent and reliable source and which bears a photograph of the customer.
 - b. Data obtained must disclose the number, date and country of issuance of passport and date of birth of the client

The following document can be accepted: Certified copy of the Passport/ID/Driver's License or other form of identity with photograph and above mentioned details, included.

2. Full permanent address, including the postcode:
 - o Presentation of a recent (up to 6 months) telephone phone bill, electricity, municipal taxes, or bank account statement, or similar, with the above, document (for protection against the presentation of false documents, the presentation of original documents is required) is required.
 - o Proof of address can be demonstrated through any of the following documents: Utility Bill, Bank Statement, Credit Card Statement, Voting Card, Telephone Directory, Tenancy Agreement or other similar 3rd party documentation.
 - o For citizens of the Russian Federation and the CIS we will accept to receive a certified Home Address Statement or a certified copy of the internal passport. Russian passports should be verified via www.fms.gov.ru
3. Phone number, landline and mobile, and fax
 - o This can be accepted via completing the Questionnaire.
4. Email address, if any
 - o This can be accepted via completing the Questionnaire.
5. Date and place of birth
 - o This can be accepted via completing the Questionnaire and via identification document (passport, id, driving license)
6. Nationality
 - o This can be accepted via completing the Questionnaire and via identification document (passport, id, driving license)
7. Details of profession and other occupations, including the name of the employer / business organization.
 - o This can be accepted via completing the Questionnaire.
8. In addition to the above, where the client was introduced by a trusted member of the staff of the Company, or by other reliable existing client or a third person personally known, member of the Board of Directors, details of these recommendations must be produced and kept in the client's file.
11. Information regarding public places (functions) owned or held by the customer during the last twelve months and whether is a close relative or close associate of such person in order to determine whether the customer is a politically exposed person. This can be accepted via screening checks. Also screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

C. Joint accounts

In cases of joint accounts, of two or more persons, the identity of all persons (individuals) that hold or have the right to manage the account, must be verified, as set out in Part A and B above where appropriate.

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

D. Accounts of unions, societies, clubs, provident funds and charitable Institutions

The minimum list of required documents is the following:

1. Memorandum and articles of association
2. Registration documents
3. Certificate of registration
4. The list of the members of the Board of Directors/ management Committee
5. The identity of all authorized persons

The identification procedure should be followed as it is defined above in Part A and B.

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

E. Accounts of unincorporated businesses, partnerships and other persons with no legal substance

1. Identity of the directors/partners (The identification procedure should be followed as it is defined above in Part A and B).
2. Identity of the beneficiaries (The identification procedure should be followed as it is defined above in Part A and B).
3. Identity of authorized persons (The identification procedure should be followed as it is defined above in Part A and B).
4. In the case of partnerships, the original or a certified true copy of the partnership's registration certificate.
5. Where a formal partnership agreement exists, this must be provided as well as a mandate from the partnership authorizing the opening of the account and confirming authority to a specific person who will be responsible for its operation.
6. Business address
7. Nature and size of its activities
8. The financial portrait of the legal person under the provisions of paragraph 21 DI144-2007-08:
 - identity info
 - identity of beneficiaries
 - in case of legal persons (ownership and control structure, of the customer)
 - information regarding the business activities and the expected pattern and level of transactions
 - residence and business address
 - the purpose and reason for the establishment of a business relationship
 - anticipated account turnover, the nature of the transactions, the expected origin of incoming funds to be credited to the account and the expected destination of outgoing transfers/payments
 - the customer's size of wealth and annual income, and a clear description of the main business / professional activities / operation
 - company's name, Country of incorporation, head offices address, names and identity of beneficial owners, directors, authorized signatories, financial information, ownership structure of the group that the company may be a part of (Country of incorporation of the parent company, subsidiaries and associate companies, the main activities, financial information)

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

F. Accounts for Legal Persons

1. The registered number – certificate of registration
2. The registered corporate name and trading name used

3. Full corporate registered address and the head offices
4. Phone number, fax and email address
5. Members of the Board of Directors
6. Persons authorized to operate the account and to act on behalf of the legal person
7. Real beneficiaries of private and public companies that are not listed in regulated market of a European Economic Area country or a third country with equivalent disclosure and transparency requirements.
8. Registered shareholders that act as nominees of the actual beneficiaries'
9. The financial portrait of the legal person under the provisions of paragraph 21

DI144-2007-08:

- identity info
- identity of beneficiaries
- in case of legal persons (ownership and control structure, of the customer)
- information regarding the business activities and the expected pattern and level of transactions
- residence and business address
- the purpose and reason for the establishment of a business relationship
- anticipated account turnover, the nature of the transactions, the expected origin of incoming funds to be credited to the account and the expected destination of outgoing transfers/payments
- the customer's size of wealth and annual income, and a clear description of the main business / professional activities / operation
- company's name, Country of incorporation, head offices address, names and identity of beneficial owners, directors, authorized signatories, financial information, ownership structure of the group that the company may be a part of (Country of incorporation of the parent company, subsidiaries and associate companies, the main activities, financial information)

1. Certificate of incorporation
2. Certificate of good standing of the legal person
3. Certificate of registered address
4. Certificate of directors and secretary
5. Memorandum and Articles of Association
6. Certificate of registered shareholders in the case of private and public companies that are not listed in regulated market of a European Economic Area country or a third country with equivalent disclosure and transparency requirements
In case the Shareholders/ Limited Partners are other legal entities the following additional documentation is required:
 - *A legal structure chart showing all intermediate entities up to the Ultimate Beneficial Owners signed by the Director (in case the Director is the UBO, then additionally by the Secretary).*
 - *Full legalization documents of the ultimate legal entity which exercises actual control or, in the case of many ultimate legal entity shareholders, of those legal entities that exercise such control. The legalization documents of intermediary holding companies are not required. The term "legalisation documents" includes (i) Certificate of Incorporation, (ii) Certificate of Registered Office, (iii) Register of Shareholders, (iv) Register of Directors, (v) Memorandum & Articles, whereas the term "control" applies to direct and indirect ownership of over 50%; in case the ultimate legal entity is a Nominee Shareholder, the Certificate of Incorporation and Nominee Agreement (Deed of Trust) are required (refer to p.8).*
7. A resolution of the board of directors for opening the account and granting authority to those who will operate it
8. In case of nominee shareholders of the actual beneficiaries, a copy of the trust deed signed between the nominee shareholder and the beneficial owner, by virtue of

- which the registration of the shares on the name of the nominee shareholder on behalf for the real Beneficiary has been agreed
9. Documents and data to establish, the identity of persons authorized by the legal person to operate the account, as well as the registered shareholders and beneficial owners of the legal person
 10. Where necessary, a copy of the latest audited financial statements (if available) and / or copies of its latest management accounts.

It is noted that at any times during the business relationship, the Company can obtain additional documents and information if required.

As an additional measure the Company can conduct research and receive information from the records of the Registrar of Companies and Official Receiver of the Republic (for Cypriot companies) in order to ensure that the company (legal person) is not nor is in the process of being dissolved or liquidated or struck off the registry and that it continues to be registered as an operating company.

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

G. Accounts for Legal Person (Companies or Legal Entities) outside the Republic

1. All documents and information as stated in Part F above must be provided.
2. The Company can conduct research and receive information from the Companies Registry or equivalent authority in the country of incorporation (legal entity) abroad (for non-Cypriot companies) and / or request information from other sources in order to ensure that the company (legal person) is not nor is in the process of being dissolved or liquidated or struck off the registry and that it continues to be registered as an operating company.

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

Shareholder - trust

If the beneficial owner of an entity is a trust then the following documents are required:

1. Name
2. Date of establishment
3. Identity of the trustor (Part A & B)
4. Identity of the trustee(Part A & B)
5. identity of the beneficial owners(Part A & B)
6. The nature and purpose of the establishment and activities (memorandum and articles of association)
7. Origin of the money, extracts from the trust agreement is needed and other relevant information from the trustees

The minimum required documentation is (this applies to Bare Trusts, Discretionary Trusts, Private Trusts, Public (Charitable) Trusts, Purpose Trusts. Does not apply to Unit Trusts (i.e. Investment Trusts/ Mutual funds), Occupational Pension Schemes established as trusts)):

1. Apostiled copy of the Trust Deed in order to identify the Trust structure
2. KYC of the Beneficiaries in accordance with the relevant Document request list; please refer to the appropriate KYC Document Request List;
3. KYC of the Trustees in accordance with the relevant Document request list; please refer to the appropriate KYC Document Request List;

4. KYC of the Settlers in accordance with the relevant Document request list; please refer to the appropriate KYC Document Request List;

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

H. Investment funds, mutual funds and firms providing financial or Investment services:

If they are incorporated and/or operating in countries of the European Economic Area or a third country which according to a decision of the Advisory Authority for Combating Money Laundering Offences and Terrorist Financing it has been determined that applies requirements equivalent to those laid down in the European Union Directive, then the following is required:

1. A license or authorization from a competent supervisory/regulatory authority of the country of incorporation and operation to provide the said services.
2. Evidence that they are subject to the supervision for the prevention of money laundering and terrorist financing purposes.

So, for regulated funds from EU or Approved Countries (also applies to Open or closed-end Investment Funds, Occupational Pension Schemes, Exchange Traded Funds, Mutual Funds, Unit trusts, Hedge Funds, Investment Trusts, SICAVs, SICAFs registered/regulated in EU or Approved Country), the following documents are required as minimum:

1. Proof of regulated/registered status
2. Latest available version of Prospectus/Offering Memorandum/Placement Memorandum as applicable
3. Latest Audited Financial Statements (approved and signed by Auditors)

If the funds are from non-approved countries, but the investment manager/ investment advisor AND fund administrator are regulated in an approved country, then the following is required:

1. Proof of regulated/registered status of the Investment Manager/Investment Advisor and Fund Administrator (web screenshots suffice)
2. Latest available version of Prospectus/Offering Memorandum/Placement Memorandum as applicable
3. Latest Audited Financial Statements (approved and signed by Auditors)

Letter provided by the Administrator of the Fund stating that he undertakes all necessary AML/KYC procedures in relation to the Funds clients.

In case the person is incorporated and/or operating in a third country the following must be obtained:

1. All documents as stated above in Part H
2. Copy of the license or authorization granted from a competent supervisory/regulatory authority of its country of incorporation and operation
3. Sufficient data and information to fully understand the control structure and management of the business activities and the nature of the services and activities provided by the customer.
4. In the case of investment funds and mutual funds the Financial Organisation must provide the following:
 - i. Identity of the beneficial owners (The identification procedure should be followed as it is defined above in Part A and B).
 - ii. Information regarding their objectives and control structure, including documentation and information for the verification of investment managers, investment advisors, administrators and custodians

The minimum list of minimum required documents that applies to funds from non-approved countries (Open or closed-end Investment Funds; Occupational Pension Schemes; Exchange Traded Funds (ETFs); Mutual Funds; Unit Trusts; Hedge Funds; Investment Trusts; SICAVs; SICAFs from non-EU or non-Approved countries, Subsidiaries/ trading vehicles of the above):

1. Latest available version of Prospectus/Offering Memorandum/Placement Memorandum as applicable
2. Certified copy of Certificate of Incorporation, or Certificate of Registration of the Partnership and any Change of Name Certificates
3. Certified copy of Certificate of Registered Office (not applicable if this is provided through a recent Prospectus or M&As)
4. Certified copy of Certificate of Directors/ General Partners
5. Personal information on one Director/ General Partner (The identification procedure should be followed as it is defined above in Part A and B).
6. Certified Copy of the Memorandum & Articles of Association or Partnership Agreement as applicable
7. Latest Audited Financial Statements (approved and signed by Auditors)

It is important to understand whether the Company will deal with the fund or Investment Manager/Advisor, and the KYC should be undertaken on both the Fund and the Investment Manager/Advisor.

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

I. Nominees or agents of third persons

The following is required as minimum:

1. To verify the identity of the nominees or the agent of the third person (The identification procedure should be followed as it is defined above in Part A and B).
2. To verify the identity of any third person on whose behalf the nominee or the agent is acting (The identification procedure should be followed as it is defined above in Part A and B).
3. Copy of the authorization agreement that has been concluded between the interested parties

Screening against Sanctions, Any adverse findings (crime, fraud, money laundering), PEP list is required.

All types of clients:

- a. If applicable, a Certified copy of a Power of Attorney for the person(s) who will be opening the account (in case this person isn't a Director).
- b. Personal information of Attorney/s (different verification documentation required for identity and proof of address): (The identification procedure should be followed as it is defined above in Part A and B).
- c. Questionnaire
- d. Confirmation that the client is trading as Principal
- e. In case the client opens an account as an agent, the client should provide Otkritie Capital Cyprus Limited with the AML/KYC Policies or the AML comfort letter. & AML Questionnaire

Definition of the UBO:

Beneficial owner ("UBO") means the natural person or natural persons, who ultimately own or control the customer and/or the natural person on whose behalf a transaction or activity is being conducted.

The beneficial owner shall at least include:

- a. In the case of corporate entities:
 - i. the natural person or natural persons, who ultimately own or control a legal entity through direct or indirect ownership or control of a sufficient percentage of the shares or voting rights in that legal entity, including through bearer share holdings, a percentage of 10% plus one share be deemed sufficient to meet this criterion;
 - ii. the natural person or natural persons, who otherwise exercise control over the management of a legal entity.
- b. In the case of legal entities, such as foundations and legal arrangements, such as trusts, which administer and distribute funds:
 - i. Where the future beneficiaries have already been determined, the natural person or natural persons who is the beneficiary of 10% or more of the property of a legal arrangements or entity;
 - ii. Where the individuals that benefit from the legal arrangement or entity have not yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
 - iii. The natural person or natural persons who exercise control over 10% or more of the property of a legal arrangement or entity

NOTE: THE COMPANY AT ANY TIME CAN INQUIRE AND OBTAIN ADDITIONAL DOCUMENTS AND INFORMATION IF REQUIRED IF AT ANY LATER STAGE ANY CHANGES OCCUR IN THE STRUCTURE OF THE OWNERSHIP STATUS OR TO ANY DETAILS, THE CUSTOMERS HAS TO INFORM THE COMPANY AND PROVIDE ANY NEW INFORMATION AND DOCUMENTS. IF IN THE COUNTRY OF THE POTENTIAL/EXISTING CLIENT ANY OF THE REQUIRED DOCUMENT DOES NOT EXIST IN THE FORM REQUIRED BY THE COMPANY THE COMPLIANCE OFFICER MAY ACCEPT A SIMILAR DOCUMENT SERVING THE NEEDS OF DUE DILIGENCE.