STATEMENT OF OTKRITIE CAPITAL CYPRUS LIMITED AS OF 22/05/2019

In accordance with the Law 87(I)-2017 ("Law") and Directive DI144-14-2014

Otkritie Capital Cyprus Limited ("OCCL" or the "Company") holds a license from the Cyprus Securities and Exchange Commission ("CySEC" or the "Commission"), number CIF 069/06 dated 10 August 2006, which permits the Company to operate as a Cyprus Investment Firm and to provide investment and ancillary services with regards to specific financial instruments as these are defined in the Company's operating license.

The Company is controlled by Otkritie Holding JSC, incorporated in Russia, which owns 100% of the Company's shares.

The Company's Board of Directors comprises of three members, two of which are non-executive and independent to the Company's executive management function and one executive director:

Article 9 of the Law. (2) Members of the board of directors of a CIF shall at all times be of good repute and possess sufficient knowledge, skills and experience to perform their duties. The overall composition of the board of directors must reflect an adequately broad range of experiences. Members of the board of directors shall, in particular, fulfil the requirements set out in subsections (3) to (9). At least two persons meeting the criteria of this section and of section 10 must effectively direct the business of the applicant.		
Mrs. Olga Kuznetsova	Executive Director	*Mrs. Olga Kuznetsova graduated from Moscow State University of Printing in 1999. She has LCCI Level 2 Certificate in Book-keeping and accounts 2 as well as CySEC Advanced Certificate. Her career started in 1992. In 2010 she joined Metropol (Cyprus) Limited as a Managing Director and Financial Director. Mrs. Olga Kuznetsova joined Otkritie Capital Cyprus Limited as a Head of Portfolio Management in May 2017. In November 2017 she become the Head of Back Office, Safe-Keeping, Accounting and Administration. She was promoted to the Board in the beginning of 2018 and approved as Director in July 2018.*
Mr. Constantinos Shiatis	Non-Executive Director	*Mr. Shiatis graduated from the Institute of Bankers (Banking Diploma admitted as Associate of Institute of Bankers). He holds Certified Diploma in Accounting and Finance C.Dip.A.F. He has awards for the achievement of targets in loans, profits, insurance for the years 1995-2002. Mr. Constantinos Shiatis started his career in 1966. Since 1995 till his retirement in 2006 he worked in Bank of Cyprus.*
Mrs. Veeny Hadjimilti	Non-Executive Director, Chairwoman of BOD	*Mrs Hadjimilti has accounting, taxation & auditing education, was a Director in London Forfaiting Cyprus Ltd (subsidiary of London Forfaiting Company PLC - quoted in the London Stock Exchange) and this company was involved in various investment services including syndicating of loans, securitisation of loans, forfaiting of loans invested in financial institutions with portfolio of assets variating in 1999-2000 from 120 to 250 million of GBP.*

The Board of Directors possess adequate knowledge, skills and experience to be able to understand the Company's activities, including the principal risks and ensure the integrity of accounting and financial reporting. Each member of the board of directors acts with honesty, integrity and independence of mind to effectively assess, challenge and monitor the decisions of the senior management where necessary.

The management body is sufficiently diverse as regards age, gender, educational and professional background to reflect an adequately broad range of experiences and facilitate a variety of independent opinions and critical challenge.

The major duties of the Board of Directors are:

- To establish, implement and maintain decision-making procedures and an organizational structure which clearly and in documented manner specifies reporting lines and allocates functions and responsibilities
- To ensure that its relevant persons are aware of the procedures which must be followed for the proper discharge of their responsibilities
- To establish, implement and maintain adequate internal control mechanisms designed to secure compliance with decisions and procedures at all levels of the Company
- To employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them
- To establish, implement and maintain effective internal reporting and communication of information at all relevant levels of the Company
- To maintain adequate and orderly records of its business and internal organization
- To ensure that the performance of multiple functions by its relevant persons does not and is not likely to prevent those persons from discharging any particular function soundly, honestly and professionally
- To monitor and periodically assess the effectiveness of OCCL's governance arrangements and takes appropriate steps to address any deficiencies
- To oversee the process of disclosure and announcements
- To ensure the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the law and relevant standards
- Is responsible for providing effective supervision of senior management

Senior management and the Board of Directors are required to assess and periodically review the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations and take appropriate measures to address any deficiencies.

The board of directors defines, oversees and is accountable for the implementation of the governance arrangements that ensure effective and prudent management of OCCL, including the segregation of duties in the organization and the prevention of conflicts of interest.

The board of directors has the overall responsibility for OCCL and approves and oversees the implementation of OCCL's strategic objectives, risk prevention strategy and internal governance.

The chairwoman of the board of directors of OCCL, Mrs. Veeny Hadjimilti, does not exercise simultaneously the functions of a Chief Executive Officer ("CEO").

The senior management receives on a frequent basis and at least annually written reports on the compliance and AML function, risk management function and internal audit matters indicating in particular whether the appropriate remedial measures have been taken in the event of any deficiencies.

Number of Directorships as of 22.05.2019

The number of directorships which may be held by a member of the board of directors at the same time shall take into account individual circumstances and the nature, scale and complexity of the CIF's activities. Unless representing the Republic, members of the board of directors of a CIF that is significant in terms of its size, internal organisation and in terms of the nature, the scope and the complexity of its activities, shall not hold more than one of the following combinations of directorships at the same time:

(a) ***1 executive*** *directorship with* ***2 non-executive*** *directorships,*

(b) ***4 non-executive*** *directorships.*

The following counts as a single directorship:

(a) executive or non-executive directorships held within the same group,

(b) executive or non-executive directorships held within:

(i) institutions which are members of the same institutional protection scheme, provided that the conditions set out in Article 113, paragraph (7) of Regulation (EU) No 575/2013 are fulfilled; or

(ii) Undertakings (including non-financial entities) in which the CIF holds a qualifying holding.

Mrs. Olga Kuznetsova	Executive Director of OTKRITIE CAPITAL CYPRUS LIMITED	1
Mr. Constantinos Shiatis	Non-Executive Director of OTKRITIE CAPITAL CYPRUS LIMITED	1
Mrs. Veeny Hadjimilti	Non-Executive Director of OTKRITIE CAPITAL CYPRUS LIMITED	1

In accordance with paragraph 17 of the Law Otkritie Capital Cyprus Limited ("OCCL"):

- Has established adequate policies and procedures sufficient to ensure its compliance, including its managers, employee and tied agents with its obligations under this Law as well as appropriate rules governing personal transactions by such persons.
- Maintains and operates effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.
- Regularly review financial instruments it offers or markets, taking into account any event that could materially affect the potential risk to the identified target market, in order to assess at least whether the financial instrument remains consistent with the needs of the identified target market and whether the intended distribution strategy remains appropriate.
- Takes reasonable steps to ensure continuity and regularity in the performance of investment and ancillary services and activities, by employing appropriate and proportionate systems, resources and procedures.
- Ensures, when relying on a third party for the performance of investment services or activities or operational functions which are critical for the provision of continuous and satisfactory service to clients and the performance of investment activities on a continuous and satisfactory basis, that it takes reasonable steps to avoid undue additional operational risk. Outsourcing of the above must not be undertaken in such a way as to materially impair the quality of its internal control and the ability of the CySEC to monitor OCCL's compliance with all its obligations.
- Has robust governance arrangements which include a clear organisational structure with well defined, transparent and consistent lines of responsibility.
- Has sound administrative and accounting procedures, internal control mechanisms, effective procedures for assessing the risks OCCL undertakes or may undertake, and effective control mechanisms, effective procedures for risk assessment; including appropriate administrative and accounting procedures and safeguard arrangements for information processing systems.
- Has a sound security mechanism in place to guarantee the security and authentication of the means of transfer of information, minimise the risk of data corruption and unauthorised access and to prevent information leakage, in order to maintain the confidentiality of the data at all times.
- Has arranged for records to be kept of all services provided and transactions undertaken by OCCL, which shall be sufficient to enable the Commission to monitor compliance with the requirements under this Law, the directives issued pursuant to this Law, the Regulation (EU) No 600/2014, the Directive 2014/57/EU and the Regulation (EU) No 596/2014, and in particular to ensure that the CIF has complied with all obligations, including those with respect to clients or potential clients and to the integrity of the market.
- This record includes the recording of telephone conversations or electronic communications relating to transactions concluded when dealing on own account and the provision of client order services that relate to the reception, transmission and execution of client orders.
- This telephone conversations and electronic communications includes those that are intended to result in transactions concluded when dealing on own account or in the provision of client order services, that relate to the reception, transmission and execution of client orders, even if those conversations or communications do not result in the conclusion of such transactions or in the provision of client order services.
- The Company notifies new and existing clients that telephone communications or conversations between the Company and its clients that result or may result in transactions, will be recorded.
- The Company does not provide, by telephone, investment services and activities to clients who have not been notified, in advance, about the recording of their telephone communications or conversations, where such investment services and activities relate to the reception, transmission and execution of client orders.
- The orders may be placed by clients through other channels; however, such communications are made in a durable medium such as by mail, faxes, emails or documentation of client orders made face-to-face at meetings. In particular, the content of relevant personal conversations with a client is recorded by using written minutes or notes. Such orders shall be considered equivalent to orders received by telephone.
- The records kept in accordance with the above shall be provided to the client involved upon request and shall be kept for a period of five years and, where requested by the CySEC, for a period of up to seven years.
- The Company makes adequate arrangements to safeguard the ownership rights of clients, especially in the event of the OCCL's insolvency, and to prevent the use of a client's financial instruments and/or funds on own account except with the client's express consent. The Company does not conclude title transfer financial

collateral arrangements with retail clients for the purpose of securing or covering present or future, actual or contingent or prospective obligations of clients.

- Applies appropriate client identification procedures, records maintenance and internal reporting as provided by the Prevention and Suppression of Money Laundering Activities Law and by directives issued pursuant to the said Law.

Country-by-country reporting as of 31/12/2018

From 1 January 2015 CIFs are required to disclose annually, specifying, by Member State and by third country in which it has an establishment, the following information on a consolidated basis for the financial year 2018:

Name	OTKRITE CAPITAL CYPRUS LIMITED
Nature of activities	INVESTMENT and ANCILLARY SERVICES in accordance with the license
Geographical location	CYPRUS
Turnover	USD 155.554
Number of employees on a full time equivalent basis (members of staff whose actions have a material impact on the risk profile of the institution)	7
Profit or loss before tax	USD (1.171.498)
Tax on profit or loss	n/a
Public subsidies received	-

The information referred to as above is audited in accordance with the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009.

Public disclosure of return on assets as of 22/05/2019

Return on assets, calculated as net profit divided by total balance sheet	-0.04 %

Remuneration policy

When establishing and applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for categories of staff including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on their risk profile, OCCL must comply with the following principles in a manner and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:

(a) The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of OCCL;

(b) The remuneration policy is in line with the business strategy, objectives, values and long-term interests of the OCCL, and incorporates measures to avoid conflicts of interest;

(c) The OCCL's board of directors adopts and periodically reviews the general principles of the remuneration policy and is responsible for overseeing its implementation;

(d) The implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the board of directors;

(e) Staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;

(f) The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee;

(g) The remuneration policy, taking into account national criteria on wage setting, makes a clear distinction between criteria for setting:

(i) Basic fixed remuneration, which should primarily reflect relevant professional experience and organisational responsibility as set out in an employee's job description as part of the terms of employment; and

(ii) Variable remuneration which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

OCCL has developed quite clear and straightforward Remuneration Policy (the “Policy”) which reflects the objectives of the Company for good corporate governance of the financial compensation of the Company’s employees, as well as the sustained and long-term value creation for the Company’s shareholders and effective risk management.

The purpose of the Policy is to ensure that:

- The Company is able to attract, develop and retain high-performing and motivated employees in a competitive, international market;

- Employees are offered a competitive remuneration package;

- Employees feel encouraged to create sustainable results and do not expose the Company to excessive risk.

- Corporate values and culture are supported;

- Leadership, accountability, teamwork and innovation are reinforced;

- The contribution and performance of the businesses, teams and individuals are aligned.

The Policy focuses on ensuring sound and effective risk management through practices and procedures that are consistent with and promote:

- Setting goals and communicating these goals to employees;

- Including both financial and non-financial goals in performance and result assessments;

- Making fixed salaries the main remuneration component.

The following principles have been adopted by the Company in relation to establishing the Policy:

- Simplicity;

- Fairness;

- Transparency;

- Risk tolerance;

- Alignment with values and long-term interests.

OCCL has generated and implemented performance review for the employees of OCCL.

On an annual basis all the employees should complete an assessment form, where they emphasise their achievements.

Every year an employee makes a plan of what they want to achieve in their career, work out the steps they need to get to the goal. All the employees should provide the detailed information with regards to the investment objectives that were set for the year and the actual results.

The employees identify their achievements and successes, areas for improvement, highlight any barriers for improvement. They state the objectives for the next year.

On the basis of the completed assessment, the responsible manager can analyse the employees work during the year, provide the feedback and discuss the strength/weaknesses, objectives, challenges, areas for development, job satisfaction. The Responsible Manager provides the employee with a score that indicates the satisfaction of the work of the employee during the year.

This score may influence the annual bonus/compensation for the employee.

The performance review allows the company to assess the employees work during the year. It is also essential for OCCL to have informal discussions between the individuals and the line managers on an ongoing basis and to assess any risks that may lead to misconduct or conflict of interest as well as to assess whether the clients’ needs are met and the individuals acts in the best interests of the clients and follow the set company’ goals.

In determining the performance of relevant persons, OCCL should also take into account the outcome of their activities in terms of compliance with the conduct of business rules and, in general, with the duty to care about the best interests of their clients.

OCCL takes into the account the qualitative components and assesses such skills of the individuals as: ability to develop and motivate others, be the team leader, share the knowledge, perform the technical knowledge, demonstrate the professionalism and competence, be open with colleagues, assist clients properly and always on time respond on any client requests, deliver correct information. These skills are performed by all the employees at all the time; however this could be performed on junior, professional and senior professional levels.

The Company annually assesses whether the information management tools it uses adequately capture the qualitative data required to determine the variable remuneration it pays to relevant persons.

Principles

- The management body, in its supervisory function, of the Company adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation;
- The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of OCCL;
- The implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the board of directors;
- The remuneration policy is in line with the business strategy, objectives, values and long-term interests of OCCL, and incorporates measures to avoid conflicts of interest;
- The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee;
- Staff engaged in control functions is independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;
- The assessment of the performance is set in a multi-year framework in order to ensure that the assessment process is based on longer-term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the underlying business cycle of the Company and its business risks;
- The total variable remuneration does not limit the ability of the Company to strengthen its capital base;
- Guaranteed variable remuneration is exceptional and occurs only when hiring new staff and is limited to the first year of employment;
- Guaranteed variable remuneration is not consistent with sound risk management or the pay-for-performance principle and shall not be a part of prospective remuneration plans;
- The Company shall maintain a record of the assessment made and of the staff whose professional activities have been identified as having a material impact on their risk profile to enable the competent authority and auditors to review the assessment. The documentation should also include staff who have been identified under criteria based on their remuneration but for whom the professional activities are assessed as not having a material impact on the institution's risk profile;
- This remuneration policy of persons involved in the provision of services to clients aiming to encourage responsible business conduct, fair treatment of clients as well as avoiding conflict of interest in the relationships with clients;
- OCCL takes all appropriate steps to identify, prevent and manage conflicts of interest arising from their remuneration and incentive structures (please refer to Conflict of Interest Policy);
- There should be no 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.

Remuneration components

Fixed and variable components of total remuneration are appropriately balanced, with the fixed element being set at a sufficient level to ensure the variable component may be operated in a fully flexible manner, including the possibility of there being zero variable remuneration in any particular year.

Various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business or support unit, the employee’s corporate rank within the Company and professional activity as well as market practice.

The variable component of the remuneration is based on qualitative criteria and more closely reflects the desired conduct of the employees to act in the best interests of the clients.

The six main remuneration components are:

- fixed remuneration (the salary);
- performance-based remuneration (the bonus);
- pension scheme (not applied yet);
- other benefits;
- severance payment;
- special remuneration arrangements.

The Board oversees remuneration policies and procedures, including this Policy, and provides an independent view into the remuneration decisions. The Board takes into consideration financial and non-financial criteria, risk and compliance reports, and any other relevant information in making decisions around remuneration.

The fixed remuneration is determined on the basis of the role of the individual employee, including responsibility and job complexity, performance and local market conditions.

The performance-based remuneration (bonus) motivates and rewards high performers who strengthen long-term customer relations, and generate income and shareholder value. On an annual basis, as this is mentioned above, the employees complete performance review. The Board of Directors determine a maximum percentage of performance-based remuneration relative to the fixed remuneration. The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee.

All bonuses are discretionary, i.e. there is the possibility that no bonus will be awarded.

Bonuses are awarded in a manner that promotes sound risk management and does not induce excessive risk-taking. This is done by ensuring that:

- An appropriate balance exists between fixed and performance-based components.
- The fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible.
- The performance-based component reflects the risk underlying the achieved result.
- Awarded performance-based pay may be forfeited in full or in part if granted on the basis of unsatisfactory results.
- The bonus may be adjusted to reflect performance even after the employee has been notified of the bonus.
- Employees with less than 1 year of service are not usually entitled to the bonus.

Performance-based remuneration pools must be based on an assessment of the Company's budget performance. The Board has responsibility to decide on the funds to be allocated to the performance-based remuneration pools. The Remuneration Committee as well as the Company's Risk control function must be involved to ensure that risk, capital and liquidity limits are not exceeded.

The Board has discretion in the allocation of the pool to business divisions. The Remuneration Committee must make recommendations on allocation of the pool to the Business/Support Units. The Board of Directors reviews the recommendations and provides with the decision.

Line Managers for each Business/Support Unit have discretion on allocating bonus payments to individuals in their department. Line Managers must provide proposed allocations to the HR department who will collate the information for the Remuneration Committee (or directly to the Remuneration Committee, in case of the absence of HR department or to Global HR department who will forward these then to the Remuneration Committee and Board of Directors of OCCL) and the Board of Directors to review the overall allocation and make any adjustments considered necessary before final allocations are advised to the individuals. The appraisal results are taken into consideration when the bonus pool is distributed.

When allocating the bonus pool, the Remuneration Committee and the Board of Directors may consider the following:

- Contribution of the division to earnings;
- Assessment of the contribution to risk management and compliance by function (in case of a support function);
- Assessment of risk management and compliance by the division (in case of a business unit);

- Appraisal results.

Performance-based pay is granted to employees with particular influence on Company results and shareholder value and who at the same time act in the best interests of the clients. In functions targeting capital markets, performance-based pay constitutes a significant proportion of the total remuneration package for selected employees to attract and retain the most talented people in these fields.

Performance-based pay is granted to reflect the employee's performance within the team and individually, as well as Company results. A discretionary assessment is always made to ensure that other factors – also factors which are not directly measurable – are considered.

Remuneration packages relating to compensation or buy out from contracts in previous employment must align with the long-term interests of the CIF including retention, deferral, performance and clawback arrangements;

The pension scheme aims to provide employees with a suitable pension payment on retirement. At present the pension scheme is not offered.

Other benefits may be offered from time to time. These may be changed or withdrawn or added to at the discretion of the Board. As at the date of the Policy, these benefits include Medical Insurance only.

Severance payments are awarded on the basis of individual employment contracts and local market practice.

Guaranteed variable pay shall be granted only in exceptional cases to attract highly specialised individuals. In accordance with international recommendations, such pay is granted for a term of one year only.

Special remuneration arrangements including sign-on, redundancy or termination payments not set out in the employment contracts must be approved by the Remuneration Committee and the Board of Directors, before being agreed.

Early termination

Both in case of termination of the agreement on account of withdrawal by Otkritie Capital Cyprus Limited and on account of voluntary resignation of the senior manager or executive director, notice shall be given at least (specified in employment agreement) days in advance, which may be replaced with an amount equivalent to the remuneration of the non-observed term of notice.

Both in case of termination of the agreement on account of withdrawal by Otkritie Capital Cyprus Limited and on account of voluntary resignation of other than the senior manager or executive director, employees notice shall be given at least 28 working days in advance, which may be replaced with an amount equivalent to the remuneration of the non-observed term of notice.

Payments relating to the early termination of a contract reflect performance achieved over time and do not reward failure or misconduct.

Remuneration of the Board of Directors

The fixed remuneration pay of members of the Board is set at a level believed to be on par with the rest of the market, and reflects the individual Board member's qualifications, contribution and responsibilities.

The remuneration committee should make recommendations to the board on the executive directors' remuneration and determine on their behalf specific packages for each of the executive directors, including pension rights (not yet implemented) and any compensation payments.

The remuneration of directors, in their capacity as members of the committees of the board of directors, should be determined by the board itself and should be in accordance with the time they devote to the affairs of the Company, taking into account the remuneration of other directors, other employees of the Company and, in cases where part of the remuneration is connected with performance criteria, such criteria should be based on the long-term viability of the Company and the need to foster the long-term value of the Company.

The remuneration of directors, in their capacity as members of the board of directors, should be approved by the shareholders at a general meeting. The remuneration committee should give the chairman and CEO the opportunity to express their views as regards its proposals for the remuneration of other executive directors and should also have access to professional advice inside and outside the Company. In determining the remuneration of directors, the remuneration of non-executive directors should not be linked to the performance of the Company and should not contain share purchase options.

Proportionality

Application of the Remuneration Policy must have a risk focus promoting sound and effective risk management to support the aims of the Remuneration Policy.

The variable component shall not exceed 100 % of the fixed component of the total remuneration for each individual.

The measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment for all types of current and future risks and takes into account the cost of the capital and the liquidity required.

The allocation of the variable remuneration components within the Company must also take into account all types of current and future risks.

This risk-based self-assessment should evaluate the extent to which the Company has met with the following expectations:

- The total variable remuneration to be paid by the Company does not limit its ability to strengthen its capital base.
- Total variable remuneration is significantly reduced when the Company produces a reduced or negative financial performance.

Staff members are required to undertake not to use personal hedging strategies or remuneration- and liability- related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Variable remuneration is not paid through vehicles or methods that facilitate the noncompliance with MiFID Directive or Regulation (EU) No 575/2013.

If the Company choses to not fully meet the expectations of the CYSEC's regulations based on the Company's nature, scale, scope and/or complexity, etc., this must be justified with the aid of relevant documents and decisions of the Board.

Responsibilities of the Board of Directors

The Board has responsibility for providing recommendations on employee remuneration.

The Board acts independently when approving the Remuneration Policy by considering the following factors:

- Short-term objectives and long-term strategy of the Company;
- The Company's structure and financial situation;
- Future plans and prospects of the Company;
- Shareholders' expectations;
- Total remuneration package;
- Approach in remunerating employees.

The Remuneration Policy shall be reviewed by the Board of Directors on a regular basis, at least once a year. In this respect the Board of Directors supports the Company's efforts to ensure compliance of the Remuneration Policy with regulatory requirements and applicable law. The Remuneration Policy shall be amended if necessary. The Board of Directors shall ensure that any changes to the Remuneration Policy are properly documented.

The design of remuneration policies and practices is approved by the people who effectively direct the business of OCCL, after taking advice from the compliance function, and implemented by appropriate functions to promote effective corporate governance. The people who effectively direct the business are responsible for the implementation of remuneration policies and practices and for preventing and dealing with any relevant risks that remuneration policy and practices can create.

The Policy becomes effective upon approval by the Board of Directors.

Qualitative criteria

Staff shall be deemed to have a material impact on an institution's risk profile where any of the following qualitative criteria are met:

(1) the staff member is a member of the management body in its management function;

(2) the staff member is a member of the management body in its supervisory function;

(3) the staff member is a member of the senior management;

(4) the staff member is responsible and accountable to the management body for the activities of the independent risk management function, compliance function or internal audit function;

(5) the staff member has overall responsibility for risk management within a business unit as defined in Article 142(1)(3) of Regulation (EU) No 575/2013 which has had internal capital distributed to it in accordance with Article 73 of Directive 2013/36/EU that represents at least 2 % of the internal capital of the institution (a ‘material business unit’);

(6) the staff member heads a material business unit;

(7)the staff member has managerial responsibility in one of the functions referred to in point (4) or in a material business unit and reports directly to a staff member identified pursuant to point (4) or (5);

(8) the staff member has managerial responsibility in a material business unit and reports directly to the staff member who heads that unit;

(9) the staff member heads a function responsible for legal affairs, finance including taxation and budgeting, human resources, remuneration policy, information technology, or economic analysis;

(10) the staff member is responsible for, or is a member of, a committee responsible for the management of a risk category provided for in Articles 79 to 87 of Directive 2013/36/EU other than credit risk and market risk;

(11) with regard to credit risk exposures of a nominal amount per transaction which represents 0.5 % of the Company’s Common Equity Tier 1 capital and is at least EUR 5 million, the staff member:

(a) is responsible for initiating credit proposals, or structuring credit products, which can result in such credit risk exposures; or

(b) has authority to take, approve or veto a decision on such credit risk exposures; or

(c) is a member of a committee which has authority to take the decisions referred to in point (a) or (b); 6.6.2014 L 167/33 Official Journal of the European Union.

(12) in relation to an institution to which the derogation for small trading book business provided for in Article 94 of Regulation (EU) No 575/2013 does not apply, the staff member:

(a) has authority to take, approve or veto a decision on transactions on the trading book which in aggregate meet one of the following thresholds:

(i) where the standardised approach is used, an own funds requirement for market risks which represents 0.5 % or more of the institution's Common Equity Tier 1 capital; or

(ii)where an internal model-based approach is approved for regulatory purposes, 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval); or

(b) is a member of a committee which has authority to take decisions set out in point (a);

13) the staff member has managerial responsibility for a group of staff members who have individual authorities to commit the institution to transactions and either of the following conditions is met:

(a) the sum of those authorities equals or exceeds a threshold set out in point 11(a), point 11(b) or point 12(a)(i);

(b) where an internal model-based approach is approved for regulatory purposes those authorities amount to 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one- tailed confidence interval). Where the institution does not calculate a value-at-risk at the level of that staff member the value-at-risk limits of staff under the management of this staff member shall be added up;

(14) with regard to decisions to approve or veto the introduction of new products, the staff member:

(a) has the authority to take such decisions; or

(b) is a member of a committee which has authority to take such decisions;

(15) the staff member has managerial responsibility for a staff member who meets one of the criteria set out in points (1) to (14).

Quantitative criteria

1. The Company staff shall be deemed to have a material impact on the Company’s risk profile where any of the following quantitative criteria are met:

(a) the staff member has been awarded total remuneration of EUR 500 000 or more in the preceding financial year;

(b) the staff member is within the 0.3 % of the number of staff, rounded up to the next integer, who have been awarded the highest total remuneration in the preceding financial year;

(c) the staff member was in the preceding financial year awarded total remuneration that is equal to or greater than the lowest total remuneration awarded in that financial year to a member of senior management.

2. A criterion set out in paragraph 1 shall not be deemed to be met where the Company determines that the professional activities of the staff member do not have a material impact on the Company's risk profile because the staff member, or the category of staff to which the staff member belongs:

(a) only carries out professional activities and has authorities in a business unit which is not a material business unit; or

(b) has no material impact on the risk profile of a material business unit through the professional activities carried out.

3.The condition set out in point (b) of paragraph 2 shall be assessed on the basis of objective criteria which take into account all relevant risk and performance indicators used by the institution to identify, manage and monitor risks in accordance with Article 74 of Directive 2013/36/EU and on the basis of the duties and authorities of the staff member or category of staff and their impact on the Company's risk profile when compared with the impact of the professional activities of staff members identified by the criteria set out in Article 3 of Directive 2013/36/EU

Conflicts of interest

This Policy reflects obligations regarding the fair treatment of our clients and is designed to promote appropriate corporate behaviours by all the employees.

The Company ensures not to remunerate or assess the performance of its staff in a way that conflicts with the duty to act in the best interests of its clients.

Where we identify potential conflicts of interest of a specific nature, additional policies and procedures are established to manage such conflicts, compliance with which is considered within the context of the performance review process.

Certain remuneration features (for example, the basis of pay, running performance based competitions for relevant persons) involve higher risk of potential damage to clients than others (specifically those that include features which may have been designed to affect the behaviour of relevant persons, especially the sales force).

The types of remunerations that may entail conflict of interests and conduct of business risks.

<u>Type & Description:</u> *Incentives that might influence relevant persons to sell, or 'push', one product or category of product rather than another or to make unnecessary/unsuitable acquisitions or sales for the investor: especially situations where the Company launches a new product or pushes a specific product (e.g. the product of the month or "in-house products") and incentivises relevant persons to sell that specific product. Where the incentive is different for different types of products, there is a high risk that relevant persons will favour selling the product that results in higher remuneration instead of another product without appropriate regard to what is in the client's best interests.*

<u>Risk for OCCL</u>: *Medium*

<u>Measures undertaken</u>: *The clients prior to opening an account should complete the due diligence questionnaire and appropriateness test (for brokerage clients) or suitability test (for asset management clients). On the basis of this questionnaire, the Company can identify what is appropriate/suitable for the client. It is no acceptable for OCCL to perform the following behaviour: to sell, or 'push', one product or category of product rather than another or to make unnecessary/unsuitable acquisitions or sales for the client, as well as perform any transactions that are not suitable for the client and always to warn the client about any risks in case of a non-appropriate product/transaction. The Company's remuneration policies and practices inspire employees to perform in the best interests of the clients*.

<u>Compliance action:</u> *Compliance officer performs ongoing monitoring and verifies whether the client trades or the Company manages the clients' portfolio in line with the clients' profile and best interests of the clients.*

<u>Type & Description:</u> *Inappropriate requirements that affect whether incentives are paid: remuneration policies and practices which include, say, a requirement to achieve a quote of minimum sales levels across a range of products in order to earn any bonus at all is likely to be incompatible with the duty to act in the best interests of the client. Conditions which must be met before an incentive will be paid may influence relevant persons to sell inappropriately. For example, where no bonus can be earned on sales unless a minimum target is met for each of several different product types, this may impact on whether suitable products are recommended. Another example is where a reduction is made to a bonus or incentive payments earned because a secondary target or threshold has not been met.*
<u>Type & Description:</u> *Remuneration policies and practices which create a disproportionate return for marginal sales: where relevant persons need to achieve a minimum level of sales before incentive payments can be earned, or incentives are increased, the risk is increased. Another example would be schemes that include 'accelerators' where crossing a threshold increases the proportion of bonus earned. In some cases, incentives are payable retrospectively based on all sales rather than just those above a threshold, potentially creating significant incentives for relevant persons to sell particular products in particular circumstances.*

Risk for OCCL: *Low, as this is not applicable for OCCL*

Measures undertaken: *The Company doesn't determine any minimum target or threshold.*

Compliance action: *Compliance officer performs ongoing monitoring and verifies whether the employees perform in the best interests of the clients of OCCL. Compliance officer ensures that the managers don't encourage the employees to reach any specific target.*

Type & Description: *Examples of remunerations that seem to create conflicts of interests and are not in line with the conduct of business rules are:*

i. Remunerations as a percentage of the total volume of transactions, or the value of transactions, or the value of clients' deposits.

ii. Remuneration based on retention of clients e.g. based on a predefined percentage of cancellation of withdrawal requests that an employee manages to achieve.

iii. Remunerations based on the number of potential clients who have actually become clients.

iv. Remunerations as a percentage of the net revenue accruing to the Company in respect to clients' transactions (closed P&L of clients).

v. Fixed remunerations based on the number of new clients attracted.

Risk for OCCL: *Low to Medium*

Measures undertaken: *The clients prior to opening an account should complete the due diligence questionnaire and appropriateness test (for brokerage clients) or suitability test (for asset management clients). On the basis of this questionnaire, the Company can identify what is appropriate/suitable for the client. It is no acceptable for OCCL to perform the following behaviour: to sell, or 'push', one product or category of product rather than another or to make unnecessary/unsuitable acquisitions or sales for the client, as well as perform any transactions that are not suitable for the client and always to warn the client about any risks in case of a non-appropriate product/transaction. The Company's remuneration policies and practices inspire employees to perform in the best interests of the clients.*

Compliance action: *Compliance officer performs ongoing monitoring and verifies whether the client trades or the Company manages the clients' portfolio in line with the clients' profile and best interests of the clients. Compliance officer ensures that all the employees have ongoing discussions with their managers, as well as on an annual basis complete annual performance review based not only on quantitative, but most qualitative criteria. Compliance officer ensures that the employees don't encourage retail clients to perform any transactions with CFDs and/or other complex instruments. Only by request of the clients, who are classified as elective professional or professional clients, the transactions in CFDs and other complex instruments could be performed. However, still the employees shouldn't encourage the clients to perform such activities and should always act in the interests of the clients.*

The Company should not remunerate the performance of its own staff when the activities to be remunerated are executed in a way that conflicts with the Company's duty to act in the best interests of its clients.

When designing remuneration policies and practices, OCCL should consider all relevant factors such as, but not limited to, the role performed by relevant persons, the type of products offered, and the methods of distribution (e.g. advised or non-advised, face-to-face or through telecommunications) in order to prevent potential conduct of business and conflict of interest risks from adversely affecting the interests of their clients and to ensure that the Investment Company adequately manages any related residual risk.

Where potential or actual client detriment might arise as a result of specific features in remuneration policies and practices, Investment Companies should take appropriate steps to manage potential conduct of business and conflict of interest risks by reviewing and/or amending these specific features, and set up appropriate controls and reporting mechanisms for taking appropriate action to mitigate potential conduct of business and conflict of interest risks.

The Company doesn't rely only on quantitative data as the criteria for assessing variable remuneration.

The Company annually assesses whether the information management tools it uses adequately capture the qualitative data required to determine the variable remuneration it pays to relevant persons.

Top earners and performers are recognised as being potentially higher risk and, as a result, additional scrutiny is given to them; and information such as previous compliance results, complaints or cancellation data is used to direct compliance checking. The outputs have an impact on the design/review of the remuneration policy and practices.

The remuneration of employees should not be structured in a manner that encourages behaviour which is not in the best interests of clients and which does not promote sound risk management practices. A discretionary bonus system is in place which takes into account Company performance, team performance and the individual's performance.

However this is not directly related to the success or failure of a particular business strategy.

OCCL has in place appropriate and transparent reporting lines across the Company or group to assist in escalating issues involving risks of non-compliance with the Law conflicts of interest and conduct of business requirements under the Law.