



INVESTOR INFORMATION 2016

CATELLA IN BRIEF

MODERN WEALTH MANAGEMENT

TAILORED SOLUTIONS



Catella Bank is registered in Luxembourg and is part of the Catella Group, listed on First North Premier on Nasdaq Stockholm.

Investment Advisor and Asset Manager We identify, evaluate and develop exciting opportunities through our leading position and extensive track record as an advisor in the property sector and as a manager of Nordic equities, bonds and hedge funds. We do also offer private equity investments in small and medium sized companies.

Securities Account You can trade securities and in the true spirit of Catella all trading takes place directly with our trading desk and easily track your investments through our Internet service on our website.

Advisory Management You are interested in the financial markets, and require individual advice and a premium level of service. Clients who wish to maintain an ongoing dialogue with their own dedicated advisor. Trading takes place in conversation with your advisor, without you having to analyse each investment opportunity yourself. The client always has the final word on each individual decision.

Discretionary Management You do not have the time, or do not wish, to actively take part in the ongoing management of their portfolio. You select a portfolio that is professionally designed according to your own objectives and risk profile, and you allow us to perform the ongoing reallocation within the framework of your mandate. You can always make changes to the mandate along with your dedicated advisor

Business Partner We understand our clients need for both low risk solution and investment opportunities. We specialise in clients seeking professional advice and management as well as unique alternative investment



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GENERAL INFORMATION

I. AUTHORISATION OF THE BANK

Catella Bank S.A., having its registered office at Parc d'Activités Capellen, 38 rue Pafebruch, L-8308 Capellen Luxembourg is a financial institution supervised by the Luxembourg financial sector regulatory authority, the Commission de Surveillance du Secteur Financier (the "CSSF") located at 110 Route d'Arlon, L-2991 Luxembourg.

2. CLIENT CATEGORISATION & PROFILE

2.1 Client categorisation

Clients are categorised as follows:

- a) Private (retail) Clients: who are not professional Clients;
- b) Professional Clients: who have the knowledge and the experience in dealing with financial instruments;
- c) Eligible counterparties;

Such categorisation is determined on the basis of objective criteria and information collected by the Bank.

The Bank may, at the Client's request, under the condition of fulfilment of certain criteria and being understood that the Bank is allowed to refuse such requested change of categorisation:

- a) Treat a retail Client as a professional Client;
- b) Treat a professional Client as a retail Client or as an eligible counterparty;
- c) Treat an eligible counterparty as a retail Client or as a professional Client.

By requesting a change of categorisation, the Client shall declare that he is aware of the consequences of renouncing to the level of protection conferred by the law. A professional Client or an eligible counterparty must inform the Bank of any change involving a change of classification. The Bank is authorised to change the classification of the Client, on the basis of objective criteria, if it states that the Client no longer meets the conditions justifying his classification as a professional Client. The Bank agrees that his categorisation applies to any business relationship between the Client and the Bank.

2.2 Client profile

The Bank determines the profile of each retail or professional Client before proposing and/or performing any financial investment service.

Retail Clients and professional Clients shall provide the Bank with any information that the Bank may request in order to define the Client's profile, i.e. information concerning the financial situation of the Client, his investment knowledge with regards to a specific product, his experience in that respect, and his investment objectives. The Bank is allowed to consider as accurate and correct all information communicated to it. The Bank is not responsible for the fact that a profile which does not correspond to the profile of the Client has been established on the basis of erroneous information communicated by the Client.

The Client shall immediately inform the Bank of any change in its financial situation, its investments objective, and provide the Bank with any other relevant information in order to allow the Bank to update the profile of the Client, being understood that a change of the profile of the Client will not affect the advice provided by the Bank before such change.

The Bank is not responsible of the fact that the Client performed transactions and that the Bank accepted such transactions on the basis of an investment profile which has not been updated to reflect a change of the situation of the Client. The Client shall hold the Bank harmless of any

liability and of any damage in the case where the Client fails to comply with this requirement.

3. INVESTMENT SERVICES

3.1 Execution only

For any transactions in non-complex financial instruments as defined in the Luxembourg law dated July 13, 2007 relating to markets in financial instruments, and executed on a regulated market or on an equivalent market, without the provision of investment advice, and at the Client's sole initiative, the Bank is not obliged to check that the instrument is suitable for the Client's investor profile.

The Bank is not obliged to perform controls on the composition of the portfolio of the Client portfolio, nor the compliance with its investment.

3.2 Advisory management services

The Bank may provide advisory management services in accordance with the Client's wish, in which case the Bank gives recommendations to the Client and helps him manage his assets in accordance with the investment policy established by the Bank and the Client.

Such services involves that the Bank reviews the portfolio of the Client on a regular basis, and that the investor profile and his situation are taken into account when the Bank provides advisory services.

3.3 Discretionary management services

The Client may entrust the Bank with the management of his assets by entering into a specific agreement which sets out the Terms and Conditions of the discretionary management services and the Client's investor profile. Such agreements sets out an investment strategy, the investor profile of the Client, and the financial instruments eligible to be used in the context of discretionary management of a portfolio.

The Bank is authorised to carry out any and all operations that the Bank considers to be in the interest of the Client, and in accordance with his investor profile. The Client is not entitled to interfere in said management, without the

Bank's express consent. In that respect, the Client agrees to have no access to the assets under discretionary management by any way.

The Client receives from the Bank a benchmark in order to monitor the Bank's performance as compared to the financial markets generally. The Client may obtain further information on the benchmark from the Bank. Such benchmark is provided to the Client for information purposes only, and is not a contractual document under which the Bank undertakes to have a particular result.

3.4 Investment advice and services of management in financial instruments

When the Bank provides the Client with a service of management or and advice in financial instruments, the suitability of such service or advice is verified with regards to the knowledge and the experience of the Client, its financial status, and its investment targets.

The Bank informs the Client when the Bank considers that the service or product considered by the Client is not suitable with regards to his investment profile. The Bank is expressly discharged of any liability in the case where the Client confirms his instruction. In providing an investment service, the Bank refers to the profile of the Client established on the basis of the information provided by the Client, which is assumed to be accurate and updated.

The Client is informed and recognises that when the Bank is instructed by another bank or financial intermediary to provide the Client with a service or advice in financial instruments, the Bank is entitled to rely on information provided by such intermediary, and the Bank is not obliged to verify the suitability of the service or advice provided to the Client.

Professional Clients are supposed to have the necessary knowledge and experience in dealing with financial instruments, or at least in dealing with the financial instruments for which they are classified as professional Clients. A professional Client shall assess himself, his information requirements, and shall expressly request the

Bank to provide such information. The Bank cannot be held liable to any professional Client who does not request information.

The Bank may provide the Client with advisory or discretionary management services related to investments in collective investment undertakings suitable with regards to the investment profile of the Client.

3.5 Other services than investment advice or services of management

When the Bank provides the Client with other services than those stated above, the Bank verifies if the Client has the necessary experience and knowledge to understand the risks attached to the service proposed or requested by the Client.

The Bank informs the Client when the Bank considers that the service or product considered by the Client is not suitable with regards to its investment profile. The Bank is expressly discharged of any liability in the case where the Client confirms his instruction.

In providing such a service, the Bank refers to the profile of the Client established on the basis of the information provided by the Client, which is assumed to be accurate and updated.

The Bank is not obliged to perform such control when it is instructed by professional Clients, who are supposed to have the necessary knowledge and experience. A professional Client shall assess himself his information requirements, and shall expressly request the Bank to provide such information. The Bank cannot be held liable to any professional Client who does not request information.

When the Client requests the Bank to perform several transactions involving the same type of service or product, the Bank does not perform such control for each transaction.

3.6 Responsibility of the client and obligations of the bank

The Client is fully responsible for operations that the Bank carries out in the Client's name in the context of a mandate of management of assets. The Bank commits itself to carry out its mandate with care and diligence, in compliance with the profile of the Client.

The Bank will provide the Client with any report as set out in the particular advisory or management agreement entered into with the Client. The Bank provides the Client with regular reports, communicated on a basis agreed between the Client and the Bank in particular terms and conditions.

3.7 Term of mandate

Unless stipulated differently in the mandate, a mandate may be terminated by the Client at any time by registered letter, with effect as from receipt by the Bank. A mandate may be terminated by the Bank with 30 days' prior notice by registered letter.

4. FINANCIAL INSTRUMENT

4.1 Definition

"Financial instruments" mean all securities and other financial instruments as defined and targeted in appendix II of the Luxembourg law dated April 5, 1993 as amended, namely:

- a) Transferable securities;
- b) Money-market instruments;
- c) Units in collective investment undertakings;
- d) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to various underlying reference instruments or values.

Further information relating to financial instruments is provided in the section "Information regarding characteristic and risks associated with financial instruments" below.

4.2 Funding requirements

The Bank may carry out instructions relating to the purchase or sale of financial instruments on behalf of and

at the risk of the Client. The Client shall provide the Bank with funds for any purchase of financial instruments at the time of sending instructions and shall provide financial instruments to be sold to the Bank prior to any sale. Even if the funds or financial instruments concerned are not immediately available to the Bank, the Bank may, at its discretion, decide to carry out the Client's orders for sale or purchase of financial instruments, for exercise of rights or options, at the Client's sole risk.

If the Client fails to supply sufficient funds or the relevant financial instruments within 24 hours following execution then the Bank has the right to liquidate the transactions at any time and the cost of such liquidation shall be for the Client's account.

The Bank may at its discretion refrain from the execution, either partially or entirely, of orders to purchase or sell and it may cancel or put on hold unilaterally orders given by the Client if the Client's underlying cash or financial instruments balance are insufficient. In that case, the Bank will use reasonable efforts to inform the Client promptly of its decision. The Bank is free to choose its preferred means for conveying the Client's orders to the market or the relevant agent.

4.4 Forms of financial instruments transactions

4.4.1 Commission-based transactions or fixed-price transactions

The Bank and the Client shall conclude financial instruments transactions in the form of commission transactions or fixed-price transactions.

4.4.2 Commission-based transactions

If the Bank executes orders placed by its Client for the purchase or sale of financial instruments in the capacity of a commission agent, it shall conclude for the Client's account a purchase or sale transaction with another market participant or a Central Counterparty (execution transaction) or it shall engage another commission agent (intermediate commission agent) to conclude an execution transaction. In electronic trading on an exchange, the

Client's order may also be executed directly against the Bank or the intermediary commission agent if the terms and conditions for trading on the exchange permit this.

4.4.3 Fixed price transactions

If the Bank and the Client agree with each other on a fixed or determinable price for an individual transaction, this shall result in a purchase contract, the Bank shall accordingly take delivery of the financial instruments as purchaser from the Client or it shall deliver the financial instruments as seller to the Client. The Bank shall charge the Client the agreed price plus –where interest-bearing bonds are concerned – accrued interest.

4.5 Special rules for commission-based transactions

5.5.1 Practices / notification / price

Execution transactions shall be subject to the legal provisions and business conditions (practices) for financial instruments trading applicable at the place of execution; in addition, the general terms and conditions of the Bank's contracting party shall apply.

The Bank shall notify the Client without undue delay of the execution of the order. If the Client's order was executed directly against the Bank or the intermediate commission agent in electronic trading on an exchange, this need not be notified separately.

The Bank shall charge the Client the price of the execution transaction; it shall be entitled to charge its remuneration and expenses including third-party costs.

4.5.2 Fixing of price limits

The Client may, when placing orders for the purchase or sale of financial instruments, stipulate to the Bank price limits for the execution transactions (orders with price limits).

4.5.3 Period of validity of Client orders

An order without price limits for the purchase or sale of financial instruments shall be valid for one trading day only. In case an order has been received at a time which does not allow the Bank to execute it on same day in its

ordinary course of business, then the order will be executed on the next business day. The Bank will inform the Client without undue delay if it has not executed an order.

An order with price limits for the purchase or sale of financial instruments shall be valid until the last trading day of the month of receipt of the order.. If an order has been received at a time which does not allow the Bank to execute it during the same month, then the order will be executed during the next month. The Bank shall notify the Client without undue delay if it has not executed an order. The Bank shall advise the Client without undue delay of the period of validity of the Client's order.

4.5.4 Period of validity of orders for the purchase or sale for subscription rights

Orders for the purchase or sale of subscription rights traded in the Grand Duchy of Luxembourg shall promptly be transferred by the Bank for execution. In all other cases the Bank is authorized, to transfer the orders for the purchase or sale of subscription rights for execution on the penultimate day of trading in such subscription rights. The period of validity of orders for the purchase or sale of other foreign subscription rights shall be determined according to the relevant market practices.

4.5.5 Expiration of pending orders

In the event of company law measures (dividend payments, other distributions, the granting of subscription rights or a capital increase) or suspension of quotations at the instigation of the exchange management due to special circumstances in the sphere of the issuer all Client orders in the financial instruments concerned for execution on this exchange will expire according to the relevant market practices of the designated exchange.

The Bank shall notify the Client without undue delay of the expiration of such order.

4.5.6 Liability of the Bank in commission-based transactions

The Bank shall be liable for the proper settlement of the execution transaction by its contracting party or the

intermediate commission agent. If the Bank engages an intermediate commission agent, it shall be liable, until the conclusion of an execution transaction, only for the exercise of due care in the selection and instruction of such agent. Any delays or errors not assigned to the Bank discharge the Bank of any liability as regards any consequences whatsoever, except in case of gross negligence.

4.6. Settlement of financial instruments transactions

4.6.1 Place of execution

The Bank shall settle transactions in the Grand Duchy of Luxembourg, unless the following conditions or an agreement to the contrary provide for acquisition of the financial instruments outside the Grand Duchy of Luxembourg it being understood that all transactions are subject to the customs, rules and practices of the Bank and/or the place of execution chosen.

4.6.2 Acquisition in the Grand Duchy of Luxembourg

When settling a financial instrument transaction in the Grand Duchy of Luxembourg, the Bank shall, if the financial instruments are held in collective safe custody, provide the Client with co-ownership of these collective deposits.

If financial instruments are not held in collective safe custody, the Client shall be provided with sole ownership of the financial instruments. The Bank shall hold these financial instruments in safe custody for the Client separately from its own assets and those of third parties.

4.6.3 Acquisition outside the Grand Duchy of Luxembourg

The Bank acquires financial instruments outside the Grand Duchy of Luxembourg if:

a) It executes outside the Grand Duchy of Luxembourg purchases orders in domestic or foreign financial instruments in the capacity as commission agent or

b) It sells Client by way of a fixed-price transaction financial instruments which are not traded in the grand Duchy of Luxembourg either on or off-exchange or

c) It executes purchase orders in foreign financial instruments in the capacity of a commission agent or sells the Client by way of a fixed-price transaction financial instruments which, although traded on or off-exchange in the Grand Duchy of Luxembourg, are customarily outside the Grand Duchy of Luxembourg.

The Bank shall in respect of the safe custody of financial instruments acquired abroad engage another depository abroad. The safe custody of the financial instruments shall be subject to the legal provisions and practices of the place of deposit as well as the general business conditions applying to the foreign depository or depositories.

The Bank shall in the proper exercise of its discretion and with due regard to the Client's interests secure the ownership or the co-ownership of the financial instruments or any other equivalent legal position as customary in the country of deposit and hold this legal position for the Client. It shall credit the Client in this respect.

The Bank need only fulfil the Client's delivery claims arising from the Client's credit held on a trust-custody basis from the cover holding maintained by the Bank in the respective country. The cover holding shall comprise the financial instruments of the same type held in safe custody for Clients and the Bank in the country of deposit. A Client who has been credited shall therefore bear proportionally any financial or legal prejudice, loss or damage affecting the cover holding caused by force majeure, riots, war, acts of God or by reason of other interference by third parties in the respective country for which the Bank is not responsible or in connection with acts of domestic or foreign authorities.

If, pursuant to last paragraph ("cover handling"), a Client has to bear any prejudice, loss or damage in respect of the

cover holding, the Bank shall not be required to refund the purchase price to the Client.

5. BEST EXECUTION

When executing Client's orders, the Bank will aim at obtaining the most favorable result for its Clients, taking into account all the various factors and circumstances governing each order and execution, such as price, direct and indirect costs, speed and likelihood of execution, as well as specific elements linked to the order or to the Client relationship. The Bank undertakes to execute an order in compliance with its best execution policy which determines the proceedings of the Bank to perform the instructions of its Clients in their best interests.

However, the Bank executes Client's orders containing specific instructions in compliance with such instructions. By giving particular instructions, the Client expressly releases the Bank from following the rules of the best execution policy, and from obtaining the best result possible.

By signing the Bank's General Terms and Conditions, the Client gives its express consent to the Bank's best execution policy. The policies described in the present document will be reviewed regularly and are therefore subject to change. The Bank will inform the Client about material changes to the policies. The Client may at all times contact his relationship manager to obtain the most recent version of this document.

The Client accepts that the Bank is authorised, in compliance with the principle of best execution and in order to satisfy requests made by a Client relating to an order concerning any financial instrument, to execute the order in an execution venue not provided for by the best execution policy.

Further information is provided in the section "Best execution policy" below.

6. SAFEKEEPING

6.1 General

Upon receipt of physical securities, the Bank or its sub-depository, as the case may be, will issue a receipt which must be checked by the Client. The Bank assumes no responsibility in the event of errors in that confirmation, except in case of gross negligence.

The Bank may sub-deposit the securities with third parties.

The Bank may accept the deposit of packets sealed by the Client. These will be booked as sealed packets and will represent no value towards the Bank. The Bank cannot be held responsible for any loss or depreciation of the content of such packets. The Bank reserves the right to open the packet in the presence of the Client or his/her/its agent, and check its content. The deposit of harmful or dangerous objects is prohibited.

Contrary to financial instruments, cash in whatever currency deposited with the Bank becomes part of the estate of the Bank. In the event of insolvency of the Bank, the client will be indemnified in accordance with the rules of the deposit-guarantee scheme of the AGDL (“Association pour la Garantie des Dépôts”), of which the Bank is a member.

In the event of deposited cash becoming unavailable due to insolvency of the Bank, the AGDL scheme guarantees to Clients having deposited cash the payment of a maximum amount of EUR 100,000. Legal entities are generally excluded from the benefit of the AGDL scheme. The Bank will provide on demand further information to the Client referring to the deposit-guarantee scheme. Information on the AGDL deposit-guarantee scheme is also available on www.agdl.lu.

6.2 Safe custody services

6.2.1 Financial Instruments account statement

The Bank shall issue a financial instrument account statement at least once a year.

6.2.2 Redemption of financial instrument / renewal of coupon sheets

The custodian is obliged to attend to the redemption of interest and dividend coupons and redeemable financial instruments upon their maturity. The Bank shall procure new sheets of interest and dividend coupons (renewal of coupon sheets).

If financial instruments are held in custody in other countries, the foreign custodian shall be responsible for these obligations.

The countervalue of interest and dividend coupons and of matured financial instruments as well as outstanding financial instruments of any kind shall be credited subject to actual receipt by the Bank, even if the instruments are payable at the Bank itself.

In the case of bonds held in safe custody, the Bank shall monitor the date of redemption resulting from drawings and notices of repayment on the basis of the information received by the relevant custodian or sub custodian. If bonds held in safe custody are redeemable by a drawing made on the basis of their certificate numbers (number drawing), the Bank shall, at its choice, either allot to the Clients in respect of the financial instruments credited to them certificate numbers for drawing purposes or distribute the amount falling to the cover holding among the Clients by an internal drawing. This internal drawing shall be made under the supervision of an independent controller; alternatively, it may be made by utilising the services of a computer, provide an impartial drawing is assured.

If interest and dividend coupons as well as matured financial instruments are redeemed in foreign currency or in units of account, the Bank shall credit the amount collected to the Client in such currency, unless an agreement to the contrary has been made between the Client and the Bank.

6.2.3 Treatment of subscription rights / warrants / convertible bonds

The Bank shall notify the Client of the granting of subscription rights after having received information from the custodian or sub-custodian. Provided the Bank has not received any other instructions from the Client by the last order date, it shall sell at best all subscription rights belonging to the Client's financial instruments holding or may arrange to be realised at best in accordance with the practices applying in the respective country.

The Bank shall notify the Client of the expiry of rights deriving from warrants or of conversion rights deriving from convertible bonds, requesting instructions, after receipt of information concerning the expiry date of the custodian or sub-custodian.

6.2.4 Communication of information

If information concerning the Client's financial instruments is communicated to the Bank by the issuer or the custodian or sub-custodian, the Bank shall inform the Client thereof, to the extent that such information may materially affect the Client's legal position and notification of the Client is necessary in order to safeguard the Client's interests. Thus the Bank shall in particular make known information on:

- Statutory compensation, legal tenders and exchange offers;
- Voluntary bids / purchases and exchange offers;
- Reconstructions and bankruptcy proceedings.

The Client need to be notified if the Banks does not receive the information in time or the measures to be taken by the Client are financially unreasonable because the costs incurred are out of proportion to the Client's possible claims.

6.2.5 Conditional entries, reverse entries and correction entries made by the Bank

At the time of lodgement of financial instruments certificates any credit entry by the Bank is made under the condition that the relevant financial instrument are not

affected by notices of loss (stops), suspensions of payment and the like.

Incorrect credit entries of financial instruments (e.g. due to a false deposit number) may be reversed by the Bank through a debit entry of the relevant position until the next annual balance statements if the Client has received the credit entry without legal ground (reverse entry); in this case the Client may not object against the reverse entry having disposed of the position.

If the Bank ascertains an incorrect credit entry of financial instruments after an annual balance statement has been issued and if the Bank has a claim against the Client, it will debit the safe custody account of the Client with the relevant position (correction entry). If the Client objects to the correction entry, the Bank will re-credit the safe custody account with the relevant position in dispute and assert its repayment claim separately.

The Bank will promptly inform the Client of a reverse entry or correction entry.

6.2.6 Exchange, removal and destruction of certificates

The Bank may without prior notice to the Client, comply with a call for surrender of financial instruments certificates announced in the public, provided such surrender is manifestly in the Client's interest and does not involve an investment decision (e.g. following the merger of the issuer with another company or if the financial instruments certificates are incorrect in the content). The Client shall be advised thereof.

If the financial instruments certificates held in safe custody for the Client lose their status as financial instruments following extinction of the rights they represent, they may be removed from the Client's financial instruments account for destruction. Certificates held in safe custody in the Grand Duchy of Luxembourg shall, where possible, be placed at the Client's disposal if so requested. The Client shall be advised of the removal, possible delivery and possible destruction of the certificates. If the Client fails to give any instructions, the Bank may destroy the certificates

after expiry of a period of two months after dispatch of such advice to the Client.

6.2.7 Liability

If financial instruments are held in safe custody in the Grand Duchy of Luxembourg, the Bank's liability is limited to the exercise of due care in the selection and instruction of the custodian or sub-custodian engaged by it. If the financial instruments are held in safe custody in other countries, the Bank's liability shall be limited to the careful selection and instruction of the foreign custodian or intermediate custodian that it has engaged to perform this task.

6.2.8 Miscellaneous

Foreign financial instruments which a Client entrusts to the Bank for safe custody in the Grand Duchy of Luxembourg or abroad are in principle subject to foreign laws.

The right and duties of the Bank or the Client are therefore as well determined by these laws, which may also require the disclosure of the Client's name. If the Bank is required under such laws in an individual case to furnish information, disclosing the name of the Client, it shall request the Client to arrange for such disclosure being made.

If a Client is or will be taxable pursuant to the relevant applicable tax regulations in the US (US person) and has not authorised the Bank, to provide the relevant tax authorities with the personal information and its safe custody account, the Bank is authorized to sell booked US financial instruments on behalf of the Client even if no such order of the Client has been given. In executing such sale the Bank will take into account the legitimate interests of the Client.

These Terms and Conditions shall also apply if the Client physically lodges financial instruments with the Bank for safe custody or arranges to have financial instruments account credit balances transferred from another depository. If the Client requests safe custody outside the

Grand Duchy of Luxembourg, the Client shall be credited as provided for in these Terms and Conditions.

6.3 Guarantee of deposits and financial instruments

The Bank is a member of the Luxembourg Deposit Guarantee Association (AGDL) which provides a system of mutual guarantee of deposits and financial instruments in favour of clients of credit institutions.

7. CHARGES

The Bank is entitled to charge the Client for services offered, in particular interest, fees, commissions, expenses and disbursements.

Charges may be made by the Bank against any of the Client's accounts with the Bank. Such charges will be made in accordance with the Bank's applicable tariffs which may be unilaterally amended by the Bank from time to time, in particular if conditions change on the market. The Bank shall inform the Client by circular letter or any other appropriate means of a change in applicable tariffs.

All expenses and disbursements incurred in the Client's interest, in particular but not limited to, legal and other professional fees, insurances, printed material, taxes, postage, telephone calls or other electronic communication, may be charged by the Bank to the Client's account.

7.1 Cost of transaction

By performing services or transactions related to financial instruments the Bank receives remuneration, fees and rates which are set out in a special document delivered to the Client on request.

The Bank may amend such remuneration, fees and rates from time to time, in particular if conditions change on the market. The Bank shall inform the Client by circular letter or any other appropriate means of change in applicable tariffs.

Further information is provided in the section "General fees and conditions" below.

8. CONFLICTS OF INTEREST

The Client acknowledges that in accordance with the execution of financial instruments transactions on his behalf conflicts of interest may arise for the Bank.

The Bank, its subsidiaries and employees, have appropriate procedure in place to detect and manage for potential conflicts of interests where and when they arise and ensure a fair treatment of the Client, through measures which include, amongst others, reliance on “Chinese walls”, limitation of access to certain information, disclosure of the potential conflict and/or obtaining prior, informed consent (if appropriate), up to and including withdrawal or abstention from a proposed transaction.

The Bank’s detailed written procedures for managing conflicts of interest can be obtained upon written request to the Bank.

When the proceedings implemented by the Bank cannot ensure that the Client will not suffer a damage arising from a potential conflict of interest, the Bank informs the Client of such potential conflict of interest prior to any action in the name of the Client.

Further information relating to conflicts of interest is provided in the section “Conflict of interest policy” below.

9. INDUCEMENTS

When carrying out Client instructions or acting generally on behalf and in the best interests of its Clients, the Bank may either pay to third parties or receive from third parties a fee, a commission or a provision of any non-monetary benefit in relation to the provision of an investment and/or ancillary service (collectively a “Benefit”).

In case a Benefit is paid or provided to or by a third party (or a person acting on behalf of a third party), the following conditions should be satisfied:

a) the existence, nature and amount of the Benefit or, where the amount cannot be ascertained, the method of calculating that amount, has been clearly disclosed to the

Client in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant investment or ancillary services; and

b) the payment or provision of the Benefit is designed to enhance the quality of the relevant service to the Client and does not impair compliance with the Bank's duty to act in the best interests of the Client

The Bank may also pay to a third party a proper fee which enables or is necessary for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by its nature, cannot give rise to conflicts with the Bank's duties to act honestly, fairly and professionally in accordance with the best interests of its Clients.

The Bank will disclose the essential terms of the arrangements relating to the Benefit, provided. The Bank will disclose further details at the request of the Client.

Further information is provided in the section “Fees paid or received by the Bank in the context of investment services” below.

10. MEANS OF COMMUNICATION

The Bank corresponds with its Clients mainly in English. The Bank may use any other language of communication as it deems relevant.

The Bank’s accepted and authenticated means of communication are mail/letter and SWIFT. The Bank may agree on other means of communication with the Client, such as telephone or fax, subject to the conditions set out below. All consequences attributable to misunderstanding, errors and other mistakes, not reported to the Bank within ten (10) days, shall be the Client’s sole responsibility and the Bank is hereby released from all responsibility for such consequences.

The Bank does not consider electronic mail (“e-mail”) a secure and reliable means of communication. Therefore, the Bank may refuse to act upon instructions received

solely by electronic mail and may not be held responsible for the non-execution of such instructions.

Notwithstanding the above, all communication addressed to the Bank by the Client, be it by e-mail, fax or any other means of communication, may be relied upon by the Bank as having been originated by the Client, provided that the Bank has no reason to believe otherwise. Notwithstanding the rules of evidence laid down by article 1341 et seq. of the Luxembourg Civil Code, proof of any verbal instructions or transactions may be furnished by any legal means including but not limited to testimony of witnesses, records of phone conversations and emails.

11. CORRESPONDENCE AND RECORDS

Written correspondence from the Bank shall be deemed to be effective, provided it was properly dispatched to the Client at the most recent address shown in the records of the Bank, even if that correspondence is returned marked “unable to deliver” or with a similar legend. There is a presumption of proper dispatch if a print or carbon copy of the relevant correspondence is in the possession of the Bank or if the sending thereof is recorded on a dispatch note or list of the Bank or the company that the Bank has chosen to provide this service.

Any change of address must be notified immediately and in writing by the Client to the Bank.

Clients may request to have their correspondence held at the Bank. The Bank either keeps the correspondence and sends it to the Client at agreed intervals or keeps it for collection by the Client. The Bank, however, reserves the right to send to the Client the held correspondence whenever it deems so appropriate. Written correspondence from the Bank which is retained on instructions from the Client is deemed to have been delivered to the Client on the day it is dated. The Bank may destroy all such correspondence which is not collected within two years of the date it was issued. The Client assumes (under exclusion of any liability of the Bank), full responsibility for any consequence or damage that may

occur due to the mailing or retaining of correspondence in accordance with the Client’s instructions. In particular, the Bank shall have no obligation to undertake any action with regards to the administration of the assets of the Client unless special instructions are given to this effect by the latter, and the Bank incurs no liability for any loss resulting from possible failure to give information or advice, in the absence of gross negligence by the Bank.

12. RECORDING OF PHONE CONVERSATIONS AND ELECTRONIC COMMUNICATIONS

The Client expressly agrees and authorises the Bank to register and keep records of telephone and electronic communications for the purpose of checking and establishing orders, transactions and instructions. The failure by the Bank to register or keep any record of such communications shall not trigger any liability of the Bank.

It is understood that these records remain covered by professional secrecy. Nevertheless the Client agrees that the proof of the order transmitted may be provided by the recording of a telephone conversation with the Bank.

A Client who transmits orders by telephone, fax or by any other electronic means of communication takes full responsibility for the incorrect execution of or the failure to carry out such orders. In any case the Bank reserves the right to require and to wait for written confirmation of these orders before carrying them out.

13. STORAGE AND PRODUCTION OF DOCUMENTS

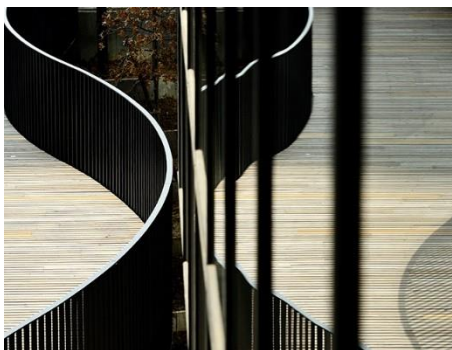
In accordance with the Luxembourg Commercial Code, the Bank keeps the commercial and other documents related to its Clients on an appropriate medium for a period of up to ten years as from the close of the financial year to which they relate. The Bank is entitled to destroy any document in its files that are dated more than ten (10) years previously.

14. CLIENT COMPLAINTS

All complaints to the attention of the Bank by Clients or other counterparties should be addressed to the Bank’s

Compliance department at the registered address of the Bank. The Bank has formalised internal procedures for handling such complaints and will respond to any complaints received in accordance with these procedures.

The Bank's detailed procedures for handling Client complaints can be obtained in writing upon written request to the Bank.



INFORMATION REGARDING CHARACTERISTICS AND RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

THE PURPOSE

The purpose of this document is to provide clients with summarised information and a general warning about the risks associated with financial instruments which will allow the clients to have a reasonable understanding of the general nature and risks related to financial instruments and, as a consequence, are able to make informed investment decisions. Clients should not undertake deals or transactions without having understood the nature of that deal or transaction, and the extent of his exposure to the associated risks. The terms and conditions applying to individual instruments can vary, and investors should always take care to ensure that they investigate and are fully informed about the particular characteristics of instruments in which they invest. Catella Bank S.A. will accept no liability towards clients who rely on what is written below without making such independent investigations.

I. REGARDING FINANCIAL INSTRUMENTS IN GENERAL

Financial instruments, (that is shares, bonds, units of funds, custody certificates or other rights or obligations which are the subject of trading in financial instruments markets), normally yield a positive return in the form of a dividend (in the case of shares), or interest (in the case of bonds). In addition, the price (i.e. market value) of the financial instrument may appreciate and depreciate relative to its

price / market valuation at the time when the investment was made.

Investments in specific financial instruments carry specific financial risks, as described in more detail below. The risk is assumed by the client, which must therefore seek advice from its financial service provider or asset manager in relation to the properties, risks, terms and conditions applicable to specific investments. The client must also continuously monitor its investments in financial instruments regardless of whether it received relevant advice before entering into the investment. Information required to monitor holdings of investments, such as prevailing market prices, are published in most major newspapers, teletext and at various websites maintained by market operators, financial services firms and other public media. Furthermore, the client should, with its own best interests in mind, be prepared to take swift action, where necessary, to close positions which unexpectedly develop negatively, or to provide additional collateral for investments that have been financed by the use of loans if the collateral has depreciated in value.

I.1 Different market venues

Trading is carried out by banks and securities companies with authorisation to provide investment services herein after referred to as securities institutions, which participate in the trade on the execution venue. There are several kinds of market venues in which to buy and sell financial instruments. A market venue is normally a regulated market, a multilateral trading platform (MTF) or a systematic internaliser; in addition, OTC-trading facilities are provided by many investment services firms.

I.1.1 Regulated Markets

Various financial instruments can be traded on each regulated market. For shares, only shares of limited companies may be listed and traded on a regulated market, and strict requirements are imposed on the companies listed on such markets, including obligations relating, among other things, to the company's size, distribution of ownership, business history and financial disclosures.

1.1.2 Multilateral Trading Facilities (MTF)

An MTF is a regulated trading system that is provided by a market or a financial services company. Generally, the requirements imposed on issuers of financial instruments listed at a MTF are lower than the requirements imposed by regulated markets.

1.1.3 Systematic Internalisers

A systematic internaliser is a financial services firm that, on an organized, frequent and systematic basis, matches clients' orders against the firm's internal orders book outside a regulated market or MTF. A systematic internaliser is obliged to continuously provide quotes to buy and sell liquid shares listed on a regulated market or MTF in which the firm is a systematic internaliser.

1.2 Different kinds and sources of risk

Whenever clients make an investment in a financial instrument, they should always undertake a risk evaluation, both in advance and continuously for as long as the position is held. There are many different kinds and sources of risks and other factors that should be taken into account in such an assessment, the most common of which are described as follows:

Market risk – the risk that the market as a whole, or the relevant part in which the client has invested, depreciates.

Credit risk – the risk of default of payment of the issuer of a financial instrument or other counterparty.

Price volatility risk – the risk that large fluctuations in the market value of a financial instrument negatively affect the value of the investment over the period it is held.

Price risk – the risk that the market value of a specific instrument has fallen at the time it matures or is sold.

Foreign exchange risk – the risk that a foreign currency related to a financial instrument depreciates.

Tax risk – the risk that tax legislation or levels are uncertain or may change.

Leverage risk – the risk that the construction of a specific derivative instrument multiplies the impact of changes in the market value of its underlying asset.

Legal risk – the risk that relevant laws and regulations are unclear or may change.

Company specific risk – the risk that a specific company performs worse than anticipated or suffers set backs, which negatively affects the value of financial instruments related to that company.

Industry specific risk – the risk that a specific industry performs worse than anticipated or suffers set backs, which negatively affects the value of financial instruments related to that industry.

Liquidity risk – the risk that the client cannot sell a financial instrument at a particular point in time due to lack of demand.

Currency risk – the risk that a foreign currency to which a holding is related are weakened.

Interest risk – the risk that a financial instrument in which a client has invested depreciates in value due to changes to prevailing interest rates. In the case of a bond, the longer its duration, the greater the exposure to fluctuations in interest rates. In case of increasing interest rates, the bond will reduce in market value.

System risk – the risk due to (mainly) technical errors in systems such as accounting systems or communication channels of depositories, stock exchanges, payment or other institutions, as a result of which transactions are cancelled, settlements are delayed after transactions, and inaccurate transaction occur .

2. SHARES AND SHARE RELATED INSTRUMENTS

2.1 Share and limited companies

Shares of limited companies entitle the holder to a share of the company's share-capital. Generally, if the company makes a profit, it will pay dividends to its shareholders out of its profits. Shares also entitle the holder to vote at shareholders' meetings – the highest decision-making body of the company. Generally, the more shares in the company the holder has, the greater its entitlement to the company's share-capital, votes and dividends. However, depending on the kind of share, the entitlement to votes may vary.

2.2 Share price

A share's price is to a large degree a reflection of the collective assessment of the market regarding the company's prospects for future profits. Movements in the price of a share are primarily the consequence of changes in investors' perception of such prospects. The impact of market developments, economic trends, technology, legislation, competition and other factors determine the demand for a company's products and services, and are therefore a fundamental cause of changes in the price of its shares.

Prevailing market interest rates also have an effect on the price of a company's shares. Rising interest rates will result in higher yields on new issues of interest-bearing securities, and this will normally put downward pressure on the price of publicly traded shares and previously issued interest-bearing instruments. That is because the yield on new issues of interest-bearing instruments is proportionately higher, and because the cost of a company's debt will increase with rising interest rates, decreasing its profit margin.

Other factors relevant to the company, such as changes to its board, organization, supply of, and demand for, its factors of production may have a material impact on the company's prospects of producing profits in both the short and long term, and thus on its share price. In a worst case scenario, the company may perform so poorly that it has to be declared bankrupt, in which case its share-capital, i.e. the shareholders' joint capital, is the first resource used to cover the company's debts. This could very well consume the entire share-capital, rendering the company's shares without value.

A company's shares may be listed on more than one market venue, in more than one country, with the share price at each market affecting the other through arbitrage activities. Price movements in a share may also result from price movements in other companies' shares, whether these are in the same sector, listed on the same or on another market venue, within the same country or abroad.

Market participants have varying demand for shares and differing opinions of how a share's price should be moving.

These differences, which also include differences of opinion of how the company's value should be determined, contribute to the simultaneous existence of both buyers and sellers of financial instruments. However, if market participants generally agree on how a share's price is expected to move, there will be pressure from many market participants to either buy or sell the share. A large number of market participants selling a share will cause a fall in its price, while a large number of market participants buying a share will cause its price to increase.

A share's turnover (that is, the number of shares bought and sold in a particular period), also has an effect on its price. A high turnover will decrease the difference, also known as the spread, between financial intermediaries' bid / ask prices for a particular share. A share with a high turnover is often highly liquid, and is therefore easy to buy and sell; large positions can be bought and sold in such shares without affecting their price. Companies listed by regulated markets as having the highest turnover are generally perceived to be highly liquid. During the course of a day, or for longer periods of time, shares may experience varying price stability, as measured by the share's volatility - that is, the magnitude and frequency of changes to the share's price in relation to its average price over the period.

The prices at which a share has been bought and sold, such as the high/low/last price paid during the day, together with details of the final purchase/sale quotes and the cash turnover, are published in most major newspapers, teletexts and at various websites maintained by the market operators, financial services firms and other public media. The freshness of such data may vary with the channel and the manner of publication.

2.3 Different lists

Regulated markets and other market venues often list shares in different lists. The list on which a company's shares appear will depend upon its share capital, distribution of ownership, business history and amount of information on its financial strength and business. The shares with the highest turnover may also be included on a separate list. Shares on lists with high requirements and

high turnover are generally perceived to entail a lower risk than shares on other lists.

2.4 Kinds and class of shares

Shares may be either preferred shares or common shares. In the case of a company's bankruptcy, the holders of its preferred shares are entitled to reimbursement after the holders of bonds and other debt instruments have been reimbursed, and before the holders of its common shares.

Shares may also be issued in classes, denoted by a letter, starting with A. A share's class is often related to the voting rights tied to that share, where shares of class A entitle the holder to more votes than a holder of a class B share, and so on. The purpose of issuing shares of different classes is usually to preserve the influence of the original, founding, shareholders by entitling them to more votes than shareholders who acquired their shares in subsequent issues of other classes.

2.5 Nominal price, splits and reverse splits

A share's nominal price represents its share of the company's share capital. The sum of all of a company's shares multiplied by the share's nominal price represents the company's share capital. At times, the company may wish to alter the nominal price, for example because the share's market price has risen sharply. By dividing each share into two or more parts, a process known as a split, the nominal price and the market price is lowered proportionately. The shareholders' assets, however, remain the same, but are distributed over a larger number of shares of a lower nominal value and with a reduced market price.

Conversely, a reverse-split may be performed if a share's price has sharply dropped. In such an instance, two or more shares are combined into one share. A shareholder's assets remain unaffected however, although distributed over a smaller number of shares of higher nominal value and with an increased market price.

2.6 Market introduction, privatization and takeovers

A market introduction (in English often referred to as Initial Public Offering (IPO)) occurs when a company's shares are listed on a regulated market or other market venue for the first time. The public is then usually offered

the opportunity to purchase shares in the company in what is known as its initial public offering. This usually involves the sale of shares in a pre-existing company, which has not previously been traded publicly and which wants to increase the distribution of its ownership and ease the purchase and sale of its shares. If the company is owned by the government, the market introduction is called a privatization of the company.

A take-over (company acquisition) is when an investor, group of investors or another company makes an offer to buy the shares owned by the existing shareholders in a company. If the party making the offer receives 90% or more of the share capital of the company subject to the take-over, the investor may (depending on the law in the relevant jurisdiction) "squeeze-out" the remaining shareholders which have not accepted the offer – that is, force them to sell their shares, although they are entitled to adequate compensation.

2.7 Issues of new shares

Where a company wishes to expand its business, additional share capital is often required. The company raises additional capital by issuing new shares through a new issue. Often, existing shareholders are issued with rights to purchase such newly issued shares before they are offered to the market. The amount of such rights issued to each existing shareholder is relative to its current shareholding in the company. Buyers of new issues of shares must pay a set price, often lower than the market price, for the new issue. As soon as the rights, which often command a value in the market, have been exercised, the market price of the share will often fall to an average of the market price before the rights expired and the price at which the shares were issued under the new issue. At the same time, each shareholder's number of shares held will increase according to the number of rights it exercised. Shareholders not wishing to exercise their rights may often sell their rights on the market venue where the company is listed, during the period (usually a week or two), during which the rights may be exercised. At the expiration of that exercise period, the rights expire and become obsolete and without value – accordingly, any shareholder that fails to either sell or exercise its rights has lost the opportunity to

benefit, and ends up with a lower proportionate ownership of the company.

If the assets of a company have appreciated in value, this will be reflected by an increase in its reserves, in which case it may transfer some of the increase to its share capital by issuing bonus shares. When bonus shares are issued, they are distributed to each existing shareholder in proportion to the number of shares held. Through the issuing of bonus shares, the shareholder's number of shares increase, but the shareholder's share of the company's share capital remains unchanged. The market price of a company's share decreases after an issue of bonus shares, but the value of the shareholder's holding is unchanged due to the increase in the number of shares. Another manner of a company increasing its share capital is by using its reserves to increase the nominal value of its shares, following which shareholders hold an unchanged number of shares with an unchanged market price.

A company may also make a targeted issue of new shares - that is, offer newly issued shares to a targeted group of investors without offering them by way of rights to existing shareholders. A company may also issue new shares to acquire other companies, businesses or other non-monetary assets. Both of these issues result in the dilution of current shareholders' voting rights and their share of the company's share capital, but neither the number nor market value of their shares changes as a result of this exercise alone. It must be borne in mind, however, that the motivation behind such an issue may impact the share price for other reasons.

2.8 General information regarding equity-related instruments

Closely related to shares are equity index-linked bonds, custody certificates (or depository receipts), warrants, stock and stock index options, forwards, swaps and other futures.

2.8.1 Equity index-linked bonds are bonds the yield of which is tied to a stock index or even the value of a specific share. If the index increases, the yield on the bond does too. If the index decreases, the yield on the bond may drop to zero. Being a bond, however, the initial nominal amount of

the investment is repaid at the end of the bond's maturity, provided the issuer is solvent.

2.8.2 Custody certificates (sometimes known as Depository Receipts; the most popular types: Global Depository Receipts – GDR, American Depository Receipts – ADR) are a substitute for foreign shares, entitling the holder to the same rights as it would have if it held the actual share. Custody certificates are traded, just as shares, and their price movements normally follow the price movements on the foreign market venue where the underlying share is listed.

2.8.3 Convertible bonds are interest bearing financial instruments which, during a specified time period, may be converted into shares or other securities, sometimes for a fee. The yield of the convertible, that is its coupon, is usually higher than the dividend yield on the alternate share for which it may be exchanged. The price of the convertible follows movements in the price of the underlying share, but is expressed as a percentage of the nominal value of the convertible.

2.8.4 There are many kinds of stock options. Call options entitle the holder to, within a specified period of time, purchase a previously issued share at a pre-defined price. Put options, on the other hand, entitle the holder to sell shares at a pre-defined price, within a specified period of time. For each acquired option there is an issued option; the risk to the acquiring party is that the option will decrease in value, or reach maturity without value – and in the latter case, the premium which has been paid for the option will be lost without generating any return. The issuer of an uncovered call option is, unless other measures are made, exposed to a risk which may be unlimited.

The difference between issuing an uncovered and a covered call option is that in the latter case, the issuer holds the underlying instrument for the duration of the contract. By doing so, the issuer converts the financial risk into an opportunity cost. The potential monetary loss of the issuer is then limited to the difference between the cost of the underlying asset at the time of issuing the option, and the price stipulated in the contract reduced by the premium paid for the option.

The most extensive trading in stock options takes place on market venues. There, trading with equity index options also occurs. These index options result in profits and losses settled in cash as dictated by movements in the underlying index.

The market prices for options normally follow the price movements of the underlying asset.

2.8.5 An equity forward is an agreement between two parties where both parties are obliged to buy respectively sell, or otherwise settle in cash, a share at an agreed price at a future date. Future contracts are similar in their set-up, but are continuously settled in cash between issuer and holder.

2.9 Short sale

An investor which expects a particular share's price to drop and which is seeking a positive return may perform a short sale. Selling short involves selling a financial instrument, such as a share, which one does not own at the time; this is done by borrowing the instrument from a holder of the relevant instrument. This loan of the security will then be repaid at a specific date by buying the same instrument in the market and returning it to the lender. The return on the transaction depends on the development of the price of the security involved: if it falls below the price at the outset of the transaction, the return is positive; if it rises, the return is negative.

2.10 Securities Lending

By entering into a securities lending transaction, the lender forgoes any and all rights associated with ownership of the securities lent, including but not limited to any right to dividends, voting rights and similar, for the period during which the securities are lent.

In settling a securities lending transaction, the lender is entitled to reacquire the securities lent, alternatively receive their cash equivalent or the proceeds of redemption. Upon the borrower's insolvency or other cause of default, the lender's right to return of the securities is limited to any collateral the borrower has provided.

2.11 Suspension of trading

A situation may occur in which a position held by an investor cannot be closed due to the suspension of trading in response to rapid price movements, in either direction, in an instrument. Events such as the suspension of trading limit the effectiveness of providing stop-loss instructions and similar arrangement which are designed to limit the adverse impact of aforementioned rapid price movements, which may, in such an event, not be possible to execute.

Further information relating to options is provided in the section relating to derivatives below.

3 MUTUAL FUNDS

When investing in a fund, an investor places capital with a fund management company (which in turn invests the capital in various financial instruments), and is in turn issued with shares in the fund proportionally the invested capital. The exact composition of the fund – that is, the nature of the instruments in which it invests, such as shares, bonds or a mix thereof – is determined by the fund's constituent rules, which are set out in its prospectus and management by-laws. Usually, the investor may exchange its shares in the fund for a cash amount reflecting the value of the fund's holdings. The terms on which this may be done are set out in the fund's prospectus.

Before investing in a fund, clients are strongly recommended to carefully review the fund's prospectus and annual report.

When investing in financial instruments, risk diversification theory requires that the investment be spread over several instruments. The fact that a particular share decreases in market value is not uncommon. By investing in several companies in several markets, the risk associated with a single company or market may be mitigated by diversification.

The number of shares required to effectively mitigate risks associated with individual instruments varies by market. It may require substantial investments to create a portfolio sufficiently diversified across both companies and markets. Funds, by investing in either or both bonds and shares, lower the capital requirements to the individual investor to

achieve diversification. Many funds have limits on the relative portion of its capital that may be invested in a single company – and, as a result, it follows that funds generally achieve risk diversification. There are however many kinds of funds with varying associated risks. For example, some funds invest solely in particular markets, geographic areas and so forth. In order to understand an individual fund's investment strategy, the investor must carefully study the fund's prospectus and annual statements, in which the fund's investment strategy and composition are specified. These documents are available from the fund's management company or its custodian.

3.1 UCITS and non-UCITS funds

Funds can also be divided into UCITS (Undertakings for Collective Investments In Transferable Securities) and non-UCITS funds. UCITS is an EU regulation which has strict requirements on, among other things, a fund's investment strategy and risk diversification. A fund which is authorized under the UCITS Directive anywhere within the EEA may be marketed and sold within all member states of the EEA. Non-UCITS funds, also known as non-traditional funds (e.g. hedge funds), are funds that in some way deviate from the UCITS Directive. It is important that you, prior to making any investment in a fund, acquire information regarding the funds properties and governing regulation. Such information can be obtained in the funds prospectus. The fund's management company is required to proactively offer the prospectus to potential investors.

Hedge funds are free to invest in any asset class, market (including emerging markets) and may leverage their capital through loans and other means such as through investing in derivatives to increase potential yields. They may therefore assume a greater risk than UCITS funds. Unlike many UCITS funds, hedge funds may on the other hand yield a positive return even during sharp declines in the market.

The investment strategies of hedge funds are often high-risk. Due to leverage, a small movement in the market can lead to a major gain, but any losses will also be magnified sharply. The entire amount of you're a client's investment can, under certain circumstances, be lost. It is not uncommon for there to be little information available

concerning a non-traditional investment. Moreover, many investment strategies are highly complex and very difficult to understand. Changes in strategy that can lead to a substantial increase in the level of risk are often virtually overlooked by investors, or are accorded too little attention or noticed too late.

The liquidity and tradability of non-traditional investments can vary a great deal. Hedge fund issues and redemptions are often only monthly, quarterly or annually. Fixed holding periods lasting many years are not unusual. Provisions regarding trading frequency and holding periods may change frequently and rapidly. Liquidations of funds can stretch over many years.

3.2 Offshore funds

Many funds in this category have a domicile in a tax advantageous overseas jurisdiction, which earns them the name offshore funds. They are frequently subject to less stringent legislation and supervision, which in turn offers poorer investor protection. Problems or delays may also arise in the settlement of buy and sell orders for units in such funds. There is no guarantee that an investor's legal rights will be enforceable.

4 INTEREST BEARING INSTRUMENTS

4.1 General information related to interest bearing financial instruments

An interest bearing instrument is a claim on the issuer of a loan. The yield is normally an interest rate paid to the holder of the instrument. There are different kinds of interest bearing instruments, depending on the issuer of the instrument, the collateral the issuer has for the loan, its maturity and the details of how and when interest is to be paid.

The interest (coupon) is normally paid on a yearly basis. For some loans, the interest is paid only once, at the end of the loan's maturity.

Another kind of interest payment involves the instrument being sold at a discount instead of, or in addition to, interest being paid. This kind of bond is called a zero-coupon bond. At the time of sale, the issuer sets the price of the instrument by discounting the loan, including the

interest payments not being made over the life of the bond, to calculate a net present value. The net present value is less than the nominal amount to be received at the instrument's maturity date, and the difference between the two thus represents aggregate interest paid at the maturity of the bond. The potential purchaser can discount this aggregate terminal interest payment over the life of the bond, and thus calculate its equivalent compound interest rate – enabling the investor to compare its investment merits with non-discounted instruments. Bank certificates and government bonds are typically discounted in this way.

4.2 Risks and factors affecting the market value of interest bearing instruments

The risks associated with interest bearing instruments consist of the potential changes to the market value of the instrument due to changing market interest rates before the instrument reaches maturity, and of the risk of default by the issuer. Therefore, instruments on which the repayment at maturity is fully covered by secured collateral are considered less risky than loans without collateral.

The prices at which existing instruments trade in the secondary markets and the demand from investors seeking newly issued instruments are used on a daily basis to determine the interest rates at which newly issued instruments of both short (less than a year) and long duration are brought to market. The prices and interest rates set in the capital market are affected by the investors' perception of the long and short term outlook for inflation, business cycles, interest rate developments (domestic as well as international) and other factors. Central banks also intervene in the market through market operations designed to steer macro-economic variables according to a set agenda, which may include attempting to meet targets for inflation, money growth, or other indicators. The financial instruments traded in capital markets (government bonds, government and corporate debt certificates and real estate bonds) are often traded in very large denominations (multiples of millions).

If market interest rates are rising, the market price for issued financial instruments which carry a fixed interest rate will fall, since new instruments will be issued at a higher interest rate than is paid on instruments already in

issue. Conversely, if market interest rates fall, issued interest bearing instruments with fixed interest rates will appreciate in value. Instruments on which interest rates are reset will not be affected in the same way, although there may be a marginal effect depending on the length of time to the next interest rate reset.

Loans issued by governments and municipalities are often perceived as risk free in terms of default, although there is always some risk; the same is true of bonds which they issue. Other issuers of bonds must often either provide collateral in the form of other financial instruments or assets, or offer a yield that is at a premium above the notional “risk-free” government yield, in order to offset the higher risk involved.

Some bonds, such as debentures, have a lower priority of repayment. These instruments are therefore associated with a higher risk should the issuer have difficulties repaying the loan.

Additional risks may be associated with certain types of bond, e.g., floating rate notes, reverse floating rate notes, zero bonds, foreign currency bonds, convertible bonds, indexed bonds, subordinated bonds, etc. For such bonds, the investor is advised to consider carefully the risks referred to in the issuance prospectus and not to purchase such instruments before being certain that all risks are fully understood.

In the case of subordinated bonds, investors are advised to enquire about the ranking of the debenture compared to the issuer's other debentures. Indeed, if the issuer becomes bankrupt, those bonds will only be redeemed after repayment of all higher ranked creditors.

In the case of reverse convertible notes, there is a risk that the investor will not be entirely reimbursed, but will receive only an amount equivalent to the underlying securities at maturity.

5. STRUCTURED PRODUCTS

Structured products combine different kinds of financial instrument, of which at least one is a derivative, which are provided to clients in the form of a single product to produce specific investment characteristics. Common

characteristics of structured products are caps and floors to potential losses and yields. They are also used to separate market related yield from industry and company specific yield, giving investors the opportunity to narrow their risk exposure. There is a multitude of structured products available on the market today. Some structured products are produced to accommodate risk adversity, whereas others entail a higher risk than the underlying instruments individually. More detailed information regarding the risks associated with a specific product can normally be found in the product's prospectus. An investor purchasing such a security in the primary market is normally given the product's prospectus when the product is issued. Investors in secondary markets – that is, regulated markets and other venues trading previously issued financial products - are not automatically provided with the product's prospectus, and should therefore be sure to obtain it before taking an investment decision.

With structured products, buyers can only assert their rights against the issuer. Hence, in addition to the market risk, particular attention needs to be paid to issuer risk. Clients therefore need to be aware that, as well as any potential loss they may incur due to a fall in the market value of the underlying, a total loss of their investment is possible if the issuer should default. Market makers, who in most cases are the issuers themselves, normally guarantee that structured products are tradable, although liquidity risks cannot be excluded.

6. DERIVATIVE AND SHORT SALES – POTENTIAL HIGH YIELDS BUT ALSO HIGH RISKS

Derivative instruments, such as options, forwards, futures etc., are issued with many different kinds of underlying asset, including shares, bonds, precious metals and currencies. Although short sales are not a kind of financial instrument but a particular kind of investment in a financial instrument, they are included here, since the associated risks are similar to the risks associated with investing in derivative instruments.

6.1 General information regarding derivatives

Investing in derivative instruments and the short sale of financial instruments involves assuming a particular risk,

unlike “at sight” investments made directly in the underlying asset. Investing directly in the underlying instruments, may, in a worst case scenario, result in a loss of no more than the entire investment. In the case of some investments in derivatives and short sales, the investor could potentially lose the entire investment and take on additional obligations (i.e. the equivalent of debt) as well. Another characteristic of derivative instruments is that changes in the instrument's market value are generally swifter and sharper than changes in the case of at sight instruments. It is therefore necessary that investors in derivative instruments not only fully understand the risks involved, but that they are also constantly prepared to take action to avoid severe losses if the market develops unfavorably.

6.2 Different purposes and uses of derivative instruments

Derivative instruments are contracts (agreements) which are tied to underlying assets or indicators, such as financial instruments, currencies, precious metals or price indexes. Such instruments may be used to counter an unfavourable movement in the price of an asset (also known as hedging). They may also be used to boost the yield of an investment, using less capital than would be required to produce the same yield in an investment in the underlying asset (also known as highly-gear investment). Last but not least, derivative instruments may be used to take advantage of price discrepancies between different markets (arbitrage).

The basis of an investment decision in derivatives instruments is the expectation of a specific future development in the price of the underlying asset over a certain period of time. The investor should therefore have a clear picture of the expected market movement. In addition, the investor must have a clear understanding of the purpose of the investment (that is hedging, highly-gear investing or arbitrage). Only when these preconditions are fulfilled is it possible for the investor to choose the derivative instrument or combination of instruments with the appropriate risk profile.

6.3 Different kinds of derivative instruments

6.3.1 An option is an agreement between two parties under which the issuer is obliged to buy (put option) or sell (call

option) the underlying asset at a pre-agreed price, to the purchaser of the option. The holder pays a fee (premium) to the issuer upon concluding the agreement, and thereby acquires a right, but not an obligation, to call on the exercise of the option under the agreement. On an option being exercised, the exercising party will either by pay for, and take delivery of, the underlying asset(s) in question, or (which is the usually case where an index is involved) will be involved in a net cash settlement. In a net cash settlement, if the market price of the underlying asset at the end date is higher than the price stipulated in a call option, the holder of the call option receives the difference between the stipulated price and the market price. If the market price of the underlying asset is equal to or less than the price stipulated in a call option, the call option expires without value. The reverse is true for a put option. There are two kinds of options. An American option entitles its holder to exercise the option at any time of its duration, whereas a European option may only be exercised at the end of its duration.

6.3.2 Forwards and futures are agreements under which the parties involved conclude an agreement involving the right and obligation to buy, and respectively sell, the underlying asset at a predetermined price. In the case of a forward, the underlying asset is either delivered physically, or any profits and losses are settled in cash. In the case of futures, profits and losses are monitored on a daily basis for the duration of the contract period, which may have consequences for any collateral which has been given as security under the contract (for which see further below). Forwards can only be settled on the end date, whereas futures may normally be settled (i.e. “closed out” with the counterparty) at any time before the end date.

6.3.3 A swap agreement is an agreement between parties to swap streams of payments, such as a fixed interest rate for a floating interest rate (interest rate swap) or interest payments in different currencies (currency swap), for a duration of time. There are different combinations of interest rate and currency swaps.

6.3.4 Selling short means selling a financial instrument, such as a share, which one does not own at the time; this is done by borrowing the instrument from a holder of the

relevant instrument. This loan of the instrument will then be repaid at a specific date by buying the same instrument in the market and returning it to the lender. The return on the transaction depends on the development of the price of the security involved: if it falls below the price at the outset of the transaction, the return is positive; if it rises, the return is negative.

6.4 Standardized instruments and OTC-derivatives

Derivative instruments can be both standardized and non-standardized. The distinguishing characteristic of standardized instruments is that the terms of the contract are always the same, and the instrument is normally traded on a market venue on which prices are continuously published.

Non-standardized contracts are those which are individually negotiated between two parties. Such contracts are usually referred to as OTC-instruments (over the counter). Banks and other financial intermediates may provide “tailored” swap agreements and other OTC-derivatives, such as options and futures, to their customers.

6.5 Characteristic properties of derivative instruments

6.5.1 Leverage

The value of a derivative instrument is dependent on both movements in the underlying asset’s price, as well as on the remaining duration of the contract. Depending on the characteristics of the instrument, a movement in the price of the underlying asset will often result in a larger movement in the price of the derivative contract. The relative change in price of the derivative is therefore often larger than the change of the underlying asset. This is known as the leveraged effect, and it may lead to higher yields on the invested capital than the same amount invested in the underlying asset would have produced. A successful investment may quickly multiply the invested capital several times. Conversely, the leveraging effect may work to the investor’s disadvantage, resulting in a larger loss on the derivative instrument than would have been the case for an investment in the underlying asset. If the price of the underlying asset develops differently than expected, the entire invested capital may be lost. The potential for

profit and loss varies with the derivative contract's set-up and use.

The duration of derivative instruments may vary from very short to several years. This affects the leverage effect, and therefore also the risk associated with the investment. For example, price movements are most often the largest for instruments when only a short period of their duration remains.

6.5.2 Risks of losing more than the invested capital

There are basically two types of investment: those with limited and those with unlimited risk. The purchase of equities or options involves limited risk. At worst the entire amount of the capital invested is lost. On the other hand, there are certain types of derivatives that can require an additional outlay of capital over and above the original investment, in the form of margin payments (for which see further below). The amounts involved in this obligation can be many times the original level of the investment. Unlimited risk is particularly associated with:

- writing an unlimited uncovered call option,
- swaps, or
- forwards and futures.

If, in such cases, an investor wishes to limit or reduce the level of risk, it is recommended to take special precautions at the time you make the investment (especially by hedging against potential losses using forwards or futures).

In the case of options, the amount of risk is determined by whether the investor buys or issues the option. The holder, that is the buyer, can elect to buy or sell the underlying asset at a certain price. The issuer, on the other hand, has an obligation to buy or sell the underlying asset if the holder makes such an election. This implies that the holder of the option will, at most, lose the premium paid for the contract. In other words, if the price of the underlying asset is less (more) than that stipulated in a call (put) option at the end of the contract's duration, the holder will not exercise the option and will thus forfeit only what was paid for the contract at the outset. The holder could not however, in any situation, make a loss greater than the premium paid at the outset of the contract.

The situation is different for the issuer of an option, future or forward. The issuer of such a contract is obligated to buy or sell the underlying asset at the agreed price. This implies that an issuer of a call option is obligated to sell the underlying asset at the agreed price, regardless of the market price of the underlying asset at the time when the option is exercised. Equally, the issuer of a put option is obligated to buy the underlying asset regardless of the market price, should the holder choose to exercise the option. The issuer therefore stands to lose much more than the premium received at the outset of the contract. Since, theoretically, there is no upper limit for the market price of an asset, the issuer of an uncovered call option is taking a risk of loss that is, theoretically, unlimited.

An investor making a short sale assumes the same risk as the issuer of an uncovered call option. The investor who has sold the borrowed shares is obliged to return them regardless of the market price of the share at the agreed date. The potential loss is therefore unlimited in this case too.

6.5.3 Margin requirements related to derivative contracts and short selling shares

An investor assuming an obligation by issuing an option, entering a futures or forward contract or short selling shares is normally obliged, when entering into such a business agreement, to provide collateral to cover the obligation. As the underlying asset appreciates or depreciates in value, the collateral requirement to cover the position also changes. Additional collateral may therefore be required on short notice. The leveraging effect therefore also applies to the collateral requirement.

In the case of failure by a party to provide collateral, the counterparty normally has the right to terminate the agreement (i.e. close the position) immediately, to limit its potential losses. Pursuant to the contract, the counterparty normally seizes the collateral provided, such as pledged financial instruments, and sells it on the market, normally without consulting the owner, using the proceeds of the sale to cover any losses it has incurred. An investor must therefore carefully monitor the effect of price movements on its collateral obligations, in order to avoid an involuntary closing of the position.

7. REPO AND REVERSE-REPO

Reverse repo transaction is an agreement on sell of financial instrument with an obligation to repurchase it at the maturity date for fixed price. This service available form clients that own financial instruments with high liquidity, usually bonds, and that need to borrow money for short term. Repo is an agreement to purchase financial instrument with an obligation to resell it at the maturity for fixed price.

Both of these transactions contain two stages:

1. Seller agrees to sell and buyer agrees to but certain financial instruments for an agreed price. Buyer pays the seller amount of money that has been agreed only after financial instruments are transferred to securities account of the buyer.
2. in the same time the buyer agrees to sell and seller agrees to buy back the same financial instrument, by paying the seller an agreed amount of money at an agreed date. Buyer transfers financial instrument to securities account of the seller only after the seller has paid the agreed price.

In both cases rights to financial instruments are transferred to the buyer. The repurchase price is calculated using an agreed interest rate. Repurchase price is higher than the purchase price because it compensate the buyer for the provided financial resources. Interest rate, which is indirectly incorporated into repurchase price, is called a repo rate and usually is close interbank money market rates in the respective currency with added premium for the buyer. Reverse repo transactions allows client to borrow funds for a lower interest rate and keep rights to financial instruments if they are repurchased from the buyer at the maturity date.

In prices of financial instrument develops unfavourably for the seller (price of financial instrument decreases relatively to the repurchase price), the seller might be obliged to provide additional collateral. In case it is not provided, the buyer can realize (sell) financial instruments. Risks of the reverse repo transaction are equivalent to risks of the underlying financial instrument.

8. UPDATE

This document, as it may be amended from time to time, is available on the website of Catella www.catella.com under the section the Markets in financial Instruments Directive (MiFID).



BEST EXECUTION POLICY

THE PURPOSE

The Best Execution Policy shall apply to Catella Bank S.A., Luxembourg (“the Bank”) and when applicable, to its affiliate entities. It sets out the Bank’s approach to achieve the best possible result when handling client execution orders. The policy aims to comply with main provisions under the laws and regulations listed below, particularly:

- Law of 5 April 1993 (‘LFS’)
- Law of 13 July 2007 (‘MiFID’)
- Grand-ducal Regulation of 13 July 2007 (‘Grand ducal MiFID Regulation’)
- CSSF Circular 07/307 as amended by Circular CSSF 13/560 MiFID for the conduct of business in the financial sector
- CESR Question & Answer paper on Best Execution under MiFID

I. SCOPE

I.1 Clients

The Policy applies to retail and professional clients as defined under MiFID, excepting eligible counterparties (‘ECP’)

I.2 Financial instruments

The obligation of best execution is required when offering financial instruments defined in Appendix 1 of MiFID.

I.3 Execution methods

This Policy is applicable when:

- a) buying or selling financial instruments in the case of a Discretionary Management Portfolio (‘DPM’)

- b) receiving and transmitting orders for execution through an external broker or executing orders

The Policy shall not apply when the Bank executes client specific instructions under the so-called (“directed” orders).

2. GENERAL PRINCIPLES

To comply with its obligation to act fairly and professionally, the Bank will take all reasonable steps to obtain the best possible result when handling client orders. To achieve this objective, the Bank shall take into account a number of execution factors (unless otherwise instructed by the client) when choosing the execution route such as:

- a) The price of the instruments and their related liquidity;
- b) The cost of execution (i.e. fees charged for executing an order on a particular platform, clearing and settlement);
- c) The speed of execution on the market;
- d) The likelihood of execution and settlement;
- e) The size and the nature of the orders or any other consideration relevant to the execution of the orders.

The relative importance of the factors listed above will depend on:

- a) The characteristics of the client (client classification): for retail clients the price and cost will prevail over any other criteria, for professional clients other criteria might be more relevant;
- b) The characteristics of the order (i.e. size, type, price);
- c) The characteristics of the financial instruments traded (i.e. liquidity, volatility, complexity);
- d) The characteristics of the execution venue(s) to which the order can be directed.

The best execution obligation as defined by MiFID is an obligation of means and not of results. Therefore the Bank is responsible to take all reasonable steps in order to obtain the best possible result for its clients on a consistent basis and the obligation of best result cannot be seen as an obligation applicable for each individual order. However, the Bank should be able to demonstrate at the client’s request, that the orders have been executed according to this Best Execution Policy.

The Bank is primarily acting as an Agent between the client and the broker which will directly place the order in the market, or between the client and the counterparty. To this end, the Bank usually acts as Receiver and Transmitter of client Orders ('RTO') and does not usually directly access the markets except in certain circumstances which are described in the policy.

3. APPROACH TO BEST EXECUTION

The Bank shall act in the best interests of the client when placing orders or transmitting orders to an external broker for execution. The Bank shall take all reasonable steps to obtain the best possible result by taking into account relevant factors and criteria applicable for each type of financial instrument described below:

3.1 Equity (including shares, corporate actions, warrants and ETF)

The Bank shall as much as possible route orders to recognized brokers in the market in order to reduce factors such as price and the overall transaction costs as they are the most important considerations.

The factors of liquidity and the likelihood of execution can become important for specific shares with limited liquidity or traded on specific market not accessed by mainstream brokers.

- a) For orders small caps with limited liquidity, the Bank will route the orders to specialized brokers able to provide the necessary liquidity in the best conditions: if a selection between two brokers is required, the likelihood of execution will be an important factor in choosing the broker.
- b) For specific securities which are usually not traded by most brokers, the Bank will route the orders to specialized counterparties able to provide the execution.
- c) In certain circumstances, the Bank may cross client orders on illiquid listed shares as a way to accelerate the

execution of the order, which will be executed at the market price.

See the list of recognized brokers in appendix

3.2 Debt instruments (including: bonds, convertible bonds, zero bonds, floating rate notes, corporate loans, treasury bills)

The factors of price, liquidity, likelihood of execution, credit risk, rating and maturity are important and the relative importance of each of them may differ depending on each individual order. The Bank will look for various counterparties via Bloomberg or Reuters (but not exclusively) based on the quotes offered and will select the counterparty proposing the best price.

The factors of liquidity and likelihood of execution may become prominent for specific bonds with limited liquidity or trading activity.

- a) For instruments with limited liquidity or trading activity, the Bank will select specific counterparties specialized in the type of instrument or will deal on a bilateral basis with a counterparty able to provide the necessary liquidity while benchmarking the price on Bloomberg or Reuters (but not exclusively) or directly to the correct broker(s)/ counterparty(ies) as presented in the Appendix 2
- b) When required, the Bank may cross client orders on illiquid bonds as a way to accelerate the execution of the order, which will be executed at a price benchmarked on Bloomberg or Reuters (but not exclusively) or directly to the correct broker(s)/counterparty(ies) as presented in Appendix 2.

3.3 Funds (UCITS, SIF)

The factors of costs and speed of execution is important to meet the operational cut-off protocol of the funds.

For orders on funds, the Bank will place the subscription to the Transfer Agent appointed by the fund, considered as a means to optimize the execution criteria cited above. To

simplify the flows while getting access to a wide range of products, most orders will be placed on a routing platform which will route orders to the corresponding Transfer Agents. For funds not traded on the routing platform, the Bank will directly place the order to the Transfer Agent.

3.4 Structured products

The Bank deals with unlisted structured products on the instruction of the client to buy a specific structured product from a designated counterparty or provider. In such case, Best Execution requirements are satisfied when the Bank follows the specific instruction of the client.

For listed structured products, the factors of price and costs will be the most important ones considered. Should the Bank engage in these trades, it will route the orders to equity brokers referred above.

3.5 Derivatives

3.5.1 Currency derivatives

The factors of price, costs, likelihood of execution and settlement, liquidity, counterparty are deemed the most important ones. Given the small trading volume for the Bank, all orders related to currency derivatives shall be routed through a unique recognized broker to optimize these execution factors at reasonable costs.

3.5.2 Equity options

The factors of price, costs, likelihood of execution and settlement, liquidity, counterparty are deemed the most important ones. Given the small trading volume for the Bank, all orders related to equity options shall be routed through a unique recognized broker to optimize these execution factors at reasonable costs.

3.6 Precious Metals

3.6.1 Certificate

The Bank uses a significant number of Certificate precious metal instruments. The factors of price, costs, likelihood of execution and settlement, liquidity are deemed the most

important ones. Given the small trading volume for the Bank, all orders related to certificates will be routed through a unique recognized broker to optimize these execution factors at reasonable costs.

3.6.2 Physical

The Bank rarely offers the possibility to its client to buy physical precious metals for which price and overall transaction costs are also deemed the most important factors. The Bank has chosen one unique specialised broker to conclude this type of transaction.

4. SELECTION OF BROKERS

The Bank has an obligation “the reception and transmission” when it receives orders from clients and transmits them to third parties for execution without giving any instruction on the way the orders should be traded to ensure that quality of the execution by the intermediary entity. Accordingly, the Bank shall offer best execution by exercising necessary due diligence when choosing third parties to which orders are placed or transmitted for execution.

The Bank will work with counterparties who are considered as MiFID firms subject to the best execution obligations. The Bank will ensure that the intermediary’s execution policy is consistent with the criteria specified in this Policy. When the counterparty selected by the Bank is no longer a MiFID firm subject to the best execution obligation, the Bank shall ensure that equivalent MiFID best execution standards will continue to apply to its clients’ orders or no longer route clients’ orders through this broker.

A list of the main brokers used by the Bank is presented in Appendix 2. The updated list can be found on the Bank website: <http://www.catella.com/en/Bank/>

All third parties must have implemented sufficient arrangements so as to comply with MiFID best execution requirements. The Bank will periodically monitor and

review the execution quality delivered and correct deficiencies if any. The broker acceptance process is described in the on-boarding with brokers' procedure.

5. SPECIAL CASES

5.1 Block trading

In case of block trading, the Bank has made arrangements to ensure that the aggregation of orders and transactions will not work to the disadvantage of any client whose order is to be aggregated. The arrangements undertaken are as follows:

- a) As soon as the aggregated orders are executed, the Bank immediately allocates each executed order to each account in the original proportions;
- b) When aggregated orders cannot be executed together at the same price, the Bank will ensure that an averaged and identical price is applied to each client whose orders have been aggregated.

The detailed arrangements are defined in the Client Order Handling procedure.

5.2 Dealing on request for quote

The Bank will not execute orders on a client's behalf (and so will not owe best execution) where it provides a request for quote service and the client transacts with the Bank on the basis of that quote.

5.3 Abnormal market conditions

This Policy shall not apply at a time of severe market turbulence and/or internal or external system failure, instead the ability to execute orders on a timely basis, or at all, will become the primary factor. In the event of system failure, the Bank may not be able to access all of the execution venues and the client shall be notified when placing an order.

5.4 Illiquid product

Where the Bank executes, transmits or places an order on behalf of a client in a financial instrument for which there is a limited market and/or limited liquidity and/or limited price transparency, the Relationship Manager will use best

efforts to achieve the best possible results for the client. In such circumstances, the Bank will be deemed to have provided the best possible result and to have satisfied its obligations towards its client.

5.5 OTC transactions

Financial instruments which can normally be traded on a Regulated Market or a Multilateral Trading Facility may on an exceptional basis be executed outside these platforms when the Bank believes that this approach enables it to achieve the best possible result for the clients' order. The execution of such transactions is subject **prior express consent** by the client, which will be given on a general basis.

5.6 IPOs (Initial Public Offering)

Subscribing to IPOs on the primary market is not governed by the Best Execution Policy. The Bank will however apply similar principles and will act honestly, fairly and professionally in the best interests of the client. The Bank will place the order with the Agent(s) appointed by the issuer, if not otherwise instructed. Where several agents are appointed or intermediaries can be considered, the factors of size, likelihood of execution and expertise will be important to select the Agent(s) and the relative importance of each of them may differ depending on each individual case.

5.7 Specific instructions from clients

If the client gives a specific instruction regarding the execution of an order (e.g. a specific marketplace or a specific broker), this specific instruction overrides the execution obligations of the Bank as described in this Policy. As a result, the Bank will not be able to provide the best possible result regarding the aspects covered by the instruction in accordance with this Policy and the Bank will follow the client instruction which shall prevail over the criteria stated in this Policy.

6. REVIEW, MONITORING AND CHANGES

The Legal & Compliance Department will monitor the efficacy of this Policy and the measures taken to comply with it.

In this regard, the Legal & Compliance Department with the support of the Front Office and the Back Office will review on a semi-annual basis the execution quality of the entities identified in this Policy and, where appropriate, correct any deficiencies. The Department will also annually review the execution arrangements and this Policy based on the results of its monitoring process.

Any changes in the execution factors that will affect the quality of the execution or the choice of an execution venue will be corrected and reflected accordingly in this Policy (e.g.: by changing the list of brokers used by the Bank for instance). Any change in this Policy will be published on the Bank website: <http://www.catella.com/en/Bank/>.

As stated in the General Terms and Conditions related to financial instruments, the client may at all times contact his Relationship Manager to obtain the most recent version of this Policy.

7. CLIENTS REQUESTS

Upon a request in writing to the Relationship Manager or the Legal & Compliance Department, the Bank will provide the necessary details to demonstrate to a client that the Bank has complied with this Policy for transactions executed on their behalf.

8. RECORD KEEPING

The following documents should be archived by the Bank and retained for at least 5 years:

- a) Any controls performed by the Relationship Manager or the Legal & Compliance Department
- b) Best Execution Policy and any documentation received from the counterparty or broker
- c) Any amendment to this Policy

9. GOVERNANCE OF THIS POLICY

This Policy may be amended at any time and at least annually by the Legal & Compliance Department and submitted to the Board of Directors approval.

Any exception or waiver to this Policy may only be granted jointly by Senior Management and the Chief Compliance Officer

APPENDIX I: LIST OF FINANCIAL INSTRUMENTS

This Best Execution policy applies to the following financial instruments:

- (1) Transferable securities;
- (2) Money-market instruments;
- (3) Units in collective investment undertakings;
- (4) 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;
- (5) 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 (other than by reason of a default or other termination event);
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) 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 contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, 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.

APPENDIX 2. LIST OF BROKERS PER TYPE OF FINANCIAL INSTRUMENTS

TYPES	BROKERS NAME	MAIN CIRCUMSTANCES
Equity <u>Incl.</u> ETF Right Shares Warrants	Neonet Securities AB	<ul style="list-style-type: none"> Main broker for equities/Mostly Swedish shares
	G-Trade Services Ltd	<ul style="list-style-type: none"> Special markets not accessed by main stream brokers (e.g. Asian, Greece, Argentina, warrant in North America)
	Remium Securities AB	<ul style="list-style-type: none"> Small caps in Sweden/Illiquid
	Seb	<ul style="list-style-type: none"> Illiquid (price or volume issue)
	Carnegie Investment Bank AB	<ul style="list-style-type: none"> Large trades of Swedish companies on small caps Need for well-connected liquidity providers
	Daniel Stewart & Company Plc	<ul style="list-style-type: none"> Alternative market UK shares/Small caps, illiquid
	N+1 Singer	<ul style="list-style-type: none"> Alternative market UK shares/Small caps, illiquid
	Stifel Nicolaus Europe Ltd	<ul style="list-style-type: none"> Alternative market UK shares/Small caps, illiquid
	Nordea ,Stockholm	<ul style="list-style-type: none"> Rights
	Catella Bank S.A.	<ul style="list-style-type: none"> Acting as principal by crossing client orders for illiquid listed shares
	Clearstream Banking SA	<ul style="list-style-type: none"> Securities not traded by other brokers (e.g. some warrants, rights)
	Societe Generale	<ul style="list-style-type: none"> Global Shares
Debt Instruments <u>Incl.</u> Bonds Convertible Bonds FRN Zero Bonds	Abg Sundal Collier ASA	<ul style="list-style-type: none"> High yield bonds
	Carnegie Investment Bank Ab	<ul style="list-style-type: none"> High yield bonds
	Banque Degroof Luxembourg S.A.	<ul style="list-style-type: none"> European bonds
	Bque Internationale, Luxbg	<ul style="list-style-type: none"> European bonds
	Catella Bank S.A.	<ul style="list-style-type: none"> Acting as principal by crossing client orders
	Catella Formogenhetsforvaltning - Nordic Fixed Income	<ul style="list-style-type: none"> High yield bonds
	Close Brothers Seydler Bank AG	<ul style="list-style-type: none"> High yield bonds
	Den Danske Bank, Copenhagen	<ul style="list-style-type: none"> High Yield, EUR, USD, SEK
	Deutsche Bank Ag, Frankfurt	<ul style="list-style-type: none"> High Yield + High rated bonds
	Dnb Nor Asset Management AB	<ul style="list-style-type: none"> High Yield + High rated bonds
	Garantum Fondkonmission AB	<ul style="list-style-type: none"> High Yield, SEK
	Jyske Bank	<ul style="list-style-type: none"> High Yield, EUR, USD
	Kbl Europ. Pb Lux	<ul style="list-style-type: none"> High rated bonds
	Mangold Fondkommission AB	<ul style="list-style-type: none"> High Yield, SEK
	Nordea ,Stockholm	<ul style="list-style-type: none"> High Yield, High rated bonds
	Nordea Bank Finland Plc	<ul style="list-style-type: none"> High Yield, High rated bonds
	Nordea Bank Norge ASA	<ul style="list-style-type: none"> High Yield, High rated bonds
	Ohman Fondkommission	<ul style="list-style-type: none"> High Yield
	Oppenheimer Europe Ltd	<ul style="list-style-type: none"> High Yield
	Pareto Securities AS	<ul style="list-style-type: none"> High Yield
	Rp Martin Stockholm A.B	<ul style="list-style-type: none"> High Yield
	Scandin. Enskilda Bken, Stockh	<ul style="list-style-type: none"> High Yield, High rated bonds
	Swedbank, Stockholm	<ul style="list-style-type: none"> High Yield, High rated bonds
Funds	Banque de Luxembourg	<ul style="list-style-type: none"> Main routing platform
	Funds TA appointed by the Fund	<ul style="list-style-type: none"> Funds not traded via Banque de Luxembourg (TA appointed by the Fund)
Structured Products	Structured product providers of the client	<ul style="list-style-type: none"> Broker instructed by the client depending of the type of structured product
Derivatives <u>Incl.</u> Currency derivatives (FX swaps, FX forwards) Options	BCEE	<ul style="list-style-type: none"> Currency derivatives (able to deal with small sized clients with a small volume of transactions at competitive costs)
	SEB	<ul style="list-style-type: none"> Equity options (able to deal with small sized clients with a small volume of transactions at competitive costs) Mainly Scandinavian instruments

TYPES	BROKERS NAME	MAIN CIRCUMSTANCES
Precious Metals <i>Incl. Certificate Physical trade</i>	BCEE	• Certificates (able to deal with small sized clients with a small volume of transactions at competitive costs)
	KBL Europ. Pb Lux	• Physical trade (able to deal with small sized clients with a small volume of transactions at competitive costs, with expertise)



CONFLICTS OF INTEREST POLICY

THE PURPOSE

Taking into consideration that Catella Bank S.A. (the “Bank”) is providing a wide range of financial services, it is expected that in the normal course of its business and operations, several potential conflicts of interests may arise, either on a one-off basis or potentially on a more recurring basis. If these specific situations are likely to cause damage to the Clients’ interests, the Bank shall ensure that systems, controls and procedures are adequate to identify, manage and disclose such conflicts of interest, in accordance with the applicable regulatory framework and in its Clients best interests.

The purpose of this Conflicts of Interests Policy is to set out the terms according to which the Bank will:

- identify situations where (potential) conflicts of interest may arise, causing a material risk of damage to the customer’s interests; or damage Catella Bank’s and Group reputation;
- establish appropriate procedures, mechanisms and systems to manage those conflicts

- maintain procedures and systems designed to prevent actual damage to the clients’ interests when such conflicts are identified;
- maintain records of such conflicts of interest

This policy applies to Catella Bank S.A. employees including the Bank’s branches, agents, consultants and members of the Board of Directors.

1. ESSENTIAL REGULATORY REFERENCE DOCUMENTS AND INTERNAL POLICIES

- Circular 12/552 as amended by Circular 13/563 and CSSF Circular 14/597(the “Circular”);
- MIFID I Regulation
- Market Abuse Regulation (EU No/596/2014)
- Code of Conduct
- Compliance Manual

2. NATURE AND PURPOSE OF THE CONFLICTS OF INTERESTS POLICY

The CSSF Circular 12/552 as amended by central administration, corporate governance and risk management implements the updated Guidelines on Internal Governance by the European Banking Authority (‘EBA’) of 27 September 2011 and the revised supervisory guidance of the Basel Committee on Banking Supervision (‘BCBS’) of 28 June 2012. At the same time, the CSSF took the opportunity to consolidate and further detail the existing Luxembourg requirements relating to internal governance and risk management of credit institutions and investment firms in addition to outsourcing by such undertakings.

The CSSF Circular 12/552 replaces the existing circulars applicable to banks and investment firms in these fields. In addition, the CSSF Circular 12/552 contains certain provisions on basic prudential principles to be applied by the Bank in the granting of credits, with a special focus on real estate credits in Luxembourg, and private wealth management. The CSSF Circular 12/552 was updated on 19 March 2013 by Circular 13/563 which incorporates the EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2012/06) and the ESMA Guidelines on certain aspects of the MiFID compliance function requirements (ESMA/2012/388). The Circular entered into force on 1 July 2013. Certain transitional provisions were, however, provided regarding the composition of the Board of Directors, the collective fitness and the certificate of the compliance officer, whose rules became applicable on 1 January 2014.

The Catella Group includes the Luxembourg Bank, as well as the Swedish Branch. Catella will implement the same changes that will be necessary in the Luxembourg bank at the level of the Swedish branch.

3. DEFINITIONS

3.1 Conflicts of interests

A conflict of interest is defined as a situation arising in a business relationship where the capacity of a person to make an independent decision or judgment may be influenced or prejudiced by considerations of a personal nature, or considerations emanating from a third party, resulting in the interests of the customer being inappropriately affected.

An institution shall take all reasonable steps to identify potential conflicts of interest between the interest of the institution and its duties owed to its clients, as well as between differing interests of two or more of its clients, to each of whom the institution owes specific duties. This requirement is an obligation of means, not of results.

The following circumstances have the potential to create or give the appearance of a conflict of interest:

- (a) the Bank or an individual acting on behalf of the Bank is in possession of information obtained in the ordinary course of business and such information is not publicly known;
- (b) the Bank or an individual acting on behalf of the Bank has a personal interest in the outcome of a service or transaction provided to the customer which is distinct from the customer's interest in that outcome;
- (c) the Bank or an individual acting on behalf of the Bank, as a result of other business activities within Catella Group, carries on the same business as the customer;
- (d) the Bank or an individual acting on behalf of the Bank has a financial or other incentive to give preference to the interest of the Catella Group, or customer over the interests of any other customer;
- (e) the Bank or an individual acting on behalf of the Bank receives or will receive from a person other than the customer (for example a correspondent broker or introducing agent) an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

Where the organisational and administrative provisions that have been taken are not sufficient to ensure that the interests of the clients are not damaged, the institution shall, before acting on behalf of the client, disclose to the latter the nature, and, where applicable, the source of the remaining conflict of interest. This communication may be of a general nature

3.2 Clients

Client means existing clients, potential clients, past clients where duties remain in place and to whom the Bank provides a service.

3.3 Personal transaction

Personal transaction means a trade in a financial instrument effected by or on behalf of a relevant person, where at least one of the following criteria is met:

- a) the person referred to is acting outside the scope of the activities he carries out in that capacity;
- b) the trade is carried out for the account of any of the following persons:
 - the relevant person;
 - any person with whom the relevant person has a family relationship, or with whom he has close links;
 - a person whose relationship with the relevant person is such that the relevant person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade;

3.4 Inducement

Inducement means a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party in relation to the provision of an investment or ancillary service, with the exception of proper fees which enable or are necessary for the provision of investment or ancillary services (audit fees, settlement and exchange fees, legal fees etc.).

4. RESPONSIBILITIES AND COMPETENCES

The policies implemented with respect to risk control, compliance and internal audit pursuant to points 165 to 174 of the Circular shall provide adequate support in order to be compliant with rules and to give a clear understanding of employee obligations.

The Bank has taken a holistic approach in the identification of the potential conflicts of interest, taking into account the structure and business activities of all relevant persons and entities involved. Accordingly, the Bank maintains and operates an effective organizational structure to address the identification and management of actual and potential conflicts of interest. The Chief Compliance Officer is responsible in the development and

implementation of the conflicts of interest policy, the reporting of conflicts of interest on the register and for the supervision of compliance with this policy.

5. THE COMPLIANCE REQUIREMENTS REGARDING CONFLICTS OF INTEREST

When joining the Bank and annually thereafter, employees are required, as part of their compliance training, to take notice of the conflict of interests policy and are expected to protect client interests and preserve the reputation of Catella at all times. Employees of the Bank shall not use confidential information that they have obtained during their employment for their own benefit. So called “insider information” is governed by professional confidentiality and employee professional obligations. Employees of the Bank have a duty to notify the Chief Compliance Officer of any irregularity they observe or that they suspect with regards to this policy.

In practice, conflicts of interest shall be detected early in the process during client onboarding. It is important that Legal&Compliance are involved early on, during the preparatory stages of the Credit Committee, Relationship Committee or New Product Approval Committee. As a general rule, any new relationship which involves one or more of the Catella group entities, must be communicated to the Chief Compliance Officer. This is to ensure conflicts of interest are identified and mitigated early on, but also to assess potential legal risk in the event the product performs subpar or poorly and may involve a loss for investors.

The members of the authorised management and the Board of Directors, who are subject to conflicts of interest, shall promptly inform the Chief Compliance officer for further analysis of authorised management or the board of directors, respectively, on their own initiative as per Article 15 of the Articles of Association of the Bank. The procedures in this regard provide that these members shall abstain from participating in the decision making process where they may have a conflict of interest or which prevent them from deciding with full objectivity and independence. Therefore, any director having an interest

in a transaction submitted for approval of the Board of Directors conflicting with that of the company, shall be obliged to advise the board of directors and to cause a record of their statement to be included in the minutes of the meeting. They may not take part in these deliberations.

6. IDENTIFICATION OF CONFLICT OF INTERESTS

For the purpose of identifying a conflict of interests, the Bank takes into account by way of minimum criteria the question of whether the Bank or a relevant person, or a person directly or indirectly linked (connected) by way of control to the Bank, is in any of the following situations, whether as a result of providing banking services activities or otherwise:

- the Bank or that person is likely to make a personal financial gain, or avoid a financial loss, at the expense of the Bank;
- the Bank or that person has a personal interest in the outcome of a service or an activity provided to the Bank or another Client or of a transaction carried out on behalf of the Bank or another Client, which is distinct from the Bank's interest in that outcome;
- the Bank or that person has a personal financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Bank;
- the Bank or that person carries on the same activities for the Bank and for another Client or Clients which are not investment funds;
- the Bank or that person receives or will receive from a person other than the Bank an inducement in relation to funds management activities provided to the Bank, in the form of monies, goods or services, other than the standard commission or fee for that service.

Also, when identifying conflicts of interests, the Bank must take into account the following:

- The interests of the Bank, including those deriving benefit from its belonging to a group or from the performance of services and activities, the interests of the Clients and the duty of the Bank;

In case of any potential conflict of interest problems identified, the Chief Compliance Officer shall immediately inform Authorised Management and the Chairman of the Board of Directors.

7. INDEPENDENCE IN THE MANAGEMENT FROM CONFLICTS OF INTEREST

The Bank has developed procedures to guarantee that relevant persons engaged in several activities where a risk of conflict of interest exists, exercise their duties with an appropriate level of independence, taking into account the size and the activities of the Bank, and ensuring that the Clients', best interests remain safe at all times.

7.1 Information barriers

The Bank has put in place adequate procedures in order to prevent or control the exchange of information between relevant persons engaged in portfolio management activities, where the exchange of information between these persons can negatively affect the interests of one or several clients.

The Bank has established so called "Chinese walls" which are designed to restrict the access to certain privileged information between lines of business of the Bank. For example, it is not permitted to communicate material non-public information to any person outside the relevant team working on a particular transaction or service except to relevant persons with a legitimate need for this information, without prior approval of the Chief Compliance Officer.

As a general rule, physical separation (including a restriction on access to buildings) and information confidentiality are achieved through an authorization process that limits access to persons engaged for the exercise of their professional duty.

7.2 Separate supervision of relevant persons

The Bank has developed clear and segregated reporting lines, in order to keep the independence of each function to the highest standards. The supervision of relevant persons whose principal functions involve carrying out

portfolio management 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 the Bank is covered in the personal account dealing rules.

The Bank has implemented rules prohibiting personal account dealing, which aims to minimize the risk that employees of the Bank use their positions improperly.

7.3 Remuneration policy

As stated in the Remuneration Policy and in accordance with Luxembourg regulations and CSSF Circulars applying to that matter, there is 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. For instance, control functions such as the supervision of delegated support functions (back office, support services from the Bank) do not have a remuneration which is directly linked to the performance of the Bank activities.

The Remuneration of the Permanent Risk Management Function is also independent of the performance of the Bank.

7.4 Inappropriate influence

The Bank has adopted certain measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management activities. The segregation operated at the level of the service lines, and the reporting lines within each business segment enable the Bank's employees to take decisions with the required level of autonomy.

Nevertheless it remains the responsibility of each employee to ensure that he retains the required level of independence when dealing with Clients or counterparties, and avoids any inappropriate influence in the course of his duties.

7.5 Relevant persons involved in multiple activities

The Chief Compliance Officer ensures as part of the review of potential conflicts of interests that the persons involved in asset management activities are monitored at all times. The Bank has developed certain measures to control the simultaneous or sequential involvement of a relevant person in asset management activities where such involvement may impair the proper management of conflicts of interest.

Relevant persons engaged in different business activities involving potential conflicts should carry on those activities independently of one another. Monitoring of these situations is performed by the Chief Compliance Officer to ensure that the required level of independence is appropriate.

8. MANAGEMENT, RECORD KEEPING AND DISCLOSURE OF POTENTIAL CONFLICTS OF INTERESTS

As a matter of principle, every employee has the responsibility to consult the Chief Compliance Officer each time a Conflict of Interest exist or may exist to the best knowledge of the employee.

a) Identified potential conflicts of Interests

The Bank keeps and regularly updates a register with all the conflicts of interest situations and the types of asset management activities undertaken by or on behalf of the Bank in which a conflict of interest entailing a material risk of damage to the interests of the Bank or other Clients could have arisen. The implemented mitigation processes and preventative measures are described and recorded.

b) Measures in place to address potential conflicts of interests as they arise

The Bank has implemented the necessary organizational arrangements to deal with situations when a sudden potential conflict of interest would be identified.

Business relationships with related parties are subject to the board of directors' approval where they have or may have a significant and negative impact on the risk profile

of the Bank. The rule shall also apply where, in the absence of any significant impact on each individual transaction, the influence is significant for all transactions with related parties. Any material change in the significant transactions carried out with related parties shall be brought to the attention of the Authorised Management and the Chief Compliance Officer as soon as possible.

Transactions with related parties shall always be carried out primarily in the interest of the Bank. The institution's interest is not met where transactions with related parties:

- are carried out on less advantageous terms (for the institution) than those which would apply to the same transaction carried out with a third party (at arm's length);
- impair the solvency, liquidity situation or risk management capacities of the institution from a regulatory or internal point of view;
- exceed the risk management and control capacities of the Bank;
- are contrary to sound and prudent management principles in the interest of the Bank.

The Bank shall also consider and balance the interests of all legal entities and branches which are part of the group and comply with the applicable legal provisions. It shall consider how these interests contribute to the common purpose and interests of the group over the long term, as well as respecting the interests of the client. In particular, careful consideration should be taken with regard to utilising the Bank's client base to cross-sell products developed by other parts of the Catella group, the granting of credit to promote deals being set up by other parts of the Catella group, or the investment in products developed by other parts of the Catella group entities or where the catella group acts as an Alternative Investment manager.

c) Relevant person

Regarding Relevant Person the Bank must in particular be designed to ensure that:

- each relevant person is aware of the restrictions on personal transactions and of the measures established by the credit institution or investment firm in connection with personal transactions and disclosure;
- the credit institution is informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other procedures enabling the credit institution or investment firm to identify such transactions; Credit institutions that have entered into outsourcing agreements are required to ensure that the firm to which the activity is outsourced maintains a record of personal transactions entered into by any relevant person and provides that information to the credit institution or investment firm promptly on request;
- the credit institution keeps a record of any personal transactions notified to it or identified by it. The record also mentions any authorisation or prohibition in connection with such a personal transaction.

d) Disclosure of conflict of interests and client notification

In a situation where material conflicts of interests cannot be avoided, the Board of Directors are promptly informed in order for them to take any necessary actions and decisions to ensure that, in any case, the Bank and/or any relevant person acted in the best interests of the Bank.

9. INDUCEMENTS

The Bank has adopted measures to evaluate the acceptability of inducements in relation to the activities of asset management and payment services. The Bank only pays or accepts the following inducements:

- a) a fee, commission or non-monetary benefit paid or provided to or by the Bank or a relevant person on behalf of the Bank;
- b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the following conditions are satisfied:

- the payment of the fee or commission, or the provision of the non-monetary benefit must be designed to enhance the quality of the relevant service and not impair compliance of the Bank's duty to act in the best interests of the Bank;
 - the existence and nature of the third party fees, commission or benefit, must be clearly disclosed to the Bank in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
 - in case the Bank assumes that such fee, commission or benefit results in a notable increase of the costs and expenses supported by the Bank or may lead to a conflict between the Bank's interests and the third Party's interests as part of a situation or event occurred outside of the usual course of business, the amount of the third party fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, will be disclosed to the client in a manner that is comprehensive, accurate and understandable.
- c) proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, cannot give rise to conflicts with the Bank's duties to act honestly, fairly and professionally in accordance with the best interests of the Bank.

If the Bank offers or accepts inducements (in accordance with the above requirements), the Bank shall disclose the essential terms of the arrangements.

10. GOVERNANCE OF THIS POLICY

The Chief Compliance Officer is the owner of this policy, which is effective as from 12 May 2014.

A formal review of this Policy is undertaken on a yearly basis, under the responsibility of the Chief Compliance Officer, who will report the findings to the Board of Directors.

The Chief Compliance Officer reviews the adequacy and proper implementation of the conflicts of interest policies to keep the applicable rules up to date and in accordance with the Luxembourg applicable regulatory framework. He shall review the Conflict of Interests Policy at each material change within the organization, and at each change affecting the organization. Thus, the review of the policy will be carried out at least once a year if no major changes occurred during the period. Recordings of these reviews will be kept appropriately. The Chief Compliance Officer reports to the Board of Directors, at least on a regular basis.

Periodic training shall be provided on the topics of conflicts of interest, insider trading, market manipulation and code of conduct.

Any amendments to this policy may be made by the Compliance function and Senior Management and must be duly approved by the Board of Directors of the Bank. Any waiver of this policy may only be granted jointly by Senior Management and the Chief Compliance Officer and must promptly be disclosed to the Employees.

If you have any questions concerning this policy, application of law, or have any additional questions, please contact the Legal & Compliance Department.

ANNEX 1: NON EXHAUSTIVE EXAMPLES CONFLICTS OF INTEREST

Within a multi-service financial institution, Conflicts of Interest may arise in a variety of situations. Areas of concern include:

- Lending activities
- Portfolio management
- Personal account dealing
- Ownership interest
- Proprietary trading
- Recruitment or selection of consultants

The following list is a summary of situations that lead to potential conflicts of interest:

- The Bank or one employee from the Bank obtains financial advantage or prevents a financial loss to the detriment of the client. The employee advising clients to engage in harmful investments knowingly in exchange for commissions received by the company which issued the investment products.
- An investment fund representative undertakes clearing activities outside of business standards (through trips, meals...) to Bank staff who may make an effort in marketing its products.
- Receiving substantial gifts and entertainment (including non-monetary inducements) which may influence behavior in a way that conflicts with the interests of the clients of the Bank. The Bank has in place appropriate procedures.
- Situations, in which employees receive remuneration from the Bank that may lead them to favour the interest of the Bank instead of the client's interest;
- Receiving financial or non-financial gains from the client in exchange of breaching Bank's internal policies and/or regulatory and legal requirements.
- The Bank may engage in business and trading activities for its own account and/or Client accounts whilst other Clients are active in relevant markets at the same time.
- The Bank may provide investment advice or discretionary portfolio management services to its Clients and the Bank may also recommend or sell products issued by itself or affiliated companies.
- The Bank is the discretionary portfolio manager for more than One Client or fund - in particular in respect of issues related to allocation.



FEES PAID OR RECEIVED BY THE BANK IN THE CONTEXT OF INVESTMENT SERVICES

THE PURPOSE

When providing investment services and ancillary service to clients, the Bank may pay or receive from third parties fees or commissions, or provide or receive non-monetary benefits from a third party in addition to the fees and commissions paid by the clients, where these fees or benefits are designed to enhance the quality of service to the clients. The conflict of interest policy at Catella Bank SA is applied in order to make sure that the payment of such fee or commission, or the provision of such non-monetary benefits, does not impair compliance with the firm's duty to act honestly, fairly and professionally in the best interest of clients.

The information below outlines the nature and amount of benefits that the Bank currently pays or receives from third parties in a summary manner. Full details about the nature and amount of inducements or, where the amount cannot be fixed, its calculation method may be obtained upon client request.

1. COMMISSIONS RECEIVED

Product providers - When purchasing financial instruments for its clients, the Bank may receive a service fee from product providers, mainly third parties asset managers and structured product providers. The fees compensates for the product distribution, including (but

not limited to) the provision of ongoing investment information, the access to a broader range of financial products and services enabling the clients to further diversify their portfolio and achieve their investment objectives. The fee mainly consists of rebates of management fees, paid on an on-going or annualized basis. This fee is calculated as a percentage of the net asset value.

2. COMMISSIONS PAID

Business introducers - The Bank may pay commissions to third parties who introduce to the Bank new clients who are interested in or likely to be interested to benefit the Bank's services. This remuneration aims to compensate for the pre-screening of the customer segment targeted by the bank, the assessment of prospects' needs in terms of banking and investment services and the introduction of new customers by these business providers. The commission is usually calculated as a percentage of the annual income generated from such clients, ranging generally between 20% to 75%, and is payable on quarterly basis.

3. NON-MONETARY BENEFITS PAID OR RECEIVED

The Bank may receive high added-value market analysis and research from third parties professionals used to enhance the service to the clients. Besides, with the aim of building and maintaining the business relationships with our service partners, the Bank may occasionally receive or provide other non-monetary benefits (e.g. training, workshops, conference, etc.). The selection of these service partners is based on qualitative and quantitative objective criteria, which do not take these non-monetary benefits into account. All such benefits are governed by the conflict of interest policy.



GENERAL FEES AND CONDITIONS

GENERAL

The present document replace all previously established fees and conditions and are applicable as from December 2016.

The following Fees Schedules represent the price in connection with different services offering by Catella Bank S.A. and are presented in EURO but will be charged in underlying transaction currency. All details of costs incurred from other Banks or 3rd party are not included in the current document. VAT will be applied where applicable.

1. ACCOUNT MAINTENANCE FEES

	Fees per account	Chargeable on
Only if asset below €500,000	€ 300	Semi-annually

2. FEES SCHEDULE LINKED TO INVESTMENT SERVICES

2.1 Fees linked to transactions

For all transactions a minimum of € 100 (or equivalent) is applicable. Third party charges are added to all transactions where applicable.

Securities	Maximum applicable per transaction
Equities	1.00 %
Bonds	1.00 %
Futures on equities & stock indices	1.00 %
Futures on bonds	1.00 %

Options / OTC derivatives	2.00 % based on premium
Precious metals	1.00 %
Investment funds	1.00 %

2.2 Forex margin

Currency	Maximum margin
All currencies	Up to 100%

2.3 Fees linked to discretionary portfolio management

Services	Fees	Calculation method
Management fee	1.5% per year	On quarterly basis, based on the assets value at the end of each quarter

3. FEES SCHEDULE LINKED TO TRANSFER AND PAYMENT SERVICES

3.1 Incoming operations

	Fees Per operation
Swift transfer	Free
Cheque	€ 100 + 3 rd party charges (per cheque)
Securities	Free (3 rd party charges may apply)

3.2 Cash operations

	Fees Per operation
Deposit in all currency	Free (3 rd party charges may apply)
Withdrawals in Euro	€ 30 + extraordinary handling cost
Withdrawals in another currency	0,50% of the amount + transportation if needed

3.3 Outgoing operations

	Fees Per operation
Swift transfers up to €50,000.00	€ 30
Swift transfers above €50,000.00	€ 60
Swift transfers OUR	€ 60
Cheque issuance	€ 100 per cheque
Securities	€ 75 per security line
Swift copies	€ 15 per copy

4. FEES SCHEDULE LINKED TO CUSTODY SERVICES

Securities	Maximum applicable	Chargeable on
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Equities	0,50 %	Semi-annually
Bonds	0,50 % <i>based on nominal value</i>	Semi-annually
Investment funds	0,50 %	Semi-annually
Other securities	0,50 %	Semi-annually
Physical certificates in Custody	€ 100	Where applicable Catella Bank S.A. is not able to receive independent certification, the physical certificate will be booked with no value

5. FEES SCHEDULE LINKED TO OTHER SERVICES

Services	Maximum	Chargeable on
Loan & Credit	0,15 % (min fees of € 250 and a cap of € 5000)	
Guarantee commission	1,50 % (min fees of € 100)	Annually
Hold mail	€ 100	Semi-annually per portfolio number
Additional output per address	€ 250	Semi-annually
Special tasks upon client request	€ 200	Per hour
Handling fee	€ 200	Per portfolio number
Audit confirmations	€ 200	Per hour
Outgoing payments (e.g. investigation/ correction/rejection/ cancellation)	Third party charges	