



Vita Markets

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## **VM VITA MARKETS LTD**

Registration # HE364831

License # 373/19 issued by Cyprus Security and Exchange Commission

### **TERMS AND CONDITIONS BROKERAGE AND CUSTODY SERVICES FOR PROFESSIONAL CLIENTS**

Effective from     /     /2020

## TERMS AND CONDITIONS OF BROKERAGE AND CUSTODY SERVICES

This agreement and/or these terms and conditions of brokerage and custody services (the “**Agreement**”) shall govern the relationship **BETWEEN**:

- (1) VM VITA MARKETS LTD, a company incorporated and validly existing under the laws of the Republic of Cyprus, with company registration number HE364831 whose registered office is at 3 Markou Botsari, 2nd & 3rd floor, 3040, Limassol, Cyprus and authorized and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**”) under license number 373/19, for providing investment and ancillary services in the republic of Cyprus (the “**Company**” or “**VM**”), and
- (2) A client of the Company, which term shall include all legal persons, such as a company, partnership, trustee or any other legal entity, and all individuals, falling in the “Professional category”, as further set out in this Agreement which wishes to receive brokerage and/or custody services pursuant to the terms and conditions of this Agreement and which by using the services under this Agreement, confirms its consent and/or acceptance to be bound by the terms of this Agreement (the “**Client**”).

### **PREAMBLE:**

**WHEREAS**, the Company is a Cyprus Investment Firm (CIF), under license number 373/19 authorized by the Cyprus Securities and Exchange Commission (hereinafter referred to as the “**CySEC**”), to provide investment and ancillary services pursuant and subject to the *Investment Services and Activities and Regulated Markets Law 87(I) 2017*.

**WHEREAS**, the Client wishes to appoint the Company for the purpose of providing brokerage services with respect to the investment of funds of the Client as provided in this Agreement (the “**Brokerage Services**”), referred to Section 3 of this Agreement.

**AND WHEREAS**, for the purpose of facilitating the Client’s business operations, the Client wishes to appoint the Company to provide safe custody services of certain assets subject to the terms and conditions of this Agreement (the “**Custody Services**” and together with the Brokerage Services shall hereinafter jointly referred to as the “**Services**”).

**AND WHEREAS**, the Company wishes to provide such Services to the Client upon and subject to the terms and conditions set forth below.

**AND WHEREAS**, this Agreement and the accompanying cover letter from the Company to the Client containing details of client categorisation as a **PROFESSIONAL CLIENT** (the “Categorisation Letter”) set out the rights and obligations and constitute an agreement between the Company and the

Client in relation to Brokerage and Custody Services to be provided. The Client should retain a copy of this Agreement for his records and the date the Client has received it

## NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

### 1. DEFINITIONS

In this Agreement unless specifically defined otherwise or the context otherwise requires, the following terms shall have the following meanings, and the terms defined elsewhere herein shall have the meaning there defined:

**“Access Data”** shall mean the login and password of the Client, which are provided by the Service Provider and are required so as to have access on and use the Platform(s).

**“Acceptance of the Client”** means, the person accepted by the Company as a Client, therefore the person, inter alia, who has submitted to the Company all required information/details required under the applicable Anti-Money Laundering and Know Your Client legal framework, and it succeeded in the Appropriateness Test.

**“Agreement”** means this Agreement for the Provision of the Brokerage Services and Custody Services along with the Legal Documentation which can be found on the Company’s website at <https://vita-markets.com/>, including without limitation, the Order Execution Policy, Client Categorisation Policy, Conflict of Interest Policy, Investor Compensation Fund Policy, Privacy Policy, Complaints Handling Policy, Leverage Policy and Risk Disclosure Statement, and, to this end, the terms “herein”, “hereof”, “hereto”, “hereunder” and similar terms refer to this Agreement.

**“Aggregate Holding”** means all the Securities of a particular class, denomination and issue held by the Company for one or more of its clients, including the Client.

**“Authorised Representative”** shall mean a person who has provided to the satisfaction of the Company, a document and/or Power of Attorney enabling the latter to act as representative of the Client.

**“Balance”** shall mean the total financial result in the Client Account after the last Completed Transaction and depositing/withdrawal operation at any period of time.

**“Client Account”** shall mean the unique personalised account of the Client consisting of all Completed Transactions executed, Open Positions and Orders in the Platform, the Balance of the Client money and deposit/withdrawal transactions of the Client money.

**“Credit institution”** - as defined in article 2(1) of the Business of Credit Institutions Law, means one of the following:



- a) A credit institution incorporated in the Republic to which a license has been granted under the provision of the Business of Credit Institutions Law,
- b) A branch of third country institution,
- c) The Housing Finance Corporation which is governed by the Housing Finance Corporation Law.

**“CySEC”** means the Cyprus Securities and Exchange Commission.

**“Essential Details”** shall mean the required details in order for the Company to be able to place the Order for example but not limited to the type of Financial Instrument, the type of Order, the direction (buy or sell), the volume, type of Underlying Asset, if the Client places a pending Order (limit or stop) the Client will indicate the intended price in which the Order will go in the market and any stop loss and/or take profit etc.

**“Funds”** means the funds of the Client held with any financial institution.

**“Investments”** means any investments legally provided by the Client including, without limitation, investments in shares, bonds, debentures, warrants, units of unit trusts, units of collective investments schemes, securities, documents giving the rights to shares or other securities, cash deposits and certificates of deposit. It also includes stock that constitutes the object of a transaction in a regulated market, stock with characteristics of debentures as well as any other stock that constitutes the object of a transaction in a regulated market and gives the right to acquire other stock via registration or an exchange, or a right to cash.

**“Law”** means the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) as this may, from time to time be amended, replaced, expanded or re-enacted and includes, where the context so justifies, any secondary legislation enacted in furtherance thereof including but not limited to the relevant European directives.

**“Party”** or **“Parties”** means either or both of the Client and the Company, as the case may be.

**“Person”** or **“Persons”** means any individual, partnership, corporation, unincorporated organization or association, trust, joint venture, syndicate, pool, sole proprietorship, or any other form of organization not specifically listed herein.

**“Personal Data”** means any information relating to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.



**“Platform”** shall mean the electronic mechanism operated and maintained by the Company, consisting of a trading platform, computer devices, software, databases, telecommunication hardware, programs and technical facilities, which facilitates trading activity of the Client in Financial Instruments via the Client Account.

**“Long Position”** for derivative instruments trading shall mean a buy position that appreciates in value if underlying market prices increase.

**“Order”** shall mean an instruction from the Client to trade in Financial Instruments.

**“Open Position”** shall mean any Long Position or a Short Position which is not a Completed Transaction

**“Proper Instructions”** mean the instructions received by the Company in respect of any matters referred to in this Agreement upon receipt of written, cabled, electronic or telefaxed instructions given by of any such person or persons to act and may be considered as in full force and effect until receipt by the Company of written notice to the contrary.

**“Professional Client”** mean a professional client for the purposes of Part I and Part II of the Second Appendix of the Law which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters (the “Law”). For the clients that are classified by the Company as Professional clients based on the conditions set out in Part I of Second Appendix the Law (the “per se professional clients”) and the clients that may be treated as Professional client on request, provided that the conditions set out in Part II of the Second Appendix of the Law are satisfied (the “elective professional clients”); the per se professional clients and the elective professional clients will be collectively be referred to as the “Professional Client”.

**“Qualifying money market fund”** means a collective investment undertaking authorised under Directive 2009/65/EC, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), or which is subject to supervision and, if applicable, authorised by an authority under the national law of the authorising Member State, and which satisfies all of the following conditions:

- a) its primary investment objective must be to maintain the net asset value of the undertaking either constant at par (net of earnings), or at the value of the investors' initial capital plus earnings;
- b) it must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of 60 days. It may also achieve this objective by investing on an ancillary basis in deposits with credit institutions;

c) it must provide liquidity through same day or next day settlement.

For the purposes of point (b), a money market instrument shall be considered to be of high quality if the management/ investment company performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality. Where one or more credit rating agencies registered and supervised by ESMA have provided a rating of the instrument, the management/investment company's internal assessment should have regard to, inter alia, those credit ratings.

**“Security”** or plural **“Securities”** means any Financial Instruments as these are defined by the Law. The Securities shall be held to the order of the Client and only the Company, upon receipt of Proper Instructions may dispose of Securities, which are Client assets.

**“Securities Account”** means an account maintained on the books and records of the Company to which the Client’s Securities shall be credited, in the manner and on the terms specified herein.

**“Securities Depository”** means a licensed organization performing the function of deposit of Security certificates and/or registration of titles and rights on Securities and with which the Company has an account for Securities keeping.

**“Short Position”** for derivative instruments trading shall mean a sell position that appreciates in value if underlying market prices fall.

**“Trading Venue”** a regulated market, an MTF or an OTF.

**“Underlying Asset”** shall mean the object or underlying asset in a derivative instrument which may be Currency Pairs, Futures, Metals, Equity Indices, Stocks and Commodities, as defined by the Law. It is understood that the list is subject to change and clients must refer each time on the Platform.

**“Website(s)”** shall mean the Company’s website at <https://vita-markets.com/>.

## **2. General Representations and/or Warrants of the Parties**

The Client warrants that he has, and he undertakes that he will maintain, all necessary consents, authorisations and approvals to enable him to use and accept the Services on these Terms and to engage in the transactions and carry on the activities in respect of which the Services are provided. The Company shall, at all times, comply with the applicable Laws, Circulars and Directives issued by the CySEC and in particular with the Prevention and Suppression of Money Laundering and Terrorist Financing Law, as well as the Market Abuse Law as amended from time to time.

### 3. OUR SERVICES

3.1. The Company may provide the Client with brokerage and custody services as these are specified in sub-section 3.2 below, as per the terms and conditions of this Agreement. The Company may carry out transactions on any market or exchange that the Company in its absolute discretion determine through one of its brokers and the Company may also carry out off- exchange transactions in line with its [Order Handling and Best Execution Policy](#) and the new trading obligations under the section "Trading Obligation". The Company will require the Client's explicit consent prior to executing transactions outside a Regulated Market ("RM") or Multilateral Trading Facility ("MTF") or Organised Trading Facility ("OTF"). Other services may be provided from time to time by The Company to the Client on these or other terms and conditions as agreed in writing between The Company and the Client.

3.2. The Investment services provided by The Company to the Client hereunder (the "Brokerage services" or the "Custody Services") shall consist of:

#### **Investment Services**

- (a) Reception and transmission of orders in relation to one or more financial instruments;
- (b) Execution of orders on behalf of clients;

#### **Ancillary Services**

- (a) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management and excluding maintaining securities accounts at the top tier level ("central maintenance service"), as referred to in point 2 of Section A of the Annex to Regulation (EU) No 909/2014;
- (b) Granting credit or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- (c) Foreign exchange services where these are connected to the provision of investment services;
- (d) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.



- (e) Investment services and activities as well as ancillary services of the type included under Part I or II of First Appendix of the Law (the Investment Services and Activities and Regulated Markets Law of 2017) related to the underlying of the derivatives included under points 5), 6), 7) and 10) of Part III of First Appendix of the Law where these are connected to the provision of investment or ancillary services.

3.3. The Financial Instruments for which the above Investment and Ancillary Services can be provided are included in Schedule 1.

3.4. We shall comply strictly with your instructions in respect of all transactions.

#### **4. APPOINTMENT**

- 4.1. Upon acceptance of the Client by the Company, the latter will provide Brokerage Services to the Client, for the term of the Agreement, unless this is terminated as per the provisions of Section 10 of this Agreement.

Upon acceptance of the Client by the Company and for the term and subject to the provisions of this Agreement, the Company will provide the Custody Services regarding all Financial Instruments and/or Funds, now owned or to be acquired by the Client, and to perform the duties of a custodian.

#### **5. TERMS OF BROKERAGE SERVICES**

- 5.1. The Company shall provide the Brokerage Services to the Client with respect to Investments as required by the Client or as contemplated by this Agreement.
- 5.2. The Company shall use its reasonable endeavors to ensure that any of its employees or other individuals who are acting on behalf of the Company, for the provision of the brokerage services for the benefit of the Client under this Agreement shall be solely dedicated professionally to the provision of such services and are properly competent to perform their relevant duties, in line with the relevant requirements set out by CySEC.
- 5.3. The Company, acting at all times in respect of any transaction as a broker and/or intermediary, shall buy or sell Investments for the Client as per the Client's Proper Instructions in exchange for remuneration as stipulated below.
- 5.4. The relationship between the Company and the Client in connection to the Brokerage Services is the one described in this Agreement the Company's role undertaken



hereunder being solely to mediate in a transaction relating to Investments. The Company acts as an agent on behalf of the Client. A list of the Execution Venues and intermediaries used by the Company for the execution of client orders in respect to each class of financial instruments can be found in the Company's Order Handling and Best Execution Policy, which can be found at Schedule 3 of this Agreement.

- 5.5. The Client agrees that the Brokerage Services will be provided by the Company on an execution only basis. Any news, prices, opinions and other information that may be given to the Client by the Company are provided simply for illustrative and informative purpose and shall not be deemed investment advice. The Company bears no responsibility or is anyway liable for such information.
- 5.6. The Client agrees and acknowledges that it is exclusively responsible for any investment strategy, transaction or Investment made and shall not rely on the Company for this purpose.
- 5.7. The Company hereby undertakes that it shall at all times perform the Brokerage Services specified in this Agreement in strict compliance with all applicable laws and regulations and shall at all times possess and maintain in full force and effect all licenses, approvals and any other authorisation whatsoever that may from time to time be required by CySEC or any other relevant licensing authority or body, governmental or otherwise, for the performance of the Brokerage Services.

## 5.8. Platform

5.8.1. Subject to the Client's obligations under the Agreement being fulfilled, the Company hereby grants the Client a personal limited license, which is non-transferable, non-exclusive and fully recoverable, to use the Platform(s) (including the use of the website and any associated downloadable software available from time to time) for the purposes of the Client placing Orders according to the terms of this Agreement. The Company reserves the right to shut down the Platform(s) at any time for maintenance purposes, provided that it gives prior notice to the Client, and in such cases the Platform(s) shall be inaccessible by the Client. In this respect, the Client acknowledges and agrees that the Company reserves the right to revoke the Client's access to the Company's Platform(s) as part of this Paragraph.

5.8.2. It is absolutely prohibited for the Client to take any of the following actions in relation to the Platform(s):

- a) Use, without the prior and written consent of the Company, any software, which applies artificial intelligence analysis, including robot or similar, to the Company's systems and/or Platform(s) and/or Client Account;



- b) Intercept, monitor, damage or modify any communication which is not intended for it;
- c) Use any type of spider, virus, worm, trojan-horse, time bomb or any other codes or instructions that are designed to distort, delete, damage or disassemble the Platform(s) or the communication system or any system of the Company;
- d) Send any unsolicited commercial communication not permitted under applicable law or Applicable Regulations;
- e) Do anything that will or may violate the integrity of the Company's computer system or Platform(s) or cause such system(s) to malfunction or stop their operation;
- f) Unlawfully access or attempt to gain access, reverse engineer or otherwise circumvent any security measures that the Company has applied to the Platform(s);
- g) Any action that could potentially allow the irregular or unauthorized access or use of the Platform(s).

5.8.3. Should the Company reasonably suspect or has proof that the Client has violated the terms of paragraph 5.8.2 above, this shall be considered a cause and the Company shall be entitled to terminate effective immediately this Agreement pursuant to clause 8.2 of the same.

5.8.4. The Client agrees and undertakes to inform the Company without any undue delay, in case where it comes to his/her attention that his/her Access Data are being used by any unauthorised person. Hence, the Client acknowledges and agrees that the Company shall bear no responsibility in the event where any unauthorised person have access to information, including electronic addresses, electronic communication and personal data, when the above are transmitted between the Client and the Company or any other party, using the internet or other network communication facilities, telephone, or any other electronic means and such unauthorized access has not been brought to the attention of the Company by the Client.

5.8.5. The Client may place Orders on the Platform(s) by using his Access Data issued by the Company for that purpose or by telephone call by providing the identification information requested and the Essential Details. The Company will be entitled to rely and act on any Order given by using the Access Data on the Platform(s) without any further enquiry to the Client and any such Orders will be binding upon the Client. Orders placed via phone will be placed by the Company on the electronic trading system of the Company. The Client will be also responsible for any Order place by an Authorised Representative provided that a valid Power of Attorney is in place. Hence, the Client acknowledges and agrees that the Company shall have no responsibility nor be liable in any case, where an Order is placed by the Client's Authorised Representative.



5.8.6. The Client acknowledges and agree to keep his Access Data in a safe place and not to reveal them to any other person, with the exception of its Authorised Representative (where applicable). Hence, the Company has no responsibility or otherwise be responsible for any damage resulting from any irregular or unauthorised access or use of the Platform(s) by third parties who have obtained the Access Data of the Client, through the negligence or otherwise of the Client.

5.8.7. The Company will use reasonable efforts to execute an Order, but it is agreed and understood that despite the Company's reasonable efforts transmission or execution may not always be achieved at all for reasons beyond the control of the Company.

### **5.9. LEI (Legal entity identifier)**

The Client is obliged to obtain a legal entity identifier from an appropriate authority duly licensed to provide legal entity identifiers and it further acknowledges and agrees that it may not (where provided by applicable regulations) be able to execute any transactions with the Company if it does not possess a legal entity identifier.

### **5.10. Rejection of Client's orders**

5.10.1. Without prejudice to any other provisions herein, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client to restrict the Client's trading activity, to cancel Orders, to decline or refuse to transmit or execute any Order of the Client, and the Client acknowledges and agrees that he/she has no right to claim any damages, specific performance or compensation whatsoever from the Company, in any of the following cases:

- a) The Company received a notice of cancellation of the Order from the Client;
- b) Internet connection or communications are disrupted;
- c) In consequence of request of regulatory or supervisory authorities of Cyprus or a court order or antifraud or anti-money laundering authorities;
- d) Where the legality or genuineness of the Order is under doubt;
- e) Where any Essential Details relating to the Order are missing;
- f) A force majeure event has occurred or due to specific market condition, it is impossible for the Company to execute the Order;
- g) In an event of default/cause of the Client;
- h) The Company has sent a notice of termination of the Agreement to the Client;
- i) The system of the Company rejects the Order due to trading limits imposed;
- j) Under abnormal market conditions;
- k) The Client does not hold adequate funds in his Balance for the specific Order.

- 5.10.2. The Client acknowledges and agrees that the Company at its sole discretion may reject any Order, if it deems impossible to execute or where the Financial Instrument(s) does not match the Client's profile. Under such circumstances, the Company shall take all reasonable efforts to inform the Client by sending an email to the email address the Client provided during the registration stage as soon as practicable.
- 5.10.3. The Client further acknowledges and agrees that any rejection by the Company to execute any Order must not affect any obligation which the Client may have towards the Company or any right which the Company may have against the Client or his/her assets.
- 5.10.4. In respect to cancel orders, the Client acknowledges and agrees that once confirmed, an open or close position cannot be cancelled and/or altered.

#### **5.11. Inactive and dormant Client Accounts**

- 5.11.1. If the Client Account is inactive for 6 (six) months or more (i.e. there is no trading, withdrawals or deposits), this shall be considered by the Company as inactive. The Company reserves the right to charge inactivity fees on a monthly basis (the "maintenance fee"), which may be different for different types of Client Accounts or Financial Instrument Further information on the applicable fees can be found at Schedule 2 to this Agreement. The Company declares that once an account is deemed inactive, the Client will be informed accordingly via email about the inactivity status of its account and hence the Client acknowledges and agrees that if the Client fails to respond and has remained inactive following one (1) week's period, the Company reserves to start imposing the maintenance fee. It is further noted that the Client may re-activate an inactive account by either making a deposit, placing an order, or notifying the Company accordingly. However, the Client acknowledges and agrees that before re-activating a trading account, the Company will re-review the Client's KYC documents, and that the Company may decline the re-activation request, until it is satisfied that the Client has updated its KYC documentation.
- 5.11.2. If the Client Account is inactive for 2 (two) years or more, and after notifying the Client via sending the Client an email to the email address the Client has provided during the registration stage or to such amended email the Client has notified in writing the Company (if applicable); the Company reserves the right to close the Client Account unilaterally and render it dormant. Any funds remained after deduction of the maintenance fee in the dormant account, shall remain owing to the Client and the Company shall make and retain records and return such funds to the initial source, upon request by the Client at any time thereafter.



## 5.12. Electronic communications

- 5.12.1. Unless the contrary is specified hereunder, any notice, instruction, requests or any other communication between the Company and the Client under this Agreement, shall be taking place electronically, mainly via the use of electronic mail (the “e-mail”). The Client hereby acknowledges and agrees that the Company shall use the e-mail the Client has provided during the registration stage. The Client further acknowledges and agrees that any communication with the Company may take also place via the Company’s telephone number which can be found on the Company’s site <https://vita-markets.com/>, In respect to the electronic communication, the Company and the Client recognize that the electronic transmission of information cannot be guaranteed to be secured or error free and such information could be intercepted, corrupted, lost or destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use.
- 5.12.2. The Client accepts that the Company can contact and send notifications or contact any third parties on behalf of the Client in the case where the Client requests in writing by the Company to proceed with transferring Clients’ assets to any other third party, through electronic means. It is Client’s responsibility to inform the Company of any change to email address or non-receipt of a confirmation which is sent under this Agreement, including without limitation, trade confirmation notice. Confirmations shall, in the absence of manifest error, be conclusive and binding on the Client, unless Company receives from the Client objection in writing within one business day of making such confirmation available.
- 5.12.3. Each party agrees to use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically and to take responsibility for ensuring that an electronic communication is not misaddressed. Accordingly, each party confirms that it accepts the risks of electronic communication and will be responsible for protecting its own interests in relation to electronic communications. Subject to the foregoing, no party shall have any liability to any other party on any basis, whether in contract, tort (including negligence), or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between the parties or any third party on the other party's behalf.
- 5.12.4. Subject to applicable laws and regulations, any communication between the parties hereto using electronic signatures shall be binding as if it were in writing. Orders or instructions given via email or other electronic means will constitute evidence of the orders or instructions given.
- 5.12.5. The Client further acknowledges and agrees that the Company shall record any communication the Company has with the Client, including telephone or electronic communications and any such recordings will be the sole property of the Company. The Client further acknowledges and agrees that such recordings, as conclusive evidence of the Orders or conversations so recorded. Such recordings will be available to the Client on request for a period



of 5 (five) years from the execution of the relevant Transaction and, where requested by a competent authority, for a period up to 7 (seven) years from the execution of the relevant Transaction or the termination of this Agreement. All records will be stored in a durable medium, which allows them to be replayed or copied and the format shall not allow the original record to be altered or deleted. In addition, the Company will ensure the quality, accuracy and completeness of the records. The Client acknowledges and agrees that the Company may disclose copies or transcripts of such recordings to any court, arbitrator, independent auditor, competent authority or law enforcement authority.

### **5.13. Transaction reporting**

5.13.1. The Company shall make transaction reports for all Orders executed on Client's behalf as part of the Brokerage Services, concerning any Financial Instruments when:

- a) The Financial Instrument is admitted to trading or traded on a trading venue (RM/MTF/OTF) in the EEA or for which a request for admission to trading has been made;
- b) The underlying is a Financial Instrument traded on a trading venue; and
- c) The underlying is an index or a basket composed of financial instruments traded on a trading venue;

The above three conditions apply whether or not the trade takes place on a Trading Venue.

5.13.2. The parties hereto confirm that the Company will report the Transactions executed on behalf of the Client to CySEC or the appropriate competent authority in the foreign jurisdiction where the trade is executed, if applicable.

5.13.3. The parties also agree that the transactions in derivative instruments may also be subject to the requirements of the European markets and Infrastructure Regulation (EU No 648/2012) as supplemented by each delegated regulation and implementing standard thereunder (EMIR) and will be subject to the Company's EMIR reporting obligation.

### **5.14. Trading obligations**

5.14.1. Where the Company executes or transmits a Client's Order in shares admitted to trading on a Regulated Market or traded on a trading venue, the Company shall ensure that the execution takes place on a regulated market, Multilateral Trading Facility (MTF) or with a systematic internaliser or a third-country trading venue assessed as equivalent in accordance to the applicable law.

5.14.2. The Company may not need to follow the above rules if such trades are:

- a) non-systematic, ad-hoc, irregular and infrequent, or



- b) are carried out between eligible and/or professional counterparties and it do not contribute to the price discovery process.

5.14.3. The trading obligation shall also apply when the Company enters into derivatives transaction pertaining to a class of derivatives that has been declared subject to the trading obligation with financial counterparties as defined in Regulation (EU) No 648/2012 and non-financial counterparties that meet the conditions referred to in Article 10(1)(b) of Regulation (EU) No 648/2012, which are neither intragroup transactions nor transactions covered by the transitional provisions in Article 89 of that Regulation, as well as with third-country financial institutions or other third-country entities that would be subject to the clearing obligation if they were established in the Union. Where the Company enters into a transaction for a Client's Order for a class of derivatives that has been declared subject to the trading obligation in accordance with the procedure set out in Article 32 of Regulation (EU) 600/2017 and listed in the register referred to in Article 34 of Regulation (EU) 600/2017, execution should only take place on regulated markets, Multilateral Trading Facilities (MTFs), Organised Trading Facilities OTFs or third-country equivalent trading venues.

## 5.15. Client Reporting

5.15.1. Where the Company carries out an Order for the Client, it shall promptly provide the Client with a summary of the execution of the Order and (unless the confirmation would contain the same information as a confirmation that is to be promptly dispatched to the Client by another person, i.e. by a third party entity in which the Company maintains brokerage accounts, all in accordance with the list included in the Company's Order Execution Policy [a link to be inserted herein so that for the Client to be redirected to the CIF's Order Execution Policy] ) send a trade confirmation notice no later than the first business day following that execution or where the Company receives confirmation from a third party or broker, no later than the first business day following the receipt of the confirmation in each case. The Client is entitled to request at any time information about the status of an Order. Such confirmation will include the information provided in the applicable legislative requirements, including the following information/details which is common to all Orders:

- (a) Company identification
- (b) Trading Date
- (c) Type of the Order
- (d) Instrument Identification
- (e) The Buy/Sell Indicator
- (f) Nature of the Order if other than buy/sell
- (g) The total consideration

5.15.2. Confirmations will be distributed by electronic mail to the email address on record for the Client. It is responsibility of the Client to inform the Company of any change to the Client's email address or non-receipt of a confirmation. Confirmations shall, in the absence of manifest error,



be conclusive and binding on the Client, unless the Company receives from the Client objection in writing within one business day of making such confirmation available to the Client or the Company notifies the Client of an error in the confirmation within the same period.

5.15.3. The Company will, depending on the transaction and on whether there is such an obligation under the applicable legislative requirements, report the transactions to the competent authority as provided by the applicable legislation, as quickly as possible, and no later than the close of the following business day.

5.15.4. The Company will provide the Client on a monthly basis with an analytical statement about the transactions effected within the reported period not later than 10 (ten) business days after every reported period end.

5.15.5. The Company will publish annually the information required in regard to Execution Venues, as required by the applicable legislation, in a machine-readable electronic format, available for downloading by the Client, on the Company's website at <https://vita-markets.com/>.

#### **5.16. Safeguarding and Administration of Assets**

5.16.1. The Company shall provide safekeeping and administration services to the Client in accordance with the principles of the applicable legislation, by placing promptly any Client Assets it receives in segregated account(s), which are denoted as clients' accounts, with reliable financial institutions, within or outside Cyprus or the European Economic Area.

5.16.2. Based on the requirements of the applicable legislation, the Company shall by exercise due skill, care and diligence in the selection, appointment and periodic review of the third party where client assets will be placed and of the arrangements for the holding and safekeeping of Client's assets.

5.16.3. In case of financial instruments, the Company takes into account the expertise and market reputation of the third party as well as any legal requirements related to the holding of the Client's financial instruments that could adversely affect Client's rights, or any legal or regulatory requirements or market practices related to holding of Client Assets that could adversely affect Client's rights.

5.16.4. The Company only deposits financial instruments with a third party in a jurisdiction where the safekeeping of financial instruments for the account of another person is subject to specific regulation and supervision and that third party is subject to this specific regulation and supervision. The Company will not deposit the financial instruments held on your behalf with a third party in a third country that does not regulate the holding and safekeeping of financial instruments for the account of another person unless one of the following conditions is met:

- The nature of the financial instruments or of the investment services connected with those instruments requires them to be deposited with a third party in that third

country;

- The Client has requested the Company in writing to deposit them with a third party in that third country.

The above terms shall also apply when the third-party has delegated any of its functions concerning the holding and safekeeping of financial instruments to another third-party.

5.16.5. When the Company receives your funds, the Company shall promptly place those funds into one or more accounts opened with any of the following:

- central bank;
- credit institution as defined in article 2(1) of the Business of Credit Institutions Law (see section Definitions);
- bank authorised in a third country;
- qualifying money market fund.

5.16.6. The Company shall exercise all due skill, care and diligence in the selection, appointment and periodic review of the credit institution where Client's funds are placed with the arrangements for the holding of those funds and the Company shall consider the need for diversification of these funds as part of its due diligence. The Company shall also take into account the expertise and market reputation of such institutions or money market funds with a view to ensuring the protection of the Client's rights, as well as any legal or regulatory requirements or market practises related to the holding of Client's funds that could adversely affect the Client's rights.

5.16.7. The Company will open the following accounts for the safeguarding of Client assets:

**VM Clients Cash Accounts:**

Eurobank Cyprus Ltd, Cyprus

**VM Clients Financial Instruments Accounts (Custody):**

Veles International Limited, Cyprus  
Dolfin Financial (UK) LTD, London UK  
Dolfin Asset Services Limited, Malta

5.16.8. The Company will take all the necessary steps to ensure that the clients' financial instruments and funds are safeguarded. Specifically, the Company will:



- maintain records and accounts enabling the Company at any time and without delay to distinguish assets held for one client from assets held for any other client and from its own assets;
- maintain records and accounts in a way that ensures their accuracy, and in particular their correspondence to the financial instruments and funds held for its clients and that they may be used as an audit trail;
- take the necessary steps to ensure that any client financial instruments deposited with a third party, in accordance with Article 3 of Delegated Directive 2017/593, are identifiable separately from the financial instruments belonging to the Company and from financial instruments belonging to that third party, by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection.;
- introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence;
- introduce arrangements to ensure that clients' assets are safeguarded in the case of insolvency;
- appoint a single officer of sufficient skill and authority with specific responsibility for the safeguarding of client financial instruments and funds.

5.17. The Company treats all its clients with high protection. As being a member of the Investor Compensation Fund (the "ICF") in case the Company becomes insolvent or ceases trading, the Client may be eligible to receive compensation. The actual level of compensation received will depend on the basis of the claim. Such claim may arise from legislation, this Agreement or from wrongdoing. More information regarding the ICF Policy of the Company can be found at <https://vita-markets.com/>

## 5.18. Categorisation

5.18.1. The Company is obligated to categorise its clients in one of the following categories: Retail Client, Professional Client or Eligible Counterparty. The Company will inform the Client of its categorisation according to the applicable legislation. The categorisation shall depend on the information provided by the Client to the Company, hence, the Client acknowledges and agrees that the Company will rely on the accuracy, completeness and correctness of the information provided by the Client, during the onboarding stage and the Client is solely responsible to notify the Company immediately in writing if such information changes at any time thereafter. More information regarding the Company's relevant procedures can be found under the Client Categorisation Policy of the Company that can be found at the Company's website, at <https://vita-markets.com/>.

5.18.2. The Client hereto acknowledge and agree that if the Client is categorized as Professional Client according to the relevant laws, he shall not be entitled to certain protections afforded by the rules to Retail Clients, including, but not limited to, the protections provided for in MiFID II: (a)



imposing requirements as to the form content and timing of certain information provided to Retail Clients (Article 25 of Law); and (b) assessment of the appropriateness of certain services provided to Retail Clients (Article 26(3) of Law).

5.18.3. The Client might request a different method of categorisation in writing. The Client acknowledges and agrees that the final decision for the changing of the Client's Categorisation will be at the sole discretion of the Company and the Company prior to agreeing a re-categorisation request, will inform the Client concerned in writing to inform it accordingly, including the certain regulatory protections it will gain or lose, providing it also with a further Categorisation Letter and the Terms tailored to the respective category. It is further clarified, that this Agreement governs the relationship of the Company with Clients falling in the category of "Professional clients". Therefore, in case of re-categorisation, the Company shall provide the concerned client with the applicable Agreement, relevant information to clients and relevant protection information.

5.18.4. The Client shall inform the Company immediately of any change which could impact its current categorisation. Nevertheless, if the Company becomes aware of such changes, it will take any appropriate action.

5.18.5. The Client undertakes to provide the Company with such information as the later requires in relation to this Agreement, including all information required to comply with all CySEC rules and all applicable anti-money laundering rules and regulations and the Client further warrants that any information provided to the Company is complete, accurate and not misleading in any material respect.

## **6. TERMS OF CUSTODY OF SECURITIES AND/OR FUNDS**

### **6.1. CUSTODY SERVICES**

6.1.1. The Company in providing the Custody Services shall hold, by way of book entry or physical certificate, any Client's Securities and/or Funds in credit institutions, received from time to time from the Client, for the account and benefit of the Client in the Securities Account in accordance with the terms and conditions of this Agreement.

6.1.2. The Company will promptly place any Client Securities and/or Funds into one or more segregated accounts (denoted as "clients' accounts") with reliable financial institutions (within or outside Cyprus or the European Economic Area) such as a credit institution or a bank in a third country.

6.1.3. The Company declares that it maintains Clients' funds in segregated accounts in the following credit institutions:

Eurobank Cyprus Ltd, Cyprus



6.1.4. The Company further declares that it maintains Clients' Securities in the following financial institutions:

Veles International Limited, Cyprus  
Dolfin Financial (UK) LTD, London UK  
Dolfin Asset Services Limited, Malta

6.1.5. The Company shall send every month to each Client for whom they hold Securities and/or Funds, a statement in a durable medium of Securities and/or Funds unless such a statement has been provided in any other periodic statement. Such statement shall include the following information:

- a. details of all the financial instruments or funds held by the investment firm for the client at the end of the period covered by the statement;
- b. the extent to which any client financial instruments or client funds have been the subject of securities financing transactions;
- c. the extent of any benefit that has accrued to the client by virtue of participation in any securities financing transactions, and the basis on which that benefit has accrued;
- d. a clear indication of the assets or funds which are subject to the rules of Directive 2014/65/EU and its implementing measures and those that are not, such as those that are subject to Title Transfer Collateral Agreement;
- e. a clear indication of which assets are affected by some peculiarities in their ownership status, for instance due to a security interest;
- f. the market or estimated value, when the market value is not available, of the financial instruments included in the statement with a clear indication of the fact that the absence of a market price is likely to be indicative of a lack of liquidity. The evaluation of the estimated value shall be performed by the firm on a best effort basis.

In cases where the portfolio of a Client includes the proceeds of one or more unsettled transactions, the information referred to in point (a) may be based either on the trade date or the settlement date, provided that the same basis is applied consistently to all such information in the statement.

6.1.6. The Company shall at any time identify the Client's Securities and/or Client's Funds held by it as being held for the account and on behalf of the Client.



- 6.1.7. The Company shall segregate in its books and records any Securities and/or Client's Funds from the ones which are held for the Company's own account or for the account of other clients of the Company.
- 6.1.8. The Client's Securities may be utilized by the Company in common with other Securities of the same class denomination and issue to form part of the Company's Aggregate Holding in such Securities. The Client shall have no right to any specific securities certificates but will instead be entitled, subject to applicable laws and regulations and to the terms of this Agreement, to transfer, deliver or repossess from the Company an amount of such Securities that is equivalent to the Client's share in the Aggregate Holding of such Securities.
- 6.1.9. The Company shall procure that on any holding of the Client's Securities and/or Client's Funds by a Securities Depository:
- a) the Client's Securities and/or Funds shall not at any time be subject to any right, charge, security interest, lien or claim of any kind in favor of such Securities Depository or its creditors, including a receiver or trustee in bankruptcy, except for a claim for payment for the safe custody or administration of the Client's Securities and/or funds; and
  - b) the beneficial ownership of the Client's Securities and/or funds shall, subject to any provision of applicable law or regulation, or of any agreement between the parties, judgment, injunction, order, decree or other instrument binding upon it, at all times be freely transferable by the Client without the payment of money or value other than for safe custody or administration of the Client's Securities and/or Funds.
- 6.1.10. The Company may use Client's Securities and/or Funds for the securities finance transactions only if is contemplated by the Law on a free-of-charge or interest bearing basis in case and only if the Client permits in writing such use of Client's Securities and/or Funds.
- 6.1.11. The Company may receive from the Client funds for custody from any account held in its name in any financial institution such as bank and/or payment institution and/or electronic money institution.
- 6.1.12. The Company may accept funds for custody from any account held in the name of the Client in any financial institution such as bank and/or payment institution and/or electronic money institution.
- 6.1.13. All Securities and/or Funds, owned by the Client are to be held by or to the order of the Company, and the Company shall keep all such assets under its custody, subject to the provisions of this Agreement. The Client shall take care and be responsible for delivering to the Company and/or its agents and/or representatives for the keeping under its custody and documents of tile evidencing proper and valid title, interest participation or claim of the Client in or against an issuer.



6.1.14. Where the Company is holding Financial Instruments, as defined by the Law, belonging to the Client, it shall make adequate arrangements so as to safeguard the Client's ownership rights and in particular for the eventuality of the Company's insolvency. Furthermore, the Company shall prevent the use of the Client's Financial Instruments on own account except with the Client's express consent.

6.1.15. Where the Company is holding funds belonging to the Client, it shall make adequate arrangements to safeguard the Client's rights and prevent the use of the Client's Funds for its own account. Further, the Company should keep the Client's Funds and/or financial instruments and/or Securities in segregated account(s).

## 6.2. POWERS AND DUTIES OF THE COMPANY AS CUSTODIAN

6.2.1. The Company acting as a custodian and/or in providing the Custody Services (hereinafter only for the purposes of this Clause 6.2 shall be referred to as the "**Custodian**") shall receive and hold all the Securities delivered to it and shall ensure that such Securities (other than those in bearer form) shall be registered in the name of the Custodian or in such other name as may be customary in the country or countries of the relevant Securities.

6.2.2. Provided that the Custodian exercises such duties of supervision and control as are prescribed hereunder and by the Law and the code of conduct promulgated under the Law, the Custodian may, for any transactions hereunder, entrust these without limitation, to subsidiaries, associated companies branches or offices of the Custodian or any agents, provided that such agents, if any, shall be duly licensed and of sound reputation and good standing and the Custodian will exercise reasonable care in the selection thereof.

6.2.3. The Custodian shall have the duty, in order to protect successfully the Client's rights and to prevent the use of the Client's Securities for its own account or for the account of other clients, to educate and train persons duly approved by CySEC, so that they can properly and effectively operate the administrative and accounting organization that the Custodian possesses, that provides for these issues and apply the control and security mechanisms, as especially mentioned in the Custodian's internal regulations.

6.2.4. The approved persons shall have the duty to:

- a) Inform the Client about the Securities and Custodian's procedures of safe-custody and management, in the course of provision of the Custody Services;
- b) Provide the Client with any information that is necessary for the exercise of its rights over the Securities that the Custodian keeps in safe custody, as well as the ambit of the services that the Custodian undertakes to provide to the Client.



6.2.5. The Custodian shall hold all monies paid to the Client, subject to withdrawal upon Proper Instructions on the request of the Client or of any person duly authorized to give Proper Instructions on behalf of the Client.

6.2.6. Upon receipt of Proper Instructions and insofar as monies are available, the Custodian shall, if and where applicable, make or cause to be made payment out of the monies of the Client in the following circumstances without being all inclusive:

- a) In connection with Client's payment of service fees;
- b) In connection with the acquisition of Securities or other permitted assets;
- c) In connection with forward transactions and/or financial futures or other investment and hedging practices;
- d) For the payment of dividends and other distributions to shareholders;
- e) For payment of bills, statements, taxes, managements fees, custodian fees or other obligations of the Client; or in the event the Custodian undertakes to collect dividends, exercise rights deriving from options or voting rights, the renewal or exchange of security titles or other relevant services for the benefit of the Client it shall have the duty to determine with clarity the extent and the content of the provided services as well as its fee for such provision;

6.2.7. Upon receipt of Proper Instructions, the Custodian shall transfer, exchange or deliver Securities, or shall cause the transfer, exchange or delivery of Securities to be made for the account of the Client, in the following circumstances without being all inclusive:

- a) In connection with the sale of such Securities, and if practicable and subject to customary market practices involving the transfer of securities, upon receipt of payment by the Custodian;
- b) Upon conversion, redemption or exchange of any such Securities or assets for any reasons other than sale into or for other Securities or cash;
- c) For the purpose of exercising any right whatsoever with respect to such Securities; or
- d) To the succeeding custodian upon termination of this Agreement.

6.2.8. Subject to the provisions above, instructions for the withdrawal of Securities free of payment shall be sent to the Custodian only in writing, fully explaining the reasons for such free delivery, manually signed by a person authorized to give Proper Instructions or by electronic means with the appropriate test keys, as may be agreed from time to time.

6.2.9. Subject to the terms hereof, unless the Custodian receives contrary written instructions from the Client, the Custodian agrees and will cause its agents to agree and is authorized:

- a) to receive and to collect promptly all cash and other amounts of interest, dividends, proceeds from transfer and other payments in respect of Securities;
- b) to credit and, if appropriate, subject to any applicable currency controls, laws and



- regulations, repatriate cash receipts timely to the appropriate account of the Client maintained at the Custodian (or to such other account at such location as the Client shall from time to time designate in writing, such account however to be opened and maintained under the supervision and control of the Custodian). If the Custodian causes a cash account to be credited with such payments in advance of receipt, the Custodian shall be entitled (without prejudice to the duties hereunder) to debit the cash account forthwith with any such amounts so credited upon oral or written notification if neither the Custodian nor any agent can collect such amount in the ordinary course of business;
- c) to exchange certificated Securities where the exchange is purely administrative (including, without limitation, the exchange of temporary certificated Securities for those in definitive form and the exchange of warrants or other documents of entitlement to Securities for the Securities themselves);
  - d) to surrender Securities at maturity or when called for redemption upon receiving payment therefore;
  - e) whenever notification of a rights entitlement or a fractional interest resulting from a rights issued, stock dividend or stock split is received for the Client and such rights entitlement or fractional interest bears an expiration date, the Custodian will endeavor to obtain the Client's instructions (as the case may be) but should these not be received in time for the Custodian to take timely action, the Custodian is authorized to sell such rights entitlement or fractional interest and to credit the Client's cash account with the proceeds;
  - f) to execute in the Client's name, whenever the Custodian deems it appropriate, such ownership and other certificates as may be required to obtain the payment of income from the Securities;
  - g) to reconcile or cause its agents to reconcile the assets held by the Custodian on behalf of the Client on an annual basis;
  - h) to insure certificated Securities in transit to or from an agent against theft, embezzlement, loss or mysterious disappearance in such amounts and with such responsible insurers as is customary; and
  - i) to accept and rely upon all Proper Instructions given on behalf of the Client permitted by this paragraph including, without limitation instructions to sell, assign, transfer or deliver, or to purchase for the account of the Client any Securities;
  - j) on the reasonable request of the Client, to make such applications for reclamations of withholding taxes in the jurisdictions in which the Client invests, as are available.

6.2.10. The Custodian shall forward to the Client or any agent designated by the Client only such communications relating to Securities held in the custody account as call for voting or the exercise of rights or other specific actions (including proxy forms and material relating to legal proceedings to be transmitted to security holders) to the extent that sufficient copies are received by the Custodian in time for forwarding to the Client and otherwise only on a reasonable efforts basis.



6.2.11. The Custodian agrees that the Client's independent accountant or any representative of an appropriate regulatory body shall be entitled to examine, on the premises of the Custodian, and upon giving the Custodian reasonable advance notice, the Custodian's records and tax receipts relating to the Securities held in the custody account and to report findings to the Client, but only upon furnishing the Custodian with written instructions from the Client requesting such examination. The Custodian also agrees to procure that its agents will agree to grant similar examination rights and that it will not appoint any agent unless such undertaking is given by it.

6.2.12. In case that the Client's accounts containing Financial Instruments, as defined in the Law, are kept in a central register, central securities depository or other depository, the Custodian shall have the duty to inform the Client at least about the following issues:

- a) whether the Client's accounts are kept on a specific basis, or in an omnibus account,
- b) about the nature of the Client's rights over the Securities,
- c) about the procedures of the keeping and updating these accounts.

6.2.13. The Custodian shall have the duty to inform the Client about:

- a) Who bears the risk in case of insolvency of any third party such as a bank, an IF (registered Investment Firm) a central depository (central register) etc, which has in its possession the Securities belonging to the Client or the Securities in the name of Custodian which belong beneficially to the Client, or in general, the risk of the loss of the Securities of the Client that the third party has in its possession, and
- b) Whether the Client is covered by the investor compensation scheme or any insurance scheme regarding the Securities that are according to the aforementioned in the possession of a third party and to which extent such coverage exists.

6.2.14. In connection with making deposits of cash with such banking institutions as shall be agreed from time to time between the Client and the Custodian, whether or not instruments representing such deposits are to be issued and delivered to the Custodian shall maintain with respect to such assets appropriate records as to the amounts of each such time deposit with each such bank and the maturity date and interest rate relating to each such time deposit.

6.2.15. The Custodian will moreover, to the extent and as long as required by the Law:

- a) ensure that the sale, issue, redemption and cancellation of shares affected on behalf of the Client or by the Client are carried out in accordance with the Law and the Articles of Association of the Client;
- b) ensure that in transactions involving the Securities belonging to the Client the consideration is remitted within the usual time limits;
- c) ensure that the income of the Client is applied in accordance with the Articles of Association.



6.2.16. The Custodian shall have the duty to inform directly and by any appropriate means the Client about every movement in its accounts containing the Securities, which the Custodian has in its possession and to send to the Client on regular time intervals and at least once every three months a detailed report detailing the transactions made in the accounts.

6.2.17. The Custodian shall comply with any operating procedures agreed from time to time between the parties.

6.2.18. The Custodian shall comply with all applicable laws relating to the provision of its services hereunder and shall hold necessary consents and licenses in order to carry on its obligations and provide its services hereunder. To the extent within its reasonable competence and power the Custodian shall further procure that its agents hereof and to the extent within the Custodian's reasonable competence and power to verify that its agents hold all necessary consents and licenses in order to carry out their obligations and provide services in the context hereof. The Custodian will at all times ensure that in case any of its agents loses any required licenses, it will promptly require such agent to re-apply for those licenses and if those licenses are not re-instated within a reasonable period of time, the Custodian will terminate the agent's contract.

6.2.19. The Custodian is hereby authorized in case of insufficiency of Funds in the Clients' cash account in one currency to convert relevant amount of cash from the Client's account in another currency at the exclusive discretion of the Custodian for the purpose of performing the obligations according to the Agreement.

6.2.20. The Custodian is hereby authorized to receive and/or hold the amount of the monies of Client's owed to Company. Further, the Custodian shall have the duty to pay and/or to transfer the abovementioned monies to the service provider's account after receiving from the Client the amount of monies, the Company's relevant bank account and/or payment institution details.

### **6.3. RIGHTS AND RESPONSIBILITY OF THE COMPANY AS CUSTODIAN**

6.3.1. The Custodian shall have the following rights:

- d) To receive external advice if at any time is in doubt as to any action to be or not to be taken by it, subject to the prior consent of the Client.
- e) Subject to the provisions of this Agreement stipulating otherwise, the Client agrees to indemnify and hold harmless the Custodian and its employees, officers and directors from any cost, liability, expense and loss which may be suffered or incurred by the Custodian or any such person by reason of the Custodian's proper performance of its obligations or duties hereunder other than due to failure to exercise care in the performance of the Custodian's duties hereunder and other than tax on the Custodian's overall income or profits and other than costs, liabilities, expenses and losses incurred by the Custodian as a result of its fraud, or wilful misconduct.



- f) The Custodian shall be entitled to receive from the Client on demand reimbursement for its disbursements properly incurred hereunder on production of adequate evidence of expenditures. If the Client requires the Custodian to advance cash or securities for any purpose which the Custodian shall be at liberty, however not under a duty, to advance, any property at any time held for the account of the Client shall be security therefore and should the Client fail to repay the Custodian promptly, the Custodian shall be entitled to utilize available cash and to dispose of the Client's assets to the extent necessary to obtain reimbursement thereof, either by way of set-off and/or realization of the Custodian's lien on assets.

6.3.2. The Custodian shall not be liable in the performance of its duties hereunder except for fraud, or wilful misconduct.

6.3.3. The Custodian's liability shall not, to the extent and as long as required by the Law and regulations enacted thereby, be affected by the fact that it has entrusted all or some of the Securities which are the subject of this Agreement to a third party or third parties.

6.3.4. The Custodian shall not be liable in cases of force majeure.

6.3.5. Provided that the Custodian has complied with its obligations hereunder, the Custodian shall not be liable for the execution of instructions, which the Custodian shall have accepted in good faith as being Proper Instructions given by or on behalf of the Client.

6.3.6. Provided that the Custodian and its Agents act in good faith and with the exercise of reasonable care as far Client's Company is concerned, the Custodian shall be liable only for the transfer and/or payment of the Company's monies.

## **7. REMUNERATION**

- 7.1 In consideration for the Services provided by the Company in performing the duties of a broker and custodian under this Agreement, the Client agrees to pay to the Company and the Company agrees to accept the amounts and/or remuneration described in the Appendix of this Agreement which forms a part of the later and bounds the parties hereto.

## **8. RISK DISCLOSURE**

**The Client acknowledges and agrees that, investment trading bears major risks. Hence, the Client further acknowledges that, regardless of any information which the Company may provide, the Client runs great risk of incurring losses and damages, as a result of trading in all types of investments, as the value of any investment in financial instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value, and hence, the Client acknowledges and agrees that is willing to undertake such risk.**



8.1 The Client further acknowledges that the description of the risks involved with investment trading, as this is set out in this Clause 8, is only part of the possible risks that the Client may endeavour. Hence, the Client agrees that it has read all information included in the Company's Risk Disclosure Statement, that is available to the Company's Website <https://vita-markets.com/>.

8.2 The Client acknowledges that it is possible to face any of the following risks:

Investing in derivative instruments carries a significant risk due to fluctuations (appreciation/depreciation) of the value of an asset or a group of assets, including, without limitation, fluctuating exchange rates, interest rates, prices or commodity prices, that affect the value of the derivative instruments offered (the "market risk");

Markets can be highly volatile. Particularly, the prices of derivative instruments and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client nor the Company. Hence, it is understood that under certain market conditions, it may be impossible for the Company to execute a Client's order at the declared price leading to significant losses ("volatility risk");

Investors are exposed in relevant credit risk. Particularly, investing in forwards is an OTC transaction, thus any investor is exposed to the risk that the counterparty may be unable to meet its obligations in full and/or in a timely manner in the event of bankruptcy or insolvency. Moreover, there is a risk that the bankruptcy or insolvency of a third party may affect the profitability of counterparty.

Investing incurs also the risk of the amount that the investor is to receive proves to be lower than the invested capital ("capital risk").

Client must maintain the minimum margin requirement on its open position at all times. More information and details regarding the applicable ratio and the risk of leverage must be found on the Company's Leverage and Margin Policy.

## **9. CONFLICTS OF INTEREST**

9.1. The Client acknowledges that an event of conflict of interest arises, where in the course of providing the Services, the interests of the Client could be damaged to the advantage of the Company, its managers, employees or other third parties employed by the Company (collectively referred to as the "Associated Persons") or to the advantage of another of the Company's clients.

9.2. Further to the above, the Company declares that it takes all measures required, to anticipate or solve any conflicts of interest arising between on the one hand itself and its Associated Persons and on the other hand its Clients. Hence, the Company further declares that the procedure, which the Company has adopted to manage conflicts of interest is based on the following principles:

The Company's duty to act honestly, fairly and with professionalism in order to serve the Client's interests to the best of its abilities;

9.2.1. The Company has established all the measures necessary to allow the Company to identify the circumstances which give rise to a conflict of interest scenario that could seriously damage the interests of any of the Clients;

9.2.2. The Company has established all the required measures that will allow the Company to prevent and/or manage individual conflicts, that may arise.

9.3. Further to the above, the Company would like to draw the Client's attention to the following possibilities – non-exhaustive list - of a conflict of interest:

9.3.1. The Company and/or any associated company to which the Company belongs to and/or any natural person related to the Company, might:

- i. Be providing other services to associates or other Clients of the Company who may have interests in financial instruments or underlying assets, which are in conflict or in competition with the Client's interests;
- ii. Be an issuer of the financial instruments in which the Client wishes to conclude a transaction;
- iii. Act on its behalf and/or for another Client as purchaser and/or seller and may have an interest in the Financial Instruments of the issuer in which the Client wishes to conclude a transaction;
- iv. Have an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;

9.3.2. The Company may be matching the Client's orders with that of another Client by acting on such other Client's behalf as well as on the Client's behalf.

9.4. The Client acknowledges and declares that it has read and unconditionally accepted the Company's Conflicts of Interest Policy, as this may be found to the Company's Website.

## **10. TERM AND TERMINATION**

10.1. This Agreement shall become effective as of the date hereof and shall continue until terminated by either Party giving written notice to the other Party, in which event this Agreement shall



terminate upon the expiration of a period of three (3) months from the date upon which notice was given.

10.2. Notwithstanding anything herein stipulated, each Party may terminate this Agreement for cause, effective upon delivery of written notice to the other party. For the purposes of this clause 10.2, "cause" shall be:

- a) fraud, negligence or willful misconduct;
- b) breach of clause 5.8.2 of this Agreement
- c) if a party is in default or in breach of any material covenant or material representation contained in this Agreement and such default or breach has continued for at least sixty (60) days following receipt of written notice from the other party to remedy such default or breach; and
- d) the occurrence of bankruptcy, insolvency, liquidation or legal incapacity of a party.

10.3. In the event of the termination of this Agreement the Company shall be entitled to receive remuneration for the provision of the Services for the period up to the date of termination.

## **11. UNFORSEEABLE EVENTS (FORCE MAJURE)**

11.1. Neither Party shall be liable and neither Party shall be deemed to have failed to respond to its obligations as a result of failure to execute all or part of them as they agreed herein, if such default occurs as a result of force majeure or other grave and unpredictable events including, but without limitation, the extended interruption of electricity supply, any technical or other damage, breakdown, pandemic expansion event, suspension or interruption of operations, a strike by the employees of a regulated market or a bank or an act of a regulated market and/or clearing house, or the inability, for any reason, to communicate with market makers, failure of any electronic transactions system, any other breakdown or fault of any kind in transmission or in the communications system between the Company and the Client or any third party, or any other cause (whether it is similar to the aforementioned or not) beyond any of the Parties' control.

## **12. REPRESENTATIONS, WARRANTIES AND MUTUAL COVENANTS**

12.1. Each Party to this Agreement hereby covenants, represents and warrants to the other Party as follows:

- a) it is duly organized and validly existing in good standing under the laws of its jurisdiction of incorporation and has the power, authority and capacity to perform its obligations hereunder;



- b) this Agreement has been duly authorized, executed and delivered by it and is the valid and binding obligation of it enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other laws of general application affecting the rights of creditors and except that specific performance and injunctive relief may only be granted at the discretion of the court;
- c) the execution and delivery by it of, and the performance of its obligations under, this Agreement, will not result in the violation of any other terms and provisions of the governing documents of it or any indenture, agreement, undertaking, commitment or other obligation to which it is a party or by which it is bound; and
- d) the execution and delivery by it of, and the performance of its obligations under, this Agreement will not result in the violation of any law, regulation, rule, decree or ordinance of any jurisdiction or any judgment, order, decree, award or decision of any court, tribunal, governmental agency, body or authority to which it is subject.
- e) the license required from CySEC, if applicable, and any other authorization, consent, approval, resolution, license, exemption, filing, notarization or registration required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Agreement and to make this Agreement admissible in evidence in its jurisdiction of incorporation have been obtained or effected and are in full force and effect.
- f) Unless otherwise permitted by the CySEC Rules or any other applicable laws and regulations, nothing in this Agreement shall be taken to exclude or restrict each Party's obligations under the CySEC rules or any other applicable laws and regulations.

12.2. The Parties hereby agree that the Company shall be entitled to take any action as considered necessary in its absolute discretion to ensure compliance with the CySEC rules or any other applicable laws and regulations and such actions shall be binding on the Client and shall not render the Company or any of its directors, officers, employees or agents liable.

12.3. The Company warrants that it has full power and authority to enter into and perform this Agreement and that it shall promptly inform the Client of any change or amendment or development in connection to the Services.

### **13. DATA PROTECTION**

13.1. Each Party shall comply at all times with its obligations under the European General Data Protection Regulation (2016/679) as well as all applicable privacy laws of the Republic of Cyprus, including the Law No.125 (I)/2018 (hereinafter referred to as the “**Data Protection Legislation**” having appropriate regard to the related guidelines and guidance notes issued from time to



time by the data protection commissioner (and any successor) and all other relevant regulatory authorities.

- 13.2. Each Party shall not perform its obligations under this Agreement in such a way as to cause the other party to breach any of its applicable obligations under the Data Protection Legislation.
- 13.3. To the extent that one party acting as data processor processes personal data on behalf of the other party as data controller, the processing party shall (and shall procure that its subcontractors and any other third parties to whom it discloses personal data shall):
  - a) process such personal data only in accordance with instructions from the other party (which may be specific instructions or instructions of a general nature as set out in this Agreement or as otherwise notified by the other party);
  - b) process such personal data only to the extent, and in such manner, as is necessary for the provision of the Services or such other purposes as may be specified by the other party or as is required by the applicable laws or by any regulatory authority;
  - c) not store such personal data on mobile communications devices or other moveable storage device (for example laptops, USB sticks or CDs), unless those devices are encrypted, and more generally implement appropriate technical and organizational measures to protect such personal data against unauthorized or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorized or unlawful processing, accidental loss, destruction or damage to such Personal Data and having regard to the nature of the personal data which is to be protected;
  - d) take reasonable steps to ensure the reliability of its staff who have access to such personal data;
  - e) promptly notify the other party of, and correct, any errors or inaccuracies in such personal data upon becoming aware of such errors or inaccuracies, irrespective of the cause of the errors or inaccuracies, and promptly notify the other party once it has done so;
  - f) obtain prior written consent from the other party in order to transfer such personal data to a third party (which consent may, without limitation, be provided pursuant to the agreement by the parties, from time to time, of a list of subcontractors to whom such personal data may be transferred). Such prior consent shall not however be required to the extent that the transfer to the third party is essential for performance of this Agreement, provided that the third party and the purposes for the transfer are specified in writing to the other party before the transfer takes place (and again so specified before any change in the purposes for the transfer, or at the request of the other party) and that such transfers are made in accordance with the applicable laws;
  - g) ensure that all staff required to access such personal data are informed of the confidential nature of such personal data and comply with the obligations set out in this clause 8 of this Agreement;



- h) notify the other party (within five Business Days) if it receives: a request from an individual to have access to that individual's personal data; or another form of request, or complaint, relating to the other party's obligations under the Data Protection Legislation;
- i) provide the other party with full co-operation and assistance in relation to any such complaint or request; and
- j) not store, transfer or process such personal data outside the European Economic Area (provided that the Parties may do so in connection with the Services).

13.4. The Company acts as a Data Controller for the purposes of the Data Protection Legislation. More information on how we process the Client's Personal Data, both data you voluntarily provide to us or collected by any third party source, including the parties to which your Personal Data is being shared and/or disclosed and your data protection rights (for instance, the right of access and the right of data portability) can be found on our Privacy Policy, which can be found on our Website at <https://vita-markets.com/>. In brief, we may process your Personal Data, so that, inter alia, we can carry out our duties and obligations arising out of this Agreement and comply with our legal obligations arising, inter alia, under the Anti-Money Laundering and Know Your Client legislation.

#### **14. LIMITATION OF LIABILITY**

- 14.1. The Company declares that it shall conclude any transactions in good faith and with due diligence, and the Client acknowledges and agrees that the Company shall not be held responsible or liable for any reason whatsoever for any negligent or wilful or fraudulent act or omission of any person duly authorised by the Client to act on its behalf and give instructions and orders to the Company (i.e. the Authorised Representative).
- 14.2. The Client further acknowledges and agrees that in the event where the Company incurs any claims, damage, liability, costs or expenses, which may arise in relation to the execution or as a result of the execution of the Agreement due to the non-fulfilment of any of the Client's statements contained in the Agreement, it is understood that the Company bears no responsibility whatsoever and it is the Client's responsibility to indemnify the Company.
- 14.3. The Client agrees to indemnify and hold harmless the Company in respect of any loss, damage, liability, cost or expense that it may suffer or incur by any reason of the Client failing to discharge its obligations under or acting in breach of any of the provisions of the Agreement or as a result of any breach of any applicable laws or regulations which govern the activities of the Company.



## **15. INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

- 15.1. The Platform(s), all copyrights, trademarks, patents, service marks, trade names, software code, icons, logos, characters, layouts, trade secrets, buttons, color scheme, graphics and data names are the sole and exclusive Intellectual Property (IP) of the Company or of third parties and are protected by local and international intellectual property laws and treaties. The Agreement does not convey an interest in or to the Platform(s) but only a right to use the Platform(s) according to the terms of the Agreement. Nothing in the Agreement constitutes a waiver of the Company's intellectual property rights.
- 15.2. Under no circumstances shall the Client obscure or remove any copyright, trademark or any other notices from any of the Company's IP or the Company's website or Platform(s).
- 15.3. The Company owns all the images displayed on its website, the Platform(s) and downloadable software and material. The Client may not use these images in any way other than the manner which the Company provides them for.
- 15.4. The Client is permitted to store and print the information made available to him through the Company's website or Platform(s) including documents, policies, text, graphics, video, audio, software code, user interface design or logos. The Client is not permitted to alter, modify, publish, transmit, distribute, otherwise reproduce commercially exploit that information, in whole or in part, in any format to any third party without the Company's express written consent.
- 15.5. The Parties agree to keep confidential all information obtained from or in respect of each other under this Agreement and will not divulge such information to any person without the other Party's prior written consent. These obligations will survive any termination of this Agreement.
- 15.6. The above Clause 15.5 will not restrict the provision of information:
- a) where so required by law or by any regulatory body;
  - b) to any professional adviser or other third party to whom it is essential that such information be disclosed in or for the purposes of any legal proceedings or arbitration, provided that such professional advisor or other third party, shall be informed about the confidential nature of such information and commit to the confidentiality herein obligations, as well;
  - c) to any third party if and to the extent that the information is publicly available at the time of disclosure.



## **16. EXCLUSION OF THIRD PARTIES**

- 16.1. Except as expressly otherwise provided herein, this Agreement is being entered into solely for the benefit of the Parties hereto and their successors and permitted assigns, as per the provisions of this Agreement and intended and/or designated affiliates (if any), provided that in such a case the other party is prior informed accordingly
- 16.2. It may not be relied upon by any other person as the basis for any claim or dispute against one or both Parties, or as evidence of the rights or obligations of one or both Parties hereto with respect to such other person.
- 16.3. To the extent that any term or provision of this Agreement grants rights to or contemplates, permits, or requires performance of and/or by any affiliate of a Party, such affiliate shall be considered to be an intended third party beneficiary of this Agreement and such Party shall cause such affiliate to perform each and every of such obligations of such Party under this Agreement in accordance with the terms and conditions hereof.

## **17. MISCELLANEOUS**

- 17.1. The Company may amend this Agreement at any time by giving notice to the Client, such notice to be served by sending to the Client the revised terms and conditions of this Agreement or by sending written notice of the amendments or through a durable medium such as electronic mailing systems. The Client is further informed that the updated version of this Agreement will be also posted on the Company's official website ([www.vita-markets.com](http://www.vita-markets.com)). Such amendments will become effective upon the date indicated in the notice. Such amendments shall have no impact upon any pre-existing rights or the obligations of the parties. No other amendment shall be made without the Company's written agreement.
- 17.2. This Agreement is personal to the Parties. The Client acknowledges and agrees that the Company may, at any time, assign and/or transfer to any legal or natural person any of its rights and/or obligations as they arise or are provided for in this Agreement, subject to providing a ten (10) business days prior written notice to the Client. In addition, the Client shall be entitled to to assign and/or transfer any of the rights and/or obligations arising under the Agreement, provided that a prior written consent was obtained from the Company.
- 17.3. No failure on the part of a Party to exercise, and no delay on its part in exercising any right or remedy under this Agreement will operate as a waiver of such right or remedy nor will any single or partial exercise of any right or remedy preclude any other or further exercise of such right or remedy or the exercise of any other right or remedy. The rights and remedies provided by this Agreement are cumulative and except as otherwise provided in this Agreement, are not exclusive of any rights or remedies provided at law or in equity.



- 17.4. The illegality, invalidity or unenforceability of any term or provision of this Agreement shall not affect the legality, validity or enforceability of any other term or provision of this Agreement, however, such term or provision will be deemed modified to the extent necessary to render such term or provision enforceable.
- 17.5. This Agreement supersedes all prior agreements, arrangements and undertakings between the Parties in relation to the provision of services contemplated under this Agreement and constitute the entire agreement between the Parties relating to the subject matter of this Agreement. Each of the Parties acknowledges that in entering into this Agreement, it has not relied on any representation, warranty, agreement or statement not expressly set out in this Agreement and that (in the absence of fraud) it will not have any right or remedy arising out of any such representation, warranty, agreement or statement.
- 17.6. Any notice to be given in relation to this Agreement shall be given in writing and may be given by delivering or posting it (by first class post) or by sending it by email or by fax to the registered office of the addressee. Any notice given by post will be deemed given 48 hours after posting and any notice given by delivery or by fax will be deemed given upon delivery or transmission and, in proving service of the notice, it shall be sufficient to prove that the letter was correctly addressed and was posted or, where it was delivered otherwise than by post, that it was delivered to the correct address, or that, where it was sent by email or by fax, that it was transmitted to the correct number.
- 17.7. The Client may sent any complaint to the Company via e-mail which shall be addressed to the Compliance Department at [info@vita-markets.com](mailto:info@vita-markets.com). The Compliance Department shall confirm, within five (5) days, the receiving of the complaint to the Client. Furthermore, the Compliance Department will investigate the complaint and must reply to the Client within two (2) months about the outcome/decision. The Client further acknowledges and agrees that it will check the Complaints Handling Policy of the Company, which fully describes the procedure the Company follows. The Complaints Handling Policy is available to all Clients in the Company's Website at <https://vita-markets.com/>.

## **18. GOVERNING LAW AND JURISDICTION**

- 18.1. This Agreement will be governed by, interpreted and construed in accordance with the laws of the Republic of Cyprus. Each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the Cyprus courts to settle any disputes or claims which may arise out of or in connection with this Agreement.



## **SCHEDULE 1**

### **Financial Instruments**

1. Transferable securities;
2. Units in collective investment undertakings;
3. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
4. Options, futures, swaps, forwards 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 default or other termination event;
5. 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, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;

## **SCHEDULE 2**

### **FEES – REMUNERATION OF THE COMPANY**



In consideration for the Services provided by the Company in performing the duties of a broker and custodian under this Agreement, the Client agrees to pay to the Company and the Company agrees to accept the following amounts as remuneration for the provision of the Services:

1. Brokerage services on Russian, European and the US markets (Electronic trading through TWS Trading System OR submission of instruction by phone, fax or e-mail)

Market	Commission <sup>1</sup>	Minimum Commission <sup>2</sup>
<b>North America</b>	Stocks, ETFs	Minimum Per Order
	USD 0.01 per share	USD 2.00
	Stocks Options	Minimum Per Order
	USD 2 per contract	USD 2.00
	US-Future and Future Options	Minimum Per Order
	USD 2 per contract	USD 2.00
<b>Europe</b>	Stocks, ETFs	Minimum Per Order
	0.2% of trade value	EUR 2.00
	Options	Minimum Per Order
	EUR 2 per contract	EUR 2.00
<b>Russia</b>	Stocks, ETFs	Minimum Per Order
	0.2% of trade value	RUB 200

<sup>1</sup>All commissions and fees are exclusive of exchange fees, other fees, duties and taxes whatsoever, connected with execution of the order and/or transaction which shall be paid by Client additionally.

<sup>2</sup>The minimum fee per order is charged by VM in case if least one trade has been made upon such order.

2. Margin rates

Currency		
USD	3.09% (3% + BM )	BM = Benchmark rate
		Reference BM= 0.09%

The commission of VM charged hereunder, **does not include any fees, commissions, charges of exchanges, including fees for the provision of integrated technology services, and fees, commissions, charges of clearing organizations.**

3. Client's account maintenance fee - Free of charge
4. Provision of the Custody Services

The amount of 0,025% of total market value of all Client's assets at the end of the quarter denominated in EUR shall be paid as remuneration for the provision of the Custody Services on a quarterly basis upon the issuance of a relevant invoice by the Company.

For the purposes hereof the Value of Client's assets shall be determined as: the Value of Client's Assets = Cash Assets + Securities, where

(i) Cash assets – shall mean the amount of cash assets transferred by the Client to the account with VM, with the exceptions of Collateral for derivatives and T+N Transaction; and

(ii) Securities – shall mean the value of securities reserved for execution in one of the trading systems and are not collateral for derivatives at the end of the trading day.

The value of securities shall be valued at the price of a last transaction of these securities at close of a trading day on relevant markets, the said information is provided by the third parties in accordance with agreement and/or by the Bloomberg information system.

#### 5. Transfer of Monetary Funds from the accounts of third parties

Fees for funds transfer and other fees, that can be additionally charged by the Bank (Eurobank Cyprus Ltd) you can find by the following link:

<https://www.eurobank.com.cy/Eurobank/media/docs/Commissions3English.pdf>

#### 6. Miscellaneous

Provision of trade reports and non-standard reports , maintenance fee	Fee
Standard daily and monthly trading reports	Free of charge
Annual report	Free of charge
Maintenance of sub-account	Free of charge
Account termination fee	Free of charge
Any non-standard additional reports (available on Client's request)	Free of charge

Where the currency of the Client account balance is different from the fee payment currency, VM may without prior reference to the Client charge cash in currency on the Client's account in amount equivalent to the payment fee at the market rate available to VM.



## Introduction

VM VITA MARKETS LTD (hereinafter the “Company”) is an investment firm established in the Republic of Cyprus and authorised by the Cyprus Securities and Exchange Commission (the “CySEC” or “Commission”) pursuant to the Law 87(I)/2017, to provide one or more investment services to third parties or/and perform one or more investment activities in accordance with its Cyprus Investment Firm (“CIF”) authorisation.

The Company has established and implemented a Best Execution Policy (the “Policy”), which has been approved by the Board of Directors and has been incorporated in the Company’s Internal Operations Manual (“IOM”). It is noted that the Policy must be followed by the Company at all times.

The Company reserves the right to amend the current Policy at any time if such amendment is needed as a result of any amendments of the law, any regulations or for any reason the Company considers as a proper reason to amend the Policy.

## Index

<b>Passive order</b>	An order entered into the order book that provided liquidity.
<b>Aggressive order</b>	An order entered into the order book that took liquidity.
<b>Directed order</b>	An order where a specific execution venue was specified by the client prior to the execution of the order.

## Legal Framework

This Policy implements the requirements of [Directive 2014/65/EU](#) on Markets in Financial Instruments (“MiFID II”) and the Law regarding the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters [Law 87\(I\)/2017](#) (“the Law”), as amended. It further implements the relevant requirements of Part VI of [Directive DI144-2007-02](#) for the Professional Competence of Investment Firms and the Natural Persons Employed by them (“Directive 2”) issued by CySEC.

## Purpose

The purpose of this policy is to establish effective arrangements for obtaining the best possible result for Company’s Clients when the Company is executing Clients’ orders. It aims to set out those arrangements and to ensure compliance with the requirements of the Law and the internal procedures of the Company.

In accordance with MiFID II Directive and the Law, CIFs owe their clients a duty of best execution and must take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account



price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. Nevertheless, whenever there is a specific instruction from the client, the Company shall execute the order following the specific instruction.

The Company cannot guarantee that upon execution of an order the price at which the order is executed will always be better than a price, which is, or might have been available elsewhere.

The Company is obliged to establish and implement an order execution policy to allow the Company to obtain, for its clients' orders, the best possible result

### Scope

This Policy outlines the Company's strategy for obtaining the best possible results when executing orders on behalf of retail clients, including the steps that the Company will take to comply with the best execution obligation. The Company owes the duty of best execution to a user only when the Company has a contractual or agency obligation to such user.

Accordingly, this document aims to set out those arrangements and to ensure compliance with legislative requirements and the departmental and general procedures, and gives an overview on how trades and orders are executed and the factors that may affect the execution's timing.

This Policy applies to the execution venues listed in tables A and B below, with the top five (5) venues specified meaning those most frequently used. The list of execution venues presented in tables A and B of this Policy reflects the objective capabilities of the Company to obtain the best possible results for the client on a consistent basis. The Company therefore should not be expected to choose among all the execution venues possible.

Where client interests are concerned the Company may execute the particular client order on a venue not listed in tables A and B or reasonably use the services of another broker or intermediary. The Company will then consider amending tables A and B respectively.

### Policy

The relevant department to which the Policy mainly applies, is the Brokerage Department of the Company. Senior Management shall review the policy on at least annually or whenever a material change occurs that will have an impact on the Company's ability to continue offering best execution of its Clients' orders using the Company's trading platform. Clients will be notified of any material changes to the order execution arrangements or execution policy via the Company's website, which will contain the most up-to-date version of the Policy. Changes to this Policy will not be separately notified.

The Company has established and shall continue to maintain the present Best Execution Policy in order to ensure compliance with the obligation to execute orders on terms most favourable to the Clients and to achieve the best possible results for its Clients, taking into consideration its Clients' ability, needs and trading policies, where applicable and possible.



The policy outlines the process that the Company follows for executing trades, and assures taking all sufficient steps to consistently obtain the best possible result for Clients through its Order Execution Policy. It is noted however that when executing an order following a specific Client instruction, the Company will execute the order in line with those instructions and will consider that it has discharged its best execution obligations.

## Best Execution Factors and Criteria

### 1. Best Execution Factors

#### 1.1. Price of the Financial Instruments and cost – Highest importance

Commonly, client orders will be routed to execution venues where opportunities for price improvement may exist. The criteria used may include:

- i. automatically matching incoming market and limit orders to pending limit orders;
- ii. crossing transactions where price improvement is offered to one or both sides of the trade.

In assessing and comparing prices provided by execution venues, including Company's internal capacity, the Company will use benchmarks or other publicly available pricing data. For example, current average price on NYSE can be used as a benchmark with respect to small-size orders to buy/sell shares of USA issuers or derivatives thereon; for larger orders daily averages may be used. For more diversified markets, as benchmarks can be used data publicized by several major execution venues, including interdealer-brokers, not listed in **Tables A and B of this Policy** but adequately representing this particular market. Reasonable deviations from the benchmarks (levels of tolerance) will be estimated for every Financial Instrument (group of comparable instruments) taking into account its liquidity and volatility. Actual performance of order execution against the respective benchmarks will be regularly monitored.

- For Professional Clients:  
price and cost are generally two (2) separate execution factors. For Professional Clients, price is generally the factor of primary importance for the Company to choose the execution venue, with cost being taken into account as a factor balancing against other execution factors. Indication to this effect in the client order or known client preferences will be followed.
- For Retail Clients:  
in the absence of specific client instructions, the Company will take into consideration all factors that will allow it to deliver the best possible result in terms of the total consideration, representing the price of the Financial Instrument and the costs related to execution which shall include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Retail Client.



There are three (3) broad categories of cost all of which are relevant to both Professional and Retail Clients and which the Company will make reasonable effort to assess and minimize in choosing the way (including venue) of execution:

- **Implicit cost:** meaning the effect of the market impact of order execution. Implicit costs result from how a trade is executed (for example, immediately or worked over a period of time, in a block, aggregated with other trades, or as small orders sent to multiple different execution venues). For example, working a relatively large order over time on a less liquid market may minimize market impact and therefore achieve the lowest total costs (and the best net price). Although the impact of implicit costs can only be precisely assessed after a trade is completed, the Company will make reasonable estimations about the likely implicit costs of an execution strategy before the order is executed.
- **Explicit external costs:** which include exchange fees, clearing and settlement costs, taxes or any other costs passed on to the client by intermediaries (brokers, agents) participating in the transaction.
- **Explicit internal costs:** which represent Company's own remuneration through its fees, commission or spread.

Where the Company decides to make its profit on OTC markets through the difference in price between the bid and offer (the spread), these spreads will be treated as internal costs (rather than price). In this case the spread needs to be known and agreed in advance with the Retail Client and clearly differentiated from price.

## 1.2. Speed of execution – High importance

Due to the levels of liquidity and volatility affecting both price and volume, the Company seeks to provide client orders with the fastest execution reasonably possible although delays may occur. For these purposes the Company will use the data publicized by trading venues on the speed of the execution.

The Company places a significant importance when executing Client's orders and is doing all reasonable efforts to offer a high speed of execution within the technological and telecommunication limitations and it is not responsible for the poor performance of Client's technology, internet connection or any other resources that might result in Client's delay in the transmission of data between the Client and the Company.

Speed of execution may have different meanings for the different types of execution venues as the measurement of speed varies by both trading systems and trading platform. For continuous auction order books, speed of execution is expressed in milli-seconds while for other trading systems it is appropriate to use larger units of time. Anyways, the similar parameters will be compared as to make the decision on the best speed for execution.

The actions specified above in this subsection will be performed by the Company periodically subject to availability of the respective data. All execution venues will be required by law to publicize such data starting from 3 January 2018. Before this date or in case of unavailability of such data (e.g. in case of the venue registered in a third country) the Company will assess speed of the execution using the information on the respective venue that is in fact available to the Company.

### 1.3. Likelihood of execution and settlement – High importance

Due to the levels of liquidity and volatility affecting both price and volume, the Company seeks to provide client orders with the fastest execution reasonably possible although delays may occur. For these purposes the Company will use the data publicized by trading venues on the likelihood of the execution.

Likelihood of execution indicates the probability of execution of a particular type of order (e.g. market, limit order) and is supported, inter alia, by details on trading volumes and number of quotes placed and orders executed in a particular instrument. Information on likelihood of execution is connected with such metrics as the relative market size of a venue in a particular Financial Instrument or the class of instruments. Likelihood of execution may also be assessed with data on failed transactions or cancelled or modified orders.

The actions specified above in this subsection will be performed by the Company periodically subject to availability of the respective data. All execution venues will be required by law to publicize such data starting from 3 January 2018. Before this date or in case of unavailability of such data (e.g. in case of the venue registered in a third country) the Company will assess likelihood of the execution using the information on the respective venue that is in fact available to the Company.

### 1.4. The size of the order – Medium Importance

In order to compare the quality of execution for orders of different size, the data provided by execution venues on transactions within several size ranges will be monitored by the Company.

The Company will search for execution venues that provide the greatest liquidity and thus potential for execution of large orders. The Company also will seek opportunities for client orders to benefit from order- size commitments offered by the execution venues.

For these purposes the following data publicized by execution venues will be reviewed:

- median transaction size on that date if more than one transaction occurred
- median size of all orders or requests for quote on that date if more than one order or request for quote was received.

### 1.5. The nature of the order

The particular characteristics of an order can affect the execution of the client's order. The Client can place with the Company the following types of orders, subject to the capability of the execution venues and the brokers the Company cooperate with:

Type of orders

**Limit Orders:** this is an order to buy or sell once the market reaches the 'limit price'. Once the market reaches the 'limit price' the 'limit order' is triggered and executed at the 'limit price' or better.

**Market Order (hereafter "Instant Order"):** It is an order to buy or sell at the price available at the time of placing the order.



**Pending Order:** A pending order is an order to buy or sell a Financial Instrument in the future once a certain price specified by the Client is reached. There are four (4) types of pending orders. Buy Limit, Buy Stop, Sell Limit and Sell Stop.

- **Buy Stop:** this is an order to buy at a specified price ('the stop price') that is higher than the current market price.
- **Sell Stop:** this is an order to sell at a specified price ('the stop price') that is lower than the current market price.
- **Buy Limit:** this is an order to buy at a specified price ('the limit price') that is lower than the current market price.
- **Sell Limit:** this is an order to buy at a specified price ('the limit price') that is higher than the current market price.
  
- **Stop Orders:** this is an order to buy or sell once the market reaches the 'stop price'. Once the market reaches the 'stop price' the 'stop order' is triggered and treated as a 'market order'.
- **Stop Loss:** this is an order that maybe attached to an already open position to close a position at a specified price ('the stop loss price'). Once the market reaches the 'stop loss price' the order is triggered and treated as a 'market order'. A 'stop loss' may be used to minimize losses.
- **Take profit:** this is an order that maybe attached to an already open position to close a position at a specified price ('the take profit price'). Once the market reaches the 'take profit price' the order is triggered and treated as a 'limit order'. A 'take profit' may be used to secure profits.

#### 1.6. Any other relevant factors

The Company considers, but without the list being exhaustive, as relevant factors that might affect the execution of Clients Orders, fundamental announcements and unusual market conditions such as low liquidity or/and high volatility. The Company may execute at such times the orders manually which can have an impact on the price and speed the orders are executed.

The Company will take all reasonable steps to obtain the best possible result for its Clients but during times of high demand manual pricing and/or execution may cause delays in processing an order which in turn can have an impact on the price and speed at which the order is executed.

## 2. Best Execution Criteria

For determining the relative importance of the Best Execution Factors, the following criteria will be taken into account:

- **The characteristics of the client including the categorization of the client as Retail or Professional.** (*Retail or Professional, investment purposes and sensitivity to transaction/periodic costs, capacity to utilize electronic means of order submission, etc.*);
- The characteristics of the client order.  
(*size, market order or limit order, order to trade on margin, collateral provided, time frame for execution, currency of settlement, etc.*);
- The characteristics of Financial Instruments that are the subject of that order.  
(*markets existing for such securities, restrictions to circulation, methods and currency of clearing and settlement, marginal requirements, etc.*);
- The characteristics of the execution venues to which that order can be directed.



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*(regulated market (exchange)/MTF, jurisdiction, trading restrictions, quote-driven or order-driven, clearing and custody rules, liquidity, direct access or through intermediary, etc.).*

Generally, the Company will give price a higher relative importance when obtaining the best possible result for Professional Clients. In the Company's experience, the next most important factor after price is typically the speed of execution. However, in certain circumstances, for some client orders, Financial Instruments or markets, the Company, in its absolute discretion, may decide that other factors, including the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order, the nature of the financial transaction (including whether or not such transactions are executable on a regulated market, over-the-counter, or via either route) and the quality and cost effectiveness of any related clearing and settlement facilities, may be more important in determining the best possible execution result in accordance with its order execution policy.



## Details to Retail Clients

The Company shall provide Retail Clients with the following details on its execution policy, in good time prior to the provision of the service of execution of orders:

- a. An account of the relative importance the Company assigns, in accordance with the following criteria:
  1. The characteristics of the client including the categorization of the client (i.e. as Retail);
  2. The characteristics of the client order;
  3. The characteristics of Financial Instruments that are the subject of that order;
  4. The characteristics of the execution venues to which that order can be directed.

to the factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, or the process by which the Company determines the relative importance of those factors;

- b. A list of the execution venues on which the Company places significant reliance in meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of client orders;
- c. A clear and prominent warning that, any specific instructions from a client may prevent the Company from taking the steps that it has designed and implemented in its execution policy, to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

The above information shall be provided in a durable medium, or by means of a website (where that does not constitute a durable medium) provided that it does not give rise to any conflict of interest.

## The role of price when obtaining best execution

For a retail client, the best possible result will always be determined in terms of the “total consideration”. The total consideration represents:

- (a) the price of the financial instrument/contract; and
- (b) the costs related to execution, which will include any expenses incurred by the client which are directly related to the execution of the order

This can include:

- execution venue fees;
- clearing and settlement fees; and
- any other fees paid to third parties involved in the execution of the order.

Therefore, when the Company is dealing for its clients or on their behalf, obtaining the best result in terms of total consideration will take precedence over the other execution factors listed above. This means that speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to you.



Accordingly, the best possible result will be determined in terms of the total consideration, representing the price of the contract and the cost related to execution. The other execution factors of speed, likelihood of execution and settlement, size, nature, market conditions and variations or any other relevant consideration will, in most cases, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

#### Specific Instructions

In circumstances where the Client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company will execute the order in accordance with that specific instruction.

Nevertheless, if the Client provides a specific instruction to carry out an order, then by executing that order the Company will be complying with the Company's duty to provide the Client with best execution. This may result in being unable to follow the Company's Order Execution Policy for that particular order and it is therefore noted that the specific instruction provided by the client may prevent the Company from obtaining the best possible result for the client as otherwise would be implemented according to this Policy.

#### Execution Venues

Execution venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Company will enter into transactions with the Client as principal (counterparty) or as an agent. Depending on whether the Company transmits the Client's order to another (external) brokerage which is a member of an exchange or to a liquidity provider for execution, or via STP through a dedicated trading platform, the Company may or may not be contractual counterparty to the Client. Therefore, the Company will act as an Execution Venue for some Client orders whereas a multilateral trading system may serve as the Execution Venue for STP trades.

When the Client deposits funds with the Company and places an order via a trading platform, the Company is responsible for safeguarding Clients' funds. Upon receipt of the order, the Company opens an exactly identical order on its name with a third-party brokerage or a market maker, per order received or accumulatively. In this respect, the Company executes the Client order by acting as a riskless principal (i.e. enters into true back to back trades without assuming any market risk).

The Company does not have direct access to any stock exchanges, at the moment. The table below lists brokers that the Company currently uses for executing the Orders and respective stock exchanges (execution venues), to which each of these brokers provides access. The Company reserves the right to use other execution venues and third parties where it is considered appropriate in the light of this Policy, and it may from time to time remove and/or add an execution venue or a broker from this list.



Table A: The Execution Venues which will be used for executing the Orders

Executing Broker	Markets to which each Broker grants access for Execution				
	Equities	Debt Securities	Foreign Exchange	Collective Investment Schemes/Open-ended Investment Companies	Contingent Liability Investments
Veles International Limited	✓	✓	✓		
Dolfin Financial (UK) LTD	✓	✓	✓		

Table B: Information regarding the Company’s Brokers:

Name of Broker	Jurisdiction	Description	License Number	Date of License	Regulatory Authority
Veles International Limited	Cyprus	Investment company	075/06	20.09.2006	authorised and regulated by the CySEC
Dolfin Financial (UK) LTD	UK	Investment company	552894	01.04.2013	authorised and regulated by the Financial Conduct Authority

### **Additional requirements as per MiFIR: Annual Reporting**

The Company shall publish on an annual basis information on the quality of execution it has received from the top five (5) execution venues it has used for each class of Financial Instrument.

The Company shall summarize and make public in particular, when it selects other firms to provide order execution services, on an annual basis, for each class of Financial Instruments, the top five (5) investment firms in terms of trading volumes where it has transmitted or placed client orders for execution in the preceding year and information on the quality of execution obtained.

The Company should ensure that the information is consistent with the information published in accordance with the technical standards developed under **Article 27(10)(b) of MiFID II** (i.e. the reporting specifications in relation to the top five (5) venues).

The publication on the top five (5) execution venues shall contain the following information:

- a. class of Financial Instruments;
- b. venue name and identifier;
- c. volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- d. number of client orders executed on that execution venue expressed as a percentage of total executed orders;
- e. percentage of the executed orders referred to in **point (d)** that were passive and aggressive orders;
- f. percentage of orders referred to in **point (d)** that were directed orders;
- g. confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of Financial Instruments.

The above information shall be published for the top five (5) execution venues in terms of trading volumes for all executed client orders for each class of Financial Instruments.

The publication shall exclude orders in Securities Financing Transactions (SFTs).

The Company shall publish the top five (5) execution venues in terms of trading volumes for all executed client orders in SFTs for each class of Financial Instruments referred to

in *Annex I in the format set out in Table 3 of Annex II of MiFIR*. The publication shall contain the following information:

- a. volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- b. number of client orders executed on that execution venue expressed as a percentage of total executed orders;
- c. confirmation of whether the investment firm has executed an average of less than one (1) trade per business day in the previous year in that class of Financial Instruments.

The Company shall publish for each class of Financial Instruments, a summary of the analysis and conclusions it draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

The summary regarding the quality of execution shall include the following information:

- a. an explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
- b. a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- c. a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- d. an explanation of the factors that led to a change in the list of execution venues listed in the Company's execution policy, (if such a change occurred);
- e. an explanation of how order execution differs according to client categorization, where the Company treats categories of clients differently and where it may affect the order execution arrangements;
- f. an explanation of whether other criteria were given precedence over immediate price and cost when executing Retail Client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
- g. an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published by execution venues;
- h. where applicable, an explanation of how the Company had used output of a consolidated tape provider.

Counterparties

The Company may give authorisation to its Counterparties to carry out the execution of its orders on different execution venues. Client transactions may be executed only with or through Counterparties that meet prescribed minimum requirements applied by the Company.

In the Counterparty selection process (as well as their evaluation) for trades, the Company considers a number of factors including the following:

- a. the quality and effectiveness of a Counterparty's execution policy, if relevant, in order for a Counterparty to reach the best possible result for the Company's clients;
- b. the Counterparty's ability to provide the best price and to maximise the opportunity for price improvement;
- c. the Counterparty's ability to provide favourable access to new issues;
- d. the Counterparty's ability to search for and obtain liquidity to minimise market impact and accommodate unusual market conditions;
- e. the Counterparty's ability to close open positions and meet its cash and other obligations in a timely manner;
- f. the Counterparty's ability to maintain and commit adequate capital when necessary to complete trades;
- g. the external credit of the counterparty if available;
- h. the Counterparty's ability to complete trades quickly and to minimise the number of incomplete trades;
- i. flexibility: is the Counterparty able to execute unique trading strategies/execute and settle difficult trades as well as unusual trading volumes;
- j. quality, offering, speed of electronic execution methods and program trading (ability to execute multiple transactions);
- k. discretion: is the Counterparty able to maintain the confidentiality of an order;
- l. efficiency and accuracy of the Counterparty's clearance and settlement process, including our split across clients.

In general, the selection process of Counterparties in relation to best execution is largely driven by the specific characteristics of the type of instruments, their characteristics and specific markets.

In all cases, the Company remains solely responsible for the execution of clients' orders. It remains fully responsible for discharging all of its obligations under the Law. Such counterparty risks shall be assessed by the Company's Risk Manager in the counterparty selection process as well as during the ongoing monitoring review of the performance of existing counterparties.

### Monitoring

The Company will monitor and assess on a regular basis the effectiveness of this execution Policy and the order of its order execution arrangements and, in particular, the execution quality of the procedures explained in the execution Policy in order to deliver the best possible result for the client. Where appropriate, the Company reserves the right to correct any deficiencies in this execution Policy and make improvements to its execution arrangements.

The Company assesses on a regular basis, of particular transactions in order to determine whether it has complied with its Policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client.

### Conclusion

Appropriate information is provided to the Client on the content of the execution policy. The prior consent of the Clients is obtained regarding the documented Order Execution Policy that needs to be followed. In addition, a clear and prominent warning is disclosed to the Company's Clients (within the Client agreement) that any specific instruction from a Client may prevent the Company from taking the steps that it has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.

Adequate information is provided to the Clients through the Order Execution Policy in relation to the factors that are taken into consideration by the management when handling Clients' orders. Also, the Order Execution Policy is reviewed periodically by the Company and the Clients are informed accordingly in relation to any material changes.