
MEMBRU FONDATOR AL BURSEI DE VALORI BUCURESTI

INVESTOR' S GUIDE

WHY SHALL WE INVEST ON STOCK?

The main reason for stock investments is the variety of investments. The variety of investments is important for each investor. The mot „don't jumble eggs up together in the basket” is full of sense for all investors. The variety of investments reduce the risk of losing money and give investors the possibility to benefit from all investments opportunity.

The variety of investments is made by several criterias:

- ❖ **Time.** Any investors must invests on differed period of time, as short term, medium or long term. This type of diversification has the role to avoid financial blockades or costs of the investments performed at the same terms.
- ❖ **Assumed Risk.** The investments has a different of risk such as low risk, medium or high risk. The risk is direct proportionally with the potential of winning or loseing, which means that chances of winning or loseing are higher and vice-versa when the risk assumed is higher. Any investor shall invest in securities with different levels of rissks. Is wellknown that different investments has different levels of risks or efficiency throw a period of time, but not at the same time and value; when some investments are on top others are down.
- ❖ **Liquidity.** The liquidity is very important for the variety of investments. There can be investments with high liquidity, medium or low liquidity. The liquidity shows how long it takes for an investment to be profitable without loseing money.
- ❖ **Financial instruments involved.** There are lots of financial instruments, such as: treasury bill, deposits, mutual funds, currencies, gold, real estate, bonds, shares, derivatives products like futures and options contracts.

The investments should be done in all securities because the variety of investments is complex and fulfills the above criterias such as: time, risk, liquidity. From that reason, the investments in shares and bonds should be in every investor's portfolio. Frequently, the investors are buying shares from one stock index, in the same structure and balance as on index.

STRATEGIES OF INVESTMENTS

The following factors need to be analysed on the investment process:

- ❖ The variety is important to minimize the risk and to capitalize the opportunities on the stock exchange.
- ❖ The investment period is important because the financial instruments have different process on short terms and on long terms.
- ❖ The amount alocated to investments in shares variates between 25% and 50% from all investments and depends on the capacity of every investor to assumed the risk.
- ❖ Macroeconomic and microeconomic factors should be taken into account: the evolution of economy, business environment and economic increascent, inflation and demonetization, deposit amount and government securities performance, the performance and evolution of mutual funds, evolution of stocks markets, expressed on stock index. It's easier to gain on stock market when opportunities arise.

- ❖ To minimize the risk is essential for the investor to chose correctly the market trend. It is necessary to establish the trend on short term, medium or long term and it can variates according to these terms.
- ❖ It is important to know that the investments in shares has in generally a medium level of risk, high liquidity and are investments on medium or long term.
- ❖ The emotional discipline is important for stock investments and the biggest enemies for investors are panic and greed.

TRADING VENUES

HTI is authorized and operates on Romania capital market providing access of the clients to the following venues:

- ❖ Bucharest Stock Exchange (BSE) for trading shares and bonds;
- ❖ Sibiu Monetary Financial and Commodities Stock Exchange (SMFCSE) for trading shares on the regulated market and on the multilateral trading facility (MTF)/ alternative trading system (ATS).

Depending on the financial instrument type and contract's provisions, the agent will place the order on the market venue according to client's instructions, providing the best conditions for execution. On client's request, HTI will perform transactions on any ATS authorized by NSC or any regulated market.

Bucharest Stock Exchange main structure is:

- ❖ The Regular market of BSE. On this market, all the shares listed in First and Second tires are currently traded. The blocks of shares are multiple of 500 shares (exception for the issuers set up by BSE).
- ❖ The Regular international market. On this market are traded shares of the issuers admitted on a regulated market from the member state of the European Union where the issuer has its registered office and with which BSE has signed an agreement. The trading block is of 1 share.
- ❖ The Deal market of BSE. On this market are traded especially blocks of shares with a value of minimum 700.000 RON for all the shares listed in First and Second tires.
- ❖ The Odd Lot market of BSE. On this market are traded especially small blocks of shares, between 1-499 shares for all shares listed in Plus tire, First and Second tires.
- ❖ The Unlisted market of BSE. On this market are traded the shares of the companies that do not fill the condition of being listed on BSE. There are no restrictions regarding the minimum/maximum quantity or the maximum limit of the variation of the price.
- ❖ The Bonds market of BSE. On this market are traded municipal and corporate bonds.
- ❖ The Deal Bonds market of BSE. On this market the bonds are traded on the pricipile of direct negotiation between two intermediaries and with a value of minimum seven billion lei (700.000 RON).
- ❖ The Deal Unlisted Bonds of BSE.
- ❖ The RASDAQ Regular market of BSE. On this market are traded liquid shares listed on RASDAQ on First, Second and Base tire.
- ❖ The Odd Lot RASDAQ market of BSE. On this market are traded liquid shares listed on RASDAQ, for smaller blocks of shares between 1-499 shares.
- ❖ The XMBS market at BSE. On this market are traded the less liquid shares listed on RASDAQ.

The trading schedule.

The BSE's segments are:

I. BSE – shares

Market (CODE)	Market Status				
	PreOpen	Continous Trading	PreClose	Closing auction	Closed
Regular (REGS)	09:30 - 10:00	10:00 - 16:25	16:25 - 16:30	16:30	16:30

Deal (DEALS)	N/A	10:00 - 16:25	N/A	N/A	16:25
Odd Lot (ODDS)	N/A	10:00 - 16:25	N/A	N/A	16:25
Regular International (RGSI)	09:30 - 10:00	10:00 - 16:25	16:25 - 16:30	16:30	16:30
Deal International (DLSI)	N/A	10:00 - 16:25	N/A	N/A	16:25
Unlisted (UNLS)	09:30 - 10:00	10:00 - 16:25	N/A	N/A	16:25
Public Offers (POF, POFR, POFS)	10:00 - 14:30	only when necessary	N/A	N/A	14:30
Special Operations (POFSV)	10:00 - 14:30	only when necessary	N/A	N/A	14:30
BuyIn	only when necessary				
SellOut	only when necessary				

BSE-Bonds

Market (CODE)	Market Status				
	PreOpen	Continous Trading	PreClose	Closing auction	Closed
Regular-Bonds (ORDB)	N/A	11:00 - 15:00	N/A	N/A	15:00
Deal-Bonds (QIDB)	N/A	11:00 - 15:00	N/A	N/A	15:00
Regular-Government (REGT)	09:30 - 10:00	10:00 - 16:25	16:25 - 16:30	16:30	16:30
Deal-Government (DLST)	N/A	10:00 - 16:25	N/A	N/A	16:25
Unlisted (UNLB)	N/A	11:00 - 15:00	N/A	N/A	15:00
Public Offers (POFB, POFBR)	10:00 - 14:30	only when necessary	N/A	N/A	14:30

BSE - Rights

Market (CODE)	Market Status			
	PreOpen	Continous Trading	PreClose	Closed
Rights (ORDR)	09:30 - 10:00	10:00 - 16:25	N/A	16:25
Deal Rights (DEALR)	N/A	10:00 - 16:25	N/A	16:25

BSE -Futures

Market (CODE)	Market Status				
	PreOpen	Continous Trading	PreClose	Closing auction	Closed
Futures (REGF)	09:30 - 10:00	10:00 - 16:25	16:25 - 16:30	16:30	16:30

II. RASDAQ –Shares

Market (CODE)	Market Status				
	PreOpen	Continous Trading	PreClose	Closing auction	Closed
Regular (RGSB)	09:30 - 10:00	10:00 - 16:25	16:25 - 16:30	16:30	16:30
Deal (DLBS)	N/A	10:00 - 16:25	N/A	N/A	16:25
Odd Lot (ODBS)	N/A	10:00 - 16:25	N/A	N/A	16:25
Public Offers (POFBS)	10:00 - 14:30	only when necessary	N/A	N/A	14:30
Special Operations (POFBV)	10:00 - 14:30	only when necessary	N/A	N/A	14:30
XMBS - orden driven (XMBS)	N/A	10:30 - 15:30	N/A	N/A	15:30
Deal market for XMBS (XDEAL)	N/A	10:30 - 15:30	N/A	N/A	15:30
BuyIn	only when necessary				
SellOut	only when necessary				

RASDAQ – Rights

Market (CODE)	Market Status			
	PreOpen	Continous Trading	PreClose	Closed
Rights (XORDR)	09:30 - 10:00	10:00 - 16:25	N/A	16:25

III. BMBM SIBIU - Shares

Market (CODE)	Market Status				
	PreOpen	Continous Trading	PreClose	Closing auction	Closed
BMFMS (SPOT Regulated Market)	09:40-09:45	09:45-17:10	17:10-17:15	17:15	17:15
BMFMS (ATS)	09:15 – 9:45	09:45 – 17:10	17:00 – 17:15	17:15	17:15

Source: BVB Code – Market Operator; CNVM Regulation no. 19/2005 amending Regulation no. 2 regarding the integrity and transparency of Rasdaq market, www.rasd.ro, www.bvb.ro
National Securities Commission (CNVM) is the Romanian capital market's regulator and supervisor authority with headquarters on 2nd Foisoru Street, 3rd district, Bucharest, Romania (www.cnvmr.ro).

Note:

- ❖ The hours mentioned above are Romanian local time (GMT+2)
- ❖ On BSE the maximum variation limit approved is calculated considering the closing price (calculated with the fixing algorithm) for the day before, which represents the reference price.

The price's variation limits are:

- ❖ +/- 15% compared with the reference price for the issuers traded on the main BSE market REGULAR (REGS*), DEAL and on the regulated market of BMFM Sibiu (SBX);
- ❖ +/- 25% compared with the reference price for the issuers traded on ODD LOT market and on Rasdaq main market REGULAR (RGSB) (only for the issuers from the list published on the website www.bvb.ro by BSE according to CNVM Regulation no.15/1995).

* For the issuers: SIF1, SIF2, SIF3, SIF4, SIF5, for the issuers from the BET index (TLV, BRD, SNP, RRC, TGN, TEL, BIO, BRK, DAFR, AZO) and for EBS, the price's limit variation of +/-15% can be extended, under certain condition, in three steps up to +/- 40% compared with the reference price.

FINANCIAL INSTRUMENTS

On Romanian capital market, investors can trade the following types of financial instruments:

- **Shares.** A share is a negotiable title corresponding of equal portions in the capital of a joint-stock company. The owner is entitled to a proportion of distributed, non-reinvested profits known as dividends and to a portion of the value of the company in case of liquidation. The dividends are various titles depending on the company profit distribution policy.
- **Rights.** The subscription right is a negotiable financial instrument through which an ordinary shares holder may exercise his pre-emption right in order to buy new ordinary shares issued by the company, at a lower price than the shares price offered to the public.
- **Municipal and Corporate Bonds.** A bond is a long debt security, in which the issuer owes the holders a debt and is obliged to repay the principal and interest (the coupon) or discount at a later date, termed maturity. It may be issued by public authorities or corporations. The issuer repays a regular interest on biannual basis and buys-back when the loan reaches the payment day or earlier at the buy-back day.
- **Derivative financial instruments like futures and options contracts.** The derivatives are financial instruments such as futures contracts, options on any financial instrument, on exchange rates or interest rates as well as derivatives financial instruments on commodities. A futures contract is an agreement to exchange the underlying asset at a future date. Options are contracts where one party agrees to pay a fee to another for the right (but not the obligation) to buy something from or sell something to the other.

STOCK INDICES

Principal indices connected with Romanian stock Exchange Market are: BET, ROTX, BET-FI, BET-C, BET-XT and BET-NG

The most important index, BET is composed by the most liquid 10 companies listed on BSE, except for the SIF-s. The companies included in the index must be liquid, must account together for minimum 60% on total BSE capitalization and must account for minimum 70% of the value of trades. The companies included in the index may be changed anytime when is necessary.

The companies currently included in BET are:

Company	Ticker	Weight*
BRD- Groupe Societe Generale	BRD	20,15%
Banca Transilvania	TLV	19,91%
Petrom	SNP	18,57%
SNTGN Transgaz	TGN	17,88%
CNTEE Transelectrica	TEL	8,58%
Biofarm	BIO	5,41%
Condmag S.A.	COMI	3,72%
SSIF Broker	BRK	2,48%
Azomures	AZO	1,68%
Dafora	DAFR	1,62%

*Source: www.bvb.ro

*Note: Data in the table are last updated at 29.07.2010.

The ROTX index was launched by BVB in collaboration with Wiener Borse AG (WBAG) and includes the following companies:

Company	Ticker	Weight*
Erste Group Bank AG	EBS	21,89%
OMV Petrom	SNP	19,72%
BRD – Groupe Societe Generale	BRD	19,37%
Banca Transilvania	TLV	18,62%
SNTGN Transgaz	TGN	7,60%
CNTEE Transelectrica	TEL	3,65%
Biofarm	BIO	2,30%
Condmag	COMI	1,58%
Antibiotice	ATB	1,38%
Banca Comerciala Carpatica	BCC	1,18%
Impact	IMP	0,72%
Azomures	AZO	0,71%
Dafora	DAFR	0,69%
Compa	CMP	0,52%
Flamingo International	FLA	0,08%

*Source: www.indices.cc, www.bvb.ro.

*Note: Data in the table are last updated at 29.07.2010.

BET-FI is the index formed by all five SIFs.

BET-C is the index formed by all companies listed on BSE.

BET-XT is a blue-chip index who reflects the price evolution of the most liquid shares traded on the BSE regulated market, including the SIF's. The maximum index weight a company can hold is 15%.

BET-NG, the sectorial index, reflects the price movement of the companies traded on the BSE regulated market which has the main business activity located in the energy sector and the related utilities. The maximum index weight a company can hold is 30%.

WEBSITES FOR MARKET INFORMATIONS

In order to see the quotations online and more information about the market the investor may access: www.bvb.ro, www.sibex.ro.

METHODS OF COMMUNICATION

Due to the Romanian Capital Market rules, the communications methods that can be used in brokerage relationship are:

- ❖ **Phone:** All the phone orders will be transmitted only at the following numbers: + 4 021 308.72.10; +4 021 308.72.11; +4 021 308.72.20; +4 0741 022225 and +40747220071 and they will have the minimum contents according to the below-mentioned description.
- ❖ **Fax:** All the order received by fax number is +4 021 252.24.83 will have the minimum contents according to the below-mentioned description.
- ❖ **E-mail:** All the e-mail orders will be sent only to the address trading@hti.ro and they will have the minimum content according to the below-mentioned description and bearing specifications of electronic signature, in accordance with Law 455/ 2001 regarding the electronic signature, law which states that the documents transmitted by e-mail, must have attached the extended electronic signature based on a Qualified Certificate and generated through a secured device.

All the orders sent to another e-mail address, without the minimum contents or specifications of electronic signature of authorized person to transmit orders shall not be considered.

In order to use these communications methods, the investor must sign this document.

THE PERSONS AUTHORIZED TO TAKE ORDERS ARE:

1. Christian Matei, Trader;
2. Cosmin Gheorghiu, Head of Trading;

ITEMS FOR CARRYING OUT OF TRANSACTIONS

To operate transactions with financial instruments the following items are needed for the carrying out of transactions involving financial instruments:

- ❖ Providing the potential client with the company presentation documents and the terms of business;
- ❖ Concluding the Contract for financial investment services, with the attached Account Application Form and the Appendix of fees and commissions;
- ❖ The client shall deposit to the HTI bank account or to custody bank the amounts needed for transactions and/or shall transfer the financial instrument;
- ❖ Sending the client documents to HTI as required for executing the transactions made on the basis of clients order.
- ❖ In the event of transactions with derivatives (SMFCSE, BCH), an initial margin and a maintaining margin are required, according to provisions of Regulations/Contract;
- ❖ Placing the client orders as agreed by the client;

THE ORDER FORM SHALL INCLUDE THE FOLLOWING INFORMATION

1. **Client Name:** Any order has to clearly specify the name of client for which the transaction will be made. If one person had the mandate to operate on different accounts he must also indicate the name of account owner.
2. **Company Name and Ticker.** Any order has to clearly specify the company name and the symbol/ticker for which the order is given;
3. **Operation Type.** The order has to clearly specify the operation type: selling or buying;
4. **Quantity.** The order has to clearly specify the quantity of securities to be sold or bought. The client has to calculate the quantity depending on the available money, the corresponding trading commissions and tax on capital gains. The orders sent by specifying money instead the quantity of shares should not be executed. The quantity of shares for buying or selling orders on Regular market has to be minimum 100 shares or any multiple of 100 (Exception: MJM, PEI, TEL and

BRD). In Deal market quantity of shares for buying or selling orders must multiple of 100 and in minimum value of 700.000 RON. On Odd Lot market quantity must be between 1- 99 shares, buying orders are not accepted in trading system unless they are “Fill or Kill” orders; selling orders are only of “All or Nothing” type.

5. **Price.** Is it compulsory to specify the price for any order. Starting with 1-st of July 2005 prices are establish in RON as follows: with 4 decimals, for section Regular and Deal market, and with 2 decimals for Odd Lot and Unlisted market. The trading system accepts the following type of orders:

- ❖ **Limit price orders.** The limit price order will be sent by specifying the limit price accepted for execution. The trader will launch into the market the exact order at the limit price given by the client. It is highly recommended to use this order type.
- ❖ **Market price orders.** The market price order will be sent without specifying the limit price accepted for execution. The trader shall introduce into the market the order and it shall immediately execute the transaction at the best price existing upon entering the order. This type of order is not recommended for illiquid shares as the market is very volatile and the price may change significantly between the time of sending the order and the time of entering the order in the market.
- ❖ **No price orders.** No price order does not specify the price when is entered in the trading system; this order becomes limit price order when is allocated by the system at the best price.
- ❖ **Hidden Order.** The hidden order shows only a part of the total quantity of shares. In this case, the order loses the execution priority because the system will execute only the visible part of the order and the remaining quantity must wait for execution. The criteria for this type of orders are: the quantity of shares must be a minimum of 5 blocks; the visible quantity must be at maximum 20% of the total quantity of shares; both the visible and the total quantity of shares must be multiple of one block.
- ❖ **Contingent Order.** Contingent Orders are the orders that become active following the execution of a trade on the respective symbol in the main market while the price fulfills the specified price comparing it with the trigger price of the respective prices. Available contingent orders are:
 - **Stop Orders** are the orders that aim limiting the loss: Stop Buy and Stop Sell;
 - **If Touched Orders** are the orders that aim making the profit: If touched buy and If touched sell.

6. **Validity period.** It is compulsory to specify the validity period of the order. The validity period may be expressed in the next ways:

- ❖ **Day.** The “day” order is valid only in the current trading session. At the end of the day, it is automatically eliminated from the system.
- ❖ **Date.** The “date” order is valid only up to the specified date, but no more than 62 days from the last order update. Upon expiring the validity period, it is automatically eliminated from the system.
- ❖ **Open.** Order valid for 62 calendar days from the last order update. Upon expiring the validity period, it is automatically eliminated from the system.
- ❖ **Fill or Kill.** The broker has to execute as much as possible from the order in one trade and than to cancel the remaining order.

All orders with no mentioning about the valid period will be considered Day order. Day orders launched after closing the trading session will be considered valid for the following trading session.

7. **Execution mode.** The client may optionally choose one of the following execution clauses:
- ❖ **All or Nothing.** The broker has the obligation to fill the entire order or nothing.
 - ❖ **Minimum Fill.** The broker has the obligation to fill at least the minimum quantity specified by the client or nothing.
8. **Execution place/ venue.** The order must specify the execution place: regulated market or alternative trading system (ATS).

The transaction orders are launched in the Trading system in chronological order of receiving them by the traders.

According to BVB Code-Market Operator, the transaction orders are displayed in the trading system and executed according to the following criteria:

- ❖ The price of the order. For buying, the orders with a bigger price (better one) will be displayed before the ones with smaller price; for selling, the orders with smaller price (better one) will be displayed before the ones with bigger price.
- ❖ The type of account. Within the same level of price the orders are displayed in descending order of the priority as follows: client account, institution account, house account and mixed account.
- ❖ The time of launching the order in the system or the time related to the last modification which determines the changing of priority. The orders with the same price and type of account are displayed according to the precedence principle (FIFO: first arrived-first served).

From all the types of accounts mentioned, the following are more important:

Institution account. It is a financial instruments account held by a credit institution, investment fund, venture capital fund, fund management companies, pension funds, depository institutions, insurance companies, custodian agents, financial advisors, restructuring funds, governmental and nongovernmental institutions with an impact on the capital market, other entities qualified as sophisticated investors by the National Securities Commission.

Staff Account. A financial instruments account held by the investment company as representative of a managing director, shareholder, auditor, tied agent, employee and/or a close relative of the above;

Initiated Account or Insider- A financial instruments account held by a client with access to confidential and/or privileged information regarding at least one listed company on the BVB or who is or has been in the last year a major shareholder of at least one of the listed companies on the BVB;

The following persons are presumed to have access to inside information:

- ❖ the members of the board of directors and of the executive management body of the issuer, its subsidiaries and of the companies controlled by the issuer;
- ❖ the employees of the issuer, its subsidiaries and of the companies controlled by the issuer who, due the specificity of their job, may have access to inside information;
- ❖ the persons who perform professional services for the issuer, its subsidiaries and for the companies controlled by the issuer and who have access to inside information (auditors, lawyers, consultants);
- ❖ significant shareholders of the issuer. In case they are legal persons, the members of their board of directors and executive management body;
- ❖ all the persons known to have obtained inside information from the persons mentioned in letters a)-d);
- ❖ all the persons who act in concert with the persons mentioned above;
- ❖ all the subsidiaries of the issuer.

The initiate persons will notify National Securities Commission and the issuer about all the trades conducted on own account, with shares admitted to trading on a regulated market, or to derivatives or other financial instruments linked to them, issued in relation with these persons are qualified as initiate persons. The notification shall be made within five working days from the transaction date.

If the holder of the account type is included in more than one type of account, the type with the lowest priority shall be chosen.

CLIENT PROFILE

In accordance to CNVM regulations (Regulation no. 32/2006 regarding the financial investments services), HTI has categorized the clients as retail clients and professional clients, according to the client ability to take investment decisions and assess the risks involved.

The **Retail Client** is the client who is not a professional client.

The **Professional Client** refers to the client who has the experience, knowledge and ability required to take investment decisions and to assess the risks involved.

The following categories of clients are considered Professional Clients for all financial investments services and for all securities according to Law no.297/2004.

a) Entities which must be authorized and regulated to operate on financial markets. The following list includes all the authorized entities which carry out activities such as those mentioned above: entities authorized in Romania or in a Member State in accordance with a EU Directive, entities authorized or regulated in Romania or in a Member State which are not subject to a EU Directive and entities authorized and regulated by a non Member State:

1. credit institutions;
2. investment firms;
3. other financial institutions authorized or regulated;
4. insurance companies;
5. Collective Investment Undertakings and their management firms;
6. pension funds and their management firms;
7. traders;
8. other institutional investors.

b) Firms which meet two of the following requirements:

1. aggregate balance sheet: EUR 20,000,000
2. net turnover: EUR 40,000,000
3. equity: EUR 2,000,000.

c) National and regional governments, public institutions which manage public debt, central banks, international and supranational institutions, such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.

d) Other institutional investors whose main activity refers to investing in financial instruments, including entities which deal with securing assets or with other financial transactions.

If a Client is one of the above mentioned categories according to the available information, HTI will include and treat him as a professional Client meaning that HTI will less inform him, except for when HTI and the client decide otherwise.

The Clients regarded as professionals who request a higher protection from HTI, may ask not to be treated as a professional and they will be categorised as retail clients.

The Clients who are not included on the above-mentioned categories may be categorised as professionals upon their expressly request only if based on HTI's assessment of the client's experience, knowledge or ability, the Client is proved to have the ability to take investment decisions on his own and understand the risks involved.

DEPOSITS AND WITHDRAWALS OF FUNDS

For safekeeping the client's assets, HTI has distinct evidence in accountancy of the client's amounts and opens in the settlement bank, for the clients, distinct accounts from the one of the company. The financial instruments of the clients are registered in distinct accounts from the one of the company.

In order to improve the efficiency of the funds deposits or withdrawals, it is recommended to all clients to open a bank account with the bank used by HTI and to use exclusively bank transfers (wire).

The client shall be entitled to choose one of the following forms in order to the deposit or withdraw funds:

- Wire deposits;
- Cash deposits performed directly at the bank, in the HTI bank account;
- Wire withdrawals.

The cash deposits made directly at HTI cash desk are not recommended and shall be subject to a deposit fee or to a withdrawing fee. The cash withdrawals are not allowed.

The details of HTI bank account where the deposits shall be made are as follows:

Beneficiary:	HTI Valori Mobiliare S.A.
IBAN ROL Bank Account:	RO60 BRDE 445S V851 4167 4450;
IBAN EURO Bank Account	RO52 BRDE 445S V851 4280 4450;
IBAN USD Bank Account	RO81 BRDE 445S V851 4319 4450;
Cod SWIFT:	BRDEROBU
Bank:	BRD Bank, Dorobanti Branch.
Representing:	account deposit

ORDER EXECUTION POLICY

The policy of executing orders is a set of general principles for the reception, execution and monitoring the execution of client orders. The order execution policy ensures a fair treatment of all HTI Valori Mobiliare S.A clients.

While executing the clients' orders, HTI takes all steps necessary for obtaining the best possible results for its clients. In case an order or a specific aspect of the client's order is executed, HTI follows the client's specific instructions concerning the order or the specific aspect of that order, as long as this is not contrary to the regulations into force.

HTI may ensure access for client's investments using two trading venues, namely the Bucharest Stock Exchange for trading stocks and bonds and the Sibiu Monetary Financial & Commodities Exchange for trading stocks on the regulated market and ATS. Depending upon the nature of the financial instrument and the contract concluded with the client, the trader will direct the order to the trading market ensuring the best conditions for executing the order, in accordance with the client's instructions.

Factors influencing obtaining the best possible result when executing the client's orders (in the absence of specific instructions) are:

- ❖ Price of the financial instrument;
- ❖ Trading costs;
- ❖ Size and type of order;
- ❖ Trading venues specific to each instrument;
- ❖ Execution speed;
- ❖ Execution and settlement probability;
- ❖ Market impact.

The importance of the above factors in determining the best execution will be determined by the following criteria:

- ❖ Client's characteristics, including client classification as retail or professional;
- ❖ Client's order characteristics;
- ❖ Features of the financial instruments that are the subject of that order;
- ❖ Characteristics of the execution venues to which that order can be directed.

A client order or a transaction on own account may be executed in aggregation with another client's order, solely if the following conditions are met:

- ❖ It must be unlikely that the aggregation of orders and transaction will work overall to the disadvantage of any client whose order is to be aggregated;
- ❖ It must be disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- ❖ In case own account transactions are aggregated with one or more client orders, assigning the said transactions must not damage any client;

- ❖ In case a client order was aggregated with a house transaction (HTI) and the aggregated order is partially executed, the client's transaction will have priority over HTI transactions.

In case the agent executes an order on behalf of a retail client, in order to ensure the best possible result, the agent will make sure that the client is aware of all execution costs, including all expenses incurred by the client directly connected with order execution, including the fees for the execution venues, settlement and clearing fees as well as any other fees payable to third parties involved in order execution.

Executing the trading order, HTI traders have the following obligations:

- ❖ To provide information to the client concerning the market conditions on the moment of order reception;
- ❖ Unless otherwise provided by the client, to place promptly in the market the client order;
- ❖ To inform the retail client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.
- ❖ In case of a Day order partially executed, to provide information to the client in the same day by means of communication mentioned in the brokerage agreement;
- ❖ To make sure that client orders are registered, promptly and fair allocated;
- ❖ To execute client orders for a specific financial instrument which can be executed under prevailing market conditions prior to execute the orders in the own account or staff accounts;
- ❖ Checking whether the order contains the minimum required elements including, without limitation, the following: company name or symbol; type of operation; quantity; price; term of validity; special execution conditions. Otherwise, the agent must obtain the minimum elements for executing the order;
- ❖ To execute comparable client orders promptly and successively, except for when order's characteristics or the prevailing market conditions make this impossible or when client's interests ask otherwise;
- ❖ Not to misuse information relating to pending client orders and to take all reasonable steps to prevent the misuse of such information by any relevant persons of HTI. HTI agents comply with all rules and procedures regarding the full confidentiality of client's orders;
- ❖ Checking whether the client holds the financial instruments or the money needed for executing the order.
- ❖ In case the client does not hold enough financial instruments or money, the order must be adjusted or the client shall be informed that the order can not be executed;
- ❖ In case of a large order which can have an influence to the market, shall be presented to the client the option to place a hidden order which protect the market and the involved investor;
- ❖ After performing the checking, the order shall be placed in the market following the order's specifications regarding to the quantity, price limit, term of validity, type of order and special instructions;
- ❖ In case any technical conditions render placing the order on the market impossible, the client is to be informed so as to check whether the order stands or is cancelled.
- ❖ The principle of entering the orders in the market as they are received (FIFO: first in, first out) is permanently accounted for. Thus, each and every order shall be placed in the market as soon as it is received, unless otherwise provided by the client special instructions;
- ❖ Traders follow the order execution and monitor the effectiveness of orders execution in order to identify and address any deficiencies, if the case;
- ❖ For the orders by phone, the agents must make sure that the client orders are registered, promptly and fair allocated;
- ❖ HTI agents take the necessary measures to make sure that all financial instruments and clients money received for the settlement of the orders executed are fairly and promptly transferred into their account;
- ❖ In the case of a client limit order in respect of shares admitted to trading on a regulated market, which is not immediately executed under prevailing market conditions, HTI traders shall, unless the client expressly instructs otherwise, take measures to facilitate the earliest possible execution of that order by making public the client limit order in a manner which is easily accessible to other market participants by means of the regulated market system, the alternative trading system or any other supervised system, providing for the publicity, accessibility and expeditious execution of the order.

- ❖ HTI agents do not guarantee to the clients any financial results following the transactions executed on client accounts;
- ❖ In case the clients order cross transactions, the traders have the obligation to inform the clients regarding the rules and the restrictions imposed by BVB (Bucharest Stock Exchange) for cross trades and to ensure the execution of the transactions comply with the legislation in force.
- ❖ If an agent receives multiple orders at the same price level for the same financial instrument that can be executed in market conditions, he will place the orders in the trading system in the following order: orders from retail customers; orders from professional clients; orders received from relevant persons; orders to be executed in its name by S.S.I.F.

When executing the orders, HTI traders have the right to refuse the order execution in the following cases: the order was not sent clearly or did not meet the contents criteria, the client does not hold sufficient funds or financial instruments, there are concerns that the client's orders are intended to cover certain illegal activities, the order fails to comply with any of the laws and regulations into force, the order was not sent by means of the communication media accepted by HTI etc. Under these conditions, the agent will notify the client promptly concerning the reasons as well as the grounds for such refusal.

The HTI agents receive and place in the market trading orders in accordance with the internal work procedures, namely: in writing, in the agent's presence, by telephone, fax and secure e-mail. The HTI agents receive and execute the orders received from clients with utmost professionalism.

The fact that a client provided specific instructions covering part of the order or elements of that order does not relieve the agent from the obligation of ensuring the best execution of other parts of elements of that order, not covered by the instructions.

The financial investment agent is forbidden to expressly point out or suggest the contents of instructions concerning the execution of an order when he/she knows that such instruction may prevent him/her from obtaining the best possible result for such client.

In order to eliminate the risk of transactions not being settled, HTI Valori Mobiliare S.A policy of trading order receipt is as follows:

- ❖ For purchase orders, the Client will make sure the funds for settling the respective purchase transactions will be available prior to placing the purchase orders in the trading system. Availability implies the existence of funds in the account opened with HTI Valori Mobiliare S.A or sending proof concerning transferring the funds for settlement the transactions to the above account at the day of the transaction;
- ❖ In case of sale orders, the Client will make sure that the financial instruments involved in settling the sale transactions are available when entering the order in the trading system.

GLOBAL ACCOUNT

The global account is the account where the financial instruments owned by the clients of an investment firm are held.

Currently, in the global account are traded the financial instruments for which the Central Depository is not the depositary of the issuer (the shares of the issuers admitted to trading on a regulated market in an EU member state where the issuer has its registered office and not first time admitted to trading on a regulated market in Romania) and is used without a prevalidation mechanism.

The main characteristic of the trading mechanism on a global account is that when placing the order for sale in the trading system, trading system does not check availability of financial instruments on behalf of the seller. HTI check if financial instruments relating to transactions entered into settlement and trading systems registered with the Central Depository are available in the client account opened at the HTI in the trading system when placing the order for sale and to their settlement date.

HTI open in the trading system one global account for all customers who want to trade the securities available for trading on global account, according to the regulations in force.

HTI keeps records of their transfer of ownership in all the sub-accounts and provides comprehensive information on the accounts to the authorities authorized by law to request such information.

Another feature of this account is that the transfer of shares will be done without changing ownership according to the Central Depository Code.

The client understands and accepts that for the financial instruments with no transfer of ownership, the ownership can be registered on behalf of any person in accordance with applicable provisions of the market that these instruments are traded. The client express his approval for owning and trading the instruments through the global account.

The client understands and accepts that, under the provisions applicable to certain markets or imposed by law or regulations, HTI is authorized and has full authority to make the account or financial instruments, including but not limited to: registration of real guarantees or financial guarantees, unavailability of certain instruments as a result of a distraint or order of an authority, carrying out transfers of these instruments in the conditions established under the laws or regulations etc.

CONFLICTS OF INTERESTS

To avoid the conflicts of interests, HTI's employees act according to Law no.297/2004 by following principles:

- ❖ act honestly and fairly and with due skill and diligence in conducting its business activities in the best interests of its clients and the integrity of the market;
- ❖ seeks from the investors information regarding their financial situation, investment experience and objectives as regards the services requested;
- ❖ discloses to the investors relevant material information on the transactions where the intermediary is counterparty, according to the legal requirements;
- ❖ tries to avoid conflicts of interests, and, when they cannot be avoided, HTI will inform the client and ask for his permission to perform the transaction ensuring that the investors are fairly treated;

HTI keeps and regularly update a record of the investments activities or ancillary services carried out in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. HTI may at any time have any interest or invest on its own behalf in the same financial instruments in which the Client's funds are invested.

NOTE: Any other informations about HTI conflicts of interests policy will be provided at any time upon the client request.

CONFIRMATIONS, INFORMATIONS AND MARKET REPORTS

Each client will have an opened investment account at HTI. The client is the only one who has the right to give orders for this account and the right to any document regarding the activity of the account.

The confirmations are sent daily to all the clients based on the mean of communication chosen in the contract. If the modality of communication agreed by the client is e-mail, this will bear electronic signature.

The confirmation includes: Portfolio situation, Confirmation of transaction and Statement of Account, if applicable. The important official information from the press will be passed on to clients through e-mail with electronic signature.

Unless otherwise provided, the Client agrees that all confirmations, reports and notifications will be transmitted by HTI using e-mail in accordance with Law 455/ 2001 regarding the electronic signature.

When providing services of portfolio management, at the client's request, and only with HTI approval, HTI can provide information about the transactions on a basis of „transaction by transaction” if applicable. In this case, HTI will immediately provide to the Client the essential information regarding the transactions, through the portfolio's manager at the execution time order. HTI provides to the managed clients (when and if applicable) a Portfolio Management Report based on the clients' request: quarterly or biannually.

The contract, all the annexes, special terms, forms and the daily confirmations may be concluded in two languages, i.e. English and Romanian. In the event of inconsistency between the two versions, the Romanian version shall prevail. The Client may request other documents or information in Romanian.

SETTLEMENT PROCEDURES

The settlement of the transactions performed on the Romanian capital market take place within three business days (T+3) from the transaction date. All the transactions and settlements shall take place exclusively in the local currency RON. The change of ownership will take place on the date of the settlement (Delivery versus Payment).

1. Settlement procedures using a custodian bank:

In case of using a custodian bank, this shall take over all the responsibilities related to warehousing, currency foreign exchange, settlement, paying the broker's fee and withholding tax for the capital gains to the Broker. According with the Fiscal Code regulation, depending on the period of share's ownership payment for tax on capital gains to the Romanian Authorities will be done by the broker or directly by the investors.

The client shall pay the cost of such operations directly to the custodian bank.

The broker shall only carry out the transactions.

The sequence of operations is as follows:

- Day T. The broker makes the transaction based on the client's order and the custodian bank's confirmation. After the trading session, the broker sends the trading confirmations to the client and to the custodian bank, indicating the amount of retained commission for the broker and the level of tax for the capital gains.
- Day T+1. The client confirms to the custodian bank all transactions carried out by the broker and sends the settlement instructions.
- Day T+2. The broker verifies whether all procedures have been fulfilled in order to complete the settlement.
- Day T+3. The custodian bank performs the currency foreign exchange and the settlement of the transactions (Delivery versus Payment). The custodian bank shall pay the fee and the amount of tax on capital gain to the broker on the following day.

2. Settlement procedures using a broker:

In the case of using a broker instead of a custodian bank, the broker shall take over all the responsibility with respect to warehousing, performing the currency foreign exchange, performing the settlements, withholding and payment of tax on capital gains. The above-mentioned operations do not imply any additional cost for the client, being included in the transaction fee.

Depending on the way the customer makes the payment, there are two options:

2.1 The client has a bank account opened with a bank in Romania.

In such case, the payments between the client and the broker shall be made in the local currency (RON). The client shall make the foreign exchange itself in order to settle the transaction or repatriate the profit.

The sequence of operations is as follows:

- Day T. The broker makes the transaction, based on the client's order and in accordance with available funds from client account. After the completion of the trading session, the broker sends the trading confirmations to the client. The client performs the currency exchange operations and pays to the broker all amounts related to the transactions settlement and payment of the transaction fee.
- Day T+1. The broker verifies whether the amounts sent by the customer have credited its bank account;
- Day T+2. In case the amounts of money have not credited its bank account, the broker verified again whether the amounts sent by the client have credited its bank account and solves any problem that might occur.
- Ziua T+3. The broker carries out the transaction settlement (Delivery versus Payment). The amounts of money are transferred to the client after withholding the transaction fees and related withholding taxes. The financial instruments may remain in the broker's custody or may be moved to a custodian bank. Any available funds after the transactions settlement may remain in the broker's custody or may be moved to a custodian or non custodian Bank

2.2 The client does not have a bank account opened with a bank in Romania.

In such case, the payments between the customer and the broker shall be made exclusively in foreign currency. The broker shall perform the currency exchange operations on client's behalf in order to settle the transaction or repatriate the profit.

The sequence of operations is as follows:

- Day T. The broker makes the transaction, based on the client's order. After the completion of the trading session, the broker sends the trading confirmations to the client. The client makes the payment to the broker of all amounts related to the transactions settlement and payment of the transaction fee.
- Day T+1. The broker verifies whether the amounts sent by the client have credited its bank account;
- Day T+2. In case the amounts of money have not credited its bank account, the broker verified again whether the amounts sent by the client have credited its bank account and solves any problem that might occur.
- Day T+3. The broker performs the currency foreign exchange operations based on the client's instruction and the transaction settlement (Delivery versus Payment). The amounts of money are transferred to the client after withholding the transaction fees and related withholding taxes. The financial instruments may remain in the broker's custody or may be moved to a custodian bank.

3. Other procedures:

- The trading system automatically verifies the existence and availability of the financial instruments, prior to execution, for transactions performed through the prior checking system. The transaction system shall not allow the sale of financial instruments that have been blocked for any reason or that do not exist;
- For the financial instruments traded without the prior checking system, the investment firm has the obligation to ensure that the financial instruments are in the client account at the settlement date.
- The client shall be entitled to move its financial instruments from the broker to a custodian bank or vice versa, at any time;

The tax and commissions may be expressed in Lei or other currencies. The fees and commissions can be modified at anytime, with the both parties agreement, by written notification for all trades or only for the specified ones.

HTI shall charge a trading commission applied to the value of each buying or selling transactions. The trading commission shall be set and applied in a different way for the clients depending on invested amount, trades number, client account, financial instruments (shares, bonds or derivative financial instruments) and shall be negotiated separately. The trading commission shall be withheld from the investment account opened at HTI.

HTI shall charge a trading commission from 0.5% to 8% and shall be negotiated separately when signing the contract. Also, when the contract is signed, HTI can set up a minimum monthly fee for trading as agreed by the parties.

The trading commission for the buying trades includes 0.08% quota which is withheld and transferred by HTI to NSC. HTI collects this fee according to Regulation no.7 dated 2006 regarding National Securities Commission's incomes. In certain situations, HTI may collect a fix commission for maintaining the account. The value of this commission is agreed with the client when signing the contract.

To open and maintain an investment account, the following fees may occur among others:

- ❖ Certificated translations of the documents required for opening an account: approximately 15-50 Lei/page;
- ❖ Account statement from Central Depository: 50 Lei/individual, 100 Lei/legal entity;
- ❖ Financial instruments transfers:
 - From Central Depository to HTI: 0.10 Lei;
 - From HTI to Depository: 5 Lei;
 - From HTI to another investment firm: 12 Lei;
- ❖ To obtain the confidential code from Central Depository: 4 RON or 10 RON for emergencies;
- ❖ Postage for postal order: 4 RON + 1% from the amount,
- ❖ Cash withdrawal commission-0.2% from the amount.

The taxes paid by clients for the additional services are the taxes invoiced by the suppliers of services like: authorised translators, Central Depository, Banks, Romanian Post or other suppliers.

HTI shall not charge fees for deposits or money transfers performed with payment order or cash.

The main mean of paying the Client's tax and commission is withholding from client investment account on the transaction day. Depending on the nature of the provided services, the client may pay the taxes and commissions by wire transfer.

** NOTE: CNVM may at any time change or suspend the fee of 0,08%, with no necessary changing of HTI commission.*

TAXES AND INCOME TAXES FOR CAPITAL, INTEREST AND DIVIDENDS GAIN

A. RESIDENT OR NONRESIDENT LEGAL ENTITIES:

1. **The capital gain tax.** The capital gains and losses of resident legal entities are cumulated together with the other gains and expenses of the company in order to calculate the gross profit and income taxes, according to the specific rules of income tax. For non-resident legal entities the tax is withheld at the source in Romania. The incoming tax applied to gross profit of the resident or non-resident legal entities is 16%.
2. **The dividends tax.** The company who pays the dividends is in charge of the accounting, withholding at the source and the payment of the dividends tax at the payment date. The dividend tax for legal entities is 10%.

3. **The interest tax.** The interest gain of legal entities is cumulated together with the other gains of the company in order to calculate the gross profit and income taxes, according to specific rules of income tax.

B. RESIDENT OR NONRESIDENT INDIVIDUALS:

1. The capital gain tax.

As of July 1st, 2010 the individual capital gain tax for listed shares is 16%. The net capital gain for a period shall be calculated as a difference between gains and losses from transactions that obtained in the sale of securities.

The net gain and the tax payable is calculated, declared and paid quarterly by the individuals.

For the year 2010, the net gain and the tax payable will be calculated respecting the following rules:

❖ For the period January 1st, 2010 – June 30rd, 2010 the net gain/ loss is calculated according to the retention period. The tax rates are determined by application of 1% tax on net gain on the sale of securities held for more than 365 days and 16% tax on net gain on the sale of securities held for less than 365 days.

❖ For the period January 1st, 2010 – June 30rd the net loss is offset with the net gain for the period July 1st, 2010 – December 31st, 2010. If any loss results after the compensation, it is reported only the net gain for the taxable year 2011.

2. **Dividend tax.** The tax rate for dividends cashed by individuals is 16%, withholding at source.
3. **Interest tax.** As of July 1st, 2010 the tax rate for interest gain of individuals is 16%, withholding at source.

NOTE FOR NONRESIDENT CLIENTS: *Nonresident individuals or legal entities can invoke the provisions of the Double Taxation Agreement concluded between Romania and the clients' country of residence, for capital gain, dividends and interest tax. In order to do this, the following conditions must be filled cumulatively: a) the existence of a Double Taxation Agreement between Romania and the clients residence country; b) the Agreement stipulates the conditions for capital gain tax, interest and dividends obtained within Romania; c) the client is in possession of the fiscal residence certificate (in original) for the year of the gain cashing, the last at the date of the gain. If any of these conditions are not filled, the tax will be applied in Romania, differentiated for individuals and legal entities. For non-resident legal entities the tax will be applied in Romania by withholding at source while for individuals is necessary to designate a fiscal representative or to obtain a NIF (Number Identification Fiscal) through a representative. Tax rates are in this case the ones provided for resident individuals and legal entities. If the client subsequently provides the fiscal residence certificate (in original) for the year when the gain was cashed, he can obtain from the Romanian state an attestation certificate for the taxes already paid in Romania in order to have a tax deduction in the residence country.*

IMPORTANT NOTE: *The presentation of the calculation method and of the capital gain tax rates is only for your information and it is not exhaustive, does not value professional advice, fiscal advice or legal consultancy. HTI Valori Mobiliare recommends to all its clients to consult the legal provisions on tax matters relating to the transactions with securities, to ask for details about the taxation of capital market transactions in which they intend to get involved or to advise with a lawyer regarding the taxation of securities sale gains.*

THE RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

The risk regarding the investment on capital market is defined in relation to the probability to lose a part or all invested sum of money.

Among the risks associated with shares:

- ❖ Company risk. Represents the possibility that a major event will affect the company and even go to the company decline or insolvency.
- ❖ Branch risk. This is given by the investment in companies that activates in the same economic branch or depends on a single branch.
- ❖ Market risk. This is given by the economic and political environment instability at a national and international level. This risk may affect all issuers irrespective of the sector.

Among the risks associated with bonds:

- ❖ Interest rate risk. Consists in losses of the bonds' holders due to the fluctuations of the interest rate.
- ❖ Non-payment risk. This risk may appear because of issuer's impossibility to fulfill the obligations attached to bonds.
- ❖ Buy-back risk before due date. This risk may appear when issuers apply to buy-back clause before due date.
- ❖ Inflation risk. This risk generates the possibility that the future value of investment or the income attached to the bonds shall be lower because of the inflation.

Among the risks associated with derivatives:

- ❖ Position Risk. Appears when the market goes in the opposite direction than the investor's prevision. This is why in margin transactions, the margins are calculated by taking in consideration the coefficient of risk of the underlying asset.
- ❖ Marking to market risk. It is manifested in relation to account movements according to evolution of the quotations. Margin call appears in case of a non-favorable quotation and it may go to close positions and to mark the loss.
- ❖ Exercising risk. Appears when as a seller of an option the investor is exposed to a non-favorable price if the buyer exercises his options.

The volatility is higher on derivatives market, such as futures and options, with fluctuant prices and a higher risk, therefore it may not be suitable for all investors. Significant amounts of money may be lost in very short periods of time. The amounts that may be lost are potential unlimited and may exceed the amount originally placed in the company trading account. This is mainly due to the leverage that allows, through a small amount of money, access to the underlying assets worth several times higher. However, the markets may establish variation limits in order to limit the volatility.

According to the financial instruments to be traded, following the investments in financial instruments the investor may have financial liabilities or additional liabilities, including the contingent liabilities comparing to the cost of the financial instruments.

THE INVESTORS COMPENSATION FUND

HTI Valori Mobiliare S.A is a founding member of the Investors Compensation Fund.

The Investors Compensation Fund is the legal entity registered as a shares company, its purpose being to compensate investors when the fund members are incapable to return the money or the financial instruments owed or belonging to the investors

The Fund will compensate the investors, equally and with no discrimination, within a maximum limit representing, by the end of 2012, the equivalent of 20.000 Euro as follows:

- ❖ Starting with 01.01.2010: the equivalent in RON of 11.000 Euro/investor;
- ❖ Starting with 01.01.2011: the equivalent in RON of 15.000 Euro/investor;
- ❖ Starting with 01.01.2012: the equivalent in RON of 20.000 Euro/investor.

Investors who are exempt from the compensations are:

- ❖ Professional/institutional investors including: investment firms, credit institutions, financial institutions as defined in the law regarding credit institutions and the capital adequacy, insurance companies, collective-investment undertakings, pension funds;
- ❖ International organizations, governments and other central administrative authority;
- ❖ Regional and local administrative authority;
- ❖ Administrators, including managers, directors and other relevant persons, persons whose responsibility is to audit the Fund's members, their shareholders with holdings that exceed 5% of the share capital, as well as investors with a similar position within other companies of the same group as the Fund's members;
- ❖ Spouses, first rank relatives and in-laws as well as the persons acting on behalf of the international organizations, governments and other central administrative authority;
- ❖ Other legal persons in the same group as the Fund's members;
- ❖ Investors who have any responsibility for or have taken advantage of certain facts relating to a Fund's member which gave rise to the member's financial difficulties or contributed to the deterioration of its financial situation;
- ❖ Companies that because their size they are not permitted to draw up abridged balance sheets according to the accounting principles in force.

The Fund will compensate equally and with no discrimination each investor who benefits of the compensation, within the established limits, as soon as possible, but not later than 3 months from the evaluation and validation of the investors debts.

The compensation established within the limits, will be applied to the investors total debt to the same Fund member, no matter the number of accounts opened, the currency used to make the investment or the place of the accounts inside the European Union.

The information regarding members, their contributions, the procedures for calculation and payment of contribution as well as the procedure for compensating the investors are available, in Romanian, on the Investors Compensation Fund site.

THE PROTECTION OF PERSONAL DATA

According to Law no. 677/2001 for the person's protection regarding the processing of personal data and the data free circulation, HTI has the obligation to manage the personal data collected in security conditions and only for the mentioned purposes.

The client agrees to provide all personal data at HTI' request and he understand that providing of personal data at HTI's agent request, when concluding the financial investment services contract, is mandatory in relation with HTI and with all institutions from capital market and without the personal data, the contract can not be performed.

HTI will remit the personal data including but not limited to the institutions from the capital market such as: CNVM, BVB, BMFMS, Central Depository, guarantee funds, clearing houses and other institutions enabled to ask them according to their legal obligations; also client's personal data may be remitted to the data subject, to the legal representative of the data subject, HTI employees, to other natural and legal persons who process the personal data for the company, partners, firms in the same group with the company, judicial authorities, central authorities, banks, capital market authorities from E.U. except for HTI' proxy. The client hereby declares that he agrees that HTI may send any personal data abroad in order to conclude or perform the financial investment services agreement.

According to Law no. 677/2001 for the protection of persons concerning the processing of personal data and free circulation of such data, the client hereby declares that he was informed regarding the rights instated by law such as: the right of access to, intervention on data and the right to oppose, the right of not being subject to an individual decision and the right to refer to a court of law and the fact that for exercising these rights he may file written request to the company.

HTI reserves its right to provide information and/ or changes of information regarding the processing of personal data on HTI web page – www.hti.ro.

NOTE TO INVESTORS

Regarding financial instruments, the risk is that there is always uncertainty of achievement a possibility that the expected results will not be accomplished and in certain situations there is even the possibility to lose in part or all the money invested. Such risks may be: market price fluctuation risk, currency risk, law risk, and so on.

The risk is taken by investors. HTI or the portfolio manager does not assume any responsibility for any possible losses that may appear from the investments of the Client. HTI does not guarantee to the Client, either verbally or in writing, any fixed amount or return on investment arising from the investments in financial instruments made by the Client or any success of the portfolio management activity. The investors understand and accept that past performances are not a guarantee for future performances.

The Client declares that he understands the risk involved and he has the legal and financial capacity to assume the risk.

Clients instructions regarding an order execution can detain HTI to apply its order execution policy and to obtain the best possible results for the client.

By signing this application, the Client declares that he was previously informed about the provisions of the Contract for financial investment services, annexes and the company's presentation documents: Investor's Guide, Company Presentation including Orders Execution Policy and, when HTI provides portfolio management services, the information about the method of evaluation and comparison of the management portfolio.

STATEMENT

The company HTI Valori Mobiliare S.A. is regulated and supervised by N.S.C, under authorization Decision no. 1944 dated 24.06.2003, and registered on N.S.C. register no. PJRO1SSIF/400006 dated 08.02.2006.

Agent

Client