SCHEDULE E: MARGIN TRADING – MODULE 2

Subject to this Schedule, you may borrow cash or securities from us, **THE ULTIMA INVESTMENTS CYPRUS LIMITED**, previously BROKERCREDITSERVICE (CYPRUS) LIMITED, to purchase or sell investments, i.e. trade on margin. This Schedule sets out the terms for a margin account, which will be different from your regular accounts, in which you trade using the money and other assets you credit to such margin account.

1. Risk

1.1. Where you request Services under this Schedule and we agree, an on demand credit allowance will be provided to you. This will enable you to purchase or sell more securities than the cash or securities balance in your regular account would otherwise permit. The amount of securities bought or sold may considerably exceed the value of your initial deposit. You understand that while such trades may give a greater opportunity for profit, it is also of a higher degree of risk. With these trades, not only gains but also losses may be magnified.

1.2. If the market value of the securities in your margin account declines, you may be required to deposit more money or securities at short notice in order to maintain your line of credit. In the extreme event that the securities purchased on credit decline to zero or the securities borrowed significantly raise in price, you would need to deposit the relevant amount of securities borrowed or the full initial or market value of the securities in cash to cover the loss. If you are unable to do so, we may be required to sell all or a portion of assets held in your account.

1.3. You are aware that a margin account is essentially a loan account in which interest is charged on the outstanding balance of the loan. The interest charges are applied to your account unless you decide to make payments. Over time, your debt level increases as interest charges accrue against you. As debt increases, the interest charges increase, and so on. Therefore, the longer you hold an investment, the greater the return that is needed to break even. If you hold an investment on margin for a long period of time, the odds that you will make a profit are stacked against you.

1.4. You understand that we will mandate the limit on how much you can borrow and will be entitled to change this limit at any time without consulting you in advance. We will, however, give you notice prior to the date such change is to take effect. You understand that trading on margin is a privilege and not a right and we will not be obliged to arrange funding or lending for execution of any of your trades.

1.5. You realise that any and all Securities and Cash balances accumulated in your account as a result of you trading under this Schedule will be subject to the security interests created in our favour and will constitute Secured Assets (as each of the foregoing terms is defined in Schedule C to these Terms). In the event you become unable to make any payments or deliveries under this Schedule, we will be entitled to sell your Securities to recover funds or to apply Cash available in your account to satisfy your Secured Obligations (as defined in Schedule C to these Terms) without prior notice to you.

1.6. You agree to carefully consider whether entering into any trades under this Schedule is appropriate for you, taking into consideration your financial resources and other relevant circumstances.

2. The Basics

2.1. You realise that a margin account is an account that will allow you to buy or sell securities on credit. In other words, you will be able to borrow cash from us to buy securities or to borrow from us

securities to effect the settlement of executed trades. It is important to note that not all securities can be bought or borrowed under this Schedule. Securities that you will be able to borrow will be **borrowable securities**. Securities that you will be able to buy on credit will be **marginable securities**. We will provide to you a list of what we consider to be borrowable and marginable securities by posting on the website https://theultimacy.com/retail or by other communication means agreed under the Terms. We will be entitled to make changes to this list at any time without consulting you in advance. In making changes to the list, we provide to you a list of what we consider to be borrowable and marginable securities by posting on our website or by other communication means agreed under the Terms. We urge you to visit our website frequently in order to be aware of the relevant list since due to the nature of the securities' market there might be changes to the list within the day.

2.2. Before the margin account can be used or any trade can be entered into under this Schedule, we will require that you hold or deposit with us such cash and/or securities as we may from time to time request via e-mail or by other communication means agreed under the Terms. We shall have the right to remove or add securities or currencies which we consider eligible to be so held or deposited without consulting you in advance. We shall also have the right not to accept any securities or cash proposed by you without giving any reason.

2.3. Once your margin account is operational, you will be able to submit to us orders to buy securities with borrowed cash or to sell securities that you have borrowed i.e. orders to enter into **margin trades**. You will start borrowing only when you buy or sell securities worth more than your margin account balance in respective securities or cash.

2.4. The value of any securities or cash (i.e. an asset) in your portfolio shall be deemed equal to its market value adjusted for perceived risk. **Initial** and **maintenance discounts** used by us to adjust market values of assets in your portfolio will be determined by us in our absolute discretion and communicated to you in the list of marginable and borrowable securities from time to time. We will be entitled to make changes to percentages of initial and maintenance discount at any time without consulting you in advance. We will, however, give you notice prior to such change is to take effect.

2.5. **Initial discount** means the percentage of asset's value that should be paid by your own funds to open a position in that asset. **Maintenance discount** is the percentage of asset's value that should at any time be covered by your own funds while you hold the opened position in that asset.

2.6. **Initial margin requirement for a position** in an asset will be equal to the initial discount for that asset multiplied by the value of the position in that asset. **Maintenance margin requirement for a position** in an asset will be equal to the maintenance discount for that asset multiplied by the value of the position in that asset.

2.7. Sum of initial margin requirements for each asset in portfolio will constitute the **initial margin requirement of the portfolio**. Sum of maintenance margin requirements for each asset in portfolio will constitute the **maintenance margin requirement of the portfolio**.

You should be aware that initial and maintenance margin requirements are subject to change due to changes in market prices of assets in portfolio and the discount percentages applied to these assets.

2.8. **Liquidation value** will be equal to the total value of securities and cash available in your margin account (i.e. assets) less the total value of securities and/or cash that you have borrowed (i.e. liabilities). The difference between the liquidation value and initial margin requirement for your portfolio will be known as **available funds**. Within this free balance, you can withdraw cash or securities and open new

positions (and each new position will decrease free balance by initial margin requirement for that position).

2.9. Once a margin trade has been entered into, you will have to ensure that throughout the life of the trade, the ratio between:

(a) liquidation value of your portfolio decreased by maintenance margin requirements for the portfolio; and

(b) initial margin requirements for the portfolio decreased by maintenance margin requirements for the portfolio,

never falls below zero (or in other words, liquidation value should always exceed maintenance margin requirement for the portfolio). This ratio will be known as **margin level**.

2.10. Depending on your margin level(s), we will assign to you **margin statuses**, which will define and reflect the level of risk we associate with your margin account. These margin statuses will be the following:

(a) **Active** (greater than 1), which means that you may submit orders to enter into margin trades within the limits we have imposed and may subject to the provisions of clause 5.12 of Schedule C, withdraw cash and/or securities from your margin account. Unless we otherwise expressly agree, you can only withdraw securities or cash actually available in your margin account, i.e. we will not be obliged to arrange funding or lending for execution of your withdrawal instructions.

(b) **Margin Call** (between 1 and 0), which means that we have become entitled to request that you deposit additional money or securities to your account with us so that your margin account is brought up to Active. This notice will be known as a **margin call**. You shall satisfy such margin call as specified in clause 6 of this Schedule. At this level, you will not be entitled to give us instructions to withdraw.

(c) **Liquidation** (below 0), which means that we have become entitled without prejudice and in addition to any right or remedy we may have under these Terms, to sell any or all securities held in your margin account and/or deduct any outstanding amounts from cash available therein to the extent necessary for your margin status to become Active. We will also have the right to take any other action described in clause 15.7 of the General Terms. At this level, you will not be entitled to give us instructions to withdraw.

2.11. You agree that any valuations under this Schedule will be performed based on pricing and valuation information believed by us to be reliable. For the purposes of this Schedule, the basis of all valuations will be as stated in clauses 2.12 and 2.13 unless otherwise notified.

2.12. The market value of any securities shall be determined by us by reference to such pricing sources as we reasonably consider appropriate provided that if prices for such securities are available on a trading venue or organised market, the price shall be the price of a trade on such trading venue or market where securities are predominantly traded executed immediately prior to the valuation time, and where securities are suspended, or in respect thereof there is a discontinuous source, the price shall be the arithmetic mean of in the case of marginable securities, bid quotations or, in the case of borrowable securities, offer quotations obtained in respect of securities of the relevant description from two or more market makers or regular dealers in a comparable size on or about the valuation time, adjusted by us in a reasonable manner to reflect accrued but unpaid distributions and to deduct anticipated transaction costs. In respect of securities for which there is no pricing source, the value shall be such amount which,

in our reasonable opinion, represents the fair value thereof between you and us. The market value of cash shall be equal to its nominal value.

2.13. Any cash or securities values that are not in your reporting currency will be converted in the reporting currency at a market rate of exchange available to us at the valuation time.

3. Loans

3.1. You understand and agree that any loans advanced to you hereunder are on demand credits and shall be fully returned by you to us immediately on our demand unless we specifically agree otherwise.

3.2. Whenever you borrow cash from us, you simultaneously undertake to repay to us cash equivalent to the borrowed cash (as defined in clause 3.5 below) and pay any interest accrued thereon.

3.3. Whenever you borrow securities from us, you simultaneously undertake to return to us securities equivalent to the borrowed securities (as defined in clause 3.5 below) and pay any interest accrued thereon.

3.4. In respect of any borrowed securities, you shall also pay to us an amount equal to, and in the same currency as, the amount payable by the issuer or, in the case of income in the form of securities or other property, deliver to us equivalent to such securities (as defined in clause 3.5 below) or other property.

3.5. In this Schedule, the expression **equivalent to** shall mean in relation to cash, a payment of the same amount and in the same currency; in relation to securities, securities of the same issuer, which are part of the same issue and are of an identical type, nominal value, description and (except where otherwise stated) amount as those original securities. Securities will be equivalent to original securities notwithstanding that those securities have been redenominated or that the nominal value of those securities has changed in connection with such redenomination. Where original securities have been partly paid, converted, subdivided or consolidated or have become the subject of a takeover or the holders of securities have become entitled to receive or acquire other securities or other property or the securities have become subject to any similar event (other than interest, dividends or other distributions thereon), including distributions which are a payment or repayment of principal in respect of the relevant securities, the expression **equivalent to** shall have the following meanings:

(a) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;

(b) in the case of a call on partly paid securities, securities equivalent to the paid-up securities;

(c) in the case of a capitalisation issue, securities equivalent to the relevant securities together with the securities allotted by way of bonus thereon;

(d) in the case of conversion, sub-division or consolidation, securities equivalent to the securities into which the relevant securities have been converted, sub-divided or consolidated;

(e) in the case of takeover, a sum of money or securities equivalent to the consideration given;

(f) in the case of a rights issue, securities equivalent to the relevant securities together with the securities allotted thereon;

(g) in the event that income in the form of securities, or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities is distributed, securities equivalent to the relevant securities together with securities or a certificate or an entitlement equivalent to those allotted; and

(h) in the case of any event similar to any of the foregoing, securities equivalent to (as defined in the provisions of this definition) the original securities together with or replaced by a sum

of money or securities or other property equivalent to (as so defined) that received in respect of such securities resulting from such event; provided that

(i) if any event occurs with respect to original securities, which involves the payment of money by the holder of securities, including where a call becomes payable in respect of partly-paid securities, or a demand for any fee, assessment, charge or other payment in respect of any securities becomes payable or the holder of securities otherwise is or becomes legally liable to meet any payment due or to become due in respect of securities, you or we, as the case may be, shall pay to the holder of such securities (or where you are the holder of securities, to the applicable third party on your behalf), for value not later than the due date of the relevant payment, an amount equal to that which is required to be paid by such a holder of securities.

3.6. In compliance with the Applicable Regulations, any cash loans advanced under this Schedule will be credited to your margin account with us as soon as practicable on the trade date and not on the settlement date of the relevant margin trade.

3.7. Interest on any loans that we make to you under this Schedule will accrue daily at the annualised rate and on the basis agreed between you and us in the Margin rates, borrowable and marginable securities and discounts list, which may be amended and/or modified by us at any time by way of posting relevant updated document on the website https://theultimacy.com/retail. Failing separate agreement, actual/365 (or 366 in case of a leap year) day count convention will apply. We will debit your margin account with such accrued interest periodically without prior notice. Where you borrow any securities, interest will accrue on the market value of those borrowable securities.

3.8. Where any loan or a roll-over transaction as specified below is arranged by us with or through another broker you will be responsible for interests and fees of such broker (in this case unless you notified otherwise interest set forth in clause 3.7. above will not apply). The interest and fees will accrue daily at the annualised rate and on the basis agreed by you and specified in the Margin rates, borrowable and marginable securities and discounts list. You understand that interest rate and fees rates are subject to change without your consent. We will notify your prior to the date such change is to take effect. Failing separate agreement, actual/365 (or 366 in case of a leap year) day count convention will apply. We will debit your margin account with such accrued interest and fees (unless fees are taken into account on calculation of transaction price) periodically without prior notice. Where you borrow any securities, interest will accrue on the market value of those borrowable securities.

4. Order Execution

4.1. To execute a margin trade you may submit us an order by any communication means specified under the Terms for submitting orders.

4.2. We will check any order we receive from you against our requirements, and, subject to order's compliance with the said requirements, we will execute the order or transmit the same for execution. You acknowledge that we may refuse to accept or execute any order for entering into a margin trade, notwithstanding its compliance with the formal requirements, without explanation.

4.3. Once the order has been executed, we shall debit your margin account for the assets paid or delivered and, if applicable, credit your margin account for the assets bought or received. You understand that any borrowing that you make for entering into margin trades, shall result in negative cash and/or

securities balance appearing or growing in absolute value and implying your emerged or increased liabilities to us.

4.4. You shall control your margin status and comply with the requirements set forth in this Schedule. Specifically, you shall maintain your margin status at an Active level in respect of all your margin accounts with us. It shall be your responsibility to be aware of all the terms of your margin trades and to ensure those comply with the requirements in this Schedule at all times.

5. Roll-Over

5.1. Subject to clause 5.2 below, you shall perform under and settle all margin trades as set out in the Applicable Regulations and Market Rules and by applicable settlement deadlines. You understand that if you fail to comply with the provisions of this clause, we shall have the right, in addition to our other rights and remedies under the Terms, to immediately change your margin status to Liquidation.

5.2. Without prejudice to clause 5.1 above, you agree that where you fail to close any margin trade by the end of a trading day, you will be deemed to have offered to us entering into an overnight repurchase Transaction, reverse repurchase Transaction or spot currency swap Transaction, as the case may be, with you on the terms and conditions set out below (individually or collectively a **rollover Transaction**). You understand that we may, but shall never be obliged to, enter into any such Transactions for or with you.

5.3. Under an overnight repurchase Transaction, we will sell securities to you for an agreed sum of money immediately after the close of business on any business day on condition that you will return to us securities equivalent to the originally sold securities (as defined in clause 3.5 above) for an agreed sum of money (which shall not exceed market value of originally sold securities multiplied by an agreed pricing rate) prior to the opening of trading in such securities on the next business day.

5.4. Under an overnight reverse repurchase Transaction, you will sell securities to us for an agreed sum of money immediately after the close of business on any business day on condition that we will return to you securities equivalent to the originally sold securities (as defined in clause 3.5 above) for an agreed sum of money (which shall not exceed market value of originally sold securities multiplied by an agreed pricing rate) prior to the opening of trading in such securities on the next business day.

5.5. Under an overnight spot currency swap Transaction, we will sell to you specific amount in one currency (first currency) for specific amount in another currency (second currency) immediately after the close of business on any business day on condition that you will return to us equivalent to the originally transferred amount in the first currency (as defined in clause 3.5 above) for an agreed amount in the second currency (which shall not exceed the originally transferred amount in the first currency multiplied by an agreed swap rate) prior to the opening of business on the next business day.

5.6. We reserve the right to decide which securities in your margin account are to be subject to a roll-over Transaction and will normally select the most liquid securities according to the prevailing market conditions.

5.7. You agree that we may modify the roll-over procedures without your consent. We will notify you prior to the date such modification is to take effect.

6. Margin Call

6.1. On or any time after your margin status reaches or falls below Margin Call level, we will be entitled to give you a margin call to recover your margin status to Active. A margin call may be given by any communication means agreed under the Terms.

6.2. A margin call may request that you deposit to your account with us additional amount of cash in definitive currency and/or securities of a particular description and may specify the deadline for making a transfer. Failing such specification, you shall make any transfer so that the same is credited to your account with us by 02:00 p.m. UTC on the day following the day of the margin call.

6.3. If a margin call is not fulfilled in accordance with its terms we may in addition to our other rights and remedies under the Terms, immediately change your margin status to Liquidation.

7. Right to Revoke

7.1. We have the right, at our absolute discretion and without being obliged to justify such a decision to you, to revoke or cancel any undrawn credit facilities extended to you.

7.2. Any such decision shall be notified to you by e-mail or other communication means agreed under these Terms, and shall have immediate effect.

7.3. We shall also have the right, at our sole discretion and without assigning any reasons, to require that you immediately repay to us any amount, which has become due, either fully or partially.