

## Intercapital Invest

Financial Investments Services Company

### GENERAL OVERVIEW

Intercapital Invest is a brokerage company specialized in execution of trades with stocks, bonds, derivatives and other financial instruments listed on Romanian markets: the Bucharest Stock Exchange (BSE) Rasdaq and Sibex.

The company was established in 1995 as a founding member of the Bucharest Stock Exchange.

Intercapital Invest has a track record of increasing performance over the years, Intercapital Invest being one of the most important independent brokers in Romania.

### SERVICES FOR INDIVIDUAL CLIENTS

The Romanian capital market recorded a very good performance over the last years, so that investors on the market benefited from returns that are considerably higher than bank interest rates. Intercapital Invest offers assistance to investors or companies interested in financial investments, and provides its clients with a complete package of financial services including:

- Execution of trades with stocks listed on the Bucharest Stock Exchange (BVB) , Rasdaq and Sibex markets.
- Execution of trades with futures, CFD and options contracts traded on Sibex and BVB.
- Execution of trades with structured products and corporate, municipal and government bonds on BVB.
- Investments in mutual funds and closed-end listed funds managed by our subsidiary Intercapital Investment Management.
- Assisting clients in setting up and implementing investment strategies on the capital market.
- Providing financial consulting, analyses and research on Romanian securities.
- Online trading using the [www.ktrade.ro](http://www.ktrade.ro) system.

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Websites:  
[www.intercapital.ro](http://www.intercapital.ro)  
[www.ktrade.ro](http://www.ktrade.ro)

Registry of Commerce No:  
J40/6447/1995  
Fiscal Code: RO7631041

Initial CNVM decision: 113/22.08.1995  
Current CNVM decision: 2063/4.7.2003

Personal data operator number 4929

EQUITY TRADING FEES	
BROKER-ASSISTED ACCOUNT	
Turnover (EUR)	Fee
Under 12,500	1.25%
12,500 – 25,000	1.00%
25,000 – 75,000	0.75%
Over 75,000	Negotiable

EQUITY TRADING FEES	
ONLINE TRADING ACCOUNT	
Turnover (EUR)	Fee
Under 12,500	1.05%
12,500 – 25,000	0.85%
25,000 – 75,000	0.65%
Over 75,000	Negotiable

BOND TRADING FEE
0.15%

SIBEX DERIVATIVES TRADING FEE
1.35 RON/contract

BOARD OF DIRECTORS
Răzvan Pașol - Chairman
Dragos Horia Manda - Member
Sandu Neculai Cristinel - Member

## PERFORMANCE

The activity of our company has increased constantly over the past years. Intercapital Invest executed equity, fixed-income and derivatives trades of over 2 Billion euros in the past five years. By the end of 2010 the company had over 4,500 clients.

## NOTABLE PROJECTS

Client satisfaction is our company's most important of project. Other notable projects include:

- The Capital Market Webpage, [www.kmarket.ro](http://www.kmarket.ro), one of the most important free sources of information about financial investments in Romania.
- The online trading platform at [www.ktrade.ro](http://www.ktrade.ro) and our financial analysis system Intercapital Start, available to clients on [www.intercapital.ro](http://www.intercapital.ro).
- Management of the EUR 150 million public bond offer of the World Bank in Romania and participation in the placement of the largest IPO in the country (Transgaz, 2007).
- Management of the only successful IPOs in Romania in both 2009 (OTP WiseRO and OTP Green Energy) and 2010 (iFond Financial Romania and iFond Gold).
- Management of the self-listing of the Bucharest Stock Exchange on its own regulated market.
- Publishing of the book Personal Investments Guide, the first Romanian book to treat financial investments on the local capital market from a practical standpoint.
- Consulting services for the launch of three investment funds, among which the first bond fund (Orizont) and the second equities fund (Intercapital) established in Romania.
- Capital market research and analysis projects, such as the calculation of the Mutual Funds Index (IFM), the only index used to analyze the performance of Romanian mutual funds.
- MarketMaker, a stock trading simulation with virtual money and real prizes.

## SERVICES FOR INSTITUTIONAL CLIENTS

Intercapital Invest also provides services to institutional clients, including:

- Structuring and management of public offers for sale and purchase of securities.
- Listings of companies on the Bucharest Stock Exchange and Rasdaq.
- Assistance with defining and implementing strategies for capital market financing through stock and bond issues.
- Assistance with designing and implementing strategies for capital market investments.

## IMPORTANT INFORMATION

Contact details: Intercapital Invest, 33 Aviatorilor Blvd., 1st floor, District 1, Bucharest, Romania; Telephone/Fax: +4021 222 8731, +4021 222 8744; www.intercapital.ro; office@intercapital.ro; Trade Register registration number: J40/6447/1995, Fiscal Code: RO7631041. The company's registered capital is 6,412,757 RON

The company has been authorized by the National Securities Commission (CNVM, Address: 2 Foişorului Street, 3rd District, Bucharest, Romania) by decision no. 2063/4.7.2003 and it has the registration number PJR01SSIF/400019/19.04.2006 in the CNVM register.

To contact us please use the telephone numbers +4021 222 8731 and +4021 222 8744. Communication (including relevant documents) may be done in Romanian and English at our offices, by telephone, fax, mail, e-mail or through ktrade.ro, our online trading system. Intercapital Invest sends e-mail confirmations of trades and portfolio statements on a daily basis to all its clients with trading activity, as well as monthly account statements.

Intercapital Invest protects its clients' assets in accordance with the legal provisions in force, by keeping its own assets separate from those of its clients and by supervising the observance of the relevant legal procedures. Our company is a member of the Investors' Compensation Fund (ICF); full details about ICF are available on its webpage at www.fond-fci.ro.

Intercapital Invest enforces strict measures to avoid conflicts of interest, in accordance with all applicable legal provisions. Potential conflict of interests situations, including ones that may rise because of group affiliation, are disclosed in relevant publications or communications; any activities and persons whose activity may lead to conflicts of interest are carried out separately, under strict supervision; exchange of information between such persons is controlled and their remuneration does not depend on any activities that may lead to conflicts of interest situations; no person is granted discretion to exert inadequate influence over ongoing activities or to become simultaneously or successively involved in activities that may lead to conflicts of interest. Additional information about our policy on avoiding conflicts of interest is available upon request.

Intercapital Invest is authorized to provide the following services: Reception and transmission of orders in relation to one or more financial instruments; Execution of orders on behalf of clients; Dealing on own account; Portfolio management, including investors individual account portfolios, on a discretionary basis, with respect to the mandate given, where these portfolios include one or more financial instruments; Investment advice; Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; Placing of financial instruments without a firm commitment basis; Operation of Multilateral Trading Facilities; Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management; Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the S.S.I.F. granting the credit or loan is involved in the transaction; Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings; Foreign exchange services where these are connected to the provision of investment services; Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments; Services related to the underwriting of financial instruments on a firm commitment basis; Investment services and activities as well as ancillary services of the type included under indents 1 and 2 related to the underlying of the derivatives included under article 2, indent 1, letters e) and h) of CNVM Regulation no. 31/2006 amending CNVM regulations by implementing certain provisions of European directives, where these are connected to the provision of investment or ancillary services.

Financial instruments that can be purchased through Intercapital Invest include: stocks, bonds, units of mutual funds, futures and options contracts and any other financial instruments allowed by the legislation in force. Investment strategies used are based upon clients' investment objectives and on other parameters including: invested amount, risk tolerance, objectives and other criteria of importance to investors. Our investment strategies rely on balancing the risk/return ratio according to clients' individual objectives, and on our use of market analysis and financial instruments analysis.

Financial instruments are defined by the Law no. 297/2004. Investments in financial instruments also entail risks, including the risk of loss for investors. Past performance cannot guarantee future performance. Stocks are titles that certify a property right on their issuer. Stock trading on a market entails variations in prices of shares, either upward (increases) or downward (decreases). Shares entitle their owners to dividends in cases where the issuer earns profit and its Shareholders' General Assembly decides on the distribution of dividends. The risks of investments in shares also include risks related to the fluctuation of prices on the exchange and to the financial results of the issuer.

Bonds are credit titles entitling their owner to receive interest paid regularly by the issuer, as well as to receive the principal at maturity. Investments in bonds entails risks such as interest rate risk, foreign exchange risks and issuer-related risks. Schemes for Collective Investment, designated in this document as mutual funds, are instruments of collective placement licensed by the National Securities Commission. Their risks are related to portfolio management risks and to risks associated with assets comprising their portfolio. Overviews of mutual funds are given in their simplified prospectus. Futures and options contracts are derivative instruments on assets like shares, indices or exchange rate fluctuations. Investments in such instruments entail higher risks than investments in other types of instruments mentioned above. In margin transactions a lever effect is involved, which entails the risk of a complete loss of investment or the risk of loss even higher than the amount of the margin. Financial instruments are also characterized by volatility, meaning the amplitude of variation in their prices. The volatility of traded instruments may be limited through the regulations of trading markets. As a result of trading with financial instruments, an investor may incur financial commitments and additional obligations, including contingent ones, which exceed the cost of purchase of financial instruments.

In executing trading orders, Intercapital Invest undertakes all measures necessary to achieve the best possible results for its clients. Considering price, costs, speed, probability of execution and settlement, volume, nature of transaction or any other characteristics deemed relevant for executing the order. Any specific instructions from a client may prevent a Financial Services and Investments Company (SSIF) from achieving the best possible result for its client from the standpoint of the above-mentioned elements.

Intercapital Invest provides execution of trades with instruments traded on the regulated market operated by the Bucharest Stock Exchange (BVB), on the Sibiu Commodities Exchange (BMFMS) and on the Nasdaq system within the BVB. Our company has a department of internal compliance represented by Madalina Lica and Gabriel Aldea (telephone +4021 222 8731). Clients may send any complaints to fax no. +4021 222 8744. Trading charges and commissions are listed on the page 2 of this material. An investment may entail additional costs for the client, including taxes associated with transactions or with the investment service, which are not payable through the broker and are not imposed by our company. The initial minimum amount necessary to open an account with Intercapital Invest is presented on [www.intercapital.ro](http://www.intercapital.ro). Opening an account and running transactions is conditional upon the fulfillment of all required formalities, including the correct fill out of forms and depositing the above-mentioned initial amounts (or their equivalent in financial instruments).

This document is to be supplemented by the provisions of the client contract and the provisions stated on our website, [www.intercapital.ro](http://www.intercapital.ro).

## ORDER EXECUTION POLICY

Intercapital Invest adopts all due technical, organisational, procedural and staff related measures required for accomplishing the best possible results for its clients, in relation to trading operations, considering price, costs, speed and probability of carrying out and of settlement, volume and nature of the transaction and any other relevant characteristics for execution of the Orders received. Should the client be conveying a specific instruction, Intercapital Invest carries out the order in keeping with that instruction.

All operations addressing order receiving by brokers, entry, execution and reporting, in relation to orders and transactions are conducted in full compliance with all laws, norms and legal regulations in force, as well as applicable ethical norms. The carrying out of transactions has to be conducted cost effectively for clients, which means the best execution prices (the highest possible sale prices, and the lowest possible buying prices), the best order entry and carrying out times, strict compliance with the clients' instructions and parameters of their investment strategies in terms of prices, volumes, amounts and risks.

Trading operations are only conducted by persons appointed by the company board specifically for this task and previously authorised as financial investment service agents by CNVM, and as agents in the markets where they act, by the aforementioned market operators. The persons responsible for trading are responsible for the accuracy of the orders entered from their own stations and for observing the terms from the orders sent by the client or by the broker, following the client instructions. The orders received are entered on the market depending on the time of receiving, based on the principle first come, first served.

The orders received by the company are executed on Romanian trading markets. Intercapital Invest does not carry out orders through other brokerage companies. Intercapital Invest monitors the effectiveness in execution of the orders and order execution policy, with the purpose of identifying and remedying any flaw, if there is necessary. The mandatory information required by the legislation in force to be provided to the clients is posted on the web site [www.intercapital.ro](http://www.intercapital.ro) and/or in the company presentation document, the clients being informed about this.

The current procedures are completed with all the provisions applicable from the regulations issued by CNVM and by the trading markets where Intercapital Invest is active in.

Intercapital Invest establishes and implements a policy by which they secure compliance with the obligations related to achieving the best result for clients. This policy will identify, for each category of financial instruments, the entities where the orders have been placed with. The entities identified need to have carrying out means that would enable the brokerage company to undertake the obligations provided by CNVM Regulation no. 32/2006 when they place or convey orders to be carried out by that entity. The brokerage company will supply adequate information to its clients, in relation to the policy established, in keeping with the previous provisions. The brokerage company will regularly monitor the efficiency of the policy established in keeping with the previous provisions and, mainly, the quality of the carrying out operations performed by the entities identified in that policy, and if necessary, will adjust any deficiency.

The company will revise annually or whenever there is an important amendment, for the purpose specified by law, the order carrying out policy as well as the procedures addressing order carrying out, and it will amend the current procedures should this be necessary.