

Principles of Processing Customer Data

Effective from November 1st, 2010.

1. General principles of processing customer data

- 1.1. This document regulates processing of Customer Data by AS Avaron Asset Management (hereinafter "Avaron").
- 1.2. The processing of Customer Data in Avaron shall be governed by the Personal Data Protection Act, other relevant legal acts and these principles. Processing of Customer Data may also be regulated by the contract concluded between Avaron and the customer, as well as terms and conditions of investment funds managed by Avaron.
- 1.3. Avaron shall apply appropriate organisational, physical and IT measures to protect Customer Data.
- 1.4. Customer Data shall include any information available to Avaron on the customer (e.g. name, identification code, contact data, information about customer's securities transactions).
- 1.5. Processing Customer Data shall mean any operation conducted with Customer Data (including collection, recording, reorganisation, modification, publication, use, deletion, etc.).
- 1.6. Customer shall mean any natural or legal person who is currently using, has used in the past, or has expressed his or her intention to use services rendered by Avaron, including person who has invested in, or has expressed an interest to invest in investment funds managed by Avaron.
- 1.7. Third Party is any person who is not the Customer, Avaron or an employee of Avaron.
- 1.8. Authorised Processor shall mean a person, who processes Customer Data on behalf of Avaron.

2. Customer consent

- 2.1. By expressing an intent to use the services rendered by Avaron (incl. to invest in investment funds managed by Avaron) or by disclosing his or her data to Avaron, the Customer shall be considered to have granted his or her consent to Avaron for processing of the Customer Data in accordance with the terms and conditions provided in this document.

3. Categories of Customer Data

- 3.1. Avaron shall process all Customer Data obtained on the Customer, including but not limited to:
 - 3.1.1. Customer's personal data (e.g. name, personal identification code, connections with Third Parties identity document data, contact data);
 - 3.1.2. Customer's field of activity or a job position;
 - 3.1.3. Customer's financial data (e.g. income, assets, liabilities, transactions and counterparties);

- 3.1.4. data on Customer segment;
- 3.1.5. data on the Customer's preferences and satisfaction (e.g. data relating to complaints filed);
- 3.1.6. data on the Customer's investment experience;
- 3.1.7. data on the origin of the Customer's assets and Customer's reliability (e.g. data on transaction partners, field of activity).
- 3.2. In addition to any Customer Data received directly from the Customer, Avaron has the right to process any information regarding the Customer available in public domain (e.g. state registers or public databases, data published on the Internet) or received from Third Parties, provided that the transfer of such information from a Third Party to Avaron is lawful.
- 3.3. To perform its obligations pursuant to applicable laws and regulations, Avaron is entitled to exchange Customer Data with Estonian-based or foreign credit and financial institutions.

4. Purpose of processing Customer Data

Avaron shall process Customer Data for the following purposes:

- 4.1. to decide whether or not, and under which conditions to provide the service to the Customer, including to decide the fees for the services;
- 4.2. to perform a contract concluded between the Customer and Avaron (e.g. execution of a transaction in a financial instrument), or to ensure the performance of such contract (e.g. debt collection procedures);
- 4.3. to offer Avaron's services or products to the Customer (e.g. presentation of new investment funds via e-mail);
- 4.4. to allocate customer segments (e.g. institutional and private customers);
- 4.5. to classify customers for the provision of services (e.g. professional client or a retail client);
- 4.6. to inspect and, if necessary, correct and amend the Customer Data submitted by the Customer;
- 4.7. to evaluate the Customer's reliability;
- 4.8. to prevent money laundering and terrorist financing and to fulfil the obligations arising from applicable laws and regulations, as well as guidelines issued by supervisory authorities and industry experts;
- 4.9. to conduct statistical and financial surveys and analyses;
- 4.10. to perform obligations arising from legal acts (e.g. transfer of data to financial supervision authorities, notaries, tax authorities);

- 4.11. to seek protection against violated or disputed rights (e.g. communication of data to a person representing Avaron, or to a court).

Avaron shall process Customer Data in the minimum extent required for achieving the above objectives.

5. Disclosing and communicating Customer Data to Third Parties

- 5.1. Avaron shall have the right to disclose or communicate Customer Data:
- 5.1.1. To other entities belonging to the same consolidation group with Avaron;
 - 5.1.2. To Estonian or foreign persons related to the performance of a contract concluded with the Customer (e.g. securities brokers and dealers and other intermediaries involved in executing Customer's transactions orders);
 - 5.1.3. To auditors, legal advisors and other service providers of Avaron (e.g. auditors), if the Customer Data are required for providing services to Avaron;
 - 5.1.4. To service providers to whom Avaron has delegated some of its functions in accordance with applicable laws (e.g. registrar function regarding investment fund units);
 - 5.1.5. To authorised processors;
 - 5.1.6. To administrators of public databases in order to perform inquiries into such databases;
 - 5.1.7. To a new creditor in the case of assignment or a right of claims, and to other Third Parties if the Customer is in breach of its obligations under applicable contract;
 - 5.1.8. for fulfilment of the obligations imposed by legal acts (e.g. to the Financial Supervision Authority, Financial Intelligence Unit,).
- 5.2. Avaron shall disclose Customer Data to Third Parties only to an extent it is necessary for achieving the objectives stipulated in Clause 4 above.
- 5.3. In the performance of contracts concluded with Customers Avaron is entitled to engage Third Parties, and to make Customer Data available to these parties. These persons are not under the direction and control of Avaron, and shall be authorised to process Customer Data in their own discretion in accordance with the laws of their country of residence.
- 5.4. In concluding transactions abroad, or with foreign persons, the Customer Data may become available to foreign public authorities, whether in the European Union or elsewhere, who shall process the Customer Data on their own responsibility in

accordance with the laws of their country of residence

- 5.5. The list of authorised processors is available at the office of Avaron.

6. Processing of Customer Data for direct marketing purposes

- 6.1. Upon providing his or her contact data to Avaron, the Customer has consented to receive information from Avaron (incl. monthly factsheets and personalised offers).
- 6.2. When sending e-mails to Customers, Avaron is permitted to use IT-solutions that enable Avaron to process information in relation to opening and reading e-mails sent by Avaron, and using web-links provided therein.
- 6.3. The Customer shall have the right at any time to choose not to receive further personal offers and monthly factsheets. The information on how to do this shall be attached to the respective offer.
- 6.4. The Customer shall not have an option to decline information related to the performance of the contract concluded.

7. Recording of Customer Data

- 7.1. Avaron shall have the right to record any orders placed by means of communication (e.g. telephone, e-mail, chat, Internet bank) and operations conducted by the Customer, and to use, if necessary, the recordings for verification and/or reproduction of orders or other operations as well as for other purposes specified in Clause 4 of the Principles

8. Changes in Customer Data and termination of the processing of Customer Data

- 8.1. The Customer is obliged to immediately inform Avaron of any changes, compared to the Customer Data specified in contracts or other documents submitted to Avaron.
- 8.2. The Customer shall have the right to review his or her Customer Data (incl. content and source thereof) by submitting respective inquiry to Avaron. The Customer shall inform Avaron of any inaccuracies in the Customer Data.
- 8.3. Where the processing of Customer Data is prohibited by law, a contract concluded with the Customer or these Principles, the Customer shall have the right to demand, in accordance with and to the extent permitted by the Personal Data Protection Act or any other applicable law, termination of the processing, publication and making available of his or her Customer Data,

and/or deletion of his or her Customer Data collected.

- 8.4. Avaron shall process Customer Data as long as required for achieving the purpose of the processing of Customer Data, or for fulfilling the obligations arising from legal acts

9. Protection of the Customer's rights

- 9.1. Where the Customer finds that Avaron violates his or her rights by processing Customer Data, the Customer shall have the right to demand Avaron to cease such violation. The Customer shall also have the right to contact the Data Protection Inspectorate or the competent court to protect his or her rights.
- 9.2. Where the competent authority finds that the Customer's rights have been violated by the processing of his or her Customer Data, the Customer shall have the right to demand compensation from Avaron for the damage caused.

10. Amendment of the principles for processing customer data

- 10.1. Avaron shall have the right to unilaterally amend the Principles in accordance with the applicable laws at any time
- 10.2. Avaron shall inform the Customer of the amendment of the Principles via its website www.avaron.ee and/or by other means (e.g. by sending an e-mail to a letter to Customer's contact details known to Avaron) at least one month before the entry into force of the amendments.

11. Avaron contact details

- 11.1. In the case of additional questions or a complaint, the Customer can contact Avaron via following contact details: AS Avaron Asset Management, address Narva mnt 7D, Tallinn 10117, phone +372 664 4205, e-mail info@avaron.ee.