



1. CRITERIA FOR EQUITY LINKED NOTES CREATION

Equity Linked Notes tradable on the NASD OTC Market may be created from securities of Companies which satisfy the following criteria:

- a. The securities must be those of a Company in operation for at least one year.
- b. It must be a public company or be held by more than 50 beneficial owners.
- c. The Company is not listed on any recognised exchange.

2. CREATION AND TRADING OF EQUITY LINKED NOTES ON THE NASD OTC MARKET

NOTES FOR GUIDIANCE

A. CREATION

- i. The Investor submits complete KYC documentation for the creation of an in-house account for the Linked Notes, deposits Physical Certificate with the appointed Nominee (or designated fund manager if preferred by the Custodian) and obtains evidence of deposit. Investor also indicates preferred Broker for trades on the Linked Notes to the Nominee.
It is important that the investor provides details of his/her/their/its preferred Broker to the Nominee as future instructions in respect of the Linked Notes to be created will be executed through the indicated Broker. Investors may change their preferred Broker at any time but must notify the Nominee accordingly.
- ii. Upon receipt of the Physical Certificate and complete KYC documentation, the Nominee undertakes its verification with the Registrar. The Registrar verifies, cancels physical certificate, issues new Certificate for the securities in favour of the Nominee and makes new entry (ies) for those securities against the name of the Nominee in the Company's Register.
- iii. The Nominee creates "Linked Notes" at a ratio of 1 ordinary share verified to 1 Linked Note in favour of the investor, credits the investors Linked Notes account in-house and deposits Physical Certificates re-issued in its name and held on behalf of the investor with the appointed Custodian(s).
- iv. Custodian creates Nominee account for the Investor with the Central Securities Clearing System (CSCS) and credits Linked Notes into Nominee's Account.

B. TRADING

- i. SELLING LINKED NOTES ON THE OTC MARKET
 - a. Investor sends instructions to sell Linked Notes to the Nominee through his/her/their/its preferred Broker.
 - b. Nominee forwards the investors' instruction to the Custodian who advises the CSCS of the Broker to execute the trade on NASD's OTC Market as well as the quantity of Linked Notes to be traded.



- c. CSCS enables Broker to trade on the indicated quantity of Linked Notes, obtains update from Broker on trade executed and forwards End of Day reconciliation information to the Nominee.
 - d. Nominee updates investor’s Linked Notes account in-house and forwards reconciled statement to investor within 24 hours of trade.
- ii. BUYING LINKED NOTES ON THE OTC MARKET
- a. Investor gives purchase instruction to preferred Broker together with complete KYC documentation for the eventual creation of an in-house account for the Linked Notes by the Nominee upon successful purchase of the Notes.
 - b. Broker instructs CSCS to create nominee account for the investor and places bid for the Notes on NASD’s OTC market.
 - c. CSCS confirms details of bid as executed to the Broker and Nominee.
 - d. Nominee creates Linked Notes account in-house for investor with the information and KYC documentation provided by the Broker, credits it with the Linked Notes purchased and forwards reconciled statement to investor within 24 hours of trade.

3. SCHEDULE OF CHARGES

| OPERATOR | BUY (%) | SELL (%) |
|--------------|---------------------|---------------------|
| NASD | 0.15 | 0.15 |
| CSCS | | 0.15 |
| SEC | 0.15 | |
| Brokerage | 0.75 | 0.75 |
| Nominee | 0.10 | 0.10 |
| Custodian | 0.10 | 0.10 |
| Total | <u>1.250</u> | <u>1.250</u> |