

# Customers Policy



## CUSTOMERS POLICY

### INTRODUCTION

KALLPA SECURITIES SOCIETY BROKER S.A., is a stock company authorized to operate as a broker by CONASEV Resolution No. 049-2008-EF/94.01.1, dated 14 August 2008.

As a broker, it is primarily dedicated to conducting brokerage activities.

The client must conform to the Securities Market Law, Regulation of Brokering Agents - Resolution SMV No. 034-2015-SMV/01, Intermediation Contract and this policy of Customers.

The hours of operation will be from 8:30 a.m. to 18:00 p.m., which will be published through our webpage and in our office. If there are any changes, it shall be communicated by the same means two days in advance, stating the reasons for the change.

#### 1.1. GENERAL FEATURES

##### 1.1.1. Aim

This document sets out the provisions to which the client conforms with the purpose of having the services of intermediation of KALLPA SAB. It describes in detail all the criteria and procedures defined in each of the phases of the intermediation process both in the local market and abroad.

This document has been prepared in compliance with the provisions in the Resolution SMV No. 034-2015-SMV/01 Regulation of Brokering Agents.

Any modification of this policy must conform to the provisions of the article 34 of the Regulation, which, after being approved by the SMV, will be duly disseminated and published on the website of the company within 30 calendar days.

KALLPA SAB reserves the right to stop offering its service of intermediation in the moment it feels that the customer has failed to comply with the provisions established in this policy.

##### 1.1.2. Effective Date

This policy will come into force on April 01, 2017.

##### 1.1.3. Glossary of Terms

Law: Securities Market Law

RAI: Regulation of Brokering Agents

Resolution No. 034-2015-SMV/01

SMV: Superintendence of Securities Market

Society: KALLPA SAB

MILLENIUM: Electronic Trading System of Lima Stock Exchange.

BVL: Lima Stock Exchange

CAVALI: CAVALI S.A.- ICLV Institution of Clearing and Settlement of Securities

Global Accounts: Accounts registered in the name of KALLPA SAB in foreign brokers.

Contract: Intermediation contract.

## 1.2. Customer Registration and Identification

The Society sets out the procedure for the customer registration for natural and legal persons, observing the strict compliance with the regulations.

### Conditions

The client has to conform to the Law, RAI, Intermediation contract and the Policy of Customers.

The Society will be responsible for identifying their clients appropriately, checking their legal capacity, representation; having an adequate level of knowledge of the client.

Society must subscribe, in physical form, an Intermediation contract with the client, which will set out the rights and obligations of both parties.

A copy will be delivered to the customer.

In the case of customers who act through foreign intermediaries or self-employed asset managers, the identification mentioned in the preceding paragraph shall be on behalf of them.

Considering that the investment advisory is part of the activities of the society, the company will assess the investment profile of these customers and that way they will be able to recommend products and services that fit their investment profile.

Natural and legal persons may be customers of the society if requested, conformed to

the compliance with the following requirements:

## **Requirements**

The society sets the following requirements to be a customer:

### **Natural person domiciled in the country**

- a. Fill out the Intermediation contract and annexes.
- b. Copy of the identity document in force.
- c. In the case of being represented, validity of powers of representative enrolled in Public Records, no more than 30 days old, indicating the granting of specific powers to perform operations on the purchase and sale of securities or other securities transactions, as well as the necessary power for the management of the account.
- d. Copy of the document of identity of the representative.

### **Natural person not domiciled in the country**

- a. Fill out the Intermediation contract and annexes.
- b. Copy of the identity document in force.
- c. Copy of the document of identity of the representative.
- d. In the event of being represented, validity of powers of representative enrolled in Public Records, no more than 30 days old, indicating the granting of specific powers to perform operations on the purchase and sale of securities or other securities transactions, as well as power required for the management of such account.
- e. A certified copy of the identity document of the representative.

### **Legal person domiciled in the country**

- a. Fill out the Intermediation contract and annexes.
- b. Testimony of constitution of the company.
- c. Current RUC tab.
- d. Term of powers of the legal representative enrolled in Public Records (no more than 30 days old).
- e. Copy of the identity document of the legal representative.
- f. Term of powers of representative enrolled in Public Records (no more than 30 days old), indicating the granting of specific power to perform operations on the purchase and sale of securities or other securities transactions, as well as the necessary powers for

the management of the account.

g. Copy of the identity document of the legal representative.

### **Legal entities not domiciled**

a. Fill out the Intermediation contract and annexes.

b. A certified copy of the record in Taxes Administration Entity

c. Witness/Status of constitution of the company.

d. Term of powers of representative enrolled in Public Records (no more than 30 days old), indicating the granting of specific power to perform operations on the purchase and sale of securities or other securities transactions, as well as powers required for the handling of such account.

e. Copy authenticated - by a Notary Public or Peruvian Consulate - of the identity document of the legal representative.

### **Succession**

a. Fill out the Intermediation contract and annexes.

b. Term of powers of the executor/administrator enrolled in Public Records (no more than more than 30 days old, indicating the granting of specific power to perform operations on the purchase and sale of securities or other securities transactions, as well as the necessary powers for the management of the account.

c. Copy of Document of identity of the executor or administrator.

### **Minor customers**

a. Fill out the Intermediation contract and annexs. This must be complete with the data of the child and signed by both parents, unless only one of them exercees the parental authority, for which you will need to submit a supporting document (for example, if one of them has died).

b. ID card of the minor customer.

The customer must inform the Company about any changes in the information provided in the intermediation contract.

### **Loss of customer condition**

A client stops having the status of such when, at the closing of the financial year, 2 years have elapsed without having carried out operations.

After determining the customers who meet the condition mentioned above, and during the 30 days following the closing of the financial year, a written communication via e-

mail shall be sent to the customer informing him about the loss of status.

15 days after having sent the communication, the Head of Operations will inactivate the account in the system of the society, through registering “inactive” in the virtual tab of the customer. In this way, the customer's account will be inoperative and will not process any type of operation and transaction.

A customer can reactivate their account, to do this you must come to the office of the society in order to update information by filling out and signing a new contract of intermediation.

### **1.3. The intermediation process - LOCAL MARKET**

#### **1.3.1. Reception and registration of orders**

##### **Conditions**

The reception of orders is performed by the medium/s as agreed in the contract of intermediation and is in charge of the duly authorized representatives for this role. These orders are registered in the system and then they are executed in the market.

The representative will verify if the client is active, if you have the values or resources for the registration of the order. In the case of clients with foreign custodian, this validation is replaced because the representative confirms that the client has local custodian (information previously verified).

##### **Means**

The customer can choose, in the intermediation contract, one of the ways that society puts at their disposal for the reception of orders and that are authorized by the SMV:

- **Written media:** The orders received in the offices of KALLPA SAB and by its authorized representatives for this purpose.
- **Phone media:** Orders received by authorized representatives to do this through the phones that society indicates. These lines are designed exclusively for this purpose and the conversations are recorded. When taking a telephone order, the established protocol will be considered to identify the details of the instruction, identification of the customer and the appropriate representative.
- **Fax:** orders sent to the telephone number that society indicates, which will be confirmed by the representative.
- **Email:** orders sent to the email address of a representative, which will be confirmed by the representative.

### **Conditions and obligations in the use of electronic media**

The society has technological resources to inform its customers the operations carried out on the day, to have historical information, as well as for the transmission of orders via email.

The necessary conditions have been set so that the use of this electronic medium can be continuous, have ongoing support and be carried out under the parameters of security to ensure the protection of such information.

To ensure continuity, the company has a Contingency Plan that considers the availability of servers and back ups that ensure the continuity and security of the service of the web page and email.

With regard to the media, the society, through its area of systems, gives technical support in order to avoid failures, configures the access (ports) to email inbox and outbox to ensure access, cleans spam and virus against undesirable mails or possible electronic attacks and updates the software daily.

On the issue of security, the area has defined a demilitarized zone – DMZ, to which it is possible to have access through our web page. It is used by customers who ask for information about their investments. This working structure is reviewed on an annual basis and configured again according to the attacks of viruses that may occur at any time.

Therefore: i) access to customers via web is a safe and immediate way to obtain information, (ii) the use of electronic mails constitute an immediate and secure means of communication, and (iii) phone calls are recorded in all the annexes in the society. This information is properly guarded. At the end of the day, the company shall provide customers with the information of the operations carried out in compliance with the orders they received.

In the case of the orders of accounts of minors, they may only buy, but they can not sell or withdraw funds. To do this, you will need to have a Court Order (document that is generated after the judicial process). Both parents must sign the purchase orders or the authorized agent, for which you will need to submit the supporting document.

### **Registration**

The orders are registered by each representative in chronological order in which they are received. The system generates a number of immediate registration, date, time, RUT code, identification of the originator, type of operation, transaction, the value or financial instrument ordered, quantity and duration, the system automatically assigns in alphanumeric code and in chronological order.

The data automatically assigned by the system may not be altered or modified.

### **Types of Orders**

Orders that are recorded in the system can be the following:

Own-account orders: are orders to buy or sell securities of the society on their own account.

Linked orders: are orders to buy or sell securities that people called “linked” make.

Orders of other intermediaries: are those orders that are placed in the name of other intermediaries and subsequently assigned to their end customers.

Special orders: are orders to buy or sell securities issued by institutional clients, for an amount greater than S/.150,000.00 (one hundred and fifty thousand suns and 00/100 Nuevos Soles) and which may be transmitted to the market by installments or in a consolidated form, and may alternate with regular orders.

Ordinary orders: are orders that are not included within the scope of the qualification of special order and whose amount is less than S/.150,000.00

## **Schedule**

The schedule for the reception and transmission of orders for the local market will be from Monday to Friday and during the hours that the Lima Stock Exchange negotiate through the platform of MILLENIUM system. This schedule shall be the one that the BVL spread in its web page. The orders received outside of these hours will be taken into consideration for negotiating the next business day.

### **1.3.2. Execution of orders**

#### **Execution of orders**

The society ordinary commands are transmitted to the market immediately after being received.

The schedule of implementation shall be according to the schedule in which the BVL performs the negotiation session.

With regard to special orders, as they relate to institutional orders of customers to perform operations on behalf of their managed:

- These will be recorded and implemented by installments or total in the name of the institutional client.
- Be allocated on behalf of the institutional client instruct and under their administration.

### **1.3.3. Changes, cancellations and corrections of orders**

The customer may change or cancel an order before the original order is executed completely. The modification of an order leads to the loss of its serial number. A new order should be issued, and the number and time of reception are assigned

The correction of an order will be given in case the company has to correct errors attributable to it, which may have been originated in the process of reception,



registration or allocation of orders of their clients. Corrections can be carried out at any time, provided that the corresponding operation has not been liquidated.

The Company will not be responsible for the requests for amendment or cancellation of orders made by your customers orders previously entered.

#### **1.3.4. Assignment, Execution and settlement of operations**

The system of the society assigns all operations on a daily basis through an automated and efficient system, in chronological order. In addition, it gives the appropriate levels of security that prevent the alteration of the timing and content of the orders placed.

##### **Allocation of operations**

The allocation of the operations carried out through the Electronic Trading System (Millenium) is automatic and is performed in accordance with the chronological sequence of implementation.

When there are similar orders between clients and those linked to the Society, the following cases will be considered for the allocation of operations:

If the transactions meet all orders, the orders are assigned in a chronological way, without taking into account the type of linkage of the client.

If the operations carried out do not meet all the orders, the orders for its own account and those of the linked will be allocated after finding out that the customers' orders are not linked.

##### **Confirmation: Policies, State of Mind**

Society provides customers with the information of the operations that are made the same day and also with the layout of the corresponding policies.

Society issues the policies on the day of implementation of the operation and makes the physical policy available to its clients from the day after its generation. The client may receive it by coming to the offices. If the client requests a copy of a policy, the new issue shall be subject to payment of the cost per emission established in the manual.

The operations carried out in the local market are settled on T+3. This is the reason why the payments of operations of purchase and sales transactions are settled in that period.

The statement is a document that shows in detail the movements in a given period of time as well as the balances of values /financial instruments or resources of a customer.

The society will place their account status at the disposal of the customer in the medium selected within 30 calendar days after the closing of each month. If the customer has not conducted operations within some quarters and as long as he keeps balances of financial instruments or resources, the Company shall place your account at the disposal of the client within 30 calendar days after the end of the first quarter of 2004.

In case the value of financial instruments or resources is less than S/.1,000 and provided that they have not carried out operations in that quarter, the remission or disposition of the state of account shall be annual.

The customer will receive the statement in the middle set in the intermediation contract.

## **Liquidation**

### **Purchase Operations, reports, Margins**

The society liquidates operations in the local market according to the standards established by CAVALI and according to the process of clearing and settlement of that institution.

For stock exchange operations, the liquidation deadline is until T+3, for report operations: the settlement date for the counted Operation (FL1) and the date of settlement of the long-term operation (FL2), margins of guarantee, the payment deadline is the date that is required by CAVALI and other modalities of operations according to the dates agreed between the parties.

The clients must cancel the purchase and margin calls, in due time, with the deposit of funds in some of the operational bank accounts of society (as indicated in the annex concerned, in the intermediation contract). In the same period, the Company shall place the acquired values at the disposal of the Clients. This information will be registered in the system of the society and the customer will have access to this information on their account statement, to which it is possible to have access by: i) via access to clients by web, ii) request to send a statement of account.

The Customer shall send the deposit slip, proof of transfer or transfer number, date and banking entity to your representative who, after validating this information, he/she will refer to the area of operations for its registration.

If, after the operation, the customer fails to make the payment of any operation or delivery of securities or funds, the Company may dispose of any sum of money available that the customer has in the accounts of the company agent exclusively for the settlement of such operations, provided that such funds are not intended for operations that have already been executed and that are still outstanding.

In the case of purchase operations in which funds haven't been delivered, the Company may sell the securities resulting from the operation.

On the 2nd day after the due date agreed, the company will proceed with the sale of the values that are not paid by the client and if this amount does not cover the debt shall be put up for sale the values that the client maintains a portfolio, as it is stipulated in the contract of intermediation, up to the amount owed. This failure will lead to interest from the due date, the applicable rate shall be as indicated in the manual of the society.

The Company will provide the customer with the beginning of this process by any means of communication indicated in the contract of intermediation.

The company will report to the SMV the debtor position of customers on a daily basis.

The company does not have the obligation to transmit an order if the Customer is not in compliance with delivering the resources or financial instruments to comply with the corresponding liquidation.

### **Currency exchange**

At the request of the customer, the company may make changes of currency through the purchase and sale of foreign currency, for which you should refer to the instructions to the representative through the media authorized in the Contract of intermediation. This source of information will be support enough of the conditions of negotiation agreed.

Once the instruction of currency exchange is given, the customer agrees to make payments of the amounts required within the time limits and into the bank accounts indicated by KALLPA SAB.

If the customer fails to fulfill any of the conditions agreed in the negotiation of the purchase and sale of foreign currency, they will assume the economic damages that this entails. The representative may bring to the attention of the customer, previously, the actions to be taken in the face of such non-compliance.

If a client maintains balance in favor of a currency and balance on the other, the Company will automatically make the changes of currency in order to cover the balance up to the amount as possible, however if the customer decides to deposit the amount owed must inform its representative in order to avoid the currency referred.

The transactions resulting from the purchase and sale of foreign currency will be registered in the state of Customer's account on the dates, amounts and forms agreed in the instruction given to the representative.

The Society shall place its account at the disposal of the client and all the information related to their investments through access to the web page and use of their personal key, as well as through the delivery of account according to the means chosen in the contract of intermediation. Access to the website provides online information: portfolio of securities, detail of the operations, current account, orders and policies; and it is available on a permanent basis.

### **Sales transactions, maturity of report operations**

The society will put the funds at the disposal of the Clients corresponding to the sale of securities or maturities of reports on the settlement date of such operations. This information will be registered in the state of Customer's account on that date and shall be accessible to the customer through: (i) via access to clients by web, ii) request for a statement of account.

The customer shall transmit payment instructions to your representative who, after the checks, will forward the request to the area of operations for its implementation.

Payments will only be made through bank transfers, checks or money orders at bank counters in favor **ONLY OF THE CLIENT**.

#### **1.4. THE INTERMEDIATION PROCESS - FOREIGN MARKET**

The society in the foreign market through foreign intermediaries that satisfy the following conditions:

- a) They have a system of confirmation of operations
- b) They send statements monthly with the detail of movements, balances of financial resources and instruments. This information is also available to society daily through access to a web page.
- c) They are regulated by bodies similar to the SMV.
- d) The company has signed contracts with each foreign intermediary, these foreign counterparts are authorized and supervised by a regulatory body with functions similar to the SMV or SBS. This body must meet the following conditions: (i) be a member of the International of Securities Commissions (IOSCO) that can be a signatory to the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information and (ii) be a state member of the Financial Action Task Force (GAFI), of the Financial Action Task Force of South America (GAFISUD) or of the Caribbean Financial Action Task Force (GAFIC) and that they are not considered by those agencies as high-risk or uncooperative countries or territories, or those on which countermeasures should be applied to protect the international financial system from the risks of money laundering and financing of terrorism in those jurisdictions.
- e) The financial instruments that are feasible to negotiate will be the ones that are registered or regulated by a body which meets the conditions set out in article 64 of the RAI, the ones who have public information about their contributions or about the nature of the financial instrument and with an institution in charge of the registration or custody.

##### **1.4.1. Reception and registration of orders**

#### **Conditions**

The society intermediates in foreign markets under the modality of holder of all the operations and of the financial instruments that it may purchase on behalf of their clients. These accounts receive the name of global accounts. These global accounts are recorded and distributed in the system of the society in the name of each client.

The society accesses to the foreign market through the use of the electronic platform that the foreign broker provides, to which only authorized representatives have access.

The representative will verify if the client is active, if they have the values or resources for the registration of the order. In the case of clients with foreign custodian, this validation is replaced because it is confirmed that the client has local custodian (information previously validated).

### **Media**

The customer can choose, in the intermediation contract, one of the means that society puts at their disposal for the reception of orders and that are authorized by the SMV. These means are detailed in item 1.3.1.

### **Registration**

The reception of orders is performed by the means agreed in the contract of intermediation and it is carried out by the authorized representatives. Such orders are registered in the system and then they run in the market.

The orders are registered in the chronological order in which they are received. The system generates a registration number, date, time, RUT client code, identification of the originator, type of operation, transaction, the value or financial instrument ordered, quantity and duration.

The system automatically assigns in sequential numbering and in chronological order.

The data automatically assigned by the system may not be altered or modified.

After that the representatives of the society have knowledge of the orders, they enter to the electronic platform provided by the foreign broker for its implementation. This platform electronically transmits, by a FIX protocol, the buying or selling order entered from our offices to the terminal of the negotiation of the international broker.

### **Schedule**

The schedule for the reception and transmission of orders for the foreign market will be from Monday to Friday and during the hours in which negotiations are held out in the stock market.

The orders that are not received in the schedule will be considered for the negotiation of the next business day.

#### **1.4.2. Execution of orders**

After that the representatives of the society have knowledge of the orders, they enter to the electronic platform provided by the foreign broker for its implementation. This platform electronically transmits, by a FIX protocol, the buying or selling order entered from our offices to the terminal of the negotiation of the international broker.

Phone calls made through the lines that have a recording system are also part of the communications with the foreign broker

#### **1.4.3. Allocation and settlement of transactions**

The system of the society assigns all the operations on a daily basis, in chronological order. In addition, it provides the appropriate levels of security that prevent from the alteration of the timing and content of the orders.

#### **Confirmation: Policies, State of Mind**

Society puts the information of the operations ordered the same day at the disposal of the customers, including the layout of the corresponding policies.

Society issues the policies on the day of implementation of the operation and makes a physical copy of the policy available to its clients since the following day of its generation. The client may collect them coming to their offices. If the client requests a copy of a policy, the new issue shall be subject to payment of the cost per emission established in the manual.

The statement is a document that shows, in detail, the movements in a specific period of time as well as the balances of values /financial instruments or resources of a customer.

The society will place their account status at the disposal of the customer through the chosen medium, within 30 calendar days after the closing of each month. If the customer has not conducted operations within some quarters and as long as he keeps balances of financial instruments or resources, the Company shall place their account at the disposal of the client within 30 calendar days after the end of the first quarter.

In case the value of financial instruments or resources is less than S/.1,000 and provided that they have not carried out operations in that quarter, the remission or disposition of the state of account will be annual.

The customer will receive the statement in the medium set in the intermediation contract.

#### **Liquidation**

The applicable liquidation procedure shall be the same as those established for the operations of the local market 1.3.4.

The policies issued by foreign operations are generated in the system of the Society at the time of the operation, this registration allows the distribution of data in the portfolio of clients and in the statements of account of each of them, enabling up-to-date information at the end of the day T.

The information registered in the system allows you to review the details of the composition of each operation, distribution, commission paid to the foreign broker that will be transferred to the customer through the inclusion in the policy. This record

enables to check: The value of the quantities intermediated, type of values, prices, the gross amount, charges, net to compensate by broker, price in dollars.

The company does not have the obligation to transmit an order if the customer is not in compliance with delivering the resources or financial instruments to comply with the corresponding liquidation.

#### **1.5. THE INTERMEDIATION OF OVER-THE-COUNTER PROCESS**

For operations with securities not registered in the Registry, the society will proceed as mentioned in the article 59° and 60° of the RAI:

Conditions:

- a) Give the customer a statement indicating if you have a link or not with the principal payment, issuer, or with the seller of the financial instrument.
- b) Check that there is no impediment to the negotiation of the instrument.
- c) Carry out reasonable actions that allow you to certify that he/she has complied with its obligation to check the formal requirements of validity of the financial instruments in accordance with the relevant rules.
- d) Only financial instruments that are paid by a legal person constituted in the country will be negotiated.
- e) In any case, the client-seller may be the one in charge of the payment of the financial instrument, except for primary offers.
- f) In the case of intermediate financial instruments that do not qualify as securities, the company should require the seller's customer information as follows;
- g) Require the customer to convey to the seller and buyer's agent: (i) the most recent financial information of the one in charge of the payment of the financial instrument, ii) the report issued by one of the private credit bureaus (no more than 30 days), indicating the results of the information search of the obligations in the financial system and of commercial nature, corresponding to the principal for the payment of the financial instrument, iii) affidavit stating whether or not it has knowledge: if the one who is in charge for the payment of the financial instrument has been declared bankrupt, or a bankruptcy procedure has started, if they have more than 50% of the assets affected by precautionary measures, if they have unpaid debts for more than 120 calendar days.
- h) The client-seller must submit an affidavit stating they do not have the financial information in case it happens; whether or not it has links with the principal for the payment of the financial instrument and whether or not it has links with the agent.
- i) If the customer seller is the first beneficiary, the affidavit above should indicate that the financial instrument comes from commercial operations with the principal for the payment.
- j) All the above applies in all cases except for operations carried out with financial instruments issued by the Central Government, Regional Government,



municipalities, decentralized public institutions, multilateral agencies and companies registered in the Registry.

#### **1.5.1. Reception and registration of orders**

##### **Conditions**

The reception of orders is in charge of the authorized representatives for this function, such orders shall be forwarded by the client through physical means your record in the system.

The order shall indicate: date, time, RUT client code, identification of the originator, type of operation, transaction, the value or financial instrument ordered, quantity and duration,

The representative will verify if the client is active, if you have the values or resources for the registration of the order.

##### **Registration**

The orders are registered by the representative in chronological order in which they are received. The system generates a registration number immediately.

The data automatically assigned by the system may not be altered or modified.

##### **Schedule**

The schedule for the reception and transmission of orders for the local market will be from Monday to Friday during working hours that society will publish through the website.

#### **1.5.2. Execution of orders**

After having received the customer's instructions and recorded the order, the BVL is informed to proceed with its implementation.

The BVL will publish proposals for the period of 2 working days prior to its implementation.

The orders for negotiation of OTC derivatives transactions with registered securities on the stock exchange will be communicated to the stock market to its proper dissemination and in cases in which an operation involves actions that represent 5% or more of the Capital Stock subscribed and paid in effect at the previous day of the issuer, the stock exchange will disseminate these orders 2 days before the execution, in



accordance with what is stated in article 5 of the Rules Applicable to the off-session block trades negotiation, approved by Conasev Resolution No. 027-95-EF/94.10.0

### **1.5.3. Allocation and settlement of transactions**

The system of the society will assign the operations according to the order in which the instructions were received. In addition, it provides the appropriate levels of security that prevent from the alteration of timing and content of the orders placed.

#### **Confirmation: Policies, State of Mind**

Society provide customers with the information of the operations made on the same day and also with the layout of the corresponding policies.

Society issues the policies on the day of implementation of the operation and makes the physical policy available to its clients from the day after its generation. The client may receive it by coming to the offices. If the client requests a copy of a policy, the new issue shall be subject to payment of the cost per emission established in the manual.

The operations carried out in the local market are settled on T+3, reason why the payments of operations of purchase and sales transactions are settled in that period.

The statement is a document that shows in detail the movements in a given period of time as well as the balances of values /financial instruments or resources of a customer.

The society will place their account status at the disposal of the customer in the medium of choice within 30 calendar days after the close of each month. If the customer has not conducted operations within some quarters and as long as he keeps balances of financial instruments or resources, the Company shall place their account at the disposal of the client within 30 calendar days after the end of the first quarter.

In case the value of financial instruments or resources is less than S/.1,000 and provided that they have not carried out operations in that quarter, the remission or disposition of the state of account shall be annual.

The customer will receive the statement in the middle set in the intermediation contract.

#### **Liquidation**

The operation is recorded in CAVALI, in the OTC module, with the data of the buyer and the seller.

The society settles the sales and purchase transactions, within the agreed time between T and T+1.

For the liquidation process of buying and selling is applicable as it is indicated in 1.3.4.

In the event of non-payment, 2 days after the due date agreed, the company will proceed to the implementation of the securities not paid by the client and if this amount does not cover the debt, the securities that the client maintains in portfolio will be sold, as it is mentioned in the contract of intermediation, up to the amount owed. This failure will result in penalty interest since the due date. The applicable rate is the one indicated in the manual of the company. The company will inform the customer about the beginning of this process using the address indicated in the contract of intermediation.

The company will report to the SMV the debtor position of customers on a daily basis.

The company does not have the obligation to transmit an order if the Customer is not in compliance with delivering the resources or financial instruments to comply with the corresponding liquidation

### **Customer Operations with the agent or linked**

In the case of operations carried out of centralized mechanisms, the company will notify the customer in a written form:

- The agent or linked will be the counterparty to the transaction
- If you are enrolled in a centralized mechanism for negotiation (MCN), the last closing price, date and name of the MCN.

#### **1.6. CRITERIA TO AVOID CONFLICTS OF INTEREST THAT MAY ARISE BECAUSE OF OWN ORDERS AND THOSE OF THEIR OWN LINKED, IN RELATION WITH THOSE ONES OF THE REST OF ITS CUSTOMERS**

The society provides the following actions to avoid conflicts of interest:

- Be neutral at all times.
- Prioritize the customers' orders over the self-employed or linked.
- Comply with what is established in the Code of Behavior, demonstrating professional ethics, integrity and respect.

#### **1.7. DISSEMINATION AND MODIFICATION OF THE POLICY OF CUSTOMERS**

The Company will provide each client with a copy of its policy of customers, after registering as such, and it will display this document in their offices and through its web page, this way you will be at the disposal of its customers and the public in general.

If the Society decides to change its policy of Customers, it will be reported to the SMV on the day of its application, submitting the full version of the document and the comparative table of the amendments, except for the amendments that, in accordance with article 35° of the RAI, must have the authorization of the SMV.

The day after informing the SMV, the amended policy will be posted on the company's website for a period of 10 calendar days prior to its entry into force, as well as by email.

In the case of modifications in which the authorization of the SMV is required, the proceeding will be carried out in that institution in accordance with the indicated in the article 34° of the RAI and after revising all the observations made they will publish it on the web page of the company for 10 calendar days or in a national newspaper. This procedure shall also apply for the modification of the contract of intermediation.

#### **1.8. MODIFICATION OF TARIFF**

If society decides to modify its tariff, it shall be communicated to the customers at least 15 days in advance by the following means:

- Announcement on the website of the society
- Email address (if the client has indicated that means of communication)
- Satellite Account Status

It must also be informed if the customer does not agree with the increase in rates, they may terminate the contractual relationship and be able to move their securities at no cost to another company.

In the case of a reduction of rates will not be necessary to advance communication to customers, being its immediate implementation.

#### **1.9. QUERIES, COMPLAINTS AND CONFLICT RESOLUTION**

In the event of claims of clients, the company will record this fact in the Register of claims. The procedure to follow will be:

- a) Receipt of the complaint.
- b) Registration of the complaint, deriving the case to the area of Internal Control.
- c) Analysis and evaluation of the documentation necessary for the case.
- d) Application of relevant documentation/information of the operations or transactions in claim. Depending on the age of the information, the estimated time to dispose/access to information may be within up to 25 working days from the date of receipt of the claim.
- e) Analysis of the documentation/information.
- f) Development of the internal report resulting from the analysis of the information.
- g) Development of the response to the client.
- h) Delivery of customer response by adding the appropriate information. The answer may be granted within a maximum period of 40 working days from the date of receipt of the claim.

It should be noted, that if the customer believes, he/she may submit the claim directly to the SMV or INDECOPI.

## 1.10. PORTFOLIO MANAGEMENT

### 1.10.1. Objective

The company offers the service of portfolio management which manages the resources in cash, securities or financial instruments that it receives from a client, to be managed in a discretionary or non-discretionary way, by the SAB, at the customer's cost and risk.

The obligations of the company are summarized like this. :

- To invest the financial resources and instruments of their clients in accordance with its investment policy.
- To transfer the financial instruments between managed portfolios at prices different than market or prices at fair value.
- To communicate the customer, no later than the following day, about any fact that significantly affects their portfolio.
- To disclose potential conflicts of interest that may exist between the agent and the customer, as well as control mechanisms to mitigate the possible effects.
- To make the valued account balances of the clients available to them, within ten (10) days after the close of each month.
- To reconcile the balances of the Financial Instruments and accounting in the portfolio of clients as well as to check the correct and timely entry of money for charges of coupons, dividends or any other concept, or the correct and timely admission, discharge, or upgrade of the amount of financial instruments arising from acquisitions, corporate events and to verify the ownership of the financial instruments on behalf of the customer, as well as the timely receipt or delivery of the related financial instruments.

The scope of this product is specified in detail in the Portfolio Management Contract, in accordance with the article 73, the RAI that includes the following:

A) Purpose of the contract.

B) Detail, in quantity or amount of financial resources and instruments submitted by the customer.

(C) Indication that the Financial Instruments are valued at fair value, according to the methodology established by the society.

(D) Mode of administration of portfolio: discretionary or non-discretionary.

(E) Notice that the customer is aware of the risks of their investments and the assumed;

F) Both parties recognize that investment policy is part of this contract.

G) Regularization procedures in the event of excess of investment.

H) Duties and responsibilities of the company and the customer.

I) An entity that performs the custody of the physical Financial Instruments.

(J) The commissions of the agent and expenses to be paid by the customer.

K) Indicate whether they are going to count with an indicator of comparison of yields.

L) Establish the types of events considered as significant where there is an obligation to inform the customer. These events are those that may affect the value of the portfolio.

M) The detail of the information will be provided to the customer and frequency of delivery, which will be at least monthly.

N) Term of the contract.

#### 1.10.2. Controls

An updated control of the status of the assets that make up the portfolio will be carried out and an adequate record of this administration will be kept. Also, there will be a file for each client with the following minimum information: a copy of the contract of Administration, and copies of the reports delivered to the client; copy of the livelihoods of operations; and copy of the proof of payment for the portfolio management.

The service to be provided to the customer as the Product Portfolio Management (Asset Management) includes the following points:

- Presentation of the Investment Policy according to the risk profile of each customer, for discussion, amendment and subsequent approval.
- Signing of the contract.
- Daily valuation of the investment portfolio of the client according to the terms of the contract.
- Service of custody of assets under management in society without cost.
- Submission of reports and documents according to the periodicity in the management contract.
- Regular meetings, in person, by phone and/or through the use of multimedia tools.

#### 1.11. MUTUAL MONEY

##### 1.11.1. Objective

The company, with its own resources, may offer credit to its customers who wish to purchase financial instruments through its intermediation. Such credit will be only for that purpose.

Conditions:

The Society shall conclude a contract with the client, on which they will agree upon the terms of the loan: amount, term, interest rate, permanent and conditions for their execution in the event of non-compliance.

##### 1.11.2. Guarantees

The Customer shall establish and maintain financial guarantees for an amount not less than 100% of the amount of the credit. These will be valued on a daily basis and in case of their reduction, a replacement in the period established in the contract will be required.

This warranty shall be formed by values with market price or fair value, appraisal value or another verifiable and according to the following criteria for recovery:

- Obligations issued by governments, to 95% of its value.
- Obligations issued by listed companies, to 90% of its value.
- Financial instruments representative of participation in centralized mechanisms, to 85% of its value.
- Financial Instruments issued by mutual funds for investment in securities, 85% of its recovery.
- Other Financial Instruments, to 60% of its value.
- Other assets that have an estimate made by a legal person or independent professional, 50% of the appraisal value.

#### **1.12. CUSTODY OF FINANCIAL INSTRUMENTS**

##### **1.12.1. Objective**

The company provides its customers with information service of the values written on the parent account No. 91 administered by CAVALI S.A. as well as guarded in the global accounts by foreign brokers.

This information is recorded in the system of the society and reconciled on a daily and weekly basis with the institutions that guard the values indicated in the preceding paragraph.

This information is available to clients immediately and at no cost through access to the web page of the society through access login web.

This service is included in the manual of the society and its charge is monthly.

#### **1.13. OTHER CONSIDERATIONS**

For a client to request the transfer of financial instruments to another company or broker, you should do the following:

- The client will send a request to the representative of Portfolio Management, detailing the name/s of the securities that you want to transfer, number of shares, target date, SAT. This request must be signed by the customer.
- Prior payment of the service of transfer of securities established in the manual.
- The customer must cancel all the services, which are provided by the society and are specified in the Contract. The customer must not have any document pending delivery or signature.
- After the required, the securities that are to be transferred will be recorded in the WARI CAVALI system, indicating the SAB account destination.