

# MEMORANDUM



## Customer Service

(The services and their terms described therein are part of the investment and account service agreement. This Memorandum should be read before subscribing to the application for use of the services mentioned below)

Revised edition Inv. 0822-2018  
Revision from August 22, 2018

ENG

AVAILABLE ONLY TO INVESTORS WHO ARE NOT UNITED STATES RESIDENTS

## I. General provisions

- 1.1. The given terms and conditions cover the services described herein, as well as services of ICN Holding that will be added at a later time. Additional services are added to the terms of this Memorandum either with the use of a special addendum to this Memorandum or by enforcing a revised Memorandum or a new Memorandum, which will replace the previous Memorandum.
- 1.2. This Memorandum, revision **Inv. 0822-2018**, goes becomes in force and replaces all previous Memorandums with / and all its' addendums. All services, purchased earlier under the terms of the previous revision of the Memorandum shall be interpreted, enforced and regulated by the terms of this Memorandum.
- 1.3. The subscription to the services covered by this Memorandum is performed only in accordance with the terms of this Memorandum. These terms are obligatory for all parties. The signature of the subscriber on the application for the use of the services herein is deemed as familiarization and agreement of the subscriber with the terms and conditions mentioned in this Memorandum.
- 1.4. Subscriber to the integral services of ICN Holding can be any legal entity or individual who is at least 18 years old, and is subject to the terms and conditions of this Memorandum.
- 1.5. The terms of this Memorandum are enforced when the requirements of part III of this Memorandum "Efficiency of Terms" are met and the subscriber has signed the application. We strongly recommend that the text of this Memorandum is read and, if necessary, request a copy of the text of this Memorandum and to request any necessary explanations of the terms of service, as well as the corresponding investment processes and related risks and characteristics.
- 1.6. The services described herein are international and are structured exclusively for the subscription by non-residents of the USA and several other countries mentioned separately in the description of services. These services cannot be offered, purchased or delivered directly or indirectly to the USA and/or to US residents.
- 1.7. Applications from US residents for the subscription to the services covered by this Memorandum are inadmissible and will be declined without the right of appeal.
- 1.8. In the case where a current subscriber becomes a US resident (an individual who has lived in the USA for more than 183 days per year irrespective of his/her immigration status and nationality), the subscriber should immediately inform any of ICN Holding companies and take measures to transfer his/her investments from international services to US domestic financial sources with complete termination of international services and investment programs. ICN Holding is ready to provide assistance to such subscriber in case of his/her appeal for professional assistance. If a subscriber fails to disclose the fact of his/her US residential status (tax resident) and does not take the required measures, the subscriber will be responsible for any consequences that may arise from this fact in the respect of the services or investment programs provided by ICN Holding. ICN Holding does not take any responsibility for the fact that the subscriber failed to disclose his/her change in residential status.

## II. Governing definitions, administration, management, custodians and other infrastructure of services and investment programs of ICN Holding

- 2.1. **ICN Holding (ICN)** – a group of US-based and foreign companies. The back office, where the business of the holding group ICN Holding is conducted is located at 80 Scenic Drive, Suite 5, Freehold, NJ-07728, USA. Telephone: +1-732-414-1910, fax: +1-732-414-1911, website: [www.usicn.com](http://www.usicn.com). As of August 22, 2018, ICN Holding group of companies includes (but are not limited to) the following main companies:
  - 2.1.1. **US International Consulting Network NJ Corp.** Head holding company and **administrator** of the group, registered in the State of New Jersey (USA) on June 30, 2000. Since 2001 it has been using the brand name ICN Holding, which is registered as its alternative name (DBA – Doing Business As) with the Corporations Registrar with the Division of Revenue of the State of New Jersey. It has been a member of the national association Better Business Bureau (BBB) since 2004.
  - 2.1.2. **US International Consulting Network Corp.** Management company. It was registered in the State of New York (USA) on December 9, 1996. It was registered as a Licensed Investment Advisor in the State of New York with the investment adviser license CRD # 125761, granted by the Investment Adviser Registration Depository, under the office of the Attorney General of the State of New York and the US Securities Exchange Commission (SEC). It is listed in Dun & Bradstreet under file # 05-971-4217 with a current rating of 2R2 as of August 2018.
  - 2.1.3. **ICN Holdings, Inc.** Chartered trust corporation, registered on January 26, 2001 in Nevis. In 2004 the company was registered in the USA as a foreign company with federal file # 20-1845165. ICN Holdings, Inc. received its Articles of Incorporation, registered in the Registrar of Companies in Nevis, and is subject to the rules and regulations of the Finance Commissioner of Nevis, and, which, partially, gives it the authority to carry out the functions and operations listed below (but not limited to them):

- 2.1.3.1. in accordance with article 4, section (1) – “To issue trust receipts, deposit slips, bonds, securities, certificates of deposit, temporary receipts, or any other receipts or certificates of deposit for securities or other interest;...”
  - 2.1.3.2. in accordance with article 4, section (2) – “...to have the authority to accept deposits, keep them in the interest of clients and redeposit them in other banking institutions in any country of the world with the intent to invest or reinvest...”
  - 2.1.3.3. in accordance with article 4, section (3) – “to act as a private trust, fiduciary and corporate trustee,...as well as have the powers and authority of an investment trust for its clients...”
  - 2.1.4. **Worldwide Associates, Inc.** An international insurance agency. This corporation was registered in the State of New York on January 24, 2001.
  - 2.1.5. **Marketing agencies.** Agency of FA and Financial Planning Group. Marketing and services marketing, described in this Memorandum.
- 2.2. Investment managers of ICN Holding's services and programs**
- 2.2.1. **US International Consulting Network Corp (USA).** Investment adviser license CRD # 125761. Functions as the investment manager for the portfolio management of client investment accounts, brokerage accounts, executing investment strategies in the integral lines, management of separate strategies including but not limited to the Alternative Asset Allocation program (AAA25), Gold Elephants (GE50) program, Insurance Partners program (IPP), Silver Arrow (SA20) program and others, which will later be included in the terms and conditions of this Memorandum.
  - 2.2.2. Management for integral ICN lines that provide assets from the Franklin Templeton Investment Funds, the managers of such funds are: **FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED (Scotland, UK); TEMPLETON ASSET MANAGEMENT LTD (Singapore); FRANKLIN ADVISORS, INC. (USA); TEMPLETON GLOBAL ADVISORS LIMITED, (Bahamas); FRANKLIN TEMPLETON INVESTMENTS CORP. (Canada); FRANKLIN MUTUAL ADVISERS,LLC (USA); FRANKLIN TEMPLETON INVESTMENTS JAPAN LIMITED (Japan); FRANKLIN TEMPLETON ALTERNATIVE STRATEGIES,INC. (USA).**  
The group of investment managers makes up **Franklin Templeton Investment** (legal name **Franklin Resources, Inc.**) based in San Mateo, California (USA). The group manages more than 100 investment shares, with such concentrations as the US economy and global resources. It has representatives in 35 countries. As of June 30, 2017, the total assets under management make up more than \$740 billion.
  - 2.2.3. Management for integral ICN lines that provide assets from the **Putnam World Trust** family of funds, according to the current prospectus of Putnam World Trust, the investment manager of these funds is **The Putnam Advisory Company, LLC.**  
The family of funds **Putnam World Trust** is part of the financial group **Putnam Investments**, based in Boston, Massachusetts (USA). As of October 31, 2017, the total assets under management make up \$169 billion. It has offices in USA, Canada and Japan.
  - 2.2.4. Other financial institutions, recognized in the international arena, may be included as investment managers at the administrator's discretion.
- 2.3. International trustee – ICN Holdings, Inc.** Functions as a holding of trusts, which form integral lines, backed by assets with corresponding investment strategies, as described in this Memorandum. The company functions as a trustee, with which separate clients hold trust relationships. The company is an issuer and a provider, issuing and servicing pass-through shares of ICN's integral investment lines. The given issuance of pass-through shares, their support and maintenance, their sale to investors and their buy-out from investors, support and maintenance of assets, which provide for the pass-through shares of investment integral lines of ICN, clearing operations for accounting and assessments of pass-through shares of integral lines, issuance of documentation on all aspects and steps of the procedure related to integral investment lines of ICN, issuance of credit under assets in the integral lines are carried out under the jurisdiction and within limits of authority of ICN Holdings, Inc. and in accordance with the Articles of Incorporation.
- 2.3.1. ICN Holdings, Inc. has delegated the organization of accounting and reporting on the investor's accounts, which have pass-through shares of integral investment lines, to the Administrator, US International Consulting Network NJ Corp (USA).
  - 2.3.2. ICN Holdings, Inc., has delegated the execution and implementation of investment strategy on investment integral lines to the investment manager company US International Consulting Network Corp (USA). Investment adviser license CRD # 125761, which was granted by the Investment Adviser Registration Depository, under the office of the Attorney General of the State of New York and the US Securities Exchange Commission (SEC).
- 2.4. Depositories and custodians.** Several financial institutions act as custodians and depositories. Assets of services and integral investment programs are kept in the depository as assumed in the specific type of service and investment source.
- 2.4.1. For integral lines of ICN provided by the family of funds Franklin Templeton Investment Funds, depository is **JP Morgan Bank** (Luxembourg branch), for funds of Putnam World Trust, the depository is **JP Morgan Bank** (Ireland branch), which are a part of the banking corporation **JP Morgan Chase & Co**, based in the State of Delaware (USA). The bank is one of the biggest banking institutions in the USA and in the world, with assets of more than US\$1.3 trillion.

- 2.4.2. **Interactive Brokers Group (IBG)** – group of investment broker houses with its own clearing system. The back-office is located in Greenwich, Connecticut (USA). Group IBG is present across the world on the main exchanges of the USA, Germany, United Kingdom, Hong Kong, and many others, with a total of more than 70 trading platforms. IBG was recognized by prestigious publication Barron's as the number 1 company among broker houses that use electronic trade systems. Its capital makes up more than \$6.0 billion and more than 1,000,000 trades are executed daily.
- 2.4.3. Depending on the strategy, additional financial institutions may be used as depositories or custodians at the administrator's discretion, which will be stipulated separately.
- 2.5. **ICN's integral lines** – pooled investments, expressed as investment trust shares, where each separate integral line has an independent strategy or investment program, and each investment share is a pass-through unit of accounting, which is provided by the corresponding assets of integral line or assets of a separate mutual fund or program.
- 2.6. **Banks of ICN's integral lines.** ICN's integral lines are serviced by two US banks. The requisites are listed below in order of preference of use.
- 2.6.1. Bank off-balance (escrow) account of the trustee (ICN Holdings, Inc.), servicing financial transactions of integral lines
- |                 |   |
|-----------------|---|
| Bank:           | CITI Bank   |
| Address         | USCC CITISWEEP, 100 Citibank Dr, San Antonio, TX 78245, USA |
| SWIFT:          | CITIUS33  |
| Account number: | XXXXXX6931  |
| Name:           | ICN Holding   |
- 2.6.2. Bank off balance (escrow) account of the managing investment company US International Consulting Network Corp., servicing investment strategies of integral lines (this account should be used after ICN Holding approval only on case-by-case basis.)
- |                 |   |
|-----------------|---|
| Bank:           | JP Morgan Chase Bank,                               |
| Address:        | New York, NY, USA                                   |
| SWIFT:          | CHASUS33  |
| Account number: | XXX XXX XXX 665                                     |
| Name:           | US International Consulting Network. Escrow Account |
- 2.6.3. Other bank accounts may be used at the discretion of the Administrator.
- 2.7. **Insurance.** Set of investment programs that provide for integral investment lines of ICN, insure against risks outside of investments. All exchange assets allocated to the brokerage accounts in trade houses in the US are covered by such programs. Exchange asset insurance is divided into three levels:
- 2.7.1. cash insured for the amount up to \$250,000 with the US government agency FDIC ([www.fdic.gov](http://www.fdic.gov))
- 2.7.2. exchange assets insured for the amount up to \$500,000 with the US government Securities Investor Protection Corporation (SIPC) – [www.sipc.org](http://www.sipc.org)
- 2.7.3. additionally, exchange assets are insured for the amount up to \$30,000,000 in separate insurance companies of the Lloyd group.
- 2.8. **Investment accounts** – transaction accounts that reflect the pass-through shares of integral investment lines of ICN, obtained by the investor. The structure of investment account can vary. Investment accounts that are used:
- 2.8.1. Class (classes B, C, F, G, H and VIP)
- 2.8.2. Purpose
- 2.8.3. Investment account types may be cancelled or added at the discretion of the Administrator.
- 2.9. **Contractual Plan** – this is investment account structure mentioned hereby in p. 2.8., arranged and setup to follow procedure of financial planning, investment amounts, fees and charges, as well as to re-arrange and setup this plan after a Subscriber will have reach his/her financial goal(s).
- 2.10. **Retirement Plan** - this is investment account mentioned hereby in p. 2.8., arranged and setup according to schedule and investment amounts followed by financial plan and goals of a Subscriber, and first of all for the purpose to build investment funds and use it for retirement period.
- 2.11. The terms and definitions of this Memorandum: Contractual Plan, Retirement Plan and Investment Account are meant and referred to the investment account that described in this Memorandum, and all these definitions are interchangeable and have same meaning.
- 2.12. **Investors** – individuals at least 18 years of age and legal entities, residing or registered in any country of the world, other than USA, Ireland, and Nevis. (Depending on the strategy used and the investment instrument, the Administrator has the right to increase or decrease the list of countries with limitations). This Memorandum will use terms «Subscriber» and «Investor» interchangeably.

### III. Efficiency of Terms

- 3.1. The terms and conditions of this Memorandum cover the services stipulated herein, as well as services that may be included in addition at a later time at the discretion of the Administrator.
- 3.2. The terms and conditions of this Memorandum take effect partially and/or fully depending on the stage of service procedure and application, more specifically:
  - 3.2.1. From the moment funds are allocated for the payment of service (actual investments and/or payment for service) to the known accounts of ICN Holding. ICN Holding becomes responsible for these funds until the actual start of service execution or until a denial of service and refund of funds, as outlined in this Memorandum.
  - 3.2.2. If the subscriber's funds are located in the ICN Holding's bank account in the appropriate amount to execute the instructions in the application for the service, as well as, if a set of **properly** filled out application documents has been received, as specified in this Memorandum, then the terms of the this Memorandum take effect as stipulated in the section "Service Initiation Procedure".
- 3.3. After the service initiation, as stipulated in section "Service Initiation Procedure", and after payment of costs and fees to ICN Holding, provided that the subscriber did not reject the service up to this moment, or that ICN Holding did not deny executing his/her application for service, the terms of this Memorandum take full effect.
- 3.4. If, before the service initiation, subscriber rejects the service, the funds dedicated to the service initiation payment as well as service execution payment to ICN Holding is returned to the subscriber within five (5) working days. If ICN Holding has denied the subscriber opening the investment account or service, then the funds dedicated to the service initiation payment as well as service execution payment to ICN Holding are returned to the subscriber under the terms and within the time period mentioned in section "Service Initiation Procedure".
- 3.5. **Attention! In case of a refund, the funds are transferred either to the accounts from which they originated, or to the personal account of the subscriber. ICN Holding reserves the right to choose the account for the transfer out of the two options mentioned herein. No transfers to accounts of third parties will be made.**
- 3.6. After taking effect, the terms of this Memorandum will remain in force as long as the investment account has a positive balance (remainder), and does not have debts in ICN Holding. If the account falls into a negative or zero balance (remainder), the account will be closed and the terms of this Memorandum will become void.
- 3.7. ICN Holding does not take responsibility for monetary funds given to or transferred to the accounts of the third parties or delivered in any other way to third parties, including but not limited to independent agents of any company.

## IV. Documentation.

- 4.1. To initiate the application for investment account of any type, the set of documents should include:
  - 4.1.1. **Application to open an account (service).** This specifies the initial sum of investment, account type, investor type (individual or legal entity), investment allocation, amount of ICN Holding fees, bank fees, name and information about the investor, references to the independent Financial Consultant. All information in the application should be written in English
  - 4.1.2. **Subscriber's declaration – power of attorney.** The given declaration is used by the subscriber to establish a fiduciary relationship with ICN for the purpose of asset allocation in the integral pool (ICN investment line), execution of accounting and reporting of his/her assets. In this document the subscriber also verifies that he has read this Memorandum, agrees with it, and acknowledges all the risks of possible loss of deposited assets, as well as understands the purposes of integral lines, their structure and opportunities. Inheritors to the stipulated assets are also specified in this document. This document may be executed in Russian, on condition that the last names, addresses and all information regarding inheritors are written in English only.
  - 4.1.3. **Copy of passport or another identification document with a photo and signature of the owner.** Subject to strict confidentiality. In compliance with the legislative requirements on anti-money laundering and anti-terrorism financing policy, the Administrator reserves the right to request from the investor additional documents in order to identify the actual owner of funds. Such documents include but are not limited to: driver's license; rent or mortgage bills; phone or utility bills; bank statements and other such documents. Attention! According to the requirements of regulatory agencies, the subscriber's identification documents cannot have handwritten text, and can only have printed text in all sections. Handwritten documents will not be accepted. This requirement may be changed or amended as legislative requirements change.
  - 4.1.4. **Tax form of non-resident of the USA.** Form W-8BEN is required as a confirmation of the status of the subscriber as a tax non-resident of the USA. It should be filled out in English. This document is valid for 2 years and has to be renewed every 2 years and according to instructions, that time to time are published by the government regulatory agencies.
  - 4.1.5. **Residential address verification.** Documents issued by government agencies or those recognized and regulated by financial institutions, such as tax agencies, government agencies, banks, brokerage houses, etc., are documents that will be recognized and accepted. Such documents also include utility bills, landline telephone bills (but not mobile phone bills), title documents. This document **is not required** at the time of application but is required at withdrawal of funds from the subscriber's account.

- 4.1.6. **Invoice.** When funds are preparing for wire, an advisor of ICN Holding provides Subscriber with an invoice, assigns a number to this invoice, describes services and details in it that the funds send for. This invoice shall be used in a wiring bank when the bank initiates a wire. The wiring details shall have reference to the invoice and its number. If a bank requires reference to a specific service it is allowed to include the following “Retirement Plan. Invoice No. XXXXXX” or “Contractual Plan. Invoice No. XXXXXX”. This invoice must be sent to ICN Holding with all other documents.
- 4.1.7. **Corporation resolution.** This document is required when the account is being opened by a legal entity. This document must specify a specific individual (or individuals) who has the power of attorney to perform all actions regarding the account, make all the decisions and execute any operations on behalf of the company, as stipulated in this Memorandum and the terms of investment source. ICN will recognize only the instructions of the individual appointed by this resolution and no other individual, for as long as such resolution is in force and has not been cancelled. Additionally, statements will only be sent to such individual. The resolution is executed in English or in Russian, at the subscriber’s discretion.
- 4.1.8. **Corporate documents.** If the subscriber is a legal entity, then the following documents are required:
- 4.1.8.1. **Certificate of Incorporation.** This can be a letter or certificate of company registration, or a similar document.
- 4.1.8.2. **Articles of Incorporation.** Or its counterpart, in those jurisdictions, where applicable.
- 4.1.8.3. **By-Laws.**
- 4.1.8.4. **List of directors,** with a copy or extract from the Minutes on Appointment of Directors.
- 4.1.8.5. **List of company owners that hold 10% shares or more, with their residential address.**
- 4.1.9. **Agreement between ICN Holding and Subscriber.** This agreement is signed only in cases where the subscriber wishes to give ICN Holding the right to manage his/her account and make all investment decisions on his/her behalf. When the subscriber puts together his own portfolio using ICN’s integral investment lines, then such agreement is not necessary. If the subscriber transfers the rights to ICN Holding under such agreement, then additional fee may be applicable for such service. The amount of fee will be specified in such agreement.
- 4.1.10. All documents intended for the opening of an account can generally be sent electronically, with the exception of tax for W8BEN, which can also be sent electronically but will also need to be mailed to ICN Holding within 90 days. ICN Holding also reserves the right to require originals of the documents, even if they were initially sent to ICN Holding electronically. If the document originals are not received within a specified time, ICN Holding reserves the right to close the investment account without refund of service fees.
- 4.2. The following documents are received by the subscriber after the investment account is open with ICN Holding:
- 4.2.1. **Welcome letter** which shows the subscriber’s information and he is informed that his money has been received for the service under the terms of this Memorandum
- 4.2.2. **Service contract** which specifies the date of the start of service, title information, inheritors, and a number of specific parameters of the account for which the application was filed
- 4.2.3. **Inheritors’ information,** document, which shows the names of inheritors in case of a situation where the assets in the account will be subject to be inherited.
- 4.2.4. **Entered statements.** One or more statements, that illustrate a detailed valuation of the subscriber’s initial position.
- 4.2.5. **Current statements.** These are provided to the subscriber each quarter for all his or her investments. The statements are also provided with each deposit or withdrawal of funds to or from the account.
- 4.3. ICN Holding generally delivers documents by e-mail electronically with no paper copy. The subscriber may elect to receive documents by mail to his or her address or through his or her independent ICN Holding Financial Advisor. Postal expenses are \$7 in case of delivery through his or her independent ICN Holding Financial Advisor, if delivery is made by mail to his or her address – postal expenses are based on actual expenses and \$0 – if delivery is made electronically.
- 4.4. ICN Holding does not take responsibility for any Internet glitches.
- 4.5. The subscriber may, at initial application or later, using a separate form, specify an e-mail or mailing address for the delivery of subsequent statements or communication related to the specific information of his or her services and/or account. However, the subscriber agrees that in case the correspondence is delivered to his or her mailing address, then a fee will be withdrawn for such delivery for mailing expenses, which will be no less than \$5 per delivery. By selecting a delivery method, the subscriber agrees with ICN that the documents, delivered via the selected method of delivery, including electronically, will be deemed as original in all its force, and the subscriber, in all effect and irrevocably, recognizes this and will ICN harmless for any consequences of events that may occur in the process of executing the selected method of delivery, including but not limited to, data leak, delay or loss of mail by third parties or at the fault of third parties.
- 4.6. For delivery of documents by e-mail, the subscriber can authorize ICN to send the reports in a protected form with a password. ICN Holding is not responsible for Internet-providers’ policies for e-mails delivery for any reason, including, but not limited, based on political reasons, technical errors, hackers’ actions, authorized or not authorized blocks and etc.
- 4.7. Following the terms and conditions of this Memorandum the subscriber and ICN recognize the competence and power of correspondence and instructions delivered by the methods mentioned here, that is – by mail, facsimile delivery or through e-mail.
- 4.8. When an electronic method of delivery is selected, ICN Holding reserves the right to check identification of the subscriber in order to prevent fraudulent attempts to access clients’ private information.

- 4.9. No information will be given to third parties with the exception of those cases, where the asset owner specifies a manager for his assets by signing and notarizing a Power of Attorney, which is presented to ICN.

## **V. Opening and administrating ICN investment accounts**

- 5.1. The subscriber transfers, and ICN receives, the subscriber's monetary funds at the account or accounts specifically designated for such purposes, and keeps these funds until they are allocated to the investment sources. The bank requisites of such account (accounts) are specified in this Memorandum and if there is a change in requisites, ICN notifies subscribers via information channels, including, but not limited to, sending out letters, publication in newspaper or journals, websites. The account where the monetary funds are received from the investor, is not a part of the corporate balance sheet of any of the companies that are a part of ICN Holding group, and is a bank escrow account. (An escrow account is an account to which the stipulated deposit is made by the investor of a specific amount of fund with the purpose of further use of such money toward specific goals specified by the investor or specified by the terms in this Memorandum. The use of such funds by the escrow agent, the role of which is played by ICN Holding, for personal use is prohibited).
- 5.2. ICN consolidates (integrates) monetary funds into single lots (integral lines of ICN) and allocates the clients' funds in such pools (ICN integral lines), as specified in the subscriber's instructions. The subscriber's instructions are the initial information on the initial allocation of investments, specified in the set of application documents, as well as subsequent instructions, delivered to ICN by communication means where the subscriber can be identified and formulated in such a way where they can be clearly understood (interpreted) as instructions to be executed (see details in section Procedure for Service Maintenance). If the subscriber has signed a contract with ICN to manage his or her account, then ICN has the right, at its discretion, to select ICN integral lines and its proportions in the portfolio, acting in the best interests of the subscriber.
- 5.3. ICN keeps the subscriber informed, via known communication methods, notifies his or her of the status of his assets, the situation in the portfolio as a whole. ICN maintains client services and answers inquiries, assists in forming a portfolio using a network of independent Financial Advisors, gives explanations to ensure understanding of investment processes.
- 5.4. Most subscribers are provided with personal Financial Advisors who help them familiarize themselves with the investment portfolio, and, with the help of ICN specialists and consultants the subscriber receives the specific information about the opportunities of financial planning, features of the investment sources that are already owned by the subscriber, as well as other investment sources that are available to the subscriber.
- 5.5. Using the methods of communication and reports, ICN gives additional information about the situation on the investment market, inception of new programs, methods, or other investment sources and planning tools. ICN Financial Advisors or ICN customer service can help find the answers to some specific questions, explain the peculiarities of planning tools and their necessity for one or another investor.
- 5.6. ICN informs the subscriber of new financial planning tools and can, in each particular case, help the subscriber to choose the right one, especially when concerned with introduction of new services.
- 5.7. ICN keeps detailed account of the subscriber's assets that are easily segregated from the lot, identified, and can be calculated at any time, based on the current price of each pass-through share.
- 5.8. At the request of the subscriber, ICN can, at any time, value the subscriber's portfolio for withdrawal from investment, and within the term corresponding to the liquidity of each investment line, and transfer the specified asset to the subscriber's account. Monetary funds from the investments are transferred exclusively to the subscriber's personal accounts and cannot be transferred to accounts of third parties. In all situations, when financial transactions are executed with a transfer of funds or assets, ICN is subject to the current regulations regarding financial transactions. These legislative regulations may be international, either in separate governments, or if the transactions in one way or another fall into the jurisdiction of such governments.
- 5.9. ICN is subject to the current requirements for Anti-Money Laundering and Anti-Terrorism Financing Policy for all situations in executing financial transactions. The main principles of this position are specified in this Memorandum in a separate section.
- 5.10. ICN withholds expenses and fees for the opening and maintenance of the account (accounts) according to the type of each account, as stipulated in this Memorandum or in separate documents describing ICN services..
- 5.11. ICN may change one integral line on the account for another at the instruction of the client. If such change leads to additional withholdings, then the subscriber agrees to them and them and these withholdings, as the transaction itself, are illustrated in the account of the subscriber and in the statements. If the subscriber has signed an agreement for ICN to manage his portfolio, then the decisions to change the allocation in the portfolio are made by ICN and the subscriber agrees to them.
- 5.12. Record-keeping on the subscriber's account includes the following:
- 5.12.1. calculation of all expenses and fees at the initial moment during the account opening, registration of the initial investment amount
  - 5.12.2. monitoring of and executing current operations, recording them and preparation for a statement
  - 5.12.3. partial or full transfer from one ICN integral line to another and detailed accounting of these transaction
  - 5.12.4. calculation of current expenses and their withholding in accordance with this Memorandum and the account description
  - 5.12.5. preparation of statements and their delivery to the subscriber

- 5.13. Statements on subscriber's portfolio are prepared:
  - 5.13.1. once a quarter and are sent from ICN to the subscriber no later than 30 days after the first day of a new quarter.
  - 5.13.2. every time when there is a transaction at the request of the subscriber – a deposit or withdrawal, within ten working days after such transaction
  - 5.13.3. additionally at the request of the subscriber, for additional payment to prepare and deliver such account. Typical fees for this service and terms are separately published time to time.
- 5.14. For portfolio maintenance, the subscriber may decide on a method of transferring a specific amount systematically – quarterly, etc.
- 5.15. For purposes of accounting, calculations and reporting, ICN keeps account of integral assets in pass-through shares of integral lines. The calculation of the values of relative shares is made based on the actual asset value at the close of the settling day.
- 5.16. During the execution of transactions for share purchase or sale, the share cost is determined according to the actual cost at the end of the previous business day.
- 5.17. All the correspondence, statements and explanations are made in English or Russian. Where necessary, for the subscriber's convenience, the direct or reverse translation can be made, and the terminology and meaning of some terms can be explained.

## VI. Service Initiation Procedure

- 6.1. The subscriber consults an independent ICN Financial Advisor, gets detailed explanations regarding services, the characteristics of the accounts being opened, and comes to an understanding of investment processes, recognition of related risks, quality characteristics of investment accounts, meaning of payments and withholdings, what they are and what purpose they are being withheld, and only AFTER that he/she continues the procedure or applying. To carry out these steps, the subscriber has the opportunity to attend ICN's educational seminars, get a personal meeting with a more experienced Financial Advisor and expert manager, if necessary, or attend other consulting events. At this stage, reaching understanding of financial processes, meanings and financial planning tools are the responsibility of the subscriber. It is the responsibility of the Financial Advisors and experts of ICN to provide consultations and explanations of processes described herein. ***Attention! By signing the application and the Declaration – Power of Attorney from the set of application documents, the subscriber confirms, that he/she has studied and understands all factors stipulated in this Memorandum, that correspond to one or several instruments of financial planning.***
- 6.2. The subscriber, together with the Financial Advisor, fills out and signs all the forms and documents, which are described in this Memorandum, in order to file the application for the opening of an investment account. Despite the fact that throughout the application period, the Financial Advisor can give consultations and assist the subscriber, it is the subscriber who takes personal responsibility for all the information and instructions mentioned in the application
- 6.3. The signed application package is sent to ICN by one of the methods mentioned in this Memorandum
- 6.4. The subscriber carries out the final calculation of the total amount of funds according to his intentions to allocate investments, taking into consideration the fees, which are mentioned in the service description, and transfers the calculated sum to the account specified in this Memorandum. At the same time he/she sends in the set of application documents for further processing.
- 6.5. ICN begins to evaluate the application at the moment when the subscriber's transferred monetary funds have been received and IDENTIFIED, and the application documents, properly filled out, have been delivered to the ICN office. ***Attention! We strongly recommend specifying the invoice number in the payment detail section of the bank transfer, and/or separately send to ICN this invoice and explanation documents and copies of the payment orders that can be used to make a successful identification and specification of payment. The lack of identifying information does not impose any responsibility on ICN and is the responsibility of the subscriber.***
- 6.6. The application documents are considered to be accepted, if they are filled out in accordance with the requirements of this Memorandum. Please note the requirements regarding the language that should be used to fill out applications and to provide information.
- 6.7. If the application documents are filled out incorrectly or do not comply with the requirements, ICN may return them partially or completely to be corrected, or it may make a request for additional information. The procedure of application processing is not considered as started at this moment.
- 6.8. ICN can inform the subscriber about the refusal to provide service in his/her application, stating the reason of refusal, within two weeks from the date of the situation described in item 6.5 of this Memorandum. In this case, the received monetary funds are transferred back to the subscriber's account within three working days from the date of refusal or from the date of the reception from the subscriber of bank account requisites where the funds should be returned. The money is returned in full, minus bank transfer fee charges. The funds will be returned only to an account that bears the same name as the subscriber, or to the same account from which the funds were initially received.

- 6.9. If there is no refusal from ICN, then the initiation of the service starts and the portfolio is formed in the account using the ICN integral lines in accordance with the subscriber's instructions or at ICN's discretion, if the subscriber has signed and a Management Agreement. The full execution and initiation of the service takes no more than 6 weeks. The start date is the date when the terms stipulated in item 6.5 of this Memorandum have been achieved. The finalization date is the date when ICN has sent out a full set of documents. The following actions are performed in the specified time period:
- 6.9.1. Application documents are analyzed.
  - 6.9.2. The transferred monetary funds are itemized into actual investment, service payment, possible admission fees, and bank charges. The current situation with actual allocation into investment sources is analyzed. If necessary, the subscriber or Financial Advisor is contacted for clarification of any possible questions.
  - 6.9.3. Pass-through shares of ICN integral lines that were applied for are purchasing with the actual investment amount.
  - 6.10. The day that the pass-through shares are purchased is when the account or service of the subscriber is opened. All parties recognize this day as the **day of the account opening**.
  - 6.11. Throughout the whole process specified herein, the account information is entered into the data base according to the data given in the application documents, as well as the amount of the purchased pass-through shares, which are the main basis of the detailed valuation reporting of investments on the subscriber's account.
  - 6.12. After the account is opened, a set of the initial documents and statements is prepared, which illustrate the account information and the initial picture of the allocated investments. These documents are packaged and sent to the subscriber using the communications method specified in this Memorandum.
  - 6.13. The subscriber has the right to refuse service within 14 calendar days after account opening by sending to ICN a signed refusal in writing. In this case the opening of the account or service is made null, and all the monetary funds that were sent to ICN accounts are returned to the subscriber minus fee charges for bank transfer, account/service documents issue and mailing fees. The money is transferred within five working days from the day of reception of such a refusal and after the money is transferred to the account corresponding to the terms of this Memorandum, no claim from the subscriber will be accepted.
  - 6.14. If, within 14 calendar days after account opening, the subscriber did not send a refusal or any comments, then it is deemed that he/she has accepted all terms and conditions, both, of this Memorandum, as well as the information specified in the set of initial documents.
  - 6.15. As the subscriber fill out the application and gives instructions on allocating investments, he/she agrees with the requirements on minimal starting investment amounts, corresponding to each account or service type, as well as minimal deposit amounts.
  - 6.16. If there are any mistakes in the set of initial documents in ICN's error, then the subscriber must point out such mistakes and ICN will correct them and send out a new set of documents. If such mistakes are made in error of the subscriber, then ICN will correct them and withhold any expenses related to such from the subscriber's funds.
  - 6.17. Circumstances and situations in which ICN takes unilateral actions, and the subscriber agrees to it (these rules are also valid during the account maintenance):
    - 6.17.1. If the subscriber has improperly made calculations of the costs of the account initiation and initial documents issue, and/or actual monetary funds have been received in the amount less than declared in the application, then ICN will only process and evaluate amounts actually received in ICN's bank accounts, and withholds from it corresponding fees in accordance with expenses specified in the application and actual bank charges.
    - 6.17.2. If the account deposit amount is less than the minimum amount corresponding to the type of account or service, then ICN informs the subscriber through the communication methods specified herein and awaits the subscriber's instructions. The process start date respectively moves up to the day of resolution of this issue.
    - 6.17.3. If the subscriber's application contains investment sources but does not contain actual allocation, ICN will allocate investments **equally between all integral lines**. If, as a result of such transaction there is a violation of limits in the account or accounts, then ICN will act in accordance with the provisions of this Memorandum that are related to such limits.
    - 6.17.4. If the subscriber specified several investment sources and specified allocation in which less than the minimum allowed is allocated to some specific investment sources, then ICN will perform reallocation, where the funds from such unqualified for allocation source are spread equally between all others. Moreover, the sum last most investment source is reallocated first, then the second to last, and so forth, at the down-up order, until all investment sources have a qualified amount.
    - 6.17.5. If the first names, last names and addressees of the subscriber and/or his inheritors were not specified in English, then such set of document will not be accepted and the subscriber will received a message with a request..
    - 6.17.6. If the inheritance breakdown does not add up to 100% where inheritors are specified, then the surplus or deficit amount is reallocated equally.

## **VII. Account maintenance procedure (changes, withdrawals, deposits, inheritance)**

- 7.1. The subscriber has the right to deposit into or withdraw from the account any sum of money up to zero at any time, taking into consideration the factors mentioned in this Memorandum, as well the features of the investment source and mainly its liquidity characteristics.
- 7.2. If the subscriber makes instructions to withdraw all of the investments from his/her account, ICN deems this as a request to close the account
- 7.3. When making a deposit into the account, the subscriber complies with minimal and maximal deposit amount requirements.
- 7.4. Every time when making an additional deposit into the account, new invoice shall be used, and ICN Holding adviser shall assign new number to this invoice. This invoice shall be used in a wiring bank when the bank initiates a wire. The wiring details shall have reference to the invoice and its number. If a bank requires reference to a specific service it is allowed to include the following “Retirement Plan. Invoice No. XXXXXX” or “Contractual Plan. Invoice No. XXXXXX”. This invoice must be sent to ICN Holding with all other documents.
- 7.5. When making a deposit into the account, the subscriber complies with the limits for that specific account type, as well as Subscriber shall comply with the current legal applicable requirements and laws.
- 7.6. The subscriber, within the limits of his/her account, can have any amount of the ICN integral lines that are available. However, when opening the account and when making a deposit, the subscriber complies with minimum amount requirements for the investment into the integral line.
- 7.7. The subscriber may transfer his funds from one investment line to another within the limits of one account. However, he should take into consideration the factors of liquidity, admission fees and other features of the investment source into which the funds are being transferred. Before executing such transaction, ICN strongly recommends requesting an analysis of expenses for such transaction.
- 7.8. If the provider closes an investment line and such investment line is part of the subscriber’s account, ICN Holding notifies the subscriber or such line closure and offers options of lines to transfer investments to. If the subscriber does not reply to ICN Holding in a time frame specified in the notice, then ICN Holding will transfer the investment line at its discretion, but with consideration of characteristics of the closed line, which should correspond to that, to which the funds will be transferred.
- 7.9. The procedure of transferring investments from one investment line to another within the same account is carried out by selling shares from one investment line, receiving monetary funds from that transaction, which are used to purchase shares of another investment line.
- 7.10. Specific transactions are executed after receiving specific instructions from the subscriber. Such instructions should conform to the following requirements
  - 7.10.1. Instructions must be given only by the account owner (subscriber). No instructions from the third parties will be accepted or executed, except for cases where the owner assigns a manager to the account by submitting to ICN a properly executed Power of Attorney, or in case the subscriber is incapacitated.
  - 7.10.2. The subscriber’s instructions are to be given in free-form or, for the subscriber’s ease of use, by filling out forms that have been especially prepared for such purposes, according to the procedure specified herein and using communication methods recognized in this Memorandum.
  - 7.10.3. Instructions must be accurate and clear for execution. Ambiguity and possibility for various interpretations should be excluded. In case of such vague instructions, ICN does not execute them and makes a request to the subscriber to clarify the instructions.
  - 7.10.4. Instructions should be realistic and take into consideration all the properties of the investment process, procedures of their execution, and characteristics of the investment sources, liquidity and other objective factors.
  - 7.10.5. ICN interprets the instructions word for word, in the way they are written, taking into consideration all the rules of grammar of the language which is used (For example, the Russian word “перечислИть” will be interpreted as “to make a one-time transfer”, whereas the word “перечислЯть” will be interpreted as “the systematic periodical transfers”)
  - 7.10.6. Because the only languages recognized as languages of this Memorandum are Russian and English, the instructions are only accepted in these languages.
- 7.11. If a deposit is made into the account but no instructions are given, then ICN will allocate the funds in equal amounts between all investment sources already in the account. If instructions are given to withdraw funds from investments, then they will be withdrawn in equal amounts from existing investment lines.
- 7.12. If instructions are given that have been executed but are followed by instructions that contradict the first instructions, then the second set of instructions are rejected.
- 7.13. When funds are transferred from one investment source to another all corresponding expenses relating to specific sources are withheld and all objective factors of investment characteristics are taking into consideration
- 7.14. ICN withholds from investment the account maintenance fees as specified in the description of investment sources and their characteristics. The subscriber recognizes these fees.
- 7.15. Account may be closed at the will of the client or when the account balance is zero.
- 7.16. It is possible to transfer the account to another individual under the conditions that the total balance on the account does not exceed \$5,000, and if the subscriber him/herself decided to transfer his/her account to another individual. The subscriber includes in his/her instructions that he/she does not have any claims against ICN, specifies a new owner and notarizes this transfer to a new subscriber. If due to certain requirements the notarization requires that it is executed in a language other

than the language of this Memorandum (English or Russian), then the notarized instruction has to include a translation of such instruction to Russian or English. The new subscriber has to also provide the same set of documents as for opening a new account. The transfer to a new individual will be deemed complete after ICN receives properly filled out documents, as specified in this Memorandum. If in the process of executing this item it is suspected that there are signs of money laundering or other signs, leading to violation of legislative regulations, then such account transfer will not be executed. All documents for the account have to be in force and have legal power at the time of account transfer, as stipulated in this Memorandum and current regulatory documents of regulatory agencies. All documents have to be presented to ICN in their original form.

- 7.17. After the death of the subscriber, the account maintenance and condition remains unchanged. Nobody has the right to alter, deposit or withdraw funds, or make any other instructions, other than that, stipulated in this Memorandum. After inheritors, specified in the application documents, contact ICN and provide a legal death certificate as well as copies of documents of inheritors' identification, all funds in the account are transferred to the management of inheritors under the conditions and in proportions as specified in the application documents of the subscriber. If no inheritors are mentioned in the application, and if the subscriber does not have a will or if the will does not specify inheritors, then the inheritance will be passed in the order of "the first hand", more specifically:
- 7.17.1. To the legal spouse if he/she is alive, or in worse case
  - 7.17.2. In equal proportions to the legal children, including adopted children and stepchildren, or in worse case
  - 7.17.3. In equal proportions to living parent or parents, or in worse case
  - 7.17.4. The assets will be managed until there are legal inheritors
- 7.18. If the subscriber goes missing and such fact is confirmed by a court order, the same procedure applies as stipulated in item 7.17 of this Memorandum.
- 7.19. If the subscriber becomes mentally or physically incompetent and requires guardian care, then ICN continues to maintain the account or service in the same way as it is, without executing any instructions. All income is accumulated and added to the assets in the account. Such maintenance continues until ICN receives:
- 7.19.1. a report from a licensed medical specialist that the subscriber is physically or mentally incompetent;
  - 7.19.2. a court order specifying a guardian for the subscriber, who has the right to make decisions regarding the subscriber's account.
- After such documents are received, ICN processes the instructions of the guardian in transferring funds from the account only to other accounts of the subscriber or in his interests to other funds, which clearly demonstrate that the transfer is made in the best interests of the subscriber.
- 7.20. The subscriber must be a person who is at least 18 years old. In case if, due to the inheritance or other circumstances, a person under 18 becomes the subscriber, then ICN must receive a court order specifying a guardian. Until that moment, the account remains unchanged and without executing any instructions on this account. After a court order is received, ICN recognizes the subscriber's guardian up to the moment when the subscriber reaches the age of 18 years old. However, the guardian has the right to make instructions for the transfer of funds only to the subscriber's accounts or only in his best interests to the separate funds that evidently demonstrate that the transfer is performed in subscriber's best interests.

## **VIII. Establishing a Trust Relationship.**

- 8.1. When an integral investment account is opened under the conditions of this Memorandum, a trust relationship is established. This trust relationship includes trust provisions, stipulated in this Memorandum and other documents stipulated herein, and may exist only in the case, where a subscriber has signed a Declaration – Power of Attorney, which is a general Power of Attorney.
- 8.2. A trust relationship is established between the subscriber, whose name is specified in the account application and then on the documents issued by ICN, and ICN Holdings, Inc. – the international trust corporation and acting herein as an international trustee.
- 8.3. The subscriber, having signed the Declaration – Power of Attorney, agrees that he/she transfers to ICN Holdings, Inc. a specified amount of monetary funds with the purpose of investing according to standard procedures, and other conditions, specified in this Memorandum. All such monetary funds, together with the accumulated interest are the trust, which ICN Holdings, Inc. agrees to accept to a trust, which is confirmed by the issuance of a set of initial documents for the subscriber, as stipulated in this Memorandum.
- 8.4. According to the conditions of the trust relationship stipulated herein, in order to implement the trust, the subscriber may transfer monetary funds to the known accounts of ICN Holdings, Inc., or to those he/she was made informed of. The transfer of funds to ICN family companies, even if made at the initiative of the subscriber, cannot lead to any change in the essence, subject or parties of the trust.
- 8.5. The subscriber may change or revoke the conditions of the trust relationship at any time for any reason by following the procedure and terms of this Memorandum.
- 8.6. The subscriber him/herself has the right to change or revoke the given trust. Guardians or other entities do not have such right, unless the subscriber him/herself has transferred that right in a specific manner.

- 8.7. ICN Holdings, Inc., part of ICN Holding, is a trustee under this trust relationship, and will remain in that role until a successor is elected.
- 8.8. Should ICN fall into bankruptcy or is unable to perform its duties for one reason or another, a new trustee will be appointed by a special court order and with the participation of a liquidator, under the standard liquidation process and bankruptcy process, and such trustee will perform his duties under this Memorandum.
- 8.9. As a result of business development. ICN has the right to appoint a new trustee out of its subsidiary or family enterprises or contract partners.
- 8.10. Regardless of the rights that were directly or indirectly transferred in accordance with the established trust relationship, the trustee takes no responsibility for the actions taken “out of best motives”. All the actions should comply to the terms of the trust relationship and this Memorandum.

## **IX. ICN’s Investment Integral Lines.**

- 9.1. **ICN investment integral line** – this is a pooled investment, expressed in investment trust pass-through shares, and such line consists of a separate investment strategy or investment program, and each investment share consists of a pass-through unit of accounting, which is provided for by shares of a separate mutual fund or program into which funds of such line are invested.
- 9.2. **Pass-through share.** In order to form and account for the price of investment of each subscriber and segregating his/her shares in the total pool of investments, each pool (investment integral line) is divided into shares, which are called **pass-through shares**. Each share is guaranteed and provided by a separate asset, which is firmly fixed, as described in this Memorandum. Pass-through shares are issued by ICN Holdings, Inc., and the investor (subscribe) purchases these shares. Because these shares are firmly guaranteed and provided by allotted assets, then the current price of the share depends on the quoted price of these assets. Multiplying the price of the share by the number of shares in the investor’s account illustrates the monetary expression of the portion of investment in the separate ICN integral line, which is owned by the investor. If the investor’s account has several integral lines, then the portion amounts are added up and the result yields the price of investments as a whole in the account.
- 9.3. Pass-through shares are issued by the bank trust corporation ICN Holdings, Inc. in intangible non-documented form. This means that these shares are an accounting mechanism in the form of units, the accounting of which is done electronically. Confirmation documents on the number of pass-through shares that the investor owns include the initial and current statements, which illustrate in detail the number of shares and the name of the integral investment line, which issued these shares. The shares are issued in a fractional form down to 0.001.
- 9.4. **Formation of an investment line.** Funds of investors, who wish to invest into a separate investment line, are collected into a single pool. Assets of the specified mutual fund or investment program are purchased with the funds received, which provide for (guarantee) the proprietary investment fulfillment of the line. After that, the pool of the separate investment line issues accounting pass-through shares, or shares that are owned by the investors.
- 9.5. **Pass-through share price.** The price of the pass-through share of ICN investment line firmly correlates to the NAV of the mutual fund or investment program that provides for the investment fulfillment of the ICN line. (*Note. NAV – Net Asset Value. This is the value of a portfolio on a date of calculation minus all fees and expenses divide by total outstanding shares.*)
  - 9.5.1. **ICN investment line, provided for by shares of mutual funds.** If the investment fulfillment of an ICN line is based on mutual funds, then each accounting pass-through share of the ICN investment line corresponds to one class A share of the corresponding mutual fund. The price of a class A share of the corresponding mutual fund is equal to the price of one pass-through share price, and is based on the current Prospectus of that family of funds to which the class A share fund belongs to.
  - 9.5.2. **ICN investment line, provided for by separate investment programs.** If the investment fulfillment of an ICN line is based on a separate investment program, then the price of one investment pass-through share is calculated based on the calculation of the Net Asset Value (NAV) of the whole investment program, which is divided by a total number of shares issued in relation to the specific investment program.
  - 9.5.3. **Net Asset Value (NAV).** The net asset value of a separate investment program is determined periodically as described in the documents of such investment program. The NAV is typically calculated either daily (line IPP) or weekly (lines GE50, SA20, EWP25 and AAA25). The daily calculation of NAV occurs at the end of a business day, at the moment of closing of the New York Stock Exchange (4pm EST). Weekly NAV calculations occur at then end of the last business day of the week, at the moment of closing of the New York Stock Exchange (4pm EST). The NAV calculation may take place on other business days at the discretion of the Administrator.
  - 9.5.4. The net asset value is calculated in US dollars and is equal to the sum of all monetary funds, their equivalents, and the current market value of all other assets of the investment program, minus all liabilities (such as loans, commissions and fees), and is settled in accordance with international accounting standards. Liabilities include aggregated debts (including debts on investment manager commissions), independent of whether or not that debt was actually repaid.

- 9.5.5. The administrator, under control of managers of the management company, calculates the asset value in the following manner:
- 9.5.5.1. the price of any available funds or funds allocated in deposits, promissory notes, bank drafts, used in overnight transactions, debit and credit debts will be deemed at 100 percent until the ability to receive these funds in full is disputed. In that case, the value of these assets will be calculated with a correction necessary to illustrate their actual value.
- 9.5.5.2. Securities and other traded instruments and contracts will be valued based on the possible accessible outside price sources. In some cases the closing price and/or average price may be determined according to information from broker-dealers or exchanges, however, such prices may be corrected in cases where it is possible to obtain more precise information on the closing trades, or after other important information is considered that was not included in the prices, specified by outside sources. Moreover, prices may be corrected to illustrate the spread between the bid and ask price and graphic calculations of forecasts at market closing at different times.
- 9.5.5.3. For positions that have no available price information from outside sources, the value will be determined by the Administrator in similarity with other securities or market indicators, the value of which is determined by the market. Such indicators may include specific yield curves, price change quotes, which in comparison with other sources of price determination, may, time to time, be specified to illustrate a more specific market value of assets. The price of these positions will illustrate any credit risk related to the creation of such positions and will be determined by the Administrator at his discretion. Moreover, the price of some positions will be based on the corresponding pricing models offered by the investment manager.
- 9.5.5.4. Non-liquid securities and assets may be valued at the discretion of the Administrator according to their cost of purchase or current price, depending on which is lower.
- 9.5.6. If the Administrator has determined, that a special situation exists, such as the size of a position that is included in the investment program, or limitations on reselling of securities or other assets within the program, the result of which lowers the cost of securities or other assets within the program to less than what was determined in accordance with the above-mentioned criteria, then the value of such securities or other asset will be the lowest of the options determined by the Administrator. When determining the Net Asset Value, the Administrator may rely on any valuations offered by the investment manager.
- 9.5.7. Potential subscribers must be aware, that all uncertainty in relation to the prices of positions in the portfolio of lines, provided by a separate investment program, may have a negative effect on the net asset valuation of such investment program, if the Administrator's valuation in relation to some positions uncover discrepancies of prices. The determination by the Administrator of valuations of assets is final and binding for all subscribers, with the exception of situations where a clear error was made.
- 9.5.8. Any ICN investment line, based on the valuation of assets in separate investment programs may suspend the determination of NAVs and buy out pass-through shares fully or partially at any time (1) when there are situations (including limitations in trading on any or several markets), which, at the opinion of program managers, make it impossible to determine prices, values or availability of investment programs for investors, or (2) when the issuance or buyout of pass-through shares will lead, at the opinion of program managers, to a violation of legislative regulations. The Administrator notifies in writing all subscribers of such suspension or of its cancellation.
- 9.6. All dividends and capital gains received, as well as any other forms of investment income on all ICN integral lines are automatically reinvested.

## X. Classification and Investment Strategies of ICN Integral Investment Lines

- 10.1. Each investment line corresponds to a separate asset, which is firmly fixed by the pass-through share of the ICN integral investment line. Such asset may be either shares of mutual funds or separate investment program. The investment strategy of the asset in a pass-through way forms the investment strategy of the ICN integral line, the shares of which are guaranteed by the asset.
- 10.2. Each ICN integral line has a classification and a sign. Typically, a number sign specifies the investment character on a scale of conservative to speculative investments. The lower the number the more conservative the investment is, the higher the number, the more aggressive character of the investment. Blow is the **scale**.

Number of classification of integral line	Investment character
0 – 5	Conservative, with low risks
5 – 8	Moderate conservative with moderate risks
8 – 15	Moderate with moderate risks
15 – 20	Moderate and moderate-aggressive with above moderate risks
20 – 25	Aggressive with high risks

Over 25	Speculative with speculative risks
---------	------------------------------------

**10.3. Classification of integral lines, based on the family of Putnam World Trust mutual funds**

Classification of integral lines based on the family of Putnam World Trust mutual funds is illustrated in separate press releases and addendums, which ICN Holding publishes time to time depending on the changes made by Putnam World Trust.

Details on the conditions of investing into the funds of Putnam World Trust and detailed description of investment politics and strategies of funds listed here can be found in the current Prospectus of the family of Putnam World Trust funds with its addendums.

**10.4. Classification table of integral lines, based on the family of Franklin Templeton Investments mutual funds**

Classification of integral lines based on the family of Putnam World Trust mutual funds is illustrated in separate press releases and addendums, which ICN Holding publishes time to time depending on the changes made by Franklin Templeton Investments.

Details on the conditions of investing into the funds of Putnam World Trust and detailed description of investment politics and strategies of funds listed here can be found in the current Prospectus of the family of Franklin Templeton Investments funds with its addendums.

**10.5. Table of other ICN investment integral lines**

<b>Number</b>	<b>ICN Integral Line</b>	<b>Name</b>	<b>Investment strategy and notes</b>
1	IPP	<b>Insurance Partners Program</b>	This program invests in insurance death claims. Detailed description of the program and service conditions are illustrated in this Memorandum.
2	AAA25	<b>Alternative Asset Allocation</b>	This is a program of alternative asset allocation. The program invests into term contracts (futures), real estate on the US territory (construction and/or purchases for leasing), financial engineering programs, such as arbitrage strategies, partnered investments, those neutral to market risks, and others. Detailed description and service conditions are illustrated in this Memorandum.
3	GE50	<b>Gold Elephants</b>	This program invests into shares of companies that demonstrate high growth of quarterly and annual profits, are leaders in their industries, the shares of which have high demand and the general market is growing at the time. Up to 50% of resources in this program are invested into a special CAN SLIM Select Growth. Detailed description and service conditions are illustrated in this Memorandum.
4	AAA	<b>Fixed Part</b>	This program invests in bonds and debt securities of the highest investment scale of the US government, US government agencies and US corporations. The program is mainly meant to form a debt instrument, under which the subscribers, in certain situations, have the right to request credit under their investments. The Administrator grants approval for credit. Detailed description and service conditions are illustrated in this Memorandum.
5	SA20	<b>Silver Arrow</b>	This program invests into ETFs, selecting funds that currently demonstrate growth trends and that are traded at higher volumes than traditionally.

10.6. Beginning on November 1, 2006, ICN Holding, based on an investment brokerage platform, has added additional investment programs based on ETF funds that are traded on exchanges. On July 15, 2008, such brokerage platform was opened with the brokerage house Interactive Brokers Group. Subscriber to investment accounts and programs of ICN Holding may use this option using the following structure mechanisms:

10.6.1. Open a direct brokerage account in broker house Interactive Brokers under the management of ICN Holding. In this case, the process of managing the account is regulated by a separate agreement between ICN Holding and the investor and not by the terms of this Memorandum.

10.6.2. ICN Holding, at the demand of investors who own integral or class accounts with ICN Holding, for specific ETFs, creates or uses an already created integral pool line based on the ETF corresponding to the demand, and includes it in the investment portfolio of the investor. Because as of January 1, 2016 there are more than 4800 ETF funds that are being

traded on the NYCE, NASDAQ and AMEX exchanges, and new ETFs are constantly being developed and issued to the investment market, ICN Holding codes them by adding a letter I before its market symbol.

For example, if an investor would like to purchase to his integral account a China ETF, the symbol of which is FXI, then the instructions to the Administrator have to specify code I-FXI. This will mean that his account will have a specified number of pass-through shares of line I-FXI, provided for by the same amount of shares of fund FXI.

Despite the fact, that shares of ETF funds may only be purchased in whole numbers, ICN Holding offers the opportunity to buy pass-through shares provided for by ETFs, in fraction numbers, down to 0.001.

- 10.6.3. Subscribers, who are not able to individually analyze ETF funds in terms of investment perspective and attractiveness, can purchase to their integral investment account shares of program Silver Arrow, with a code SA20. This strategy is based on investments into ETF funds and decisions on the feasibility of purchasing or selling specific ETFs in the portfolio of SA20 are made by the management of ICN Holding. Detailed strategies of line SA20 are described in this Memorandum in section “Addendums on Investment Strategies and Structure Characteristics of Some ICN Investment Lines”.

## XI. Types and Categories of Investment Accounts

- 11.1. An investment account is established for the investor in order to maintain records of investment trust pass-through shares. A portfolio of ICN investment integral lines is established in this investment account at the investor’s discretion or by requesting ICN to do so. This occurs by purchasing the selected pass-through shares from ones available at that moment. Account opening, documentation and purchase take place in accordance with the terms of this Memorandum.
- 11.2. The investor may change his/her investments (investment integral lines) partially or fully on his/her account. Changing one investment for another occurs by selling the existing pass-through shares from one investment line and purchasing pass-through shares of another investment line using the amount of funds received from the sale of the first. This procedure is regulated by the terms of this Memorandum.
- 11.3. The investor may take out monetary funds on the account partially or fully (withdraw funds). For this purpose the investor gives instructions to sell (return to issuer) the pass-through shares from his/her account. After the sale, the pass-through shares in the account are replaced by monetary funds, expressed in US dollars and are transferred to the investor’s bank account according to his/her instructions and in accordance with current legislative requirements regarding financial and banking transactions. The procedure of withdrawal of funds (sale of pass-through funds) is regulated by this Memorandum.
- 11.4. The amount of time, necessary for the return of funds (sale of pass-through shares) depends on the current legislative requirements and the actual liquidity of the investment asset or instrument. Generally, the withdrawal of funds from investments takes up to 7 business days for fund assets. Alternative assets (viatical contracts, real estate, term contracts, etc) may have considerably lower liquidity, which will affect the total amount of time to withdraw funds from the investments.
- 11.5. The subscriber may open the following account categories based on the terms of this Memorandum:
- 11.5.1. Class account
  - 11.5.2. Purpose account
- 11.6. **Class account.** This account category is broken down into types: classes B, C, F, G, H, и VIP.
- 11.6.1. Table of account types with their characteristics.

#	Characteristic	Account type					
		B	C	F	G	H	VIP
1	Account opening fee (\$)	700	1,000	1,500	2,300	3,000	0
2	Minimal initial investment in the account (\$)	150	200	300	450	600	50000
3	Maximum investment in the account (\$)	10,000	15,000	25,000	40,000	50,000	None
4	Minimal investment amount for one ICN investment line (\$)	50	50	50	50	50	50

- 11.6.2. List of several general characteristics of class accounts. Special characteristics are highlighted separately.
- 11.6.2.1. Initial fee 4% of new investment amount, with the exception of the VIP class account, where the fee is 5% of any amount under \$75,000. Above \$75,000 the initial fee depends on the total investment amount as follows: 4% of \$75,001 to \$200,000, 3% of \$200,001 to \$500,000, 2% of \$500,001.
  - 11.6.2.2. Fee for reallocation of funds is 1% from the amount that was reallocated, regardless of which investment lines are being used.
  - 11.6.2.3. If investments deposited to accounts classes B, C, F, G and H are higher than the maximum limits, then a 5% fee is withheld from the amount over the limit.
  - 11.6.2.4. Subscriber has the right to reclassify his/her account to another type. Certain situations may require additional fees. The Administrator confirms such fee amount.
  - 11.6.2.5. The cost of support (account maintenance) and consulting fees are 2% of the average balance of each investment line in the account but no less than \$10 from each investment line in the account on the anniversary date of the account. This amount is withheld on the anniversary of the account opening date.

- 11.6.2.6. When monetary funds are transferred to the investment account, a transaction fee applies in the amount of 1% if the transaction is under \$50,000 or 0.5% when the transaction amount is \$50,000 and over.
- 11.6.2.7. Fee for issuance of documents is \$10.
- 11.6.2.8. Mailing fee is \$7 if delivery is to be made through the network of independent Financial Advisors, or if delivery is made to the mailing address, then it is according to actual mailing expenses but no less than \$5. There is no fee for delivery of documents electronically; and \$8 – for delivery of documents electronically and if delivery is to be made through the network of independent Financial Advisors.

## **11.7. Integral Purpose Account**

### **11.7.1. Characteristics of integral purpose amount:**

- 11.7.1.1. There are no term limits on this account, however, since it will have mainly long-term investments, it is recommended that an investment program is planned for 5 years or longer.
- 11.7.1.2. In order to create an investment space, within which an investment portfolio is formed, a target amount of investment is established, which determines the maximum amount of investment space in the account. The purpose amount of investments is the maximum amount of investment that the subscriber may deposit into the account without increasing planned fees for account maintenance.
- 11.7.1.3. The minimal amount of target investment is \$20,000.
- 11.7.1.4. There is no maximum amount of target investment.
- 11.7.1.5. The target investment amount is increased in increments of \$1,000 (this means, that one can establish an investment space in the amounts of \$20,000, \$21,000, \$22,000, \$23,000 etc.).
- 11.7.1.6. The volume of investments that a subscriber can allocate in the account has to be equal or less than the established size of the target amount of investments. The target investment amount is reached by the subscriber transferring the full amount minus bank and transaction fees.
- 11.7.1.7. The target investment amount can be increased or decreased at any moment in time, however, the target investment amount of the account cannot be lower than the minimal as required.
- 11.7.1.8. The actual initial deposit to the account cannot be less than 5% of target investment amount.
- 11.7.1.9. The minimal amount of additional investments into the account is \$50 for each investment line.
- 11.7.1.10. The minimal initial investment to each investment line cannot be less than \$100.
- 11.7.1.11. The number of ICN investment lines in the account is unlimited.
- 11.7.1.12. No specific frequency of replenishment of investments in the account or withdrawals from the account are established and they take place at the investor's discretion. In order to more effectively use the accounts, ICN Holding recommends either to deposit the whole target investment amount into the account, or in a disciplined manner to implement the Dollar Price Averaging Strategy.
- 11.7.1.13. If the balance on the account is zero, the account automatically closes.

### **11.7.2. Expenses and fees:**

- 11.7.2.1. The calculation of overhead costs takes place on each investment line separately. The calculation of the percentage of expenses consists of two parts: a percentage of the target investment amount and a percentage of the average account balance.
- 11.7.2.2. Account opening fee: 6.25% of target investment amount.
- 11.7.2.3. Consulting support fees in the account are as follows:
  - 11.7.2.3.1. Second year: 2% of target investment amount.
  - 11.7.2.3.2. Third to fifth years: 0.7% of target investment amount
  - 11.7.2.3.3. Sixth year and over 0.3% of target investment amount
- 11.7.2.4. Fee for support and transaction costs is 1% of the average balance on the account.
- 11.7.2.5. If the deposited investment amounts are higher than the target investment amount, then the target investment amount is increased to the actual amount deposited to the line, and the difference is calculated as a new target investment amount, considering expenses according to this Memorandum.
- 11.7.2.6. When actual monetary funds are deposited to the account and pass-through funds of ICN investment lines are purchased, an initial fee of 4% of actual investment amount is withheld. The Actual investment amount is the total amount of the transaction minus all expenses and fees. When there is a reallocation in the portfolio, 1% of the reallocated amount is withheld as fee, regardless of which investment lines are used.
- 11.7.2.7. When monetary funds are transferred to the investment account, a transaction fee applies in the amount of 1% if the transaction is under \$50,000 or 0.5% when the transaction amount is \$50,000 and over.
- 11.7.2.8. Fee for issuance of documents is \$10.
- 11.7.2.9. Mailing fee is \$7 if delivery is to be made through the network of independent Financial Advisors, or if delivery is made to the mailing address, then it is according to actual mailing expenses but no less than \$5. There is no fee for delivery of documents electronically, \$8 – for delivery of documents electronically and if delivery is to be made through the network of independent Financial Advisors.

- 11.8. The Administrator, at his discretion, may increase or decrease the list and conditions of categories and types of investment accounts, or make changes to them.

## **XII. Addendums on Investment Strategies and Structure Characteristics of Some ICN Investment Lines.**

- 12.1. By being a dealer of the families of funds presented in this Memorandum, ICN Holding offers them by selling pass-through shares of integral investment lines, which are presented herein in section X. In addition, ICN Holding offers additional investment programs, which are based on special analyses and accomplishments in the financial investment industry, and such programs, at the opinion of investment managers of ICN Holdings, logically and harmoniously complement fund investments. ICN investment lines that are based on such programs are listed in the table of section 10.5. of this Memorandum. This chapter talks about and details such programs.
- 12.2. **Insurance Partners Program. ICN code IPP.**
- 12.2.1. As this Memorandum takes force, all previous legal descriptions of line IPP, memorandums and prospectuses of ICN Holding that are related to line IPP, including the prospectus from December 1999 are no longer valid.
- 12.2.2. The Insurance Partners Program (IPP) invests in the purchase of viatical contracts from providers with the goal of creating a widely diversified portfolio. The main goal of such form of investment is to create an investment resource that is completely independent of market risks and fluctuations, and gives the ability for a subscriber to invest in assets outside of the market. This program is an alternative to investing in market assets.
- 12.2.3. **Viatical contracts** are life insurance policies with the following additional characteristics:
- 12.2.3.1. it is purchased by a licensed provider from its owner,
- 12.2.3.2. the beneficiary of such contract is the investor or a specially established trust, which exists for the benefit of a group of investors,
- 12.2.3.3. the health status of the insured allows for mortality tables to make forecasts on fatality, and this forecast cannot be longer than 6 years,
- 12.2.3.4. the insured agrees to the conditions of such contract and in a humane special algorithm signals to the viatical provider of the situation with his/her health
- 12.2.3.5. the viatical provider makes periodic premium payments to the insurance program to maintain it and in other ways acts to maintain the insurance contract under any scenario.
- 12.2.3.6. the insurance policy must be (1) interest-bearing, (2) be subject to survivorship or have an option to convert (3) be issued by an insurance company with a rating no less than B under classification of AMBest.
- 12.2.4. The monetary funds in the IPP program are used to buy a share of ownership of a life insurance policy, where the insured is terminally ill and the term of illness can be statistically forecasted. When there is a death claim for the insured individual, the IPP program receives the proportion of the face value of the insurance contract and possible accumulations that have accumulated in the policy until that time, which makes up the return on investment.
- 12.2.5. ICN Holding buys insurance contracts through special licensed viatical providers in the name of trustee ICN Holdings, Inc., which keeps them in the trust and keeps records on them. The viatical provider provides information on possible insurance contracts that fall into the category of viatical contracts and ICN Holding selects them for investment.
- 12.2.6. When a death occurs, the viatical provider files a claim with the insurance company and the insurance company pays out the benefit amount in the contract. The viatical provider divides the benefit amount among investors.
- 12.2.7. The IPP program either buys a new portion of co-ownership in a viatical contract after receiving funds from the insurance contract or, if there are requests to withdraw funds from the program by clients, it uses this portion of funds to buy out the pass-through shares of IPP line from investors.
- 12.2.8. The record keeping of the price of pass-through funds is kept as specified in the model in this Memorandum (see paragraph 9.5 of this Memorandum).
- 12.2.9. ICN Holding does not bear responsibility for the actions and information provided by the provider, medical expert institutions, as well as insurance companies, who are interested parties in viatical contracts.
- 12.2.10. When buying pass-through shares of the IPP program, the subscriber must recognize that, despite the high stability and steadiness of the insurance industry in the US, the absence of market risks, as well as high reliability of the end result of this program, this type of investment, aside from general risks described in the section on risks of this Memorandum, has specific risks including, but not limited to:
- 12.2.10.1. risk of inaccurate prognosis of the insured's health and inaccurate life expectancy information
- 12.2.10.2. risk of viatical provider's inability to maintain periodic payments into the insurance contract
- 12.2.10.3. legal risks due to wrongdoing or default of one or several interested parties (insurance company, viatical provider, trust, etc.)
- 12.2.10.4. liquidity risk, which is increased due to the absence of a secondary market for resale of existing contract portions.
- 12.2.11. This type of investment does not have a secondary market for the resale of portions of viatical contracts, therefore due to the liquidity risk, withdrawal of funds from the investment line IPP is carried out as follows:

- 12.2.11.1. if there is a monetary carry over in the IPP program, which has formed from the executed contracts, paid by the insurance company, or new investors have purchased pass-through funds of line IPP, and such amount is enough to cover a request for withdrawal of investment from this line, then such monetary carry over is used.
  - 12.2.11.2. if the carry over is insufficient to fulfill the current requests to withdraw funds from the IPP program, then a priority order of requests is established and the requests are fulfilled gradually, as funds are received into the monetary carry over of the IPP program, or as new subscribers purchase the pass-through shares of IPP, or as money is received from the insurance company under executed viatical contracts.
  - 12.2.11.3. The time period of withdrawal of funds from the IPP line depends on the availability of monetary carry over in the IPP program and cannot be strictly established.
- 12.3. **Alternative Asset Allocation** ICN code AAA25.
- 12.3.1. As this Memorandum takes force, all previous legal descriptions of line AAA25, memorandums and prospectuses of ICN Holding that are related to line AAA25, including the Memorandum of edition 33004-0001 from March 30, 2004 are no longer valid.
  - 12.3.2. Program AAA-25 makes it a goal, by active portfolio management and allocation of assets mainly not on the securities market, to outperform current market indexes based on index S&P500 during a bull market, and reach positive indexes of growth in the price of assets on the bear market of securities, by concentrating the portfolio on investments independent of market risks.
  - 12.3.3. Program AAA-25 assumes investments into, but not limited to:
    - 12.3.3.1. Income real estate with the goal of receiving income from rent payments for using the real estate and the growth in the real estate value due to general real estate market growth.
    - 12.3.3.2. Speculative real estate with the goal of receiving earnings from volatile prices when participating in investments at the stage of construction, as well as obtaining real estate at lower prices from banks at bank and other auctions, as well as using other market conditions and circumstances, able, at the opinion of program managers, to create a positive income from real estate operations.
    - 12.3.3.3. Futures speculation (purchasing and selling term contracts)
    - 12.3.3.4. Investments into strategies neutral to market risks, such as strategic arbitrage, market pair deals, geographic arbitrage and other models of financial mathematical engineering.
    - 12.3.3.5. Money market and cash. Keeping property on the money market and cash assumes the goal of using that resource to keep money in between real estate deals and a resource for transactions, related to maintenance of real estate projects.
    - 12.3.3.6. Other investment sources, which will correspond to the goals of this line and will be profitable.
  - 12.3.4. Calculation of the Net Asset Value (NAV) occurs as described in this Memorandum in paragraph 9.5, with the consideration of the following:
    - 12.3.4.1. When accounting for the value of the real estate object, a method of comparative sales in the period of ownership of the real estate object is used. When the real estate object is sold, the actual sale price minus expenses related to the sale is used.
    - 12.3.4.2. When accounting for the value of futures, the market value of the futures deal is used.
  - 12.3.5. The fee for the services of the investment manager for managing this program is 25% of new profit and up to 2% of the amount of the managed asset. The actual size of fee for management may be lowered at the discretion of the Administrator.
  - 12.3.6. Liquidity of line AAA25 is quite high. Typically, withdrawal of funds from AAA25 is made within 7 business days. However, because there is a possibility, that there might be a high share of unexecuted investments in real estate within line AAA25, the liquidity of the whole line may decrease.
  - 12.3.7. In case where mass withdrawals by subscribers take place and leads to conditions where unexecuted real estate investments are equal to or higher than 70% of the cost of the whole program, then there is risk that the liquidity of line AAA25 may drastically decrease. There is a risk where market circumstances on the real estate market and a decline in economic activity lead to stagnation and difficulty in selling the possessed real estate. In that situation the time period of withdrawal of funds from investment may increase to a degree calculated by the Administrator, based on the actual circumstances and situation on the market.
  - 12.3.8. Due to the increase in the role of regulatory and supervisory functions of regulatory agencies and providers of financial transactions, ICN Holding takes into account the compliance procedure. In this case, liquidity may be decreased and time periods of withdrawals increased depending on the requirements of the organization conducting compliance.
- 12.4. **Gold Elephants.** ICN code: GE50.
- 12.4.1. As this Memorandum takes force, all previous legal descriptions of line GE50, memorandums and prospectuses of ICN Holding that are related to line GE50, including the Memorandum of edition 72505-0001 from July 25, 2005 are no longer valid.
  - 12.4.2. GE50 is a strategy for creating an effectively diversified portfolio of shares of leading companies mostly located in the US markets, selected by a special method. As a result of implementation of such strategy, the portfolio

has limited risks with a high probability for income that exceeds those of classic fund portfolios that utilize a “buy and hold” strategy. At the same time, this portfolio is free of speculative high risks which are typical to day trading strategies.

- 12.4.3. GE50 is an actively managed portfolio of stock that uses a position strategy of purchasing, holding and selling shares. Despite the high returns, such portfolio does not have anything in common with day trading.
  - 12.4.4. The selection of companies for investment takes place based on monitoring the following features:
    - 12.4.4.1. The rate of growth of monthly corporate earnings must be at least 15% compared to the previous quarter and such situation should be maintained for at least one year.
    - 12.4.4.2. The rate of growth of annual corporate earnings must be at least 25%, and this should be a trend.
    - 12.4.4.3. The company has to produce and market a unique product. Companies that imitate other leaders are avoided.
    - 12.4.4.4. The company should be a leader in its economic sector.
    - 12.4.4.5. The company management has to lead innovative creative policies.
    - 12.4.4.6. The purchase of company shares has to take place during high demand for its shares.
    - 12.4.4.7. There should be interest in the company from a high number of institutional investors.
    - 12.4.4.8. The market as a whole has to grow.
  - 12.4.5. The moment of purchase of the selected company’s shares is calculated using a special algorithm based on a technical analysis.
  - 12.4.6. When purchasing shares of one company, the amount of funds cannot exceed 5% of the current portfolio value.
  - 12.4.7. Closing the position takes place based on technical indicators.
  - 12.4.8. During periods of market uncertainty, funds are withdrawn from the portfolio to a level determined by the program managers. This level is based on the assessment of risks and current uncertainty.
  - 12.4.9. During periods of recession and a clear decline in the market, program managers may enter short positions, but for no more than 25% of the total portfolio value.
  - 12.4.10. Up to 25% of the current portfolio value may be used for other strategies, at the discretion of the Administrator and program managers, such as statistical arbitrage programs, partnered deals and others.
  - 12.4.11. Program GE50 makes an accent on investments in growing innovative companies of mid and small capitalization. The purchased shares are listed on the leading world exchanges such as NYSE, NASDAQ, AMEX, etc.
  - 12.4.12. The program liquidity is 7 business days. During the periods of recession or special economic circumstances, as well as if there is a mass withdrawal of funds from the program GE50, which may lead to the threat of forced position closures, which, in turn, may lead to losses for the subscribers remaining in the program, the Administrator, at his discretion, may increase the liquidity terms.
  - 12.4.13. Due to the increase in the role of regulatory and supervisory functions of regulatory agencies and providers of financial transactions, ICN Holding takes into account the compliance procedure. In this case, liquidity may be decreased and time periods of withdrawals increased depending on the requirements of the organization conducting compliance.
  - 12.4.14. At the discretion of program managers and the Administrator, up to 70% of the current value of the portfolio may be transferred to the management of other managers that have high quality experience and if these managers implement the same strategy.
  - 12.4.15. Fee for the services of the investment manager for the management of this program is up to 25% of new profits and up to 2% of the amount of managed assets. The actual fee for management may be lowered at the discretion of the Administrator.
  - 12.4.16. Because GE50 invests in developing companies with mid and small capitalization, the subscribers should take note of the increased risk of volatility (fluctuation) or the prices of pass-through shares. This may lead to sudden changes in prices, including sharp decline in prices of investments in the beginning stages.
- 12.5. **Fixed Part.** ICN code AAA
- 12.5.1. As this Memorandum takes force, all previous legal descriptions of line AAA, memorandums and prospectuses of ICN Holding that are related to line AAA, are no longer valid.
  - 12.5.2. **Fixed part** is created to provide investors that have a low risk tolerance with increased reliability and ability to forecast results, as well as the creation of collateral when the investor applies for credit, when the investor owns a VIP class account.
  - 12.5.3. **Fixed part** is formed from highly reliable securities with fixed income, such as treasury bonds, zero coupon bonds, and corporate bonds no lower than class AAA and so forth.
  - 12.5.4. In order to keep records for the **fixed part**, an ICN Holding integral line is created, the shares of which are provided for by the types of securities specified herein. This integral line is quoted like all other ICN Holding integral lines.
  - 12.5.5. This line has a higher liquidity, and funds are withdrawn from this line within 7 business days.
  - 12.5.6. Due to the increase in the role of regulatory and supervisory functions of regulatory agencies and providers of financial transactions, ICN Holding takes into account the compliance procedure. In this case, liquidity may be

decreased and time periods of withdrawals increased depending on the requirements of the organization conducting compliance.

12.6. **Silver Arrow**. ICN code SA20

- 12.6.1. As this Memorandum takes force, all previous legal descriptions of line SA20, memorandums and prospectuses of ICN Holding that are related to line SA20, are no longer valid.
- 12.6.2. Silver Arrow™ (SA20) is a strategy in creating an effectively diversified portfolio of ETF fund shares by selecting such funds according to fundamental attributes and with the use of a specially developed algorithm based on technical analysis. The SA20 portfolio includes selected ETFs that have recently demonstrated growth trends in monthly and weekly periods, and primarily daily periods.
- 12.6.3. SA20 is a managed portfolio of more than 750 ETFs, which are currently present on the US exchange platforms and are traded on the New York Stock Exchange (NYSE), NASDAQ electronic exchange and American exchange AMEX. Portfolio managers select the most prospective 5-10 ETFs, which form the portfolio. This way, this program makes up a “Fund of ETF Funds” strategy. The selected fund shares are held until they satisfy certain indicator parameters. If the shares of ETFs cease to satisfy the parameters required by the strategy, they are withdrawn from the portfolio. If there are unfavorable conditions on the market, the funds from the sold ETF are allocated to shares of money market funds.
- 12.6.4. Program managers of SA20 aim to reach income of 15% – 25% annually. During periods of recession or market decline, managers aim to reach positive income by using ETFs that move in opposite direction than the market, as well as ETFs that focus on hedged shares and debt securities.
- 12.6.5. Up to 25% of the current portfolio value may be used for other strategies at the discretion of the Administrator and program managers, such as statistic arbitrage programs, partnering deals and others.
- 12.6.6. Program liquidity is 7 business days. During recession periods and special economic circumstances, as well as in case of a mass withdrawal of funds from program SA20, which may lead to a threat of forced position closing, which, in turn, may lead to losses to the subscribers remaining in the program, then at the discretion of the Administrator, the liquidity terms may be increased.
- 12.6.7. At the discretion of program managers and the Administrator, up to 70% of the current value of the portfolio may be transferred to the management of other managers that have high quality experience and if these managers implement the same strategy.
- 12.6.8. Due to the increase in the role of regulatory and supervisory functions of regulatory agencies and providers of financial transactions, ICN Holding takes into account the compliance procedure. In this case, liquidity may be decreased and time periods of withdrawals increased depending on the requirements of the organization conducting compliance.
- 12.6.9. Fee for the services of the investment manager for the management of this program is up to 20% of new profits and up to 2% of the amount of managed assets. The actual fee for management may be lowered at the discretion of the Administrator.
- 12.6.10. Despite the fact that program SA20 invests in ETF shares that already have a certain level of diversification, such investment form does have certain risks, which should be noted when making a decision to enter this program. Such risks include market risks, event risks, and business risks. When there is a sudden change in the conditions of one or another economic or geographic sector, the ETF related to it may suddenly decline in value, which may lead to investment losses. Additionally, when investing in ETFs and in the SA20 program, expenses on establishing and maintaining this investment type should be considered.

12.7. **EW-Plus™**. (Program “**Elliott Waves Plus**”). ICN code – **EWP25**

- 12.7.1. **EW-Plus™** is a strategy of making trading decision based on “Elliott Waves” theory to Buy or Sell different securities on US Stock Exchanges such as NYSE, AMEX, NASDAQ etc. Managers of this portfolio can use other Stock Exchanges, including Non-US Stock Exchanges.
- 12.7.2. The main idea of the program (**EW-Plus™**) is to achieve positive investment return in any market condition. It means that program managers aim to achieve positive investment return on growing market as well as on descending market even during a crisis. The only exclusion is “flat” market when stock prices are fluctuating in small range during the strategy trading period. Program managers don’t trade during “flat” market.
- 12.7.3. Program managers of **EW-Plus™** aim to reach income of 20% – 30% annually.
- 12.7.4. Main selected assets are highly traded and liquidated securities on stock markets, preferably ETFs. The strategy of the program can use leveraged ETF as well as use margin trading transactions to increase level of return. Such margin trading transactions can use leverage up to 200%, or 400% in day-trading transactions.
- 12.7.5. The program can use “long” assets as well as “short” assets depends on a stage of Elliott “wave” and where prices of selected securities are located on this “wave”. The program use mid-term and short-term trading horizons, including day-trading transactions. Assets’ holding period depends on a stage of Elliott wave.
- 12.7.6. Since the program allows to use short positions and/or day-trading and/or margin trading and/or leveraged assets, an investors, who decides to invest into program **EW-Plus™**, shall keep in mind the risk of the program is higher than in other investments, and the value of such investment can decreased to unpredictable level (negative return).

- 12.7.7. Prices to Buy or Sell computed based on Fibonacci theory and numbers.
- 12.7.8. In case of mistakes in trading and/or trading decisions Program Manager can hedge positions using options or appropriated ETFs.
- 12.7.9. Up to 25% of the current portfolio value may be used for other strategies at the discretion of the Administrator and program managers, such as statistic arbitrage programs, partnering deals and others.
- 12.7.10. Due to the increase in the role of regulatory and supervisory functions of regulatory agencies and providers of financial transactions, ICN Holding takes into account the compliance procedure. In this case, liquidity may be decreased and time periods of withdrawals increased depending on the requirements of the organization conducting compliance (see p 7.20 of this Memorandum als).
- 12.7.11. At the discretion of program managers and the Administrator, up to 70% of the current value of the portfolio may be transferred to the management of other managers that have high quality experience and if these managers implement the same strategy.
- 12.7.12. Fee for the services of the investment manager for the management of this program is up to 25% of new profits and up to 2% of the amount of managed assets. The actual fee for management may be lowered at the discretion of the Administrator.

### **XIII. Risks**

- 13.1. The funds of investors, that have purchased pass-through shares of ICN investment lines are partially or fully protected from force majeure (war, terror acts, civil unrest, political instability, earthquakes, floods, fires, etc) and criminal (signature forgery, computer crimes, any type of criminal financial fraud) risks, which may lead to bankruptcy of the Program Depositories, Administrator, Investment Manager or Brokers, and as a result leading to the loss of all or part of funds investor by Investors into the Program due to non-market reasons.
- 13.2. The first US \$500000 of each investor are secured by official insurance provided by the Securities Investor Protection Corporation SIPC, as described in paragraph 13.1 of this Memorandum, created at a special decree of the US Congress, which, in case of an insurance claim, will compensate the Investor for their non-market losses up to US \$100000 in monetary funds and up to US \$400000 in securities in accordance with the Securities Investor Protection Act of 1970. More specific information about this Act and on the conditions and procedures of implementation of the above-mentioned insurance coverage may be obtained by visiting the SIPC official website [www.sipc.org](http://www.sipc.org).
- 13.3. Anything over US \$500000 of each investor is insured from risks described in paragraph 13.1 of this memorandum, up to US \$29,500,000 privately by the leading insurance providers of the world. If an insurance claim is made, private insurance companies will compensate investors for their losses up to US \$500000 of monetary funds and up to US \$29500000 in securities.
- 13.4. Insurance coverage specified in paragraphs 13.2 and 13.3 of this Memorandum is offered to the investors free of charge and is paid for by the Program Depositories.
- 13.5. Insurance coverage provided according to paragraphs 13.1, 13.2 and 13.3 of this Memorandum do not cover possible investment losses related to unfavorable currency movements of securities and fund instruments.
- 13.6. The performance of various market factors does not allow for a guarantee to the investors one or another fixed level of investment income. Moreover, during conditions specified in paragraph 13.5 of this Memorandum of theoretical investment losses, investor cannot be guaranteed a 100% return of monetary funds initially invested into pass-through shares: if market risks specified in paragraph 13.5 of this Memorandum occur, and the Investment Manager is unable to neutralize them completely by using the risk management methods available to him, the investor may receive back amounts of funds less investment losses from the initial investment when withdrawing funds from investment lines.
- 13.7. The following apply to the list of potential risks that do not fall under insurance coverage:
  - 13.7.1 risk of acts in error or lack of action by the Investment Manager, that are not deliberate, innocent of wrong intentions, and are not based on corruption, with the exception of cases of deliberate neglect and deliberate wrongdoing by the Investment Manager;
  - 13.7.2 risk of computer glitches and any other technical issues of information, trade and clearing systems used for implementation of investment programs and its strategy, that lead to delays in implementation of transactions or to their incorrect implementation, with the exception of cases where the reason of such issues and glitches are demonstrated to be in neglect or deliberate wrongdoing by the Investment Manager, which, in separate cases, may lead to certain investment losses;
  - 13.7.3 risk of temporary halt of trades on exchanges and trade platforms through which transactions are made, as well as other type of administrative and regulative interruptions in the order and procedures, which may affect the investment algorithms and at certain time periods, may lead to negative income;
  - 13.7.4 currency risk, including unfavorable movement of the US dollar, in which the assets of ICN investment integral accounts are denominated, in relation to local currencies of countries or investors' residence. Currency risks also include unfavorable cross-currency movements of corresponding currencies when the Investment Manager carries out

- transactions in one or more foreign, non-US, fund markets and/or transactions of securities and fund instruments the dollar value of which depends on currency exchange fluctuations.
- 13.7.5 Risk factors specified in paragraphs 13.5, 13.6 and 13.7 of this Memorandum may, in certain time periods, lead to situations where the investment strategies of ICN lines are not fully implemented in specified periods and the investment goal of one or another investor is not fully reached.
- 13.8. The subscriber recognizes, that different investment forms have different liquidity. Moreover, situations may exist, where the decrease in risk may lead to decrease in liquidity. The subscriber must evaluate the situation and recognize the liquidity factor and use it in maintaining his/her investment account and issuing instructions for it.
- 13.9. The subscriber is informed that his property consists of international investments, which make up international financial product. This product may be based and actually mainly lean (be established on basis of) shares of US enterprises, insurance contracts, both, from new and existing US companies and other financial forms and investment instruments of the US market. Additionally to this, financial and investment instruments from other countries may be included. Implementation of these investment forms occurs through financial organizations registered, typically, not in the USA, therefore these financial products are not separately subject to registration under the Securities Act of 1933 (USA) and are not regulated by acts of the SEC USA. A set of financial products is not subject to registration with the SEC by definition, because they are primarily subject to other legislative acts (for example, investments into Viatical Settlements, real estate purchases, etc.).
- 13.10 Subscriber is informed that his/her property may include financial or investment products that are under the management of US companies as well as those outside the US. The purchase of these products is configured by integral accounts in such a way that a non-US resident subscriber receives tax relief from taxation in the US. If a subscriber's status changes to a taxable resident of the USA, the subscriber must close these accounts or services regardless of what position his/her investments are in, even if the market conditions are unfavorable at that moment.
- 13.11 When investing into debt instruments (bond funds, investing into instruments of various characteristics and with various terms), the following risks should be considered:
- 13.11.1 Discount rate risk.
- 13.11.2 Credit risk (assessment of the chance of default on the issued debt). Special attention should be taken by subscribers investing in debt instruments, when investing into funds that purchase the debt of low investment rating, BBB or lower under the classification Standard & Poor's. Such debt are also known as Junk Bonds, or they are referred to as "speculative bonds" Despite the fact that in the past they have yielded high income interest, the credit risk of such securities is significantly higher than the credit risk of investment grade bonds.
- 13.11.3 Risk of prepayment on mortgage loans.
- 13.11.4 When investing in debt or shared assets, general risks exist.
- 13.11.5 Global (international investments) have the following risks:
- 13.11.5.1 Unfavorable changes in currency exchange
- 13.11.5.2 political and economic instability
- 13.11.5.3 no information transparency
- 13.11.5.4 limitations of market opportunities
- 13.11.6 Developing markets have the following risks:
- 13.11.6.1 difficulties in accounting standards and accountability
- 13.11.6.2 increased volatility and unpredictability of results
- 13.11.7 Some investment programs and strategies include risks of private deals and transactions. This is typical for program Gold Elephants, there may be such periods in program Silver Arrow, as well as programs with arbitrage strategies.
- 13.11.8 Liquidity risk. Due market conditions and regulatory requirements, when withdrawing funds there may be a risk of lowered liquidity. This is most often related to the compliance procedure by the provider and regulatory agencies, as well as to the policies of providers managing the portfolios. ICN Holding, in most cases, depends on providers for the matters of liquidity, but it is impossible to foretell, in such situations, the exact time period of fund withdrawal. The subscriber understands this condition and agrees to it.
- 13.11.9 Legislative risk. Due to dynamic changes in the legislature, which may affect the processing of investment funds, managed by ICN Holding, there may be discrepancies in the separate conditions of the Memorandum with requirements of new legislative changes. If such discrepancies or contradictions exist, then ICN Holding is subject to current legislative requirements that have the priority over the separate contradictory stipulations of this Memorandum. Moreover, the remainder of the Memorandum, which is not contradictory to the legislative requirements, remains in force. The subscriber understands this condition and agrees to it.
- 13.12 As various strategies and investment instruments are developed and implemented, other risks may arise, which should also be evaluated when making decisions.

#### **XIV. Anti-Money Laundering and Anti-Terrorism Financing Procedure.**

- 14.1. ICN Holding has developed a set of requirements and procedures with the goal of complying with the requirements of international legislature, as well as local laws of countries of residence of subscribers and the jurisdiction of ICN Holding, on

anti-money laundering that must be followed by the Administrator, managers and the Investors. Such requirements include but are not limited to:

- 14.1.1. Requirements for all investors or all categories (individuals and legal entities) on identifying the end owner of funds. For legal entities, identification is required up to the end owner, an individual (this is especially related to those cases, where one company is owned by another company and there is often a long chain of corporate owners).
- 14.1.2. For identification purposes, the Administrator, at account opening or at its review at a later time, requests documents confirming identity (passport, driver license, other documents that confirm identity). The Administrator may request that copies of above-mentioned documents are certified by notary.
- 14.1.3. In order to identify the residential address, the Administrator requests a bill received by mail by the subscriber, for payment of apartment/house, telephone use, utilities, and other similar bills.
- 14.1.4. If the account was opened for a legal entity, then the Administrator requests copies of the Bylaws, registration documents, names, birth dates, residential addresses, roles and employment addresses of all shareholders that own 10% or more of such legal entity.
- 14.1.5. During the course of verification of identifying documents, the Administrator has the right to deny account opening to any investor, and return his/her funds in accordance with the procedure stipulated in this Memorandum.
- 14.2. The Administrator and managers of ICN Holding comply with the legal requirements on monitoring monetary transactions, especially international ones. In order to prevent criminal transactions or transactions intended to launder money or finance terrorism, ICN Holding follows the following rules (but not limited to them) that the subscriber understands and must follow:
  - 14.2.1. Transactions, related to withdrawal of funds from investment accounts and transferred to accounts of third parties are strictly forbidden, both, in monetary form (cash or non-cash) and in the form of assets. Monetary funds or assets may only be transferred from the investment account to a bank account in the same name as the subscriber.
  - 14.2.2. The Administrator does not approve transfers of money to accounts in virtual banks, Internet banks or other virtual financial organizations that do not have a physical location.
  - 14.2.3. The Administrator has the right to refuse to transfer monetary funds withdrawn from investment accounts to banks registered in countries, which under classification of FATF refuse to cooperate with anti-money laundering and anti-terrorism financing procedures
  - 14.2.4. Money transfers from one investment account to another investment account outside the jurisdiction of ICN Holding are not permitted. (For example, if an Investor instructs to transfer his funds from an investment account with ICN Holding to an investment account of another company, then such transaction will be deemed as not permissible). An investor may transfer investment funds to his/her own officially recognized bank account, and then transfer the money further and his/her own discretion.
- 14.3. The use of banking resources of ICN Holding (fiduciary account) also assumes limitations, which are essential to all banking industry. In particular, when using fiduciary accounts in the ICN Holding banking platform, the following limitations exist but are not limited to:
  - 14.3.1. Transactions from a fiduciary bank account to another bank account IN THE SAME NAME, with a qualified bank (as described in paragraph 14.2 of this Memorandum) may occur without transfer amount limits, but no more often than five times a month.
  - 14.3.2. Transactions from fiduciary bank account to another bank account with a different name on the account than the Investor, in a qualified bank (as described in paragraph 14.2 of this Memorandum), may occur with the following limitations and requirements:
    - 14.3.2.1. the transfer amount cannot be more than \$5,000 per transaction
    - 14.3.2.2. transactions cannot be of frequent, systematic character
    - 14.3.2.3. each transaction must include an explanation. At the request of the Administrator, the investor must provide documented reason for such transaction.
    - 14.3.2.4. there may not be more than five such transactions per month
- 14.4. In there is any suspicion of unconventional deals, as described in the provisions of the USA Patriot Act or other similar laws of other interested countries or international governments, the Administrator reserves the right to take other measures regarding executing financial transactions of the Investor.
- 14.5. The investor recognizes, that in all cases, international laws and government laws have priority over provisions of this Memorandum, and in case of a conflict between interpretations of these laws and the provisions of this Memorandum, it is deemed that the Administrator will follow international and government laws.

## **XV. Termination of Services**

- 15.1. The Administrator may decide to temporarily or permanently stop the activity of one of the programs under certain conditions, including force majeure situations such as fires, floods, explosions, earthquakes, interruption by government structures, civil unrest, war, terror acts, or other circumstances, the result of which may lead to a stop in trading on exchanges and trading platforms, through which buying and selling of the used securities and fund instruments takes place. In such

situations, investment transactions will restart immediately after the activity of circumstances that brought on the temporary halt is stopped.

- 15.2. Investor may close his/her account partially or fully at any moment, without explanation. In that case, the transfer of monetary funds to the bank account specified by the investor will take place after the following items are received, (i) his written instruction, (ii) document verifying his residential address (the address must match the address specified in the subscriber's account), (iii) Foreign Status form on a non-US resident W-8BEN, (iv) identification document, during the period, corresponding to each separate investment program and/or its liquidity. All above-mentioned documents must be received in original form. The detailed funds withdrawal procedure is described in this Memorandum.
- 15.3. ICN Holding may stop the service and return monetary funds to any investor at any time at the current price of shares of assets in the accounts of ICN Holding, if the Administrator becomes aware that these assets:
  - 15.3.1. belong to or may belong to, directly or indirectly, any entity or entities, whose right to ownership or propriety of such assets (in itself or in combination with other circumstances, which the Administrator deems relevant) may, in the Administrator's opinion, lead to unfavorable legal, financial, lawful, tax, administrative or image consequences to the holding ICN Holding and/or its clients and agents; or
  - 15.3.2. belong or may belong to, directly or indirectly, legal or physical entities, who are tax residents of the USA; or
  - 15.3.3. belong or may belong to, directly or indirectly an organization, created especially for passive investing, such as a mutual fund, investment company or any other similar organization (with the exception of pension funds for directors or shareholders of companies that do business outside of the USA), which was created mainly to facilitate investing by American legal or physical entities; or
  - 15.3.4. purchased using funds, obtained by criminal methods and/or used, together with the process of participation in ICN Holding's investment programs, for implementation of criminal goals, plans or schemes.
  - 15.3.5. When the Investor's service stops at any moment, for any reason specified in paragraph 15.3, no commissions and expenses of the investor, related to the participation in ICN Holding's investment programs, will be refunded. Moreover, if any criminal activity of the Investor and/or entities directly or indirectly associated with him/her have caused or may cause material damage and/or lead to additional expenses for ICN Holding, its employees, outside Financial Consultants, clients or agents, including the actions of the Investor and/or entities directly or indirectly associated with him/her, carried out in violation of this Memorandum, the amount of specified damages and/or expenses may be additionally withheld from the Investor in compensation of the injured party (parties), including an appropriately formed court decision on the given matter.

## **XVI. Taxation.**

- 16.1. Due to their tax status, investment accounts are intended exclusively for non-US residents, and due to this, when the Investor correctly fills out Application Documents, the gains of the assets invested into the Program by the Investor, occurring due to currency exchange (capital gains) and reinvested interest income are not taxable in the USA. Depending on the country of residence of the Investor, he may be subject to taxation from dividend income in the amount of 15% - 30%, the share of which, among the general investment income, due to its character, is minimal.
- 16.2. The investor herein agrees, that by opening an account with ICN Holding, he/she has the responsibility to pay all taxes and government fees related to its investment activity, that may be subject to payment in any country or countries of the world, according to his citizenship, residence and other factors. ICN Holding does not inquire from tax agencies or other government agencies or any country about any possible tax, legal and other consequences of the investor's participation in ICN Holding's investment programs and is not responsible for any specified consequences.
- 16.3. Potential Investors should receive the necessary legal and tax consultations in the countries of their citizenship, permanent residence or residence, for clarification of possible tax, legal and other consequences or their intention to open an account in ICN Holding, in accordance to the laws in their jurisdiction (jurisdictions).

## **XVII. General Conditions.**

- 17.1. The terms and conditions of this Memorandum cover all services and transactions described herein, as well as services and transactions of ICN Holding, which make references to this Memorandum.
- 17.2. Because the investor invests in pass-through integral shares, which are guaranteed by the shares of mutual investment funds or other investment programs, these investments are covered by the conditions that are subject to and regulated by two documents: this Memorandum and the prospectus of the corresponding integral line of the mutual fund family or the regulating documents of corresponding investment programs. The investor must take note of the requirements of both documents.
- 17.3. The terms of this Memorandum are binding for all parties, and the Investor's signature on the Application for opening of an investment account unequivocally constitutes as the official evidence of detailed understanding and agreement of the Investor with all provisions of this Memorandum and all of the conditions specified in it.

- 17.4. Each potential Investor must carefully read this Memorandum, if necessary, request a hard copy of it, and obtain all necessary explanations of the conditions of providing services on opening and maintaining ICN investment accounts, corresponding investment processes, mechanisms, and procedures, and risks and characteristics related to them, as well as other conditions and provisions of this Memorandum.
- 17.5. All notices, instructions, and other messages in relation to this Memorandum should be deemed materials that are delivered by methods specified in this Memorandum.
- 17.6. If any part of this Memorandum becomes contradictory to the current legislature, the jurisdiction of which ICN may be acting, or if it becomes contradictory to other legislatures, then that part should be deemed unenforceable, however, the rest of the Memorandum must remain in effect.
- 17.7. This Memorandum must be interpreted, regulated and executed in accordance with the laws of the jurisdiction of the companies of ICN Holding. In case of any legal proceedings or court trial that arises based on this Memorandum, the proceedings must take place in the State of New York, USA.
- 17.8. In case of an administrative or civil claim that arises based on this Memorandum, the winning party must have the right for compensation of attorney fees and court fees at the expense of the losing party.
- 17.9. The languages of this Memorandum, all statements, documents and all correspondence related to this Memorandum, are English and Russian. In case of any dispute or textual discrepancies, the documents in English language will have priority.