Disclosures in accordance with Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012

Reference date: 31 DECEMBER 2014

Report date: MAY 2015

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1. SCOPE OF APPLICATION

The following information is disclosed in accordance with the Disclosures in accordance with Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Mayzus Investment Company Ltd is an independent international financial markets participant and leading provider of on-line trading services for retail and institutional investors.

The Company is registered as a Cyprus Investment Firm under the registration number HE230122 and licensed by CySEC (Cyprus Securities and Exchange Commission) under the license number 093/08 in accordance with MiFlD.

The main investment services are:
- Reception and transmission of orders in relation to one or more financial instruments,
- Execution of orders on behalf of clients.

There are also other ancillary services.

Materiality of Disclosures

The Regulation provides that the Company may omit one or more of the disclosures if it believes that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of information would be likely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions. Where the Company has considered a disclosure to be immaterial, this was not included in the document.

Disclosures and Confidential Information

The Regulation also permits the Company to omit one or more of the required disclosures if it believes that the information is regarded as confidential or proprietary. The Directive defines proprietary as if sharing that information with the public would undermine its competitive position. It may include information on products or systems which, if shared with competitors, would render an investment firm's investments therein less valuable.

Information is regarded as confidential if there are obligations to customers or other counterparty relationships binding an investment firm to confidentiality. Under the light of the above, the Company avoided to disclose such confidential information in this report.

Location and Frequency of Disclosures

According to CySEC's Directive DI144-2014-14 (the "Directive"), the risk management disclosures must be included either in the financial statements of the investment firm, if these are published, or on its website. In addition, these disclosures must be verified by the external auditor of the investment firm. The investment firm will be responsible for submitting its external auditor's verification report to CySEC.

The Company intends to make its disclosures annually in a document other than the Audited Financial Statements. The Board of Directors has stated in its Disclosure Policy that the disclosures will be uploaded on the website of the Company. In addition, the disclosures have been reviewed by the external auditor.

The current disclosures are based on the position of the Company as at 31st December 2014.

Scope of Disclosures

The Company is making the disclosures on an individual (solo) basis.

2. CORPORATE GOVERNANCE AND RISK MANAGEMENT

Recruitment and Diversity Policy for Senior Management

The Company has implemented the recruitment and diversity policy, providing conditions for employment of staff for crucial managerial positions and those who shall be responsible for the determination of the Company's entrepreneurial strategy.

The policy provides that these people shall have to have at least three to five years prior experience in relevant executive positions in the financial markets, and adequate academic and/or professional qualifications in financial, management, accounting fields.

The recruitment principles for the Board member provide that there is a maximum number of directorships which can be held by the Boards members.

The table below provides the number of directorships a member of the management body of the Company holds at the same time in other entities. Directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organizations, are not taken into account for the purposes of the below.

Data is provided for the Directors in office as of 31st December 2014 and the compliance with the policy principle was adhered to during the year, including all Directors in office in 2014.

Table 1. Number of Directorships.

Name of Director	Financial Year 2014		
	Position within the Company	Directorships – Executive	Directorships – Non-Executive
Andreas Paralikis	Non-Executive Director	0	4
Panos Markou	Non-Executive Director	0	3
Sergey Mayzus	Executive Director	1	0
Kristina Leonova	Executive Director	1	0

Information Flow on Risk to the Management Body

The Company provides the structured flow of risks to the management body, with the aim to elevate the risks to the appropriate levels on time.

Risk information flows up to the Board through the Executive Director or directly from the business departments and control functions.

Remuneration Polices

The updated Directive DI144-207-14 incorporates now the requirements established by the Remuneration Guidelines for firms providing investment services recently published by ESMA. The Guidelines aim to strengthen investor protection by seeking to improve the implementation of the MiFID rules on conflicts of interest. Thus new regulations were developed to ensure that investment companies have appropriate remuneration policies and practices in place.

The Company has reviewed and updated its remuneration policy for risk-taking functions, taking into account their size, internal organization and the nature, scope and complexity of its activities and without prejudice to the provisions of the Processing of Personal Data (Protection of Individuals) Law. Based on the above principles, as covered personnel (senior management and members of staff whose actions have a material impact on the risk profile of the investment firm) have been determined the members of the Board of Directors only.

The Company's remuneration policy is determined by the Board of Directors. The remuneration of the Company's control functions and senior officers, covered by the policy, is based on fixed basis with no variable component.

Present disclosure is required to provide for the information as follows:

Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the investment firm, indicating the following:

The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries.

Table 2. Remuneration.

Fixed Emoluments in their executive capacity:

	Number of Beneficiaries	Amounts of remuneration for the financial year 2014		Total Remuneration
		Fixed Remuneration €'000	Variable Remuneration €'000	€'000
Senior Management	**5**	**206**	**0**	**206**

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The amounts and forms of variable remuneration, split into cash, shares, share linked instruments and other types; - NONE.

The amounts of outstanding deferred remuneration, split into vested and unvested portions; - NONE.

The amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments; - NONE.

New sign-on and severance payments made during the financial year, and the number of beneficiaries of such payments; - NONE.

The amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person; - NONE.

The remuneration relating to control functions **(Internal Audit & Compliance)** is based on fixed fee contracts. For the year 2014, the overall fee for those functions was **Euro 68,281.32.**

Risk Management Objectives and Policies

As the Company is authorised by the Cyprus Securities and Exchange Commission to conduct investment business, it is required by the EU Capital Requirements Directive to make public disclosure of its risk management objectives and policies in accordance with the requirements of Pillar 3 of the Directive and the internal capital adequacy assessment process ("ICAAP") prescribed by the CySEC .

The Company has clearly defined operational strategy, which is:

- To maintain a highly trained workforce which is flexible in operational terms to deal with varying levels of income; and
- Recognising also the necessity to retain strong cash reserves to tide us over any downturns.

The Company is operated managerially through the medium of a two Executive Directors (4-eyes principle). Standing apart from the Company's operational management is its Board of Directors which comprises of two Executive Directors and two Non-Executive Directors.

In accordance with the proportionality principles, and provided limited range of services and activities undertaken, the overall governance is assigned to the Board members and no separate Committees are in place at present.

The Board of Directors' responsibility includes monitoring and reviewing the Company' risk management, compliance and internal audit functions and considering reports from compliance, internal audit on internal controls and risk management.

The Board has overall responsibility for the Company's system of internal controls, the objectives of which are the safeguarding of the Company's assets, the maintenance of proper accounting records and the availability of reliable financial information for use within the business and for regulatory reporting.

This system of internal controls designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement and loss, and to prevent and detect fraud and other irregularities.

The Board regularly reviews the effectiveness of the Company's internal control system. There is an ongoing process for identifying, evaluating and managing significant risks which was in place throughout the year.

The risk management process encompasses the organisation, behaviours, processes, systems and other aspects of a Company that, taken together:

- ✓ facilitate its effective and efficient operation by enabling it to assess current and emerging risks, respond appropriately to risks and significant control failures and to safeguard its assets;
- ✓ help to reduce the likelihood and impact of poor judgement in decision-making; risk-taking that exceeds the levels agreed by the Board; human error; or control processes being deliberately circumvented;
- ✓ help ensure the quality of internal and external reporting; and
- ✓ help ensure compliance with applicable laws and regulations, and also with internal policies with respect to the conduct of business.

The Company's systems of risk management and internal control include:

- ✓ risk assessment;
- ✓ management or mitigation of risks, including the use of control processes;
- ✓ information and communication systems; and
- ✓ processes for monitoring and reviewing their continuing effectiveness.

The risk management and internal control systems are embedded in the operations of the Company and are capable of responding quickly to evolving business risks, whether they arise from factors within the Company or from changes in the business environment.

When determining the principal risks, the Board focuses on those risks that, given the Company's current position, could threaten the Company's business model, future performance, solvency or liquidity, irrespective of how they are classified or from where they arise.

The Board treats such risks as principal risks and establishes clearly the extent to which they are to be managed or mitigated, in a form of prescribed credit risk limits, excess expenditures and other parameters important for monitoring of the principal risks.

3. RISK CATEGORIES AND DEFINITIONS

Operational Risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events, including legal risk. The Company is aware that operational risk can never be eliminated, but seeks to minimize the probability and impact of operational events.

The Company's business areas manage this risk through applicable controls and loss mitigation techniques, including use of limits, participation in Investment Compensation funds and adequate human resources management procedures.

These activities include a balance of policies, procedures and internal controls to ensure compliance with laws and regulations.

Further assurance is provided by the Company's internal audit and compliance functions.

The Company is subject to the Fixed Overheads Requirement for calculation of its Pillar 1 Capital Resource Requirements. For the year ended 31 December 2014 the amount required to be held by the Company to meet the Fixed Overheads Requirement was **Euro 173,304.** The Company considers this to be an acceptable alternative calculation for operational risk.

Credit Risk

This represents the risk of loss through default by counterparty. The most significant risk to the Company is that market counterparty will fail to settle a trade with the client and the credit institution or payment systems will fail to meet its obligations towards the safety of funds deposited with them.

To guard against this the Company sets exposure levels for various counterparties and monitors these. Exposure values to either retail or market counterparties are determined using mark to market methods.

The Company does not conduct derivative business on its own account. Client deals are transacted by the Company as a broker working on STP / ECN model with large liquidity providers (back to back transactions).

In all cases where such transactions place the client or the Company at risk we hold suitable collateral. This normally takes the form of a lien over the customer's assets giving a claim on these assets for both existing and future liabilities, in a form of margin requirements to the accounts, which are automatically monitored.

The Company has to hold funds to protect itself against credit risk, and this has been assessed based on the Pillar 1 requirements of the EU Directive. Current Credit Risk Capital requirement is **Euro 71,076**.

The Company uses Moody's, Standard & Poor's and Fitch's Ratings as its External Credit Assessment Institutions ("ECAIs"). The credit ratings of all three ECAIs are used for all exposures of WSFIS, subject to their availability. If two credit assessments are available from nominated ECAIs and the two correspond to different risk weights for a rated item, the higher risk weight is assigned. If more than two credit assessments are available from nominated ECAIs for a rated item, the two assessments generating the two lowest risk weights are referred to. If the two lowest risk weights are different, the higher risk weight is assigned. If the two lowest risk weights are the same, that risk weight is assigned.

The Company has used the credit step mapping table below to map the credit assessment to credit quality steps.

Table 3. Credit Step Mapping Table.

Credit Quality Step (CQS)	**External Credit Assessment Institutions**		
	Fitch	**Moody's**	**S&Ps**
1	AAA to AA-	Aaa to Aa3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-
6	CCC+ and below	Caa1 and below	CCC+ and below

Board Risk Management Declaration

The Board has the overall responsibility for assessing the effectiveness of the Company's risk management measures and the systems of financial and internal control. These are designed to control rather than abolish the risks of not achieving business objectives; hence they offer adequate but not absolute assurance against fraud, material misstatement and loss.

The Board considers that it has in place satisfactory systems and controls with regards to the Company's profile and strategy, with an appropriate range of assurance mechanisms and resourced, to avoid or minimize loss.

4. CAPITAL BASE

Tier 1 Capital

The Own capital definition and calculations, are based on the Directive and are represented entirely by the Tier I capital. The overwhelming majority of the Company's Tier 1 capital comprises ordinary shares, which may have been issued at a premium, and shareholders' non-refundable contribution.

Table 4. Own Funds.

OWN FUNDS	'000, Euro	Capital Adequacy Ratio
COMMON EQUITY TIER 1 CAPITAL	161	
ADDITIONAL TIER 1 CAPITAL	290	
TOTAL OWN FUNDS	451	13.25%

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5. CAPITAL REQUIREMENTS

The Company follows the Standardised Approach for the calculation of the capital requirement for credit risk, market risk and Fixed Overheads Requirement for the operational risk.

Capital deemed necessary to be maintained by the company at the end of 2014 was:

Table 5. Minimum Capital Requirements.

Risk Weighted Exposures	Risk Weighted Exposure Amount EUR '000
Risk Weighted Exposure Amount for Credit, Counterparty Credit and Dilution Risk and Free Deliveries	**888**
Total Risk Exposure Amount for Settlement/Delivery	**0**
Total Risk Exposure Amount for Position, Foreign Exchange and Commodities Risks	**346**
Total Risk Exposure Amount for Operational Risk (OpR)	**0**
Additional Risk Exposure Amount due to Fixed Overheads	**2,166**
Total Risk Exposure Amount for Credit Valuation Adjustment	**0**
Total Risk Exposure Amount Related to Large Exposures in the Trading Book	**0**
Other Risk Exposure Amounts	**0**
TOTAL RISK EXPOSURE AMOUNT	**3,400**

Asset classes and risk weighted amounts as at 31st December 2014 are presented below.

Table 6. Minimum Capital Requirements per Asset Class.

Asset Class	Risk Weighted Amount EUR '000	Minimum Capital Requirement EUR '000
Institutions	**1.066**	**19.25**
Corporates	**625**	**39.45**
Other Items	**63**	**57.37**
Public Sector Entities	**92**	**7.37**
TOTAL	**1.846**	**123.44**

Geographical breakdown of exposures by major asset classes is presented below:

Table 7. CRR/CRDIV Asset Class: Corporate.

Country	Final Exposure Amount, Euro	Risk Weight (%)	Capital Requirement
Cyprus	16.332	100%	1.307
Armenia	52.504	100%	4.200
Norway	761	100%	61
New Zealand	555.867	100%	33.881
TOTAL	625,465		39,449

Table 8. CRR/CRDIV Asset Class: Institution.

Country	Final Exposure Amount, Euro	Risk Weight (%)	Capital Requirement
Czech Republic	285.021	20%	4.560
Cyprus	16.089	20%	257
Cyprus	21.60	150%	2.527
Luxembourg	2.129	20%	34
Poland	8.121	20%	130
Switzerland	1.986	20%	32
United Kingdom	677.744	20%	10.844
New Zealand	53.966	20%	863
TOTAL	1,066,117		19,248

Pillar II – The Supervisory Review Process (SRP)

The Supervisory Review Process provides rules to ensure that adequate capital is in place to support any risk exposures the Company may have, in addition to requiring appropriate risk management, reporting and governance structures.

Pillar II covers any risk not fully addressed in Pillar I, such as concentration risk, reputation risk, business and strategic risk and any external factors affecting the Company.

Pillar II connects the regulatory capital requirements to the Company's internal capital adequacy assessment procedures (ICAAP) and to the reliability of its internal control structures. The function of Pillar II is to provide communication between supervisors and investment firms on a continuous basis and to evaluate how well the investment firms are assessing their capital needs relative to their risks. If a deficiency arises, prompt and decisive action is taken to restore the appropriate relationship of capital to risk.

Under Basel II, ICAAP is a requirement for the Company to establish and report to the regulator (on request) the process of Internal Capital Adequacy Assessment. The requirement originates from the rightful assumption that the Pillar I risk assessments may not cover fully the risks assessed under Pillar I calculations, and the Pillar I does not cover unique to the Company (or its particular sector) internal and external risks it may be exposed to.

Therefore, the capital requirements calculated under Pillar I, do not reflect real amount of capital to be held to cover all relevant risks.

Pillar 1: Minimum Capital Requirements — risk-adequate calculation of capital requirements which explicitly includes operational risk in addition to market and credit risk.

Pillar 2: ICAAP & Supervisory Review Process (SRP) — the establishment of suitable risk management systems and their review by the supervisory authority.

Pillar 3: Market Discipline – increased transparency due to expanded disclosure requirements.

Company's ICAAP Approach

Our approach for meeting the Pillar II requirements, are based on the Pillar I minimum capital requirement Plus approach, as it takes the Pillar I capital requirements calculation as a starting point and then considers whether this results in an adequate amount of capital to cover the Company's actual risk profile.

The Company chooses to apply this method and uses, as a starting point, the minimum capital calculated according to the provisions of the Regulation, under Pillar I for credit risk, operational risk and market risk.

The capital calculated as a minimum requirement, under Pillar I, is then assessed internally as to its adequacy vis-à-vis the following:

- Risks covered in Pillar I (additional counterparty credit risk);
- Risks not fully covered in Pillar I (additional concentration and market risks);
- Pillar II risks (reputational, political and client concentration risks).

The Company assesses the above elements of the overall risk, following the chosen approach, and uses the stress scenarios approved at the strategic management levels, mainly for external factors, including through the cycle, to ensure that the Company's plans and current level of the capital are sufficient to:
- meet the Company's liabilities as they fall due;
- survive a recession and meet the Pillar I capital requirement through a severe recession.

The Company aims to operate at all times over and above the required statutory capital and currently maintains a prudent level of capital for both short and long term requirements.

Pillar III – Market Discipline

Market Discipline requires the disclosure of information regarding the risk management policies of the Company, as well as the results of the calculations of minimum capital requirements, together with concise information with respect to the composition of own funds. Preparation and publication of the Present Report is made in accordance with this requirement.