

# Principles of Processing Customer Data

Effective from 12 July 2018

## 1. General principles of processing customer data

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

## 2. Customer consent

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

## 3. Categories of Customer Data

- 3.1. Avaron shall process all Customer Data obtained on a Customer, including but not limited to:

- 3.1.1. Customer's personal data (e.g. name, personal identification code and document data, connections with Third Parties, contact data);
- 3.1.2. Customer’s field of activity and/or a job position;
- 3.1.3. Customer’s financial data (e.g. income, assets, liabilities, transactions and counterparties);
- 3.1.4. data on Customer’s segment;
- 3.1.5. data on Customer’s preferences and satisfaction (e.g. data relating to complaints filed);
- 3.1.6. data on the Customer’s investment experience and risk tolerance;
- 3.1.7. data on the origin of Customer’s assets.
- 3.2. In addition to any Customer Data received directly from a Customer, Avaron has the right to process any information regarding a Customer available in any public domain (e.g. state registers, public databases or data published on the Internet) or received from Third Parties, provided that the transfer of such information from a Third Party to Avaron is lawful.
- 3.3. To perform its obligations pursuant to applicable laws and regulations, Avaron is entitled to exchange Customer Data with credit and financial institutions.

## 4. Purpose of processing Customer Data

- 4.1. Avaron shall process Customer Data for the following purposes:
  - 4.1.1. to decide whether or not, and under which conditions to provide services to a Customer;
  - 4.1.2. to perform contractual obligations concluded between the Customer and Avaron (e.g. execution of a transaction in a financial instrument), or to ensure the performance of such a contract (e.g. debt collection procedures);
  - 4.1.3. to offer Avaron’s services or products to a Customer (e.g. presentation of new investment funds via e-mail);
  - 4.1.4. to classify Customers for the provision of services (e.g. a professional client or a retail client);
  - 4.1.5. to inspect and, if necessary, correct and amend Customer Data submitted by a Customer;
  - 4.1.6. to evaluate Customer reliability;
  - 4.1.7. to prevent money laundering and terrorist financing;

- 4.1.8. to fulfil obligations arising from applicable laws and regulations as well as guidelines issued by the supervisory authorities;
- 4.1.9. to conduct statistical and financial surveys and analyses;
- 4.1.10. to perform obligations arising from legal acts (e.g. transfer of data to financial supervision authorities, notaries, tax authorities);
- 4.1.11. to seek protection against violated or disputed rights (e.g. communication of data to a person representing Avaron or to a court).
- 4.2. Avaron shall process the Customer Data stated in section 4.1 in the minimum extent required for achieving the above objectives.

## **5. Disclosing and communicating Customer Data to Third Parties**

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

accordance with the laws of their country of residence.

- 5.4. In concluding transactions abroad, or with foreign persons, the Customer Data may become available to foreign public authorities, whether in the European Union or elsewhere, who shall process the Customer Data on their own responsibility in accordance with the laws of their country of residence.
- 5.5. The list of authorised processors is available at the office of Avaron.

## **6. Processing of Customer Data for direct marketing purposes**

- 6.1. Upon providing his or her contact data to Avaron, the Customer has consented to receive information from Avaron (incl. monthly reports and personalised offers).
- 6.2. When sending e-mails to Customers, Avaron is permitted to use IT-solutions that enable Avaron to process and analyse information in relation to opening and reading e-mails sent by Avaron and using web-links provided therein.
- 6.3. The Customer shall have the right at any time to choose not to receive further personal offers and monthly reports. Information on how to unsubscribe from materials sent by Avaron shall be attached to each respective e-mail.
- 6.4. A Customer shall not have an option to decline receiving from Avaron any information and notices that Avaron has taken upon based on a contract concluded between Avaron and the Customer.

## **7. Recording of Customer Data**

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

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

- 8.1. A Customer is obliged to immediately inform Avaron of any changes compared to the Customer Data specified in contracts or other documents submitted to Avaron.
- 8.2. A Customer shall have the right to review his or her Customer Data (incl. content and source thereof) by submitting a respective inquiry to Avaron. The

Customer shall inform Avaron of any inaccuracies in the Customer Data.

- 8.3. In cases where processing of Customer Data is prohibited by law, by a contract concluded with a Customer or by these Principles, a Customer shall have the right to demand, in accordance with and to the extent permitted by the Estonian Personal Data Protection Act or any other applicable law, termination of the processing, publication and making available of his or her Customer Data, and/or deletion of his or her Customer Data collected.
- 8.4. Avaron shall process Customer Data as long as required for achieving the purpose of processing of Customer Data or for fulfilling obligations arising from legal acts.

## **9. Customers' rights as a natural person**

- 9.1. A Customer, as a natural person, has rights regarding his/her Customer Data Processing that is classified as personal data under applicable law. Such rights are in general:
- 9.1.1. to require the erasure of his or her personal data if he or she has withdrawn the consent given prior. Such right does not apply if personal data requested to be erased is being processed also based on other legal grounds such as a contract or obligations based on applicable laws;
- 9.1.2. to receive information if his or her personal data is being processed by Avaron and if so then to access it;
- 9.1.3. to receive his or her personal data that is provided by himself or herself and is being processed based on consent or in order to perform a contract in written or commonly used electronical format, and where feasible, transmit such data to another service provider (data portability).

## **10. Protection of the Customer's rights**

- 10.1. In case a Customer finds that Avaron violates his or her rights via Customer Data Processing, a Customer shall have the right to demand Avaron to cease such violation. A Customer shall also have the right to contact the Data Protection Inspectorate or a competent court to protect his or her rights.
- 10.2. In case a competent authority finds that a Customer's rights have been violated via his or her Customer Data Processing, a Customer shall have the right to demand compensation from Avaron for the damage caused.

## **11. Amendment of the Principles of Processing Customer Data**

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

## **12. Avaron contact details**

- 12.1. In case of additional questions or complaints, a Customer can contact Avaron: AS Avaron Asset Management, address Narva mnt 7d, 10117 Tallinn, Estonia; phone +372 664 4205 or e-mail [avaron@avaron.com](mailto:avaron@avaron.com).