

	<p>OTP banka Srbija a.d. Novi Sad, Trg Slobode 5</p>	<p>Identification: ID 8569</p>
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<p>Description</p>	<p>These Operating Rules regulate the general terms and conditions applicable to the organizational unit of OTP banka Srbija a.d. Novi Sad, Capital Market Department which performs activities of the Authorized Bank to provide investment services and activities related to financial instruments.</p>	

OPERATING RULES OF THE AUTHORIZED BANK

<p><i>Adopted:</i></p> <p>Board of Directors of Vojvođanska banka a.d. Novi Sad</p> <p>President of the Board of Directors, Gabor Kolics</p>	<p><i>Date of adoption:</i></p> <p style="text-align: center;">15.04.2021.</p>	<p><i>Signature:</i></p> <p style="text-align: center;">.....</p>
<p><i>In application: on the day of obtaining the consent from the Securities Commission, and applied on the eighth day from the day of publishing on the notice board of the Bank's DMS and Banks website, but not before April 30, 2021.</i></p> <p><i>Note: With the entry into force of this Operating Rules of the Authorized Bank ID 8569 dated 25.01.2021 shall cease to be valid.</i></p>		<p>Seal</p>
<p><i>Proposed by:</i></p> <p>Željko Devčić, Head of Global Markets Directorate</p>		<p><i>Signature:</i></p> <p style="text-align: center;">.....</p>

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Pursuant to Article 27 of the Statute of Vojvođanska banka a.d. Novi Sad from September 28, 2020, the Board of Directors of the Bank adopts:

OPERATING RULES OF THE AUTHORIZED BANK

1. GENERAL PROVISIONS

Article 1

These Rules regulate the general terms and conditions applicable to the organizational unit of OTP banka Srbija a.d. Novi Sad, Capital Market Department (hereinafter: the Rules) which performs activities of an authorized bank to provide investment and additional services and activities related to financial instruments (hereinafter: the Authorized Bank), and in particular:

- Types of operations, terms and conditions of conducting business of the Authorized Bank;
- Categorization and/or classification of clients and client category changes;
- Mutual rights and obligations of the Authorized Bank and its clients;
- Contents of agreements with clients;
- The type of client orders, method, conditions and order of their receipt and execution;
- Policy of order execution and entrusting of order execution;
- Information provided to clients, as well as information provided especially to small clients;
- Protection of property of Authorized Bank's clients (financial instruments);
- Lending conditions for financial instruments;
- Rules of business conduct during provision of investment services;
- Dealing with clients' complaints;
- Code of ethics and
- Other issues of importance for the operations of the Authorized Bank.

The Authorized Bank operates at the address: Bulevar Mihaila Pupina 111, Novi Beograd.

These Operating Rules and Fee Schedule of the Authorized Bank (hereinafter referred to as: Fee Schedule) are always available for clients at their request, and are obligatorily required before entering into any agreement on the providing of services regarding financial instruments, agreement on opening of financial instruments account, as well as any other agreements granting the status of a Client and which commits the Authorized Bank to provide respective services to the Client.

The Authorized Bank allows clients to inform about Operating Rules and Fee Schedule applicable to clients' operations by making them available at a visible place in the premises in which it transacts with clients and on its website www.otpbanka.rs.

The provision from the preceding paragraph also applies to other legal entity which for and on behalf of the Authorized Bank, based on client agreement, receives orders for the purchase or sale of financial instruments.

The Authorized Bank undertakes to provide its client's access to amended Operating Rules and Fee Schedule within seven days prior to the commencement of application of these changes.

Article 2

These Rules are an integral part of contract and by concluding the contract the client confirms that he/she is familiar with the content of these operating rules and agrees with their application.

Article 3

For all that is not governed by the contract and these operating rules the valid legal regulations and bylaws, internal enactments of OTP banka Srbija a.d. Novi Sad (hereinafter referred to as: the Bank), with all amendments and supplements adopted during the term of the contract and the operating rules shall apply.

If after concluding of a contract or adopting of these operating rules any issue that was regulated by these operating rules shall be resolved in a different way by legal regulations or bylaws, the provisions of the relevant regulations shall apply until appropriate amendments and supplements to these operating rules are adopted.

The Authorised Bank shall process clients' personal data in line with the Bank's Policy on Personal Data Protection, the Law on Personal Data Protection and regulations governing data processing.

2. TERMS AND DEFINITIONS

Article 4

For the purposes of these operating rules, certain terms shall have the following meanings:

Law: Law of the Capital Market

Market operator: The person, who manages, respectively performs the activity in connection with regulated market functioning, and market operator can also be the regulated market itself.

Beogradska berza a.d. Beograd (hereinafter: the Stock Exchange): Legal entity who, on the basis of the Securities Commission's license, manages, respectively performs the activity in connection with the functioning of the regulated market and multilateral trading platform.

Central securities register, securities deposit account and clearing (hereinafter: Central Registry): Legal entity who on the basis of Securities Commission's license, performs the activities of keeping the financial instruments register, clearing and netting out of transactions with financial instruments and other activities in compliance with the Law.

Authorized bank: Organisational unit of a credit institution whose regular activities and operations encompass provision of one or more investment services to third parties, i.e. professional performance of one or more investment services related to one or more financial instruments.

Representatives of Authorised Bank: Persons employed with the Bank who have the consent and Decision of the Securities Commission on the appointment of members of the Investment Company's management.

Regulated market: Multilateral system which is organized, respectively managed by the market operator and which enables and makes easier joining of the third parties' interest in purchase and sale of financial instruments in accordance with its binding rules and in the manner which leads to concluding the agreement in connection with financial instruments included in trading according to its rules in the system, which has the license and regularly operates in accordance with the Law.

Multilateral trading platform (hereinafter: MTP): Multilateral system which is organized, respectively managed by the market operator or investment company and which enables and makes easier joining of the third parties' interest in purchase and sale of financial instruments in accordance with its binding rules and in the manner which leads to concluding the agreement, in accordance with the Law.

OTC market: Secondary market for financial instrument trading which does not have the market operator and whose trading system implies negotiating between the financial instruments seller and the buyer with a view to concluding the transaction.

Relevant person: The person with ownership interest in the Authorized Bank, in senior position at the Authorized Bank (representatives of Authorised Bank), employed person in the Authorised Bank, employee of the Bank who participates in the provision of investment and additional services, member of the Executive Board or Board of Directors of the Bank, member of the Audit Committee of the Bank and any other natural person who is engaged by the Authorized Bank to provide the services within its competence.

Persons with close relatedness with relevant person are: spouse and common-law partner, descendants and ancestors in the straight line unlimited, relative up to the third degree of kinship in the side-line, as well as in-laws, adoptee and adopter and descendants of the adoptee, guardian and protégés and descendants of the protégé, any person who has spent with the relevant person at least one year in a joint household from the date of the personal transaction in question.

Personal transaction: Financial instrument transaction carried out by the relevant person acting outside the scope of the activities that he or she carries out as the relevant person, or which is performed for the account of the relevant person, the person with whom the relevant person is kinship relation, or with whom he or she is closely related pursuant to the Law or the person whose relation with the relevant person is of such nature that the relevant person has direct or indirect material interest in the result of transaction, but which is not commission or fee for carrying out the transaction.

Insider information: Information on specific facts that has not been made public, relates directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments, and which, if made public, would be likely to have a significant effect on the price of those financial instruments or on the price of derivative financial instruments. Significant impact exists if a prudent investor is likely to consider such information as part of the basis for making their investment decisions.

Transactions by which financial instruments are financed: Financial instruments borrowing transactions, repo agreements or reverse repo agreements, or other transactions which include financial instruments purchase and/or their resale and repurchase.

Client: Legal or natural person to whom the Authorized Bank provides the investment, respectively the additional service.

Authorized Agent of the Client: A person authorized to represent the Client in accordance with the law or the statute (legal, statutory agent) or other act of the legal entity, an act of the competent body of the state or on the basis of the Client's power of attorney (proxy).

Professional client: Any client that has sufficient experience, knowledge and expertise to independently make decisions on investments and proper assessment of risk related to investments and who meets the requirements prescribed by the Law.

Small client: Any client of the Authorized Bank which is not classified in the category of professional clients and/or which does not have sufficient experience, knowledge and expertise to independently make decisions on investments and proper assessment of risk in accordance with the Law.

Client with a distance contract: A natural person who has used or currently uses investment services under distance contract:

- A natural person who uses, has used or intends to use investment and additional services which are not intended for his business or other commercial activity,
- Entrepreneur, within the meaning of the law regulating business companies,
- Farmer, as a holder or member of family agricultural household, within the meaning of the law regulating agriculture and rural development.

Information provided to clients: The Authorized Bank's procedure on permanent medium, as an integral part of these Rules, by which the clients, before concluding the agreement with the Authorized Bank on providing of investment and/or supplementary services, is given the information in connection with the Authorized Bank, financial instruments, protection of the clients' financial instruments and cash funds, fees and costs in accordance with the Law, enactment of the Securities Commission and with these Rules.

Financial instruments are:

- (1) Transferable financial instruments – all types of financial instruments which may be traded in the capital market, except the payment instruments, such as: shares and certificates of deposit which refer to shares, bonds and other forms of securitized debt, including certificates of deposit which refer to the mentioned instruments and to other financial instruments in accordance with the Law;
- (2) Money market instruments: repurchased medium-term notes, bank issued medium term notes and commercial papers and certificates of deposit, except the payment instruments;
- (3) Units of collective investment institutions;
- (4) Options, futures, swaps, interest rate forwards and other financial instruments defined by the Law.

Transactions used to finance securities: Financial instruments lending transactions, repo agreements or reverse repo agreements, as well as other transactions which include financial instruments buying and/or their resale (buy-sell back transaction) or sale of financial instruments and their repurchase (sell-buy back transactions).

Investment advice: Provision of a personal recommendation to the Client, whether upon Client's request or initiative of the investment company in terms of one or more transactions in financial instruments.

Investment recommendation: Research or other information intended for the public in terms of Chapter 6 of the Law, which explicitly or implicitly recommends or suggests an investment strategy in relation to one or more financial instruments, i.e. issuers.

Contract: A written contract concluded between the Authorized Bank and the client stipulating the rights and obligations of the contracting parties, and other terms and conditions under which the Authorized Bank provides services to clients.

Distance contract: A contract by which the Authorized bank undertakes to provide investment services and activities and/or additional services in accordance with the Law, which are the subject matter of the distance contract with a client and are related to provision of information and performance of other activities in pre-contractual phase and/or agreement is executed only through one or several distance communication means, as a part of organized offer for provision of these services.

Execution of the order: Implies the activities for and on behalf of a client, in connection with the contracts for purchase or sale of one or more financial instruments.

Place of execution of the order: Regulated market, multilateral trading platform (MTP), and other similar markets abroad or outside those market (OTC market).

Permanent media: Means a paper or media that allows data storage in digital format (CD, Internet banking, e-mail, hard disk, USB device and memory cards, etc.) in such a way that the access, processing, completeness and reproduction of the data is provided at least until the time prescribed by relevant regulations.

Mean of distance communication is any mean that can be used to directly advertise, provide information in precontractual phase, give and/or accept offers, negotiate and conclude a contract without both Authorized Bank and a client being physically present at the same place (e.g. The Internet, e-mail, regular mail, telefax and telephone).

Depository: Pursuant to these Rules, represents a member of the Central Registry, credit institution, commercial bank, investment company, clearing house in country and abroad, which provides the service of administering and maintaining accounts of financial instruments and funds, including also the Authorised Bank.

Personal information: Each piece of information pertaining to the natural persons whose identity is determined or identifiable, directly or indirectly, in particular on the basis of an identity mark, such as name and identification number, location data, identifiers in electronic communications networks or one, i.e. more features of his/her physical, physiological, genetic, mental, economic, cultural and social identity.

3. TYPES OF OPERATIONS PROVIDED BY THE AUTHORIZED BANK

Article 5

In accordance with provisions of Article 2, point 8 of the Law, and in relation to financial instruments, the Authorized bank performs the following investment services and activities:

- (1) Receipt and transfer of orders relating to selling and buying of financial instruments;
- (2) Execution of orders on behalf of the client;
- (3) Trading for own account;
- (4) Underwriting services and services in connection with offer and sale of financial instruments with repurchase obligation;
- (5) Services in connection with offering and selling of financial instruments without the obligation to buy back;
- (6) Investment counselling.

In accordance with provisions of Article 2, point 9 of the Law, the Authorized bank performs the following investment services and activities:

- (1) Safekeeping and administration of financial instruments on behalf of clients, including safekeeping of instruments and services related thereto, such as administration of funds and collateral;
- (2) Approval of credit or loans to investors so they can perform transactions with one or more financial instruments when the company creditor is involved in the transaction;
- (3) Advisory to Companies in connection with the capital structure, business strategy, merger and acquisition of companies and related issues;
- (4) Services of foreign exchange operations in connection with provision of investment services;
- (5) Research and financial analysis in the field of investing or other forms of general recommendation relating to transactions in financial instruments;
- (6) Underwriting services

- (7) Investment services and activities, as well as supplemental services related to the basis of financial instrument, in connection with the provision of investment services and activities, as well as supplemental services.

In the course of its existence the Authorized Bank may change the type of investment services it performs, pursuant to the Law.

Article 6

The buying and selling of financial instruments, in terms of these rules, means the buying and selling of the following financial instruments on and off the regulated market MTP or any other similar market, both in country or abroad:

- (1) **Shares** – transferable proprietary financial instruments that represent a stake in the capital or voting rights of a joint-stock company;
- (2) **Debt securities** - bonds and other transferable securitized debt instruments which give the holder the right to payment of nominal value including interest or nominal value, as well as other rights;
- (3) **Deposit certificates** – financial instruments issued by banks that hold foreign shares or bonds deposited in banks abroad, which represent the domestic equivalent of foreign shares or bonds, i.e. contain identical rights and obligations as the foreign financial instruments they relate to;
- (4) **Derivative financial instruments** (financial derivatives);
- (5) **Other financial instruments** that are established in a manner prescribed by the Securities Commission.

Derivative financial instruments (financial derivatives) traded by the Authorized Bank, in accordance with these rules, mean financial instruments whose value depends on the price of the subject matter of contract (shares, bonds, foreign currencies, stock indices, etc.) whose type, quantity, quality and other properties are standardized.

The Authorized Bank performs trading with the following derivative financial instruments (financial derivatives) and other financial instruments:

- (1) Futures contracts:

- Futures contracts with delivery of subject matter of contract - transferable standardized contract whereby the buyer agrees to pay a pre-agreed price on the date of maturity determined by contract, i.e. by which the seller agrees to deliver on that day the subject matter of the contract, with maturity not shorter than three days from the conclusion of the contract;
- Futures contracts without delivery of the subject matter of contract - transferable standardized contracts which the contracting parties are obligated on the maturity date determined by the contract to pay the difference between the agreed price of the subject matter of contract and the price on the date of maturity, whereby the maturity cannot be shorter than three days after the conclusion of the contract;

- (2) Options contracts - transferable standardized contract by which the buyer acquires the right, with a contractual obligation to pay premium, on the maturity date or maturity dates determined by the contract to buy or sell the subject matter of contract at a price determined by the contract and the seller assumes the obligation on that date to sell or buy the subject matter of contractual obligation, whereby the maturity cannot be shorter than three days after the conclusion of the contract;

- (3) Other standardized financial instruments in accordance with the decision of the stock Exchange, as approved by the Securities Commission.

The provisions of these rules on the Authorized Bank's terms and conditions and method of trading with securities also apply to the trading with derivative financial instruments (financial derivatives) and other financial instruments, in accordance with the Law, rules of the operator of the market on which such instruments are traded and these Rules.

4. TERMS AND CONDITIONS AND OPERATING METHODS

4.1 Terms and Conditions for Authorized Bank's Operations

Article 7

The Authorized Bank performs its operations after obtaining license for providing investment services and activities by the Securities Commission and upon fulfilment of conditions relating to human and organizational resources and technical equipment and other conditions in conformity with the Law and the enactments of the Securities Commission.

The business relation in providing the services mentioned in paragraph 1 above between the Authorized Bank and the Client is established on the basis of categorization and concluded written agreement or distance contract. The Authorized Bank is not obliged to conclude agreement with clients which are classified as professional investors in specifically defined cases in accordance with the Law, the enactments of the Securities Commission and with these Rules.

Article 8

The Authorized Bank is obligated for the provision of stock broker and investment advisor activities to employ licensed staff for such operations, provided that such persons also fulfil other conditions specified by the Law, bank's bylaws and enactments.

4.2 Authorized Bank's Operating Methods

Article 9

The Authorized Bank conducts a public offering of financial instruments and participates in the secondary trading on a regulated market, respectively in MTP, other similar markets abroad or outside those markets, respectively OTC market in accordance with the Law, bylaws and rules of the market operator.

The Authorized Bank performs securities trading by the method prescribed and valid for the particular segment of the specific market by the market operator, in accordance with the Law and the bylaws and the rules of the market operator.

Article 10

The Authorised Bank performs dealer activities through buying and selling financial instruments on its behalf and for its account in order to achieve price difference. The Authorised Bank performs activities on the regulated and MTP market, OTC market or other similar market abroad, pursuant to the Law.

In performing dealer activities, the Authorised Bank shall observe the following rules:

- It shall execute clients' orders and other contractual obligations towards clients, by not placing its interests and interests of related entities before clients' interests;
- It may not issue either a sale or purchase order of the same financial instrument which is the subject of the client's order prior to entering the previously issued client order in the information system of the market operator;
- It shall manage its own portfolio of financial instruments in a manner providing such capital adequacy, risk exposure and liquidity management which will not jeopardise performance of liabilities of the Authorised Bank towards clients.

Should the Authorised Bank cause damage to its clients by acting contrary to the provision of paragraph 3 of this Article or otherwise, it shall be obliged to compensate such damage in accordance with regulations governing contractual obligations.

4.3 Data about the Client

Article 11

Before establishing a business relation, with the aim of identifying and familiarising with the future client, a client is obliged to provide documentation in line with the Law on the prevention of Money Laundering and Terrorism Financing and relevant internal enactments of the Bank:

If the client fails to provide the requested documentation to the Authorized Bank, the Authorized Bank is not obliged to establish the business relation with the Client.

If upon request of the Authorized Bank the Client fails to submit updated documentation, the Authorized Bank shall be entitled to restrict provision of services of the Authorized Bank until submission of necessary duly documentation by which amended and registered data are harmonised with data delivered to the Authorized Bank, as well as to terminate the business relation with the Client.

4.4 Communication between the Client and Authorized Bank

Article 12

The Client and the Authorized Bank may communicate orally, electronically and in writing in Serbian language.

The Authorized Bank may communicate with the clients – foreign legal or natural persons in English or other foreign language provided by the agreement, under condition that the agreement, orders and other necessary documentation that the Client exchanges with the Authorized Bank are drawn up bilingually.

Written communication takes place by mail, fax, electronic mail, internet application or in some other electronic form agreed upon, and both parties are obliged to notify each other of any change of the address and other contact data.

Article 13

When the Authorized Bank is providing the information to the clients electronically, it is obliged to provide that the following conditions are fulfilled:

- (1) The Client delivered valid electronic address to the Authorized Bank;
- (2) The Client selected such manner of delivery;
- (3) The Client is electronically informed about the web site and the place where the relevant data may be accessed at the same site;
- (4) The information is regularly updated and available to the Client at all times.

4.5 Communication with a Client with Distance Contract and Authorized Bank

Article 14

The Authorized Bank may use any means of distance communication which enables individual communication with a client, solely with prior consent of the client i.e. prospective client. Means of communication most frequently used by the Authorized Bank are:

- (1) Automated calling systems which do not require human control (e.g. Automatic calling device or automatic e-mail sender);
- (2) Fax machines (telefax).

Distance communication means may not be used in a manner which creates additional expenses to the client.

Client with a distance contract has the right to request from the Authorized Bank during the term of agreement to immediately provide a hard copy of concluded distance contract.

Client with distance contract may during the term of contract change distance communication mean, provided it complies with these Rules, enactments of the Securities Commission and the Law and is not in violation with concluded distance contract or nature of investment service regulated by such contract.

4.6 Principles of Safe and Sound Operations of the Authorized Bank

Article 15

When providing investment services to clients, the Authorized Bank is obliged to put the interests of its clients before its own interests and to operate fairly, honestly and professionally, in accordance with the best interests of clients while respecting the principles as defined by Law.

At the time services are negotiated by distance communication means, when determining conditions and manner of exercising and protecting rights of clients with distance contracts, the Authorized Bank is obliged to fully comply with the law governing protection of financial services users with distance contracts.

All information, including marketing, provided by the Authorized Bank to clients or prospective clients, must be truthful, clear and not misleading, and marketing material must be clearly marked as such.

To enable clients to understand the nature and risks of investment services and type of financial instrument being offered, and to make informed decision about investing, the Authorized Bank provides to clients or prospective clients relevant information in an intelligible form about:

- The Authorized Bank and its services
- Financial instruments, including appropriate guidance and warnings regarding the investing risk in said instruments;
- Location of execution of orders;
- Costs and fees arising from the execution of order.

4.7 Business Conduct Principles - Business Secret

Article 16

The Authorised Bank, its employees and representatives of the Authorized Bank shall keep as business secret:

- (1) Client information;
- (2) Information about balance and transactions on cash accounts and accounts of financial instruments of its clients;
- (3) Information on services provided to clients;
- (4) Insider and confidential information that become available during provision of services, which may affect price of financial instruments;
- (5) Other information and facts learned while providing services.

The Authorized Bank shall not use, disclose to third parties or enable third parties to use information from paragraph 1 above.

Information from this Article can be made available and disclosed to third parties only:

- Based on written consent and approval of the client;
- During the supervision of controlling authorities exercised by the, Securities Commission, National Bank of Serbia, Central Registry or the market operator.
- By order of the court and prosecutor's office;
- By order of the authority that deals with the prevention of money laundering or financing of terrorism, external audit company, agency for prevention of competition and other competent governmental authorities.

The Client shall give the consent to the Authorised Bank to submit, pursuant to the provisions of regulations governing operations of the Authorised Bank, data on the client, its related entities, documentation comprising client's file, as well as other data considered a business, i.e. banking secret to the Credit Bureau of the Association of Serbian Banks, external auditors of the Bank, Forum for Prevention of Misuse in Credit Operations, members of the banking group to which the Bank belongs, then to competent tax authorities with the aim of data exchange with tax authorities of other states based on concluded bilateral, multilateral agreements, letters of intent for conclusion thereof or recommended guidelines for actions of financial institutions from the territory of the Republic of Serbia, other persons who must have access to such data due to the nature of work they perform, as well as to third parties with whom the Bank has concluded agreements on business cooperation which are necessary for realisation of a certain business relationship or are related to the business relationship of the Bank and client.

Article 17

The Authorized Bank shall ensure by these Rules, policies of the Bank and other internal enactments and relevant regulations to perform its operations in accordance with the principles of a safe and good businessman in line with business customs. The Authorized Bank's employees shall be informed of the content of such documents before performing their duties.

Obligation of keeping a business secret survives termination of employment and remains in force as long as certain data is considered a business secret.

4.8 Data Secrecy and Protection

Article 18

For the purpose of conducting its business activity, the Bank processes particular personal data of the User, prospective users and other natural persons. Personal data is any data related to the natural person who has been identified or is identifiable, directly or indirectly, i.e. any data:

- a) which a person conveys to the Bank in spoken or written form during communication with the Bank, regardless of the purpose of the communication, which implies telephone communication, digital communication, communication in person in the Bank's premises or via the Bank's Internet presentation;
- b) Collected on the occasion of entering a contractual relationship with the Bank regarding new services or products;
- c) Specified in applications and forms prior to entering a contractual relationship with the Bank;
- d) Collected during a person's participation in client/customer satisfaction surveys;
- e) which the Bank becomes privy to, based on providing the User with banking and financial services and services related thereto, as well as services of arranging products and services of the Bank's partners;
- f) which is collected automatically when using the Bank's product and service;
- g) From publicly available sources such as, for example, data from publicly available services;
- h) Which is collected from other controllers under corresponding contractual relationships;
- i) Which has been forwarded to the Bank by OTP Group;
- j) Which originates from the processing of any of the above personal data.

Prerequisite for each collection of personal data is the existence of corresponding legal grounds in accordance with the Law.

The Bank is obliged to process personal data in a lawful, fair, and transparent manner. Personal data processing must be carried out in line with the Personal Data Protection Law, i.e. other regulations which govern personal data processing.

Personal data must be collected for a specific, explicit, justified, and lawful purpose, any may not be further processed in a manner not in line with the purpose determined as such.

Personal data must be appropriate, relevant, and limited to what is necessary for the purpose of processing, as well as accurate and updated, as necessary. The Bank shall implement all reasonable measures to ensure that incorrect personal data are immediately erased or rectified.

Personal data shall be retained in a form which enables personal identification only during the period necessary for realization of the purpose of processing. Personal data shall be processed in a manner which ensures adequate protection thereof, including protection from unauthorized or illegal processing, as well as protection from accidental loss, destruction or damage, by implementing suitable technical, organizational, and personnel measures.

The Bank shall process personal data for the purpose and in a manner which is necessary and appropriate in conducting its business activity. Processing shall be legal only if one of the following requirements has been met:

- 1) The data subject has consented to the processing of his/her personal data for one or more specified purposes (consent-based personal data processing);

- 2) Processing is necessary for executing the contract concluded with the data subject, or for undertaking actions requested by the data subject prior to contract conclusion;
- 3) Processing is necessary for compliance with the Bank's legal obligations;
- 4) Processing is necessary for protection of vital interests of the data subject or other natural person;
- 5) Processing is necessary for exercise of the Bank's legally prescribed powers;
- 6) Processing is necessary for the purpose of exercising the legitimate interests of the Bank or a third party, except if the interests or fundamental rights and freedoms of the data subject, which require personal data protection, prevail over the above interests, particularly if the data subject is an underage person.

The Bank collects and processes information for the purpose of direct marketing based on a freely given consent of the data subject. This implies processing of the following data: name and surname, address, e-mail address, telephone numbers and other information that may serve to establish contact.

As the data controller, at the moment of collecting data regarding a specific person, the Bank is obliged to provide the following information to the above person, namely:

- 1) Contact information of the Bank;
- 2) Contact information of the Bank's personal data protection officer;
- 3) Purpose and legal grounds for processing;
- 4) Existence of legitimate interest if processing is being carried out based on such legal grounds;
- 5) Information about the recipient, i.e. group of recipients of personal data, if any;
- 6) Of the fact that it plans to transfer the personal data to another country or international organization, as well as of referring to the appropriate protective measures;
- 7) Of the deadline of keeping personal data, and, if this is not possible, of the criteria for determining thereof;
- 8) Of the existence of the right to request from the controller access, rectification or deletion of personal data, i.e. right to restricting processing, right to objection as well as the right to data transferability;
- 9) Of the existence of the right to withdraw the consent at any time, as well as that withdrawing the consent shall not impact permissibility of processing based on consent before withdrawing, if the processing is done on the basis of Article 12, paragraph 1, item 1) or Article 17, paragraph 2, item 1) of the Law on Personal Data Protection;
- 10) Of the right to lodge a complaint with the Commissioner of Information of Public Importance and Personal Data Protection;
- 11) Of the fact whether provision of personal data is a statutory or contractual obligation, and whether the data subject is obliged to provide his/her personal data, and of potential repercussions of failing to provide data; and
- 12) Of the existence of automated decision-making.

Personal data shall be retained during the period of the contractual relationship, i.e. for as long as the consent of the data subject is in place, as well as within the period in which the Bank is legally obliged to retain particular personal data, in which case the active processing of such data for other purposes will be disabled, and only their retention for legally-prescribed purposes will be enabled.

Personal data being processed by the Bank may be transferred to third parties on the basis of the following:

- 1) Consent of the data subject;
- 2) Execution of a contract which the data subject is a party to;
- 3) Statutory provision.

Personal data may be submitted to state institutions and other institutions to which the Bank is authorized or obliged to submit personal data based on the laws which govern such submission. Personal data may also be submitted to persons with which the Bank has a contractual relationship, service providers, and persons engaged by the Bank, who, due to the nature of the activities they carry out, have access to personal data. All persons who, due to the nature of the activities they carry out with or on behalf of the Bank, have access to personal data, are obliged to keep such personal data as a banking, i.e. business secret pursuant to the Law on Banks and other regulations which govern data confidentiality. Contracts with such persons are in compliance with the requirements of the Personal Data Protection Law.

A data subject may withdraw its consent at any time. The withdrawal of consent does not impact the lawfulness of processing carried out on the basis of consent prior to its being withdrawn. Prior to providing consent, a data subject shall be notified thereof. The Bank is obliged to enable that it is as easy to withdraw as it is to give consent.

The Client shall give the consent to the Bank to submit, pursuant to the provisions of regulations governing operations of the Bank, data on the client, its related entities, documentation comprising client's file, as well as other data considered a business, i.e. banking secret to the Credit Bureau of the Association of Serbian Banks, external auditors of the Bank, Forum for Prevention of Misuse in Credit Operations and Forum for Prevention of Misuse with Payment Cards of the Serbian Chamber of Commerce, members of the banking group to which the Bank belongs, then to payment card processors and insurance companies with which the Bank has concluded corresponding agreements, competent tax authorities with the aim of data exchange with tax authorities of other states based on concluded bilateral, multilateral agreements, letters of intent for conclusion thereof or recommended guidelines for actions of financial institutions from the territory of the Republic of Serbia, other persons who must have access to such data due to the nature of work they perform, as well as to third parties with whom the Bank has concluded agreements on business cooperation which are necessary for realisation of a certain business relationship or are related to the business relationship of the Bank and client. The Bank has the right to process data considered a business, i.e. banking secret of the Client, which represent personal data, in line with regulations governing personal data protection.

4.9 The Business Conduct Principles and Prevention of Conflict of Interest

Article 19

The Authorized Bank cannot put its interests before the interests of clients.

The Authorized Bank shall organize its operations in a manner minimizing the potential conflicts of interest between the interests of clients and of the Authorized Bank, Bank and relevant persons and persons related thereto, as well as conflicts of interests between the very clients of the Authorised Bank.

The Authorized Bank shall enact, apply, and regularly update the Conflict of Interest Policy. Pursuant to the provisions of the Law, the Authorised Bank is obligated to:

- (1) Establish circumstances which represent and may lead to conflicts of interest to the detriment of one or more clients, in connection with the specific service provided by or for the Authorized Bank;
- (2) As a member of OTP Group, establish all circumstance that are known or must have been known to it which may lead to conflict of interests which arises from the structure and business activities of the other members of OTP group;
- (3) Procedures and measures that the Authorized Bank is obliged to apply in order to manage the conflicts of interests which may be to one or several clients' detriment.

Article 20

The Authorized Bank shall take appropriate measures to detect the conflict of interests, including the conflicts of interests of the persons specified in paragraph 2 above and all other individuals closely associated with them, on one hand, and the interests of its clients, on the other hand, as well as the mutual conflicts of interests between the individual clients, which arise over the course of providing the investment services.

The measures of management of conflicts of interest must:

- (1) Prevent or make impossible to any person to unsuitably influence the manner in which the relevant persons provide the investment services;

- (2) Eliminate any immediate relatedness between the income of the relevant persons who are for the most part included in one business activity and the income or profit earned by the other relevant persons who are for the most part included in other business activity, if conflict of interests may arise in connection with that activities;
- (3) Prevent or provide the controlled exchange of information between the relevant persons if the exchange of information might harm the interests of one or more clients;
- (4) Prevent or provide the supervision of simultaneous or successive participation of the relevant persons in different services if such participation could unfavourably influence the management of conflict of interests;
- (5) Provide separate supervision of the relevant persons whose primary function includes the business activities for the client or providing services to the clients whose interests may conflict or represent a conflict of other kind, including the interests of the Authorized Bank.

Article 21

Before executing a transaction for the client, the Authorized Bank is obliged to inform the client about possible conflict of his interests with the interests of the Authorized Bank and/or interests of other clients of Authorized Bank, including general nature and/or sources of such conflicts.

In order to prevent conflicts of interest, the Authorized Bank shall organize its business by separate organizational units.

In order to prevent conflict of interest the Authorised Bank shall act in accordance with these Rules and other relevant internal enactments of the Bank defining this area.

Article 22

Procedures for detecting and solving the possible conflicts of interests in operations of the Authorised Bank consist of the following actions:

- (1) Identification of conflict of interest is the duty of all relevant persons;
- (2) Notification of conflict of interest - any identified conflict of interests is reported to the Authorized Bank's internal controller who is authorized to monitor and gather information about the existence of conflict of interests, for keeping the register, notifying the Authorized Bank's representative and competent organisational unit of the Bank;
- (3) Estimate of the conflict of interests is made by gathering all necessary information and by establishing the existence of conflict of interests, the manner of solving and notifying the Client about the conflict of interests;
- (4) Resolving of conflicts of interest is carried out by Authorized Bank's representative, internal auditor and competent organizational unit of the Bank.

The Authorized Bank takes all necessary actions and measures in order to prevent the conflict of interests. In the case of conflict of interests, the same should be solved in the manner which ensures that the interests of the Authorized Bank and/or the relevant persons will not lead to the possible losses for the clients, or to putting clients in subordinated position.

Employees of the Authorised Bank, as well as all relevant persons and persons related thereto may not provide investment and additional services by giving interest to certain clients, to the detriment of other clients of the Authorised Bank. Employees of the Authorised Bank, as well as all relevant persons and persons related thereto, when providing investment and additional services, shall:

- Place the interests of their clients before their own interests,
- Operate fairly, honestly and professionally in line with clients' best interests.

Article 23

The Authorized Bank, relevant persons, as well as persons closely related thereto cannot buy or sell for their own account the same financial instruments that are the subject matter of the client's order prior to executing the client's order, in accordance with the Law and these rules.

The Authorized Bank is obliged to store and regularly update the information about the services that it provided in the name or for the account of the Authorized Bank in which conflict of interests occurred which

may have harmful consequences for the interests of one or more client or, in the case of current operations, conflict of interests that may occur.

The Authorized Bank ensures:

- (1) That employees and relevant persons in the Authorized Bank are familiar with prohibited activities and the measures of the Authorized Bank in connection with personal transactions and the appropriate notifications;
- (2) That it is immediately informed about the personal transactions;
- (3) That when entrusting the operations to other person, the service provider keeps record of personal transactions of the service provider's relevant persons and delivers information on personal transactions, upon demand, immediately to the Authorized Bank;
- (4) Keeping the records of all personal transactions, which must include all approvals or prohibitions in connection with personal transactions.

The provisions of this Rulebook do not refer to personal transactions with investment units in open investment funds, if a relevant person or any other person for whose account the transaction is executed is not included in management of the entity.

The provisions of this Rulebook also refer to the persons with whom the relevant person is in kinship relation or with whom it is closely related.

The Authorized Bank shall act in line with the provisions defined herein and other relevant internal enactments of the Bank.

Article 24

The Authorized Bank enacts, applies and regularly updates the preventive measures by which the relevant persons are prevented from taking the prohibited actions, as follows:

- (1) To participate in the activities that may lead to conflict of interests;
- (2) To have access to insider or other confidential information which refer to the client or to conclude personal transactions which refer to the transaction with the client or for the client's account, on the basis of the activities that they perform in the name or on behalf of the Authorized Bank, and to abuse such information to earn benefit for themselves.

Article 25

The Authorized Bank shall organize its business activities so that the conflicts of interests are reduced to the minimum, the existence of which may harm the Client's interests, which conflicts may occur when providing the services between:

- (1) The interests of the Authorized Bank, of the relevant person and all persons closely related to them, on one part, and the Authorized Bank client's interests, on the other part;
- (2) The interests of the Authorized Bank's Clients mutually. Before providing the service to the Client, the Authorized Bank shall make sure the client familiar with the possible types and sources of conflicts of interests which are regulated by this Rulebook. The information must contain, taking into account the clients classification, sufficient information on the basis of which the clients will be able to make decisions in connection with the services within which the conflict of interests may occur.

5. CLIENT CATEGORIZATION PROCEDURE AND CHANGE OF CLIENT CATEGORY

5.1 Client Categorization

Article 26

The Authorized Bank shall, prior to providing services, classify the client into the category of professional or small clients (hereinafter: Categorization).

The Authorized Bank shall carry out the categorization in accordance with the present Rules, based on information available about the client's:

- Investment objectives;
- Knowledge and experience;
- Financial position.

When it determines that a client no longer belongs to the category it was initially classified to, the Authorized Bank shall take appropriate measures to change the client category. The Authorized Bank obtains the information from this Article by standardized questionnaire for the Client in permanent medium, as well as on the basis of appropriate documentation delivered to it by the Client.

Professional clients are required to notify the Authorized Bank promptly of any facts that could influence a change in client category with the Authorized Bank.

The Authorized Bank is obliged to ensure if it is a category of clients with distance contracts, at the time client approaches the bank regarding conclusion of distance contract and use of services in that manner.

Article 27

The Authorized Bank is obliged to notify each client by permanent media on:

- Client category into which the client is classified;
- Level of interest protection that will be provided;
- Possibility to request the classification into another client category, as well as any changes in the level of protection resulting from such decision.

The Authorized Bank is obliged to classify clients with distance contracts in such way that they are classified to that category of clients.

5.2 Professional Client

Article 28

Professional client is a client that has sufficient experience, knowledge and expertise to independently make decisions on investments and proper assessment of risk related to investments and who meets the requirements prescribed by the Law.

Professional clients in relation to all investment services and activities and financial instruments are considered to be:

- (1) Lending institutions, investment companies, other financial institutions whose business is approved or supervised by the appropriate supervisory authority, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, commodity exchange dealers and other entities supervised by the competent authority;
- (2) Legal entities which meet at least two of the following conditions:
 - 2.1. Total assets of at least 20 million Euros;
 - 2.2. Annual operating income of at least 40 million Euros;
 - 2.3. Equity of at least 2 million Euros;
- (3) The Republic, autonomous provinces and local governments, as well as other states or national and regional bodies, the National Bank of Serbia and the central banks of other countries, international and supranational institutions such as the International Monetary Fund, European Central Bank, European Investment Bank and other similar international organizations.

The Authorised Bank may treat legal entities and natural persons as professional clients, if clients demand so and if they meet the required criteria, conditions and possess experience in trading in financial instruments.

5.3 Small Client

Article 29

A small client is any client of the Authorized Bank which is not classified to professional client's category and is not a client with a distance contract.

The Authorized Bank automatically treats all clients that are not classified in the category of professional clients as small clients.

The Authorized Bank categorizes all clients-natural persons as small clients.

A small client has a higher protection degree than a professional client, which pertains to the following:

- 1) The Authorised Bank shall assess the investment eligibility of a small client into a certain financial instrument based on its knowledge and experience in the area of investing and shall warn the client, if necessary, of the possibility of client's not understanding all risks the client would assume by such investment and that the financial instrument or service are not suitable for the client;
- 2) When the Authorised Bank is holding financial instruments or funds of the client, it is obliged to provide information to the small client with reference to protection of financial instruments and funds of the client, which pertains to the right of indemnification from the Investors Protection Funds in prescribed cases;
- 3) When the Authorised Bank is executing orders of a small client, achievement of the most favourable outcome shall be determined in relation to the total costs of a transaction.

5.4 Change of Client Category

Article 30

When the Authorized Bank determines that a client no longer belongs to the category it was initially classified to, it shall take appropriate measures to change the client category.

Professional clients are required to notify the Authorized Bank promptly of any facts that could influence a change in client category with the Authorized Bank.

The Authorized Bank may at a request:

- (1) Classify the professional client in the small clients category;
- (2) Classify the small client in the professional clients' category, under condition that the client fulfils the conditions prescribed by the law.

5.5 Professional Client's Request for Category Change

Article 31

A professional client, who deems he is not capable to properly assess, and/or manage risks that are specific to a particular investment, may in writing request from the Authorized Bank a higher level of protection of its interests in relation to all or any single service, type of transaction or financial instrument.

In case of a request for change of category, the Authorized Bank and the client are required to enter into a contract, or an annex to the contract, which will specify services, i.e. transactions, or financial instruments in connection with which the client does not want to be treated as professional client.

5.6 Small Client's Request for Category Change

Article 32

A small client, who does not want to be treated as professional client, may in writing request from the Authorized Bank a lower level of protection of its interests in relation to all or any single service, type of transaction or financial instrument.

In the case of a request under the previous Article, the Authorized Bank shall:

- (1) Clearly warn the client in writing about the reduction in protection of his interests and his loss of rights to compensation from the Fund for protection of investors,
- (2) Assess if a client has sufficient experience and knowledge to independently make decisions on investments and proper assessment of risk related to investments.
- (3) Conclude a contract or an annex to the contract with the client who will specify services or transactions, i.e. financial instruments in connection with which the client wants to be treated as a professional client or to refuse to recognize to the client the status of professional client.

The client is obliged to provide a statement in a separate document, which is separate from the contract, that he is aware of the consequences of loss of level of protection.

Article 33

The Authorized Bank's assessment that the small client fulfils the conditions to be classified as professional client implies that the client meets at least two of the following conditions:

- (1) The Client has carried out at least 10 transactions per quarter in the market during the last year in the value of 50,000 Euros per quarter;
- (2) The size of the Client's portfolio exceeds 500,000 Euros in dinar equivalent;
- (3) The Client works or has worked at least one year in the financial sector on jobs that require investing in securities.

Markets from item 1 above, are considered those markets in which financial instruments are traded for which the client wants to obtain professional investor status.

6. TYPES OF ORDERS, METHOD, CONDITIONS, ORDER OF THEIR RECEIPT AND EXECUTION

6.1 Order

Article 34

Orders to buy or sell financial instruments can be placed to the Authorized Bank by domestic and foreign legal entities and natural persons - the Authorized Bank's clients.

The content of the order shall be determined by the Law, other regulations and enactments of the market operator in which financial instruments are traded to which the order relates.

Clients can place with the Authorized Bank following types of orders to buy or sell securities by:

- (1) Type of transaction:
 - Buy – order to buy financial instruments,
 - Sell - order to sell financial instruments;
- (2) Price:
 - Market order - provides instruction for buying or selling of financial instruments at current possible price at the moment when the order was entered into the information system of the market operator, and
 - Limit order - provides instruction for buying of financial instruments at the price specified in the order or that is more favourable, i.e. to sell financial instruments at the price specified in the order that is more favourable. The price expressed in the limit buy order is the maximum price that the client is willing to pay, and at the limit sell order is the minimum price that the client is willing to accept for a particular financial instrument;
- (3) Time of duration:
 - Daily order - expires at the end of the working day in which it was placed,
 - Order until a date - within a period not exceeding 90 days,
 - Order until recall - for a period of 90 days.

When the client has placed an order as a daily order, the Authorized Bank is obliged to enter this order into the information system of the market operator promptly after controlling whether the order is covered (at the same day in accordance with the order of receipt), i.e. if the order was placed after the expiry of trading, at the start of trading on the next working day. When a client does not determine the price in his order, such order is a market order and shall expire after the end of the day in which it was entered into the information system of the market operator.

Besides the basic types of orders, clients can place to the Authorized Bank also other types of orders established by the enactments of the operator of the market in which such orders are placed.

Under specific types of orders particularly following orders are considered:

- Order with special condition;
- Order for minimum execution;
- Order with hidden total quantity;
- Order for block trading;
- All or nothing now;

- All or partially now;
- Stop order;
- At opening;
- At closing;
- Other order types established by enactments of the market operator.

Article 35

A buy or sell order for financial instruments placed by the client, includes the following elements:

- (1) Data on receipt of order:
 - Order number,
 - Place of order receipt,
 - Date and time (hour, minute, second) of order receipt,
 - Method of order receipt, and
 - Number of contract under which the order is received;
- (2) Information about the Client:
 - First and last name/company name of the client
 - Address / client's registered office
 - Company (personal) registration number,
 - Number of client's financial instruments account with designation of Depository,
 - Number of client's money account with designation of Depository;
- (3) Information about the intended transaction:
 - Type of order (buy or sell),
 - Type of order with respect to the pricing method (market or limit order),
 - Type of order according to the order period (daily, until a date or until revoked stating the expiration date)
 - CFI code and ISIN number of financial instrument and nominal value,
 - Quantity (number) and price of financial instruments denominated in the currency;
- (4) Information about the market:
 - Market operator (name and company identification number),
 - Method of trading;
- (5) The amount of commission (Authorized Bank, market operator, Central Registry);
- (6) An indication that the principal was informed and that all elements of the order are clear to him especially the method of calculation of commissions and fees to be paid for the execution of order;
- (7) Signature of the client and the authorized representative of the bank, when so provided.

In the events where the order was issued by telephone and electronic means, the signature of the client can be omitted from the order. If the Authorized Bank receives unclear or incomplete order, it has the right to request the client to amend or supplement the order respectively, i.e. it may postpone the execution of the client's order until the unclear points are solved.

For all data that are not stated in the order and are not stipulated as obligatory elements of the order, or for implied data, the Authorized Bank is guided by the client's interests, it shall execute the order in a manner to try to ensure maximum possible protection of the client's interests or the benefit for the client.

In certain cases the order shall include:

- Authorization to the Authorized Bank to join the client's sell order with orders of clients of another investment company, in order to achieve better terms and conditions of sale;
- Authorization to the Authorized Bank to assign the order execution to another investment company;
- Consent to the Authorized Bank to be able to simultaneously in the same business of buying and selling of financial instruments to represent both the buyer and seller of financial instruments.

Article 36

Cancellation of buy or sell orders for financial instruments shall include following elements:

- (1) Data on receipt of order cancelling the placed order:
 - Order number,
 - Place and date,
 - Time (hour and minute),
 - Method of order receipt;

- (2) Information about the Client:
 - First and last name/company name of the client,
 - Address / client's registered office
 - Company (personal) registration number;
- (3) Data on the order to be cancelled:
 - Order number,
 - Place and date,
 - Time (hour and minute),
 - Method of order receipt;
- (4) Signature of the client and the authorized representative of the bank, when so provided.

The client may make modification or revocation during the time provided for receipt of client orders at the Authorized Bank's head office or organizational unit of the Authorized Bank authorized for the receipt of client orders, and otherwise provided in these Rules for placing orders. The client must be aware of the fact that there is a possibility that the order he has cancelled was already executed or is in the process of realization by the market operator in the subject market and that in this case the Authorized Bank will not be able to execute the order.

6.2 Place of Order Receipt

Article 37

The Authorized Bank receives clients' orders in its:

- Registered offices - commercial premises of the Authorized Bank;
- Branch - organizational unit of the Bank;
- Business premises of other authorized investment company.

Client's order is considered received when it is issued at the registered office of the Authorized Bank or its branch or organizational unit which is authorized to receive the order.

Article 38

The Authorized Bank is obliged to conclude a contract with the client on investment and additional services prior to receiving the first orders of the client. The Authorized Bank may receive clients' orders in the premises of its registered office, as well as in the Bank's branches which are professionally trained and technically capable to work with financial instruments.

The Authorized Bank may conclude the contract with investment company to receive the clients' orders only under condition that such contract shall stipulate the following:

- (1) Does not impose collection of fees or other costs from the clients in amount larger than the amount which the client would pay if the Authorized Bank had provided the service directly;
- (2) The unnecessary business risks are not caused;
- (3) The quality of internal control is not significantly endangered;
- (4) The supervision of the Securities Commission is made possible.

Contracts with other investment companies concluded by the Authorized Bank provides for:

- (1) Terms and conditions of transferring the client's order to investment company;
- (2) That Authorized Bank is obliged to:
 - Warn the Client about period and reception of an order,
 - Be fully liable completeness and accuracy of transferred data,
 - Keeps confidential all information about the client and its orders;
- (3) That an investment company to which an order is transferred:
 - Is not obliged to check accuracy and completeness of data received from the Authorized Bank,
 - May use information about a client;
 - Is liable for execution of transaction based on the order;
- (4) Handling of complaints and objections of potential and existing clients;
- (5) In the event of processing personal data, pursuant to the Law on Personal Data Protection, the Authorized Bank must conclude a separate contract on personal data processing with the investment company prior to such processing.

6.3 Method of Order Reception

Article 39

The Authorized Bank may receive client orders to buy or sell financial instruments that were placed by the client:

- (1) **Directly** in writing (either personally or through an authorized representative),
- (2) **By telefax** in writing on the order form;
- (3) **By telephone**, in the manner prescribed by internal instruction;
- (4) **By e-mail**, in the manner prescribed by internal procedure;
- (5) **Electronically, through Bloomberg application** (through protected online service) in the manner provided by internal instruction.

The Authorized Bank receives the orders as defined by paragraph 1 hereof, if that is provided by the contract with the client.

In the case of receipt of order by telephone, the Authorized Bank applies the appropriate protection mechanism; the receipt is entirely equal to the direct receipt of orders if technical characteristics of the device used allow creation of audio recording that ensures accuracy and reliability, which means cumulative fulfilment of the following conditions:

- (1) Determining the precise time of the receipt of order (date, hours and minutes);
- (2) Identification of the telephone number from which the order is placed;
- (3) Precise identification of the client who placed the order.

The Authorized Bank is obliged to keep the recordings of the orders placed by telephone in electronic form in the appropriate medium which enables clear and precise reproduction of the same, for at least five years from the date of placing of order to the information system of the stock exchange, Central Registry or other market operator.

The Authorized Bank may receive orders electronically through protected online service in such a manner that it ensures the accuracy and reliability of the records of the Authorized Bank's orders.

In the case of receiving the orders electronically, the Authorized Bank is obliged to apply the appropriate protection mechanisms, in order to ensure accuracy and reliability of the records of the Authorized Bank's orders and to regulate the method and treatment of orders received electronically by the special instruction.

Article 40

When the branch which does not have the legal entity status, i.e. constitutes the organizational unit of the bank which receives the client's order and which do not have the license for execution of order, the Authorized Bank is obliged to warn the client:

- (1) That it does not have the license to execute the order in that organisational unit;
- (2) Of the time in which the order will arrive to the Authorized Bank's registered office to be executed;
- (3) That the order is considered to be received upon receipt in the Authorized Bank's registered office to be executed.

The obligation to warn the Client is applied when the Authorized Bank receives and transfers the orders to other investment company to be executed.

6.4 Order book and records of received orders

Article 41

The Authorized Bank is obliged to keep the order book in which the clients' orders are recorded to buy or sell securities, to cancel such orders, as well as orders transferred to other Authorized Bank or investment company, so as to immediately record the time of receipt of order and to prevent subsequent change of information which is not approved by the client.

The Authorized Bank keeps the order book in a way that:

- Prevents subsequent amendments of entered data;
- Provides clarity and chronology of the entered data,
- Enables creation of account statement for the client (by type of contract, instrument, for specific period, etc.).

The Authorized Bank keeps the order book in electronic form, in a manner and substance as prescribed in more detail by the enactments of the Securities Commission.

Order of the client is considered received after it is recorded in the order book of the Authorized Bank.

6.5 Manner of Maintaining Trading Records

Article 42

The Authorized Bank maintains in its information system a single record on number of received orders for buying/selling financial instruments, price of financial instruments, buy/sell transactions concluded, as well as other records related to trading with financial instruments.

In addition to consolidated data, the Authorized Bank also maintains separate reports by type of financial instrument, market, place and type of order reception, etc.

The Authorized Bank prepares daily, monthly, interim, semi-annual and annual reports on financial instruments transactions that have been closed on regulated market, MTP and OTC market in the country and abroad.

6.6 Certificate of Receipt and/or Refusal to Execute an Order

Article 43

The Authorized Bank shall immediately and until the following working date after the date of order reception provide a notice to the client on permanent medium regarding:

- (1) Time and place of receiving the order, amendment or the recall of the order;
- (2) Accepting or refusing to execute the order, stating the reason for refusing the execution.

The notice on reception of the order may be delivered to the Client at the time with placing the order, by permanent media.

6.7 Reasons for Refusal to Execute Client Orders

Article 44

The Authorized Bank shall refuse to execute the buy or sell order of financial instruments and shall without delay notify the Securities Commission and competent organisational unit of the Bank thereof, if it has reason to believe that the execution of such order:

- (1) Would represent a violation of the provisions of Law or statutory regulations and by-laws governing anti-money laundering and financing of terrorism;
- (2) Would represent an act punishable under law as a criminal offense, economic offense or violation.

In the event of refusal to execute a client's order due to reasonable grounds in line with statutory regulations and by-laws governing anti-money laundering and financing of terrorism, the Authorised Bank is obliged to inform the Department for the Prevention of Money Laundering and Terrorism Financing as well.

In determining the circumstances for order refusal, the Authorized Bank may use its own information, information received from its clients or prospective clients, unless it has knowledge or should have knowledge that such information is obviously outdated, inaccurate or incomplete.

Article 45

The Authorized Bank refuse to execute:

- (1) Buy order, if it determines that the client has insufficient funds in its money account for settlement of obligations arising from the execution of the order;
- (2) Sell order, if it determines that the client has insufficient funds in its money account for settlement of obligations arising from the execution of the order;
- (3) Upon request of competent regulatory authority or order of competent court

The Authorized Bank is not obliged to refuse execution of the transaction can be settled based on:

- (1) Realized and non-settled transactions;
- (2) Giving the client a loan from the Authorized Bank, based on existing regulations;
- (3) Lending of financial instruments in accordance with these rules.

7. POLICY OF MOST FAVOURABLE ORDER EXECUTION

Article 46

The Authorized Bank, which provides order execution services for the client is obliged to establish measures and systems for fast, fair and effective execution of client orders in relation to other client orders or Authorized Bank.

For the execution in accordance with paragraph 1 above, the Authorized Bank shall:

- (1) Promptly and accurately enter into the order book the trading order that needs to be executed;
- (2) Promptly execute similar client orders in accordance with the time of receiving the trading order, unless the conditions prevailing in the market or characteristics of orders prevent this or client's interests require different processing;
- (3) Immediately and accurately to classify orders executed on behalf of the client;
- (4) To take all necessary actions required to ensure that all financial instruments and client's funds received in settlement of liabilities on the basis of the executed order, are maintained separately from assets of the Bank, i.e. Authorized Bank, timely and properly administered and maintained on corresponding account and transferred onto the appropriate client's account according to concluded contractual relationship with the client;
- (5) To inform the client of any significant difficulties in relation to the order execution, promptly after becoming aware thereof.

7.1 Factors Relevant to the Execution of Orders under Most Favourable Conditions

Article 47

When executing orders the Authorized Bank shall take all actions necessary to archive the most favourable result for the client by considering the following:

- 1) Price of financial instruments;
- 2) Costs, speed and ability to execute;
- 3) Costs, speed and likelihood of settlement;
- 4) Size, type and nature of order, and
- 5) All other circumstances relevant to the order execution.

When the Authorized Bank receives the client's order with special instructions and special conditions for its execution, the Authorized Bank is obliged to comply with paragraph 1 above to the extent that it fully complies with client's instructions and to warn a small client that the order will be executed in accordance with the instructions and order of the client and not in accordance with the Authorized Bank's policies on execution of orders under the most favourable conditions.

Article 48

The Authorized Bank shall, in determining the importance of factors relevant to the execution of client orders, take into account the following criteria:

- 1) Client characteristics, including its classification;
- 2) Characteristics of client orders;
- 3) Characteristics of financial instrument to which the order relates;
- 4) Characteristics of market, i.e. place of trading where the order can be executed.

In the procedure of assessment of place of trading in which the client's order could be executed in a manner to achieve the most favourable outcome, the Authorized Bank shall take into account transaction costs, its commissions and fees for order execution of each of these possible places of trading.

The Authorized Bank shall not establish and collect its commissions and fees in a manner that would lead to unjustifiable disparities between places of trading where the order may be executed.

7.2 Transfer of the Order for Execution to Other Company on Domestic and Foreign Markets

Article 49

The Authorized Bank shall receive and transfer buy/sell orders for financial instruments in the market on which the Authorized Bank is not a direct member. The

The Authorized Bank shall receive and transfer trading orders to third parties (authorized investment companies – partners) who have direct or indirect access to that market, acting exclusively in the client's best interest and in accordance with the rules of profession.

The Authorized Bank acts in the clients' best interests also when it gives orders for execution to other investment company-partner, the execution of order will in that case be conducted in accordance with the policy of most favourable execution and the present Rules, which means that the client's order may be also executed in other places of execution, respectively off the regulated market or MTP or in other similar market abroad.

In selection of partner investment companies, the Authorized Bank will especially take into account that they provide their services in efficient, fast, simple manner and at favourable price, in order that good quality and continuous support in the given foreign market might be secured to the Authorized Bank and its clients, and the Authorized Bank will monitor the quality of execution that the same provides.

Article 50

Receipt and transfer of orders in foreign markets, regulated markets and off the regulated market abroad, are carried out by the Authorized Bank on the basis of the contract concluded with the client, before receiving the first order of the client to buy or sell financial instruments. When the Law does not require conclusion of written contract, as well as in case of distance contracts, the Authorized Bank will act in full compliance with these Rules and the Law.

The Authorized Bank may conclude the Contract on investment operations with several investment companies abroad, through which orders for trading of foreign financial instruments will be realized.

Prior to issuing the order, the Client will be informed about commissions and costs of foreign investment companies (which have a contract with the Authorized Bank), expenses or fees arising from trading in foreign market, costs of foreign stock exchange, clearing and settlement and similar fees, as well as with costs or fees of depository institutions that carry out payment transactions and settlement of financial instruments on behalf of the company and for the client, and client's account will be debited in accordance with tariffs of these institutions.

7.3 Execution of Small Client Order

Article 51

The Authorized Bank shall establish the manner for achieving of the most favourable outcome for small client taking into account the total transaction costs and possibility of execution. Costs of transaction include all costs related to transaction execution, such as:

- (1) Price of financial instruments;
- (2) All costs directly related to the order execution payable by the client, which include commissions and fees for the:
 - Place of trading;
 - Clearing and settlement of transactions;
 - Authorized Bank;
 - Third parties involved in the client's order execution.

7.4 Execution of Professional Client Order

Article 52

In an attempt to achieve the most favourable outcome for a professional client, in addition to the provisions specified above, the Authorized Bank takes into account size and type of the order, speed and probability of executing the transactions, as well as all other circumstances the Authorized Bank considers to be the most favourable conditions for order execution.

7.5 Achieving the Most Favourable Outcome when Providing Order Receipt and Transfer Services

Article 53

The Authorized Bank is obliged to act in the best interest of clients also when it gives orders to another investment company for execution.

Authorized Bank shall take actions by which:

- (1) It provides the achievement of the best possible effect for the client taking into account the factors relevant to order execution and criteria by which the significance of these factors is determined;
- (2) It ensures compliance with the priorities of client's instructions in relation to the policy of the most favourable order execution when the client intends to execute the order on a certain market.

7.6 Policy of Most Favourable Order Execution

Article 54

The Authorized bank shall establish and implement efficient systems and policies which, at the time client's order is being executed, allow achievement of the most favourable outcome for the client.

The Policy on most favourable order execution must contain:

- (1) Information about significance the Authorized Bank puts into factors which are relevant for order execution.
- (2) Information about different locations in which the Authorized Bank executes orders of clients and factors that influence selection of the location;
- (3) Warning that each specific client instruction may prevent the Authorized Bank from taking measures provided by the policy on most favourable order execution for achieving the most favourable outcome for the client.

Article 55

Before execution of order, the Authorized Bank shall:

- (1) Inform the client of the present Rules and Policy of most favourable order execution, whereby it shall provide small clients these Rules and policy in permanent medium;
- (2) Warn the client of the possibilities provided in the present Rules and most favourable order execution Policy that orders can be executed outside the regulated market, i.e. MTP or other similar market abroad;
- (3) Obtain client's written consent on these Rules and order execution policy, whereby such consent can be an integral part of the contract with the client.

The client may give his consent in connection with the order execution outside of a regulated market, i.e. MTP or in other similar market abroad, for all or for each individual transaction.

Article 56

The Authorized Bank shall:

- (1) Monitor the efficiency of most favourable order execution Policy in order to timely identify and eliminate any deficiencies;
- (2) Regularly, at least annually, assess whether at the places of order execution, the best possible effects for the clients are achieved and if it is needed to make changes in existing policies on most favourable order execution;
- (3) Notify clients of any significant changes regarding the manner or most favourable order execution policies;
- (4) Prove to clients, at their request, that their orders were executed in accordance with the Policy on most favourable order execution.

7.7 Execution of Client Orders with Limit Clause

Article 57

When a client order with a limit to buy or sell financial instruments included in trading in a regulated market or MTP or other similar market abroad cannot be immediately executed, given the currently prevailing market conditions, the Authorized Bank is obliged to take measures for the execution of the order as soon as possible, unless the client has placed different instructions regarding the execution of order.

The measures referred to in paragraph 1 above imply that the Authorized Bank immediately upon acceptance of order execution has published the same in a way that the order has become easily accessible to other market participants, which includes:

- (1) Forwarding of order with limit to the regulated market, i.e. MTP or other similar market abroad that has a trading system;
- (2) Publishing of the order immediately and execution as soon as market conditions permit, which involves taking measures:
 - Necessary to ensure the reliability of information published and their on-going supervision in order to, immediately after they are detected, correct any errors;
 - To facilitate the consolidation of information with identical information from other sources;
 - Allowing public access to information under equal conditions on a commercial basis at reasonable cost.

The Authorized Bank has no obligation to publish orders with a limit, when an order exceeds the normal market size determined by the rules of the regulated market, i.e. MTP or other similar market abroad.

7.8 Joining and Classification of Orders

Article 58

The Authorized Bank may execute an accepted client's order or dealer order by joining them with another accepted client's order, only if:

- (1) The Authorized Bank has effective policies for classification of orders, which properly regulate with sufficient precision the joining and sorting of orders, which specifically includes:
 - Method in which quantities and prices listed in the order impact the classification, and
 - Method of handling of partially executed orders;
- (2) It is unlikely that the joining of orders shall harm the interests of any client whose order is joined;
- (3) The Authorized Bank warns each client, whose orders are joined, that the joining of orders may be detrimental to the interests of the client in relation to the individual order.

When a cumulative order, formed by joining one or more accepted client orders, is partially executed, the Authorized Bank is obliged to classify the related transactions in accordance with the time of receipt and its policies for the classification of orders.

7.9 Joining and Classification of Dealer Orders

Article 59

The Authorized Bank that is joining dealer orders with one or more accepted client orders:

- (1) May not classify orders in a way that would harm the client;
- (2) Shall in the event of partial execution of a joint order, classify dealer orders so that the client has an advantage over the Authorized Bank;
- (3) Shall, by its order classification policies prevent re-classification of dealer orders that were executed in conjunction with accepted client orders in a way that is detrimental to the client.

The Authorized Bank may proportionally classify dealer orders in accordance with its order classification policies, only if it can prove that the without the combination of dealer orders with accepted client orders:

- (1) It would not have been possible to execute an accepted client order under such favourable conditions;
- (2) It would not have been possible to execute the client order at all.

7.10 Order Execution

Article 60

The place of execution for buying or selling financial instruments may be:

- Regulated market;
- Multilateral trading platform (MTP);
- Outside the regulated market (OTC);
- Other or similar market in the country and abroad which carries out the same or similar function.

In certain situations the Authorized Bank may request the Client to define the place of execution of orders. If the Client defines the place of execution of order, the Authorized Bank will accept such definition and consider it to be the special instruction and act in accordance with the same in order to fulfil the obligation of achieving the most favourable outcome in terms of order execution.

In accordance with these Rules the Authorized Bank shall execute the order to buy or sell financial instruments in regulated markets and/or multilateral trading platforms, by entering order in sequence of receipt, if the regulated market and/or MTP or other similar market in the country and abroad by its specific rules for trading of certain financial instrument has prescribed the different sequence of execution of orders. Exceptionally and at the client's request, the order may be also executed outside the regulated market and/or MTP according to the applicable normative enactments of the market with written consent of the client, which may be the part of the contract or of the client's order.

If the Authorized Bank receives the order to buy or sell the financial instrument traded in two or more regulated markets or MTP, the Authorized Bank will execute the order in the market the overall cost of transaction is the most favourable for the Client, taking into account the relevant circumstances as regards the type and size of the subject order, as well as the market liquidity.

7.11 Execution of Daily Orders

Article 61

When the client has placed an order as a daily order, the Authorized Bank is obliged to enter this order into the information system of the market operator promptly after controlling whether the order is covered (at the same day in accordance with the order of receipt), i.e. if the order was placed after the end of trading, at the start of trading on the next working day.

7.12 Execution of Orders by Price

Article 62

When a client determines in his order to buy or sell financial instrument the price of such instruments, during the order execution the stated price represents:

- (1) In case of buy order - the maximum price which the principal is willing to pay for a particular financial instrument;
- (2) In case of sell order - the minimum price the principal is willing to accept for a particular financial instrument.

The Authorized Bank does not guarantee that every client's order will be executed at the best possible price, having in mind the participation of other participants in the market which may be executed before client's order and cause the cessation of supply or demand of financial instruments at the price stated in the order.

Article 63

If the Client places the order to buy or sell the financial instrument which is traded only in one place of execution, the Authorized Bank will execute such order respectively directly or indirectly forward it to the defined place of execution and that will be considered to be the execution of order under the most favourable conditions.

The Authorized Bank will not calculate its fees in the manner in which one or more possible places of execution would be discriminated without justification, that is, which would give advantage to the place of execution in which the execution of the transaction would additionally financially burden the client.

7.13 Orders of the Authorized Bank and its Employees

Article 64

The Authorized Bank may not enter into the information system of the market operator a buy or sell order for financial instrument for or on behalf of the Authorized Bank relevant persons and persons closely related thereto, if because of that a previously placed client buy or sell order for securities could not be executed or could be executed under terms and conditions that are less favourable for the client.

Article 65

Until realization of order, the Authorized Bank may change placed orders in the manner that complies with the rules of market operator of the market in which the order has been placed.

7.14 Acknowledgment of Order Receipt

Article 66

The Authorized Bank shall immediately and until the following working date after the date of order reception provide a notice to the client on permanent medium regarding:

- Time and place of receiving the order, amendment or the recall of the order;
- Accepting or refusing to execute the order, stating the reason for refusing the execution.
- The acknowledgement of receipt of the order which contains all elements required for an order.

The acknowledgement is considered to delivered to the client by the Authorized Bank if it is sent by fax or e-mail, on the fax number or e-mail address submitted by the client or otherwise, with the written consent of the client.

7.15 Order Realization

Article 67

Order realization is considered to be the conclusion of transaction in a regulated market or outside the regulated market in the country and abroad in events prescribed by law.

The order may be realized in whole or in part.

The Authorized Bank shall, not later than on the next working day since the date of order realization, as provided in the contract with the client, i.e. in the manner in which the order was placed, provide to the client a notice on the order realization containing the following elements:

- (1) Business name and seat of the Authorized Bank
- (2) Order number;
- (3) Information about the Client:
 - First and last name/company name of the client
 - Address / client's registered office
 - Company (personal) registration number,
 - Number of client's financial instruments account with designation the Depository,
 - Number of client's money account with designation of the Depository;
- (4) Place, date and time (hour and minute) of the transaction conclusion with data on the transaction:
 - Securities designation (issuer, type, class or series, CFI code and ISIN number or other internationally recognized designation);
 - Type of transaction (buy or sell);
 - Number (quantity) of securities,
 - Price of financial instrument;
 - The method of order execution (the order was executed by the Authorized Bank directly or through another investment company, stating the company name and registered office of such company and the liability of the Authorized Bank for order execution through another investment company;
- (5) The amount of commission (Authorized Bank, market operator, Central Registry, etc.);
- (6) The Client's obligations in settlement of the transaction, including the term of payment or delivery, as well as the appropriate data about the account;

- (7) The information about the counterparty in the transaction, if the counterparty is the Authorized Bank or bank's associated person or other client of the Authorized Bank, unless the order was executed in the trading system which makes anonymous trading possible.

The client may not waive the right to be informed about order execution, but may refer a request for sending the notice on realisation to another party authorized by the client.

7.16 Notifying the Clients about the Most Favourable Order Execution Policy

Article 68

Before executing the new client's order, the Authorized Bank shall inform the client with these Rules, integral part of which is the most favourable order execution Policy, which it shall make available to small clients on a permanent medium. The client has the right to request additional explanations regarding these Rules, provisions enacted in respect of the Policy on most favourable order execution and order execution procedure.

The client is especially warned of the possibility that the orders may be also executed outside the regulated market and/or MTP, whereat the client may give consent to all such transactions in advance, and may reserve the right to give consent to each individual transaction.

When the client signs a contract with the Authorized Bank it shall be deemed that he has been timely informed and that he accepts these Rules for execution of all transactions.

8. REPORTING TO CLIENT

8.1 Reporting to Client

Article 69

The Authorized Bank is obliged to issue statements regarding balance and turnover on the client's financial instruments account and cash account through a statement from the central database of the Central Registry or proprietary software solution at least annually.

The Authorized Bank is obliged at the request of the client on the day following the date of receipt of such request to issue a statement of the turnover on the account of financial instruments and cash account for requested period.

Statement of account of financial instruments and cash account is deemed sent and delivered to the client if it is sent by fax or e-mail, on the fax number or e-mail address submitted by the client or otherwise, with the consent of the client.

9. LIABILITY OF THE AUTHORIZED BANK AND CLIENTS

Article 70

The Authorized Bank is liable to clients for any damage caused by its defaults, i.e. improper or untimely execution of financial instruments buy or sell order, or transfer order, in accordance with law regulating obligations and other statutory regulations.

Article 71

Clients are liable for damage to the Authorized Bank, in accordance with the law regulating obligations and other statutory regulations, incurred due to incorrect information and documentation submitted to the Authorized Bank, defaults on obligations on the day of settlement for transactions concluded and in other cases prescribed by the law and the contract concluded with the client.

10. RISKS OF CLIENT'S INVESTMENT IN FINANCIAL INSTRUMENTS

Article 72

Transactions with financial instruments carry certain risks that cannot be entirely predicted. The risks as a rule consist in unexpected change of financial instruments' prices, inability of the financial instrument issuer to fulfil the obligations that he undertook under those instruments, imposing of additional obligations and restrictions to owners of financial instruments by financial or tax regulatory bodies in the country and/or abroad, changes in market liquidity of certain financial instruments, etc.

When concluding business cooperation and the contract on providing investment and additional services, the client confirms that he is aware of the risks connected with the capital markets, and that the Authorized Bank has made available to him the data and information that he requested and that it has given him the satisfactory reply to all the question that he asked in connection with market circumstances and financial instruments to which the business cooperation and contract concluded with the Authorized Bank refers.

Article 73

The risks of investing in financial instruments may be general and special (specific) risks related to particular financial instrument. When making decision on investing in the capital market, the following risks should be taken care of:

(1) **General risks** in the operations with financial instruments:

- 1.1. RECESSIOIN RISK - The risk of financial instrument value decrease because of global and/or regional recessions;
- 1.2. RISK OF THE TRANSFER OF MONEY ASSETS – If clients are non-residents, i.e. from different countries, executed transactions in the settlement process include an additional risk that realisation of transferring funds is difficult or completely disabled due to introducing restrictive political or economic measures;
- 1.3. CREDIT STANDING RISK - The risk depending on certain country's credit rating change, as follows:
 - 1.3.1. The risk of default of certain country's debt;
 - 1.3.2. Political risk, including the risk of unexpected regulatory changes affecting the capital market and the investor's position;
- 1.4. INFLATION RISK - The risk of financial instrument value decrease because of the general price growth;
- 1.5. LIQUIDITY RISK - The risk of impossibility of selling the financial instrument in the secondary capital market because of decreased demand or market inefficiency;
- 1.6. ISSUER RISK - The risk of financial instrument value decrease because of decline of the issuer's credit rating;
- 1.7. FINANCIAL LEVERAGE RISK - financial leverage is the indebtedness rate which shows the interdependence between the certain person's debts in relation to its possession in investments in financial instruments. The financial leverage effect may be favourable or unfavourable, depending on the yield rate on own funds invested in financial instruments, interest rates or other liabilities paid on the borrowed funds;
- 1.8. RISK OF BANKRUPTCY OR TEMPORARY RECEIVERSHIP - The risk of decrease of total loss of the financial instrument value because of opening the security issuer's bankruptcy proceeding or introducing the compulsory administration when the issuer is the Authorized Bank;
- 1.9. MARKET PSYCHOLOGY RISK - The risk of the financial instrument value change because of large investors' speculative activities, respectively, because of large corporate actions in the stock exchange;
- 1.10. OPERATIONAL RISK - The risk of failure in information systems and/or the risk of communication links interruption between the banks, Central Registry or other financial instruments depositaries, regulated markets or MTP, and other regulated markets of financial instruments.

(2) Special risks in the operations with financial instruments:

- 2.1. OPERATIONS RISK - In operations with shares: the risk of the shares value decrease because of the usual periodical movements of prices in the market,
- 2.2. VOLATILITY RISK – the risk of change of shares price in the certain period, the risk of non-payment of dividend;
- 2.3. RISK OF CREDITWORTHINESS - In operations with bonds: the risk of change of the issuer's credibility as the creditor, the risk of interest rates change; the risk of termination and/or cessation of the debts repayment by the issuer; the liquidity risk; the risk of exchange rate change; the reinvestment risk; the yield curve risk;
- 2.4. RISK OF BUSINESS OPERATIONS WITH DERIVATIVES: the position risk which occurs because of change of their values according to the change of established interest rate, price of financial instrument, commodity price, currencies exchange rate, index or similar variable;
- 2.5. In operation with money market instruments:
 - 2.5.1. RISK OF CHANGE IN THE ISSUER'S CREDIT RATINGS - the risk that the issuer will not be able to pay its due liabilities based on issued financial instruments;
 - 2.5.2. LIQUIDITY RISK- considering that the money market instruments are not quoted in secondary markets, there is the probability that the investor will not be able to sell the instrument, but will have to keep it until maturity;
 - 2.5.3. EXCHANGE RATE RISK - the risk that the value of the instrument which is denominated in one currency or with foreign currency clause and presented in another currency will decrease because of the change of those two currencies exchange rate;
- 2.6. In operations with collective investment units (investment units):
 - 2.6.1. CURRENCY RISK- the risk which may arise from the fact that the fund's assets may consist of the assets denominated in various currencies, so depreciation or appreciation of those currencies may occur, which may influence the growth or decline of the value of the share in the fund;
 - 2.6.2. MARKET RISK- risk that the value of the fund's assets invested in financial instruments which are traded in the markets decreases because of decline of prices in the market;
 - 2.6.3. CREDIT RISK- the risk that the issuer in whose property the funds' assets are invested cannot meet its financial liabilities, which leads to decline of the fund's assets value;
 - 2.6.4. LIQUIDITY RISK- the risk that the fund will not be able to sell the financial instruments fast at the price which is close to the fair price, or will not be able to sell the desired quantity of financial instruments.

The Authorized Bank limits its liability in its business activities exclusively to the actual monetary damage suffered by the client as the consequence of omissions or actions of the Authorized Bank and the persons employed in the Authorized Bank.

The Authorized Bank shall not be responsible for the client's losses which originated from the occurrence of any of the above mentioned risks or of other risks which are not specifically stated, which refer to force majeure (political unrests, natural disasters, limitations or prohibitions caused by the Government's decisions, rules of the market, strikes, third parties' actions and/or omissions, or the actions of the client himself, change of tax liabilities, but without the Authorized Bank's influence on origination of Client's loss, as well all other risks beyond the Authorized Bank's control).

The Authorized Bank shall not be responsible for the damage or losses suffered by the client because he or she did not timely notify the Authorized Bank of the change of his contact information, of the change of the authorized agents, recall and/or change of the proxy, for the actions of the client's authorised representative and for his decisions to buy and/or sell the financial instruments for and on behalf of the Client.

11. INFORMATION PROVIDED TO CLIENTS AND PROSPECTIVE CLIENTS

11.1 General information provided to the Clients by the Authorized Bank

Article 74

All information, including marketing, provided by the Authorized Bank to clients and prospective clients, must be truthful, clear and not misleading, and marketing material must be clearly marked as such.

Information referred to in paragraph 1 above:

- (1) Includes business name and seat of the Authorized Bank;
- (2) Must be easily comprehensible for an average client from the group it is intended for;
- (3) Should not emphasize the potential benefits of the service or financial instrument, without simultaneous unbiased warning of the risks associated with them;
- (4) Should not disguise, minimize or obscure important details, statements or warnings;
- (5) May not contain the name of any competent authority in a way that would imply approval of an instrument or service of a company by that authority.

The Authorized Bank shall ensure that the marketing material complies with all other information that the Authorized Bank sends to clients during provision of services.

Article 75

Sending information that compares services, persons providing such services, or financial instruments, is allowed only if:

- (1) A comparison is meaningful and presented in an impartial and balanced way;
- (2) Lists all key facts and assumptions used for comparison;
- (3) Sources of information are quoted that were used for comparison.

11.2 Indicators, Yields and Taxes

Article 76

Sending information containing the indicators of earlier results of a financial instrument, financial index or service, is permitted only if:

- (1) (1) Indicators of earlier results of a financial instrument, financial index or service are not the most important element of such communication;
- (2) Information includes the results for the previous five years or for the entire period in which the financial instrument was available, information about when the publishing of the financial index has started and when the investment service was provided (in the event that the instrument, index or service exist only a short time). The data may cover a longer period, but in all mentioned events the result must be based on a period of 12 months;
- (3) Reference period and source of information are clearly marked;
- (4) Information contains a clear warning that earlier results are not reliable indicators of future results;
- (5) The currency is clearly stated in a situation where the result depends on data denominated in foreign currency, along with a warning that the result may be different due to changes in exchange rates;
- (6) The impact of commissions, fees or other costs is clearly published, when the result is based on a gross principle.

Article 77

Information sent by the Authorized Bank and which are involving or relating to the simulated results from previous period must be related to the financial instrument or financial index.

Above information may be sent only if:

- (1) The simulated earlier result is based on an actual earlier result of one or more financial instruments or financial indices which are identical as, or from which these financial instruments were derived;
- (2) For the results referred in point 1 Above, only conditions from the previous Article are met, except those provided by paragraph 1, point 4 above;

- (3) Information contains a clear warning that simulated earlier results are not reliable indicators of future results.

Article 78

The Authorized Bank that sends information about the future performance is obligated to take into accounts that:

- (1) Information is not based nor referenced to any simulated earlier result;
- (2) Information is based on reasonable assumptions and facts;
- (3) If results are based on gross principle, effects of commissions, fees and other costs are clearly shown;
- (4) Information contains a clear warning that information about future results is not reliable indicators of future results.

Article 79

When information that is sent to clients and prospective clients refer to special tax treatment, the Authorized Bank is required to clearly point out that it depends on the individual case of each client, as well as that the possibility of future changes exists.

12. INFORMATION PROVIDED TO THE CLIENT BEFORE CONCLUSION OF A CONTRACT OR PROVISION OF SPECIFIC SERVICE

12.1 Operating Rules and Tariffs

Article 80

The Authorized Bank is obliged to make these Rules, Tariffs and their amendments available to the clients:

- (1) In the business premises in which the working with clients is carried out;
- (2) By publishing them on the website of the Authorized Bank.

The Authorized Bank is obliged to make amendments referred to in paragraph 1 above to the clients within seven days prior the commencement of the validity of these amendments.

12.2 Information provided to the clients

Article 81

The Authorized Bank is obliged to, before conclusion of the contract and /or provision of services, provide to the client or prospective client on website and/or permanent medium information, contents and manner of provision of which is prescribed by enactments of the Securities Commission:

- (1) Authorized Bank and services provided by the Authorized Bank;
- (2) Financial instruments, including appropriate guidance and warnings regarding the investing risk in said instruments;
- (3) Location of execution of orders;
- (4) Costs and fees.

In case of small clients, information referred to in paragraph 1 above is provided by Authorized Bank in the form of standardized document titled: "Information provided to small clients" which constitute an integral part of these Rules, on the website or on permanent medium. Information provided to small clients and information on protection of financial instruments and funds of the client.

The Authorized Bank is not obliged to provide information referred to in paragraph 1 above to professional clients defined by Article 175 of the Law.

At the time of conclusion of distance contract, the Authorized Bank is obliged to provide to a client or prospective client information about:

- (1) Distance contract;
- (2) Disputes resolution.

The Authorized Bank is obliged to provide information in prudent manner and in accordance with best business practices, so that the information provided are not at any time misleading the client and or prospective client regarding provision of services.

When the information is provided to a representative/guardian of a person who is completely or partially incapable of work for the purpose of concluding a distance contract for or on his/her behalf, the Authorized Bank is obliged to act with a due care required to adequately protect rights and interests of persons involved.

All information provided to the client by the Authorized Bank must be clear, comprehensible and in case of distance communication adapted to the used mean of communication, while the Authorized Bank is obliged to clearly highlight their commercial purpose.

The Authorized Bank is obliged to provide all required information referred to in this Article and draft distance contract to a client and/or prospective client in reasonable time before conclusion of the contract, in writing, in paper or on permanent medium available to the client.

The Authorized Bank is obliged to timely inform the client and prospective client on any significant change of information specifically provided to clients.

12.3 Information Provided by Verbal Communication

Article 82

When the Authorized Bank verbally provides information to the client, by using means of distant communication e (fixed-line or mobile phone, Internet phone and other), the person responsible for making the call on behalf of the Authorized Bank is obliged to:

- (1) At the start of the conversation clearly state business name of the Authorized Bank and purpose of the call;
- (2) After the client or prospective client accepts to participate in the conversation provide him/her with information on:
 - His/her identity and nature of relationship with the Authorized Bank;
 - General characteristics of investment services;
 - Total fees that a client or prospective would be supposed to pay to the Authorized Bank for the service, including all related commissions and cost, as well a warning about possible other fees and costs that may be charged to the client, but not by the Authorized Bank;
 - Rights and the way of withdrawing from the distance contract and any possible consequences of such withdrawal;
 - Possibility of the client to receive other information referred to in the previous Article hereof at his/her request, as well as type and nature of such information.

In case of small clients, provision of information from this Article through conversation does not exclude the obligation of the Authorized Bank to provide all information provided to the small client in written form as well, both on paper or other permanent medium

12.4 Information on Authorized Bank and Its Services

Article 83

Information on the Authorized Bank and its services, as a rule, includes the following:

- (1) Business name and registered office of the Authorized Bank, as well as any other information that ensures effective communication with the Authorized Bank, including an e-mail address;
- (2) Number and date of decision on granting operating license to the Authorized Bank, the name and contact address of the Securities Commission which issued such license and carries out supervision;
- (3) Possible methods and languages of communication between the Authorized Bank and client, including methods of placing and receiving orders, as well as providing documents and other information by the company;
- (4) Scope, frequency and periods of reporting to client on services that the Authorized Bank has provided to the client;
- (5) Brief description of the method for protection of instruments and/or funds, including general information on the Fund for Investor Protection, which member is the Authorized Bank in case such Authorised Bank holds financial instruments and/or funds of the client;
- (6) Brief description of these Rules related to the conflict of interest management policy.

The Authorized Bank shall, at request of clients, also provide detailed information on the policy of managing conflicts of interest and submit these Rules.

Article 84

Information on services provided by Authorized Bank under distance contract includes:

- (1) Business name and address of registered offices and/or name and address of branch office or other entity that takes certain actions related to distance contract based on business relations established with the Authorized Bank (if any), description of business relation with the Authorized Bank and capacity in which it acts with the client, e-mail address, as well as any other address of such other party a client or prospective client may contact regarding the distance contract;
- (2) Description of general characteristics of investment services;
- (3) Warning that financial service is related to financial instruments that carry specific risks arising from specific nature of such instruments or activities to be carried out, i.e. which price and yield depend on movements in financial markets which are beyond influence of the Authorized Bank and historic data do not represent an indicator of future price movements - if financial service is related to such instruments;
- (4) Description of fees and costs that may be assumed by the client or prospective client;
- (5) Information on additional costs which may arise from use of specific mean of distance communication and which are borne by the client or prospective client, if such costs are charged and/or information that such costs are not charged;
- (6) Exact offer validity period and/or information required by this Article.

12.5 Information on Financial Instruments

Article 85

Information on financial instruments, that are located in Appendix 1 of these Rules, includes a general presentation of the type and the risks specific to financial instruments. The risk description according to type of risk of certain financial instruments, includes:

- (1) Risks associated with a particular type of financial instrument, including an explanation of financial leverage and its effects, and risks of losing the entire investment;
- (2) Volatility of financial instruments prices and any limitations in the existing markets for such instruments;
- (3) Explanation that a transaction with such instrument, besides the cost of acquiring the instrument itself, could include additional financial and other obligations, including contingent liabilities;
- (4) Any condition arising from a loan under which the instrument was purchased or similar liabilities applicable to a particular type of instrument.

The Authorized Bank shall, when providing information on a financial instrument:

- (1) Which is the subject matter of a public offer that is on-going and for which a prospectus was issued – to inform the clients and prospective clients with the method how the prospectus is available;
- (2) That includes a third-party guarantee – to provide the client and prospective client with sufficient detail on the guarantor and surety under which he can make a correct assessment of the guarantee;
- (3) That consists of two or more different instruments or services for which it is obvious that the risks associated with the instrument will be greater than the risk associated with each individual component of that instrument – to provide client and prospective client an adequate description of individual components of such an instrument and how the interaction increases the risk.

12.6 Information on Protection of Financial Instruments and Funds of Clients

Article 86

The Authorized bank shall provide clients and prospective clients with the following information:

- (1) That financial instrument or funds may be kept with third party in the name of Authorized Bank, information on obligations of Authorized Bank regarding actions or omissions of third party, as well as consequences the client suffers in case of insolvency of a third party;
- (2) When a third party handles financial instruments on pool account, including a warning on related risks;
- (3) Information that accounts containing financial instruments or funds of the client or prospective client are or will be in jurisdiction of another country (or non-member countries), while specifying the rights of the client or prospective client in relation to the financial instrument or funds and differences arising from that;
- (4) Information on existence of pledge and possible conditions of such pledge which the Authorized Bank has or may have over financial instruments or funds of the clients;

- (5) Before concluding transactions financing the financial instrument and which are related to financial instruments that the Authorized Bank holds for a small client or before using such financial instruments in any other manner, the Authorized Bank is obliged to timely, before using certain instrument, to notify a small client in writing about clear, full and accurate information about obligations and responsibilities of the Authorized Bank regarding the use of specified financial instruments, including conditions of returning them to the client, as well as risks involved.

Before providing a service the Authorized Bank shall provide to the client considered a professional client the following information:

- (1) Information on existence of pledge and possible conditions of such pledge which the Authorized Bank has or may have over financial instruments or funds of the clients;
- (2) Before concluding transactions financing the financial instrument and which are related to financial instruments that the Authorized Bank holds for a client or before using such financial instruments in any other manner, the Authorized Bank is obliged to timely, before using certain instrument, to notify a client in writing about clear, full and accurate information about obligations and responsibilities of the Authorized Bank regarding the use of specified financial instruments, including conditions of returning them to the client, as well as risks involved.

12.7 Information on Costs and Fees

Article 87

Information on costs and fees includes:

- (1) Total price that the client is obliged to pay in connection with a financial instrument or service, including all related fees, commissions and other costs, as well as all payments through the Authorized Bank;
- (2) The basis for calculating the price, in events when the total price cannot be stated;
- (3) Warning regarding the currency and relevant exchange rates and costs, in the events when any part of the total price from item 1 above must be paid or represents an amount in foreign currency;
- (4) Notification that there is a possibility of incurring other costs, including taxes or other payments associated with the transaction relating to the financial instrument or service, that may arise for the client and which are not payable through the Authorized Bank or are not imposed by the Authorized Bank;
- (5) Methods of payment and settlement of obligations.

Commissions and fees of Authorized Bank must be specified separately.

12.8 Information on Distance Contract

Article 88

Before conclusion of a distance contract, the Authorized Bank shall provide information on:

- (1) The right of the client to withdraw from the distance contract in accordance with the law regulating protection of financial services consumer in case of distance contract, including:
 - Time frame and conditions for exercising such right,
 - Legal consequences of withdrawing from contract,
 - Instructions on how to exercise this right,
 - Information on address to which the client sends a withdrawal statement,
 - Consequences that arise if the client fails to exercise the withdrawal right;
- (2) Duration of the distance contract, if subject matter of the contract is permanent or periodic provision of financial services;
- (3) Right of the contractual parties to unilaterally terminate or cancel the distance contract before its expiry, as well as on possible penalties, fees and other costs arising in that case;
- (4) Regulations applicable to distance contract as well as court with jurisdiction for disputes arising from such contract;
- (5) Procedure and manner of concluding the distance contract;
- (6) Information that the distance contract may be concluded either in Serbian or bilingually, as well as information on the language of communication during the contractual relationship (if not Serbian).

In accordance with the law regulating protection of financial services consumers in case of distance contracts, if there is no right to withdraw from the distance contract, the Authorized Bank shall provide relevant information on that matter.

12.9 Information on Resolution of Disputes Arising from Distance Contracts

Article 89

Before conclusion of a distance contract, the Authorized Bank shall provide the following information:

- (1) On the right of a user to file a complaint or claim to the Authorized Bank and/or Securities Commission, manner and conditions of filing;
- (2) On possibility of out-of-court settlement of disputes arising from distance contracts, manner and conditions of such out-of-court settlement;
- (3) On the manner of securing obligations of the Authorized Bank towards the client or prospective client regarding provision of financial services through the Investors Protection Fund or in any other organized manner.

13. CONTENTS OF THE CONTRACTS WITH CLIENTS

13.1 Contract with a Client

Article 90

The Authorized Bank provides services to clients on the basis of concluded written contract that regulates mutual rights and obligations in the performance of particular services from the scope of activity of the Authorized Bank, whereby they can be determined by referring to other documents available to the client.

The contract with the client determine the amount of commission, i.e. fee payable by the client for services that are the subject matter of the contract up to the maximum amount set in the tariffs of the Authorized Bank.

The contract with the client determines the manner in which, in case tariffs from the Rulebook on Tariffs applicable at the time contract was concluded are changed, the current Rulebook can be applied.

The contract with the client shall mandatorily contain a provision that an integral part of the contract is the client's statement:

- That prior to the conclusion of the contract these Rules have been available to him and that he was familiar with their contents;
- That prior to the conclusion of the contract he/she was familiar with the Rules on Fees and contents thereof.

The Authorized Bank concludes all types of contracts with the clients that are prescribed by the Law, the enactments of the Securities Commission and by these Rules, as well as other types of contracts on the basis of which it provided investment and/or additional services to the Client.

When the Authorized Bank receives client orders, the contracting parties are the client and the Authorized Bank.

Article 91

The Authorized Bank has no obligation to enter into any contracts with the following professional clients, if it performs services of order receipt and transfer for them, i.e. order execution and/or additional services associated with them:

- (1) Entities (persons) that for operating in financial markets are subject to approval, i.e. supervision by competent authorities, such as: Lending institutions, investment companies, other financial institutions whose operation is approved and supervised by the appropriate supervisory authority, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, dealers of commodity exchanges and other entities (persons) supervised by the competent authority;
- (2) The Republic, autonomous provinces and local governments, as well as other states or national and regional bodies, the National Bank of Serbia and the central banks of other countries, international and supranational institutions such as the International Monetary Fund, European Central Bank, European Investment Bank and other similar international organizations.

For the clients referred to in paragraph 1 above, the Authorized Bank is not obliged perform the obligations prescribed by provisions of Article 164, 165, 169 and 176 of The Law.

Article 92

On the basis of a contract with the client, the Authorized Bank shall open an account of financial instruments for the client, either directly or through another Depository.

When the contract with the client is not mandatory, the Authorized Bank shall open an account of financial instruments by request/order of such persons in accordance with the rules of the Central Registry and Depository.

The Client is not obliged to open a cash account with the Authorized Bank, and the Authorized Bank may use the necessary data of other Depositors regarding the Client's cash account when providing services.

If the client decides to conclude a contract with the Authorized Bank on the management of funds, the Authorized Bank is obliged to open a cash account or to manage the client's funds in accordance with these Rules and other relevant regulations.

13.2 Distance Contract with a Client

Article 93

The Authorized Bank shall ensure that contents of the distance contract concluded with a client correspond to the information that was provided to the client before conclusion of the contact.

Distance contract may be also being concluded by means of distant communication, in form of electronic document, by using a qualified electronic signature in accordance with the law regulating the electronic signatures.

Article 94

Rules of the Authorized Bank regarding the distance contract shall also apply to persons through whom the Authorized Bank provides its services, persons to which the Authorized Bank entrusted with provision of service and/or persons that take any actions regarding the distance contract under the business relationship established with the Authorized Bank.

The Authorized Bank is liable and obliged to make sure that obligations of the Authorized Bank are performed by the third parties in accordance with these Rules.

13.3 Contract on Investment and Additional Services

Article 95

The Authorized Bank carries out the investment operations on the basis of the written contract with the client concluded, before receiving the first client's order for buying or selling of financial instruments, except in cases provided by the Law and these Rules, when conclusion of written contract is not required, which applies to distance contract as well.

Article 96

By the contract with the client, the Authorized Bank undertakes to act as agent in purchase or sale of financial instruments for the Client and/or to purchase or sell financial instruments on behalf of the client, on the basis of the client's order and the client undertakes to pay commission to the Authorized Bank for that service.

Article 97

The Authorized Bank receives and executes the clients' orders for buying or selling of financial instruments in accordance with the Law, the bylaws, the enactment of the Commission, these Rules and the contract with the client.

Article 98

The contract on investment and additional services that the Authorized Bank concludes with the client regulates:

- The receipt and transfer of the clients' orders which refer to selling and buying of financial instruments and execution of orders for the clients' account, order for transferring rights from financial instruments, as well as additional services in connection with that;

- As well as keeping and administering financial instruments and funds on behalf and for the account of the client, i.e. on behalf of the bank and for the account of the client, when the Authorised Bank renders such services to the client.

This contract regulates the mutual rights and obligations of the Authorized Bank and the client, in particular:

- (1) Conditions, methods and place of receiving the trading order and recalling the client's trading order for buying or selling of financial instruments;
- (2) The types of orders that the client may place with the Authorized Bank;
- (3) The market, that is, the place of execution of the client's order and the manner of execution of order, in accordance with the Policy on most favourable order execution which is an integral part of these Rules;
- (4) Notifying the Client about the order execution;
- (5) Reference to documents, which regulate the rights and obligations of the client and of the Authorized Bank;
- (6) Language and means of communication between the client and the Company;
- (7) Provisions about the keeping, processing and protection of client's data;
- (8) Amount of commissions and fees or the basis for calculation of the same;
- (9) The right to open and maintain an account of financial instruments with the Central Registry in the name and on behalf of the client (ownership, pledge, issue account and other types of accounts);
- (10) The right to open and maintain an account of financial instruments with the Central Registry or the Depository on behalf of the Authorized Bank and for the account of the client (omnibus account);
- (11) The right to open and maintain a cash account for trading in financial instruments in predefined currencies in the name and on behalf of the client, i.e. on behalf of the Authorized Bank and on behalf of the client;
- (12) Receives and takes care of the execution of orders for the transfer of rights from financial instruments and orders for registration of the rights of third parties on financial instruments;
- (13) By the issuer, and for the account of the client, provides collection of due receivables from financial instruments;
- (14) Administers and takes care of the exercise of other rights belonging to the client, the legal holder of financial instruments;
- (15) Informs clients about the annual assembly meetings of joint stock companies and represents clients in accordance with these Rules and the Law;
- (16) Provides services of borrowing financial instruments in line with these Rules and the Law;
- (17) Delivers to the Client confirmations on realisation as defined by the Questionnaire on client classification, for settlement of client's tax liabilities under financial instruments;
- (18) All other mutual rights and obligations.

The contract from paragraph 1 above, depending on the scope of services provided by the Authorised Bank to the Client, may also contain the essential elements of following contracts:

- Contract on Investment and Additional Services ;
- Contract on Opening and Maintaining special-purpose cash account;
- Contract on Opening and Maintaining Financial Instruments Account;
- Contract on Investment Services

13.4 Contract on the Issuing Agent with Buyout Obligation – Issue Underwriting

Article 99

In performing activities of an issue underwriter, the Authorised Bank shall organise issuance of financial instruments with the obligation of their buyout from issuers for further sale or with buyout obligations from issuers of unsold financial instruments.

Article 100

By contract on organizing of financial instruments issuing with obligation of purchase (underwriting), the Authorized Bank undertakes to purchase all financial instrument from the issuer and then organize their further sale or to purchase only those financial instruments which remain unsubscribed and unpaid after expiry of the term for subscription and payment, and then to organize their sale, while the issuer undertakes to pay the fee for these services.

The underwriting contract that the Authorized Bank concludes with the Client contains, in particular:

- (1) The underwriter's obligation to purchase the entire issue or only the part of unsold financial instruments until expiry of the term for subscription and payment;
- (2) Contracting parties' responsibility in connection with financial instruments issuing and issuing price, that is, the interest rate;
- (3) Potential liability of the issuer not to issue or sell the financial instruments of the same type during the certain period after the beginning of primary sale;
- (4) Provisions about the fees, commissions and terms of payment for the underwriting service.

When several Authorized Banks participate on the underwriter's side in organizing the issuing of financial instrument with obligation to purchase, they are obliged to conclude the separate contract which regulates their mutual rights and obligations and in which they appoint one Authorized Bank as the leading organizer of distribution, which signs the contract with the issuer. Such contract regulates the mutual rights and obligations of Authorized Bank and other Authorised Banks and investment companies (investors) and appoints an organizer of distribution on behalf of the underwriter.

13.5. Contract on Issuing Agent without Buyout Obligation

Article 101

When performing activities of an issuing agent of financial instruments without the buyout obligation of unsold financial instruments, the Authorised Bank shall for the client, issuer of financial instruments, organise activities related to:

- (1) Issuance of financial instruments through public offering or without public offering;
- (2) Inclusion of issued financial instruments on the regulated or MTP market.

The Authorised Bank shall perform activities referred to in Article 1 hereof in a manner enabling application of the strategy in organising issuance of financial instruments which is most favourable for the client.

Article 102

By the Contract on Organising Issuance of Financial Instruments without the Buyout Obligation, the Authorised Bank undertakes to organise issuance of financial instruments, while the Client undertakes to pay a fee to the Authorised Bank for that service.

The Contract referred to in paragraph 1 hereof govern mutual rights and obligations between the Authorised Bank and client, in particular:

- (1) Organising activities of financial instruments issuance;
- (2) Organising activities of including financial instruments on the regulated, that is, MTP market;
- (3) Level and manner of calculating fees and costs for performing activities of an issuing agent;
- (4) Other mutual rights and obligations.

Article 103

The Contract on Performing Activities of an Issuing Agent between the Authorised Bank and Client, issuer of financial instruments, may restrict the obligation of the Authorised Bank to:

- 1) A certain quantity of financial instruments being issued, i.e. whether the agent's obligation pertains to one or more issues of financial instruments being issued;
- 2) Certain type of activity performed by the issuing agent (manner of organising issuing activities or including financial instruments on the regulated, i.e. MTP market).

Article 104

The Authorised Bank shall take care that clients – buyers of debt financial instruments collect from issuers of such financial instruments the nominal value, i.e. nominal value and interest on maturity of those financial instruments.

13.6 Contract on Performing Market-Maker Activities

Article 105

The Authorized Bank carries out market-maker activities in line with the contract concluded with the client defining compulsory buying and selling of financial instruments in the regulated market in its own name and for its own account, at a price which is published in advance.

The Authorized Bank performs market-maker activities in the organized market in accordance with the rules of conduct of the market operator in the particular market.

13.7. Contract on Performing Activities of an Investment Advisor

Article 106

The Authorised Bank performs activities of an investment advisor in terms of rendering advisory services to clients when investing in financial instruments on the local and foreign market.

Article 107

Under this contract, the Investment Adviser undertakes to inform the client about the situation on the financial instruments market, provide advice on the purchase and sale of certain financial instruments, prepare technical, fundamental and other analyses, provide investment advice regarding one or more transactions in financial instruments and provide other services in accordance with the Law and relevant regulations, and the client undertakes to pay a commission in accordance with the Fee Schedule.

The contract on providing activities of an investment advisor contains in particular:

- Mutual rights and obligations of contractual parties,
- Type of advisory services that are the contract subject,
- Conditions and manner of rendering services,
- Expected return and other effects for the client,
- Amount of fee and costs related to performing activities of an investment advisor,
- Other rights and obligations of contractual parties.

General information with the aim to familiarise interested parties with the Rules of the Authorised Bank, work principles of the regulatory authority and functioning technique of the financial instruments market shall have no advisory service character in terms of the provisions hereof.

13.8. Borrowing Contract

Article 108

The Authorized Bank may lend, to another client, another investment company, another Authorized Bank or credit institution, a member of the Central Registry, financial instruments whose legal holder is the Authorized Bank and whose legal holder is a client with whom the Authorized Bank has concluded a contract on opening and maintaining financial instruments (if they conclude a borrowing contract or the client has authorized it to do so in writing) or a management contract (which stipulates the possibility of borrowing the client's financial instruments).

Financial instruments on which the right of pledge is constituted, i.e. whose turnover is limited, cannot be the subject of this borrowing contract.

Article 109

The Borrowing Contract, i.e. authorisation for borrowing, contains in particular:

- (1) Mutual rights and obligations of contracting parties;

- (2) CFI code and ISIN number or other internationally recognised code;
- (3) Quantity of financial instruments that may be borrowed, i.e. that are borrowed;
- (4) Contract duration, that may not exceed a year;
- (5) Time in which financial instruments may be lent, i.e. borrowed;
- (6) Provisions on fees, commissions and payment conditions.

The Authorised Bank shall notify the client, by no later than the following business day from transferring financial instruments to client's account, of the date of transferring, quantity and time in which the financial instruments are borrowed.

Article 110

Fulfilment of the borrower's obligations must be secured by a pledge.

If the borrower fails to settle its obligation arising from the borrowing contract, the lender may determine the value of its claim in relation to the value of the financial instruments they had on the day of concluding that contract or on the date of fulfilment of the borrower's obligation and sell the subject of pledge in line with regulations governing obligations.

13.9 Contract on Opening and Maintaining the Financial Instruments Account

Article 111

The Authorized Bank is obliged to warn the client of his obligation to open a financial account and financial instruments account with the Depository before placing any buy or sell orders for financial instruments.

Under the contract on opening of financial instruments account the Authorized Bank undertakes to open with the Depository a proprietary financial instruments account for and on behalf of the client and the client undertakes to pay to the Authorized Bank for these services a fee in accordance with the Fee Schedule of the Authorized Bank.

Article 112

This Contract provides for the obligation of the Authorized Bank:

- 1) To open a financial instruments account for and on behalf of a client with the Central Registry, i.e. Depository for client's demands;
- 2) To open with the Central Registry, i.e. Depository the financial instruments account for the client's demands in the name of the Authorised Bank, for the client's account;
- 3) To forward to the client the balance, that is, the data about the balance in the account through a statement from the central database of the Central Registry, i.e. Depository.

Article 113

The Authorized Bank carries out the transfer of rights under financial instruments between the same holder's accounts and transfer to the new holder's account, as well as registration and deletion of third-party rights over financial instruments in the name and on behalf of its clients by entering the orders for transfer of financial instruments and/or the orders for deletion of third-party rights with the Central Registry, i.e. Depository.

13.10 Contract on Providing the Corporate Agent's Services

Article 114

By the contract on performing corporate actions, the Authorized Bank undertakes to perform all activities and additional services for the client concerning corporate actions provided by the Law and the Central Registry's Operating Rules, and the client undertakes to pay the fee to the Authorized Bank for these services, in accordance with the Fee Schedule of the Authorized Bank.

Article 115

By the contract on providing the corporate agent's services that the Authorized Bank concludes with the client, as specific type of agreement on issue agent's service, the mutual rights and obligations are regulated between the client and the Authorized Bank, as follows:

(1) Before the Central registry:

- 1.1. Opening and administrating the client's issue account, deposit account and other accounts, in accordance with the Central Registry's Rules;
- 1.2. Submitting the application for allotment of identification designation to financial instruments (CFI code and ISIN number) and their entry in the issue account;
- 1.3. Submitting the application for issuing the uniform records of the lawful financial instrument holders;
- 1.4. Submitting the application and taking other actions in connection with the payment of dividends and other yields on financial instruments;
- 1.5. Submitting the application for cancellation of issued financial instruments;
- 1.6. Implementation of the procedure of replacement of financial instruments;
- 1.7. Implementation of procedure of own shares repurchase;
- 1.8. Implementation of the takeover offer, the publishing of which was approved by the Securities Commission, as well as the procedure of compulsory sale of shares and other procedures in accordance with the Central Registry's Rules of Operation and other general enactments;
- 1.9. The amount of commissions and other fees or basis of calculation and collection of the same;

(2) Before Belgrade Stock Exchange or Other Market Operator:

- 2.1. Submitting the application and other documentation for including financial instruments in regulated market or MTP;
- 2.2. Submitting the reports and notices that the client is obliged to publish in accordance with the Law and the Securities Commission's enactments and market operator on the market operator's website;
- 2.3. Submitting the request for excluding financial instruments from the regulated market or MTP and implementation of other actions in accordance with the market operator's Rules and other general enactments;
- 2.4. The amount of commissions, other fees or basis of calculation and collection of the same;
- 2.5. Advising the companies in connection with the capital structure, business strategy, merger and acquisition of companies and other similar issues, as well as the amount of fee for the mentioned services.

Article 116

The Authorized Bank, as a member of the Central Registry, with which the issuer has concluded a contract on provision of corporate services, maintains a single record of shareholders, based on which agenda and invitations for shareholder's assembly meeting are sent in accordance with the law regulating business companies. Single record of shareholder, inter alia, contains information on shares with registered third-party rights, if legal holders pledged them and in that case information about the pledger (the person that benefits from such right).

When agenda of the assembly meeting includes a decision which consequence is cancellation of all or specific number of actions due to change of nominal value, reduction of common capital by cancellation of shares owned by shareholders, status changes and in other cases causing all issued shares to be cancelled, the Authorized Bank is obliged to notify the pledgee about:

- date of the meeting of issuers assembly during which a decision is supposed to be made about cancellation of shares over which a pledge was constituted and deadline for implementation of such decision,

- decisions to issue new shares at the same time, information on ratio between replaced and issued shares.

When the agenda of assembly meeting includes decision on enforced repurchase of all shares of remaining shareholders, the Authorized Bank is obliged to notify the pledgee on

- the date of issuers assembly meeting which agenda includes a decision on enforced repurchase based on which majority shareholder will purchase all outstanding shares of that issuer in the manner and under procedure provided by the Rules of Operation of Central Register,
- deadlines for implementation of the decision.

The Authorized Bank shall support the request for registration of changes into Central Registry based on decision of issuer referred to in this Article with an evidence that the borrower has been informed about expected changes regarding shares.

Provision above are also applied when the issuer adopts a decision on change of legal form and/or when bankruptcy/insolvency proceedings are initiated against the issuer.

13.11 Contract on Rendering Services in the Takeover Offer Procedure

Article 117

By contract on provision of services in the procedure of implementation of takeover offer a deposit account of financial instrument is opened and administered, while the Authorized Bank is obliged to for and on behalf of the client open a deposit account of financial instrument with the Central Registry, in accordance with the Law, Rules of Operation of the Central Registry and other regulations and the client is obliged to pay the fee for the services to the Authorized Bank in accordance with the Fee Schedule of the Authorized Bank.

The client referred to in paragraph 1 above may be:

- 1) Bidder - according to the Law on Takeover of Joint Stock Companies;
- 2) Issuer - in the process of acquiring own shares pursuant to the Companies Law;
- 3) Equity Fund – for joining shares of individual shareholders with the package of shares of a particular issuer in the portfolio of the Equity Fund, for a simultaneous sale by tender, i.e. in the organized market - according to the Law on Privatization.

13.12 Contract on Representation of Shareholders at General Meetings

Article 118

Under the contract on representation of shareholders in general meetings of joint stock companies the Authorized Bank undertakes to represent a client who owns shares with voting rights of a joint stock company at the general meetings of such company.

The Authorized Bank based on power of attorney which is granted by the shareholder (client) for each general meeting separately in the manner and under conditions specified by law, Company Law, the memorandum of incorporation and articles of association of such company, shall represent interests of the client (shareholder) at the assembly of the joint-stock company. The client undertakes to pay a fee to the Authorized Bank for that service in accordance with the Fee Schedule of the Authorized Bank.

The Authorized Bank is obliged to represent the shareholders at the general meetings in their best interest.

When representing the client at the general meetings, the Authorized Bank exercises the right to vote in accordance with the instructions of the client (shareholder). If the Authorized Bank has not received voting instructions by the day of the General Meeting, the Authorized Bank shall not vote at the General Meeting of Shareholders.

The Authorized Bank is obliged to warn the shareholders that give their powers of attorney on all restrictions on such representation arising from statutory regulations.

It is considered that the power of attorney is revoked if the client revokes it in the manner in which the client initially submitted the power of attorney, no later than the day of the shareholders' meeting, as well as if the client (shareholder) personally attends the shareholders' assembly.

14. MUTUAL RIGHTS AND OBLIGATIONS OF THE AUTHORIZED BANK AND CLIENTS

14.1 Obligations of the Client

Article 119

The Authorized Bank has the right to request from the client, and the client is obliged to:

- (1) Before the conclusion of the contract with the Authorized Bank, to put the necessary documentation at the Authorized Bank's disposal for identification, as well as to notify the Authorized Bank of any change of client's submitted data, which are registered with the competent register of corporate entities, i.e. with other authorities and organisations in line with applicable regulations, and to undertake all necessary actions for harmonisation thereof, within 3 (three) days following publication of those data by the competent register/with other authorities and organisations, i.e. from the date of receiving the decision on registering those changes and submit thereof to the Authorized Bank for harmonisation.
- (2) Approve the following at the Authorized Bank's disposal:
 - 2.1. Financial instruments which are the subject of the selling order and/or the funds for execution of the order for purchase of financial instruments;
 - 2.2. Necessary information and documentation for client categorization into small and/or professional client;
 - 2.3. All necessary information for the assessment of appropriateness of the services and financial instruments for the client, that is, for drawing up the client's profile, except in the cases when the Authorized Bank is not obliged to make such assessment;
- (3) Comply with the provisions of the Law and these rules on the prohibition of manipulation and abuse of insider information when using the investment and/or additional services of the Authorized Bank;
- (4) Perform the obligation to pay commission and other fees to the Authorized Bank in accordance with the Fee Schedule of the Authorized Bank and the contracted fees and commissions;
- (5) Perform all other obligations undertaken by the contract concluded with the Authorized Bank, in accordance with these Rules and other enactments of the Authorized Bank, to which it has given consent by signing the contract with the Authorized Bank.

14.2 Obligations of the Authorized Bank

Article 120

The Authorized Bank carries out the specific procedures within its scope of activities for domestic and foreign legal and natural persons - the Authorized Bank's clients. The Authorized Bank has the following obligations to the client:

- (1) Before concluding the contract with the client, it is necessary to provide to the client for inspection these Rules, the Fee Schedule, and to provide to the small client specifically the information prescribed by these Rules, as well as to notify the client of any change within seven days before the beginning of application of changes;
- (2) To notify the client of the category in which he was classified (professional or small client), the level of protection of interests and the client's right to request classification to other category in accordance with these rules;
- (3) Receive and execute the clients' orders for buying/selling of financial instruments in accordance with these Rules and provisions of the policy on order execution or to reject to execute the clients' orders by which the provisions of the Law would be violated or criminal offence and/or other action punishable by the law would be committed;
- (4) Draw up the client's profile in order to assess the appropriateness of services and/or financial instruments for the client and/or to warn the client that it is not obliged to make such assessment according to these Rules;
- (5) To ensure that the Authorized Bank's relevant persons comply with the prohibition of manipulation and abuse of insider or privileged information prescribed by the Law, as well as with other rules of conduct in working with the clients;
- (6) To ensure the protection of the client's financial instruments and funds, in accordance with these Rules and Law;

- (7) To notify the client about the existence of conflict of interests between the client and the Authorized Bank's relevant persons or between the clients mutually, which is of importance for making the client's investment decision;
- (8) To keep the data about the client as the Authorized Bank's business secret;
- (9) To also perform other obligations undertaken by the contract concluded with the client in accordance with the law, the Securities Commission enactments and other internal enactments of the bank.

When providing investment services to clients, the Authorized Bank is obliged to put the interests of its clients before its own interests and to operate fairly, honestly and professionally, in accordance with the best interests of clients.

Article 121

When the Authorized Bank is providing the information to the clients electronically, it is obliged to provide that the following conditions are fulfilled:

- The Client has provided a valid electronic address to the Authorized Bank;
- The Client selected such manner of communication;
- The Client is electronically informed about the website and the place where the relevant data may be accessed at the same site;
- Information are regularly renewed and updated;
- Information is continuously available.

Article 122

The Authorized Bank is obliged to obtain information about the client or potential client, about its knowledge and experience in the investment area that is relevant to the financial instrument or service offered, or requested by the client.

When providing investment advisory services, the Investment Adviser compiles a profile of the client or potential client, which must contain information about the client's knowledge and experience regarding investing in a particular type of financial instruments or services, which are necessary to understand the risks associated with the transaction:

1. The type of services, transactions and financial instruments known to the client,
2. The nature, scope and frequency of transactions with financial instruments and the period in which they were executed,
3. Knowledge and current occupation or relevant previous profession.

In order for the Authorized Bank to provide investment advisory services, it is necessary to obtain additional information, as follows:

1. Financial situation of the client and abilities to bear the financial risks of investing,
2. Client's investment objectives, such as:
 - a. Desired duration of investment,
 - b. The client's willingness to take risks,
 - c. Risk profile for the client,
 - d. Purpose of investment.

The Authorized Bank is obliged to obtain information on the knowledge and experience of the client, i.e. potential client before concluding the contract, as well as during the provision of investment services.

Information on knowledge and experience is provided in writing by the client i.e. potential client.

The authorized bank may not rely on information obtained from a client when it knows or must have known that the information is out of date, inaccurate or incomplete.

14.3 Financial Instruments Account

Article 123

The Authorized Bank undertakes, under a contract with the client, with the Central Registry, i.e. Depository to open an account for financial instruments of the client, directly or through other Depository, and for professional clients for which a contract with the client is not required, the account is opened by an order of such entity in accordance with the Rules of Operation of the Central Registry, i.e. Depository.

The Authorized Bank shall maintain its own account for financial instruments at the Central Registry, apart from financial instruments of its clients.

The financial instruments of clients are not owned and not included in the Authorized Bank's or Bank's assets and cannot be used for payment of liabilities of the Authorized Bank or Bank to creditors.

In the case of insolvency of the Authorized Bank the client's financial instruments cannot be included in the liquidation or bankruptcy estate of the Authorized Bank or Bank of which the authorized Bank is a part of or used to pay liabilities of the Authorized Bank or the Bank.

The Authorized Bank shall ensure that the clients' account has sufficient funds on the day of the transaction settlement.

Article 124

To determine the investment objectives of the client and prospective client, the Authorized Bank may require information from them relating to:

- (1) Desired term of investment;
- (2) Willingness to take risks;
- (3) Risk profile for the client or prospective client, and
- (4) Investment purpose.

Article 125

The profile prepared by the Authorized Bank on the knowledge and experience of the client must include:

- (1) Type of services, transactions and financial instruments that are known to the client or prospective client;
- (2) Nature, scope and frequency of transactions of client or prospective client, with financial instruments and the period in which they were completed;
- (3) Title and current occupation or relevant previous occupation of the client or prospective client.

Article 126

To determine the ability of the client to sustain the financial investment risks, the Authorized Bank may require from the client or prospective client to provide information related to:

- (1) Source and amount of his regular income;
- (2) Assets, including information on liquid assets, investments, real estate;
- (3) Regular financial commitments.

14.4 Collecting Information on Provision of Other Investment Services

Article 127

Before and during the provision of other financial services, the Authorized Bank is obligated to require from the client or prospective client information about his knowledge and experience in the investment field that is relevant to the financial instrument or service offered or requested by the client.

The Authorized Bank may rely on information provided by the client or prospective client, in writing, unless it knew or should have known that the information is outdated, inaccurate or incomplete.

The Authorized Bank is obliged to warn the client or prospective client that:

- (1) It cannot determine whether a particular financial instrument or service is appropriate for him, due to client's decision not to give information or not do not provide sufficient information under paragraph 1 above;
- (2) The financial instrument or service is not appropriate for him, should it assess so on the basis of information obtained.

Article 128

If the Authorized Bank provides clients only with services of reception and transfer of orders, i.e. order execution on behalf of a client, it is not necessary to require from the client to provide information as in the provision of other services, if the following conditions are met:

- (1) When the service is provided at client's initiative;
- (2) When the service is related to:
 - Shares that are included in trading in a regulated market, i.e. MTP, or an equivalent market abroad;
 - Money market instruments, bonds and other forms securitized debt, excluding bonds and securitized debt instruments containing derivative financial instrument;
 - Units of collective investment institutions and
 - Other similar financial instruments;
- (3) When a client was clearly advised that the Authorized Bank has no obligation to assess the suitability of provided or proposed financial instrument or service;
- (4) When the Authorized Bank meets the legal requirements regarding the prevention of conflicts of interest between the Authorized Bank and its clients.

14.5 Special Provisions Relating to Professional Clients

Article 129

In providing professional services to the client, the Authorized Bank may consider that the professional client has sufficient knowledge and experience in investing in certain types of financial instruments or services, i.e. knowledge and experience necessary to understand the risks associated with the transaction, i.e. those services, transactions, types of transactions or instruments that are classified as professional clients.

15. PROTECTION OF PROPERTY OF AUTHORIZED BANK'S CLIENTS

15.1 Protection of Clients' Financial Instruments and Funds

Article 130

To protect the rights of their clients, when the Authorized Bank holds its clients' financial instruments and funds, it shall:

- (1) Keep records, accounts and correspondence relating to them:
 - Keep them accurately and correctly in a way that at any moment and promptly it can distinguish the assets of one client from the assets of another client of the Authorised Bank and from the assets of the Authorized Bank itself,
 - Keep them accurately and correctly in a way that at any moment and promptly it can distinguish the financial instruments (assets) of one client from financial instruments (assets) of other clients, as well as from financial instruments (assets) of the Authorized Bank itself,
 - Regularly harmonize the records and accounts with third parties that hold client's assets,
- (2) Take measures to ensure that the account of financial instruments of the bank at the Central Registry is kept separately from financial instruments of clients of the Authorised Bank;
- (3) Undertakes necessary steps to ensure that all funds of clients deposited with the Authorised Bank or other credit institution which is a member of the Central Registry are kept on account or accounts that differ from the accounts used for keeping Bank's assets;
- (4) Applies measures to reduce the operational risk of loss or reduction in client assets and rights relating to such property to a minimum, which may incur as a result of misuse, fraud, poor management or neglect.

Paragraph 1 above shall apply also in events when the Authorized Bank keeps clients' funds in a pooled account of financial instruments or funds.

15.2 Treatment of Clients' Financial Instruments

Article 131

The Authorized Bank is obliged to use financial instruments from the client's account only on the basis of client orders. The Authorized Bank shall not:

- (1) Pledge or dispose of financial instruments owned by its client without its prior written authorization;
- (2) Buy, sell financial instruments exclusively for collection of commission or other fees;
- (3) Use financial instruments of the client to pay its liabilities and obligations of other clients.

15.3 Depositing Financial Instruments of Clients Abroad

Article 132

When choosing a foreign depository on whose accounts the financial instruments of its clients shall be kept, the Authorized Bank shall take into account:

- (1) The expertise and market reputation of the Depository;
- (2) That the Depository is subject to the regulations that are governing in the country the keeping of financial instruments on behalf of another person;
- (3) To periodically review the choice of the Depository and the agreed arrangements for holding and keeping of client's financial instruments.

Notwithstanding paragraph 1 point 2 above, the Authorized Bank may deposit client's financial instruments with the Depository in the country in which the holding and keeping of financial instruments on behalf of another person are not specifically regulated only if one of the following conditions is fulfilled:

- (1) Nature of financial instrument or investment service associated with these instruments require a deposit with the depository in such country;
- (2) Professional client requested in writing from the Authorized Bank to deposit its financial instruments with the Depository in that country.

Article 133

The collateral in accordance with these Rules means:

- (1) Bank guarantee or surety;
- (2) Acceptance or guaranteed (aval) bill of exchange and blank promissory note;
- (3) Realistic collateral: pledge right on real estate, financial instruments that can be transferred, other assets, rights and claims which may be subject to pledge pursuant to the Law on Contracts and Torts;
- (4) Other security instruments.

16. INVESTORS PROTECTION FUND

Article 134

The Investors protection fund performs the activity in order to protect the Authorized Bank's clients whose assets or financial instruments are exposed to the risk in the case when bankruptcy proceeding is opened over the Authorized Bank or when the Securities Commission establishes that the Authorized Bank is not able to fulfil its due liabilities to the Clients, including the cash funds that it owes to the Clients and financial instruments that it keeps for the Client's account, and there are no prospects of the circumstances significantly changing in the foreseeable future.

The Investors Protection Fund secures the claims of the investors, clients of Authorized Bank who entrusted the funds and/or financial instruments to the Authorized Bank for the purpose of providing certain investment or additional services.

The Authorized Bank Clients' claims insured by the Investors protection fund include the following:

- (1) Monetary claims in dinars owed to the Client by the Authorized Bank or which belong to the Client, originating from performance of investment services and additional services;
- (2) Claims regarding return of financial instruments which belong to the Authorized Bank's Client and which the Authorized Bank keeps for the Client's account.

The claims are insured up to the amount of Euro 20,000 in dinar counter-value per the Authorized Bank's Client.

17. HANDLING OF CLIENT COMPLAINTS

Article 135

The Authorized Bank shall establish, implement and regularly update an effective and transparent procedure for acceptable and prompt dealing with complaints of small clients.

The Authorized Bank is obliged to keep records on all complaints and the measures taken based on them in the manner and time limits prescribed in these Rules.

Article 136

Clients can submit complaints regarding possible improperly performed operation by the Authorized Bank on standardized complaints form which is available in the Authorized Bank's business premises and at the Authorized Bank's website.

The Authorized Bank's clients may fill in, sign and deliver the form in person, electronically or by mail to the Authorized Bank's registered office.

Clients can submit complaints on the actions of the Authorized Bank to the following e-mail address: pritzbe.broker@otpbanka.rs

In the event that the client submits a complaint electronically, the Authorized Bank is obliged to confirm its receipt to the client immediately upon receipt of the complaint.

The authorized bank is obliged to check all circumstances that could have affected the received complaint and respond to the client as soon as possible, no longer than three days from the receipt of the complaint.

If in the process of checking all the circumstances that caused the client's complaint, the Authorized Bank finds information that is contrary to the provisions of these Rules, suspected market manipulation, misuse of insider information or similar, the Authorized Bank is obliged to act in accordance with these Rules and the Law and inform the Securities Commission and the competent organizational areas of the Bank

Article 137

The Authorized Bank is not obliged to act on anonymous and incomplete complaints.

The Authorized Bank keeps records and documentation on all complaints and measures taken on the basis of complaints for 5 years, in the manner prescribed by these Rules and the enactment of the Securities Commission. The Authorized Bank shall inform competent organisational units of the Bank on all received clients' complaints.

When dealing with clients' complaints the Authorized Bank will adhere to all principles established by these Rules.

18. COMMISSIONS AND OTHER FEES OF THE AUTHORIZED BANK

Article 138

The Client is obligated to pay to the Authorized Bank a commission or other fee on the basis of the sale of financial instruments for the account of the client, as well as other services rendered to the client.

The amount of commission or other fees paid by the client to the Authorized Bank shall be established for a particular service of the Authorized Bank up to the maximum rate or amount determined by the Fee Schedule of the Authorized Bank.

The amount of brokerage commission and/or fee for the change of the Depository or other fees shall be determined by the contract concluded between the client and the Authorized Bank, i.e. order issued by the client for a particular type of service.

When performing tasks of buying and selling of financial instruments on behalf of client, in the confirmation of receipt of the order the amount of commission for this transaction shall be specified in accordance with the maximum amount of commission determined by the main contract on investment and additional services and/or order of the client.

Article 139

The Rules on Tariffs of the Authorized Bank shall establish the maximum amount of commissions or fees for the performance of the following tasks of the Authorized Bank:

- (1) Brokerage activities,
- (2) Investment counselling,
- (3) Agent and underwriter activities,
- (4) Other services provided by the Authorized Bank.

The Authorized Bank is obliged to submit the Rules referred to in paragraph 1 above as amended, prior to its application to the Securities Commission, to display them in the premises where the work with clients is conducted and to publish them on its website 7 days before start of application.

The Authorized Bank is required to notify its clients on each amendment of the Fee Schedule 7 days prior to the start of their application, by publishing amendments and other enactments on its website.

19. INSIDER INFORMATION

Article 140

Insider information mean information about the precisely determined facts which are not publicly announced, which refer directly or indirectly to one or several issuers of financial instruments or to one or several financial instruments which, if publicly announced, would probably have significant influence on the price of those financial instruments or on the price of derivative financial instruments.

The significant effect exists if the reasonable investor would probably take such information into account when making his or her investment decisions.

Employees of the Authorized Bank, according to the nature of business activities, are persons who are considered to be in possession of sensitive and confidential information, i.e. that during the performance of their work tasks for the client, they may come into possession of insider information. The information may come from the Client of the Authorized Bank or the Bank, but may also come from other sources with which the employees of the Authorized Bank are in communication (e.g. auditors, lawyers, other banks, Authorized Banks, investment companies, government sources, government agencies, friends etc.).

Article 141

Information referred to in the previous Article are information about specific facts, if they depict a set of circumstances which exists or can reasonably be expected to exist, i.e. that refer to an event that has occurred or can be reasonably be expected to occur and if they are identifiable enough to lead to a conclusion on the possible effect of that set of circumstances or events on the prices of financial instruments or related derivative financial instruments.

Established market practices are practices that are reasonably expected in one or more financial markets in accordance with prescribed procedures and that are regulated by the Commission in more detail.

For the persons responsible for execution of orders regarding financial instruments, insider information also mean specific information received from a client regarding future orders of the client, which refer directly or indirectly to one or several issuers of financial instruments or to one or several financial instruments which, if publicly announced, would probably have significant influence on the price of those financial instruments or on the price of derivative financial instruments.

19.1 Prohibition of Abuse of Insider Information

Article 142

Any person who has insider information is prohibited to use such information directly or indirectly in the acquisition, disposal and attempt to acquire or dispose financial instrument, to which that information relates, for its own account or for the account of any third party.

Paragraph 1 above applies to a person who obtains inside information by means of:

- (1) Membership in management or supervisory bodies of the issuer or public company;
- (2) Stake in the capital of the issuer or public company;
- (3) Access to information obtained by performing duties in the workplace, by practicing a profession or other duties;
- (4) Crimes committed.

If the person referred to in paragraph 2 above is a legal entity, the prohibition contained in this paragraph shall also apply to individuals who participate in decision making about the transaction for the account of the legal entity concerned.

The provisions above shall not apply to transactions that are performed in the exercise of outstanding liabilities of acquisition or disposal of financial instruments, when such an obligation is the result of a contract concluded before the person possessed inside information.

19.2 Exchange of Insider Information

Article 143

It is forbidden to any person to:

- (1) Disclose and make available inside information to any other person, unless the information is discovered and made available in the ordinary course of business, profession or duties;
- (2) Recommend or induce another person on the basis of insider information to acquire or dispose of financial instruments to which that information relates.

Information exchange refers to all forms of communication (meetings, telephone conversations, e-mails, delivery of meeting minutes, etc.).

Employees of the Authorized Bank, as well as persons related to them are prohibited to:

- (1) Perform or attempt to perform insider trading;
- (2) Recommend or induce other persons to conduct insider trading;
- (3) Use insider information against regulations.

Article 144

Bank clients and employees of the Authorized Bank shall not acquire, buy, sell or otherwise dispose of financial instruments by using insider information.

The Authorized Bank shall in all apply provisions defined herein and other relevant Bank's internal enactments.

20. PROHIBITION OF MANIPULATION AND DISSEMINATION OF FALSE INFORMATION

20.1 Market Manipulation

Article 145

Market manipulation is considered to be the abuse in relation to all financial instruments included in trading in the regulated or MTP market and/or in connection with which the invitation for inclusion is issued, regardless of whether the transaction in that market occurred.

Market manipulation refers to:

- (1) Transactions and trading orders:
 - That provide or that are likely to provide false or misleading signals or information on supply, demand or price of financial instruments;
 - By which the person or persons acting in concert are maintaining the price of one or more financial instruments on unrealistic or artificial level, unless the person who participated in

- the transaction or issued the order proves that it has reasonable grounds and that the transactions and orders are in accordance with accepted market practices in this market;
- (2) Transactions or orders to trade which employ fictitious proceedings or any other form of deception or fraud;
 - (3) Dissemination of information through the media, including Internet or any other means of transfer, i.e. which might transmit false news or news that can cause confusion about financial instruments, including spreading of rumours and false and misleading news by persons who knew or should have known that such information is untrue or misleading;
 - (4) Transmitting false or misleading information or providing false or misleading basic data in relation to a reference value when the person who transmitted the information or provided basic information knew or should have known that it was false or misleading, or any other procedure that manipulates the calculation of the reference value.

The actions and procedures which are considered to be manipulating the market, resulting from the provisions of paragraph 1 above, especially include the following:

- (1) The activities of one or more persons acting together to secure a dominant position over the supply or demand of a financial instrument that results in a directly or indirectly fixing of buying or selling prices or creating other unfair trading conditions;
- (2) Buy or sell of financial instruments at close of trading to mislead investors;
- (3) Use of an occasional or regular access to traditional or electronic media, expressing opinions on the financial instrument or indirectly of the issuer, in the way that the person previously took a position in that financial instrument and then exercise influence upon the price of that instrument, at the same time not informing the public of a conflict of interest in an appropriate and efficient manner.

Article 146

In order to prevent the conflict of interests, for the purpose of limiting the flow of information between the different organizational units of the Authorized Bank, the so-called Chinese wall is applied in organizational structure, which makes access to confidential or insider information possible only to those relevant persons in organizational units whose need for such information is reasonable in performing their business and professional obligations.

In the case that the established mechanism of keeping the information referred to in paragraph 1 above is insufficient to manage the potential conflict of interests in a certain situation the Authorized Bank will take additional measures and/or, after consideration of all the facts in connection with availability of information to all relevant persons, it will establish the limitation of the flow of information for a certain transaction at a higher level, in line with the Bank's internal enactment defining transfer of data regarded as business, i.e. banking secret.

20.2 Prohibition of Market Manipulation

Article 147

Manipulation in the market is prohibited.

Persons involved in the manipulation of the market are jointly and severally liable for any damages caused as a result of market manipulation.

The Authorized Bank's employees are obliged to comply with the procedures and measures the purpose of which is to discover and prevent manipulation in regulated and/or MTP market, which are prescribed by these Rules, other internal enactments of the Authorized Bank and Bank, rules of the Securities Commission and by the market operator's enactments.

The Authorized Bank's internal control applies the precisely defined role and has sweeping powers in implementation of measures and procedures for discovering and preventing the manipulation in the market, good knowledge of organization, technology and procedure of business activities.

The Authorized Bank shall, based on information available to it, notify the Securities Commission and competent organisational unit of the Bank of events where it reasonable suspects the market manipulation and abuse.

Article 148

All employees of the Authorized Bank are obliged to take care of and to report to the internal controller the activities which may be reasonably suspected of being the activities considered to be manipulation in the market.

Article 149

The Authorized Bank's employees are obliged, when receiving the orders and/or executing the transaction to consider the indicators which do not mean themselves that abuse of market is in question, nor the opposite is implied if any fact or event is not mentioned here, but in estimation they should take into account the specific circumstances of each individual case:

- To what extent the given trading orders or executed transactions represent a significant part of daily volume of transactions with the relevant financial instrument in the regulated and/or MTP market, especially when these activities lead to significant change of the financial instrument price;
- To what extent the trading orders issued by the persons with significant buying or selling position in the financial instrument or transaction which those persons performed lead to significant change of price of the security in the regulated and/or MTP market;
- Do executed transactions lead to the real change of ownership of the financial instrument included in the regulated market;
- To what extent the given orders or executed transactions include the change of the positions within the short period and represent the significant part of the daily volume of security trading in the regulated market and could they be connected with the significant changes of the price of financial instrument included in the regulated market;
- To what extent are the given orders or executed transactions concentrated within a short period of time during the daily trading have led to the change of price which accordingly change the direction of movement;
- To what extent the given orders change the presentation of the best prices of supply or demand of the security included in the regulated and/or MTP market, or the presentation of the depth of the market which is visible to the participants in the market, but were removed before they were executed;
- To what extent the orders are given or transactions executed in a specific time (at the end of trading) or about the specific time in which the reference prices (closing prices) are calculated and other calculations are performed, and the same lead to the change of prices which influence the referent prices and calculations;
- Are the given orders or executed transactions preceded or followed by dissemination of untrue, false or misleading information by the persons who gave orders or executed transactions or the persons related to them;
- Are the orders given, or transactions executed by the persons who, before or after giving order or executing transaction, distribute, directly or through persons related to them, the research or recommendations for investing which are incorrect, biased or obviously under the influence of material interests.

Article 150

The Authorized Bank's employees must not in any way perform manipulations in the market or lead other persons to do so with a view to artificial forming of financial instruments price.

20.3 Notification about the Suspicious Transactions

Article 151

All the Authorized Bank's employees who reasonably suspect that a transaction may represent the trading based on insider information or manipulation in the market are obliged to notify the Internal controller accordingly immediately, at the latest until the end of the working day.

The information about the suspicion of manipulation in the market is submitted on the Form OST which is prescribed by the Commission. Each form is separately numerated by the number allotted by the internal controller, on the basis of the Record of suspicious transaction that he keeps.

The Internal controller is obliged, immediately after receiving the Information about suspicion of manipulation in the market to control the given planned and/or executed transaction and to make the report which it immediately forwards to the Authorized Bank's representatives and competent organisational unit of the Bank.

If the Internal controller establishes that the suspicion is reasonable, he/she is obliged to inform the Commission and competent organisational unit of the Bank without delay and deliver all the data in accordance with the relevant regulations.

If the Internal controller establishes after performed control that the suspicion of manipulation in the market is not reasonable, he is obliged to make official note thereof, in which he will obligatorily state the reason for not reporting the transaction to the Commission and give proposal of the measures for further monitoring of the order connected to the given Information and of the given client.

Article 152

The Authorized Bank must not inform any other person about the Information referred to in the previous Article of these Rules, which especially refers to the person in whose name the orders are given and/or transactions are executed, or the persons related to that person, except the persons to whom the information is delivered pursuant to the Law and the present Rules.

Fulfilment of this requirement does not expose the person who gave the information first to any type of responsibility, under condition that such person acts in good faith.

Notification of the Securities Commission and competent organisational unit of the Bank in accordance with the relevant regulations and with these Rules made in good faith is not the violation of any limitation of disclosure of information prescribed by the contract or any regulation, so it is not subject to any responsibility for the person who gave such notification.

Article 153

The Authorized Bank keeps the documentation which refers to the planned and executed transactions with which the suspicion of manipulation in the market existed, about which notification was sent to the Securities Commission, in accordance with the relevant regulations and internal enactments of the Authorized Bank.

21. RECOMMENDATION

21.1 Recommendation

Article 154

Recommendation is the research or other information by which expressly or impliedly is recommended or proposed the investment strategy with respect to one or more financial instruments or issuers of financial instruments, including any opinions about the current or future value and price of these instruments intended to the distribution channel or the public.

The provider of recommendation is a natural person or legal entity who produces or distributes recommendations in exercising their professions or business.

Distribution channel is a channel through which the information becomes publicly available or through which access to information will be granted to a large number of people.

Article 155

Research or other information recommending or proposing investment strategy means the information prepared by:

- (1) An independent analyst, Authorized Bank, credit institution, investment company or any other person whose business activity consists of the preparation of recommendations or a natural person working for them under contract or otherwise, directly or indirectly provides specific recommendations for investment in related financial instrument and/or issuer;
- (2) A person other than a person referred to in item 1) above and which directly recommends a particular investment decision about investing in a financial instrument.

Appropriate regulation is any regulation, including regulations of the Authorized Bank, which provides that the provider of recommendations who makes or distributes recommendations applies reasonable care to ensure that such recommendations are presented in a fair manner and to disclose their interests or indicate conflicts of interest relating to the financial instruments to which these recommendations refer to.

21.2 Identity of the Person who made the Recommendation

Article 156

Each recommendation must clearly and visibly state the identity of the person responsible for its creation, and especially name and job title of the person who prepared the recommendation, the name and the registered office of the legal entity responsible for the relevant recommendation.

The Authorized Bank shall stipulate in the recommendation which body is responsible for its supervision.

21.3 General Rules on the Content of Recommendations

Article 157

The provider of recommendations -the Authorized Bank - is obliged to ensure in the recommendation:

- (1) That the facts are clearly distinguishable from interpretations, estimates, opinions and other types of non-factual information;
- (2) That all sources are reliable, i.e. if there is any doubt about the reliability of sources, that it is clearly stated;
- (3) That all predictions, forecasts and target prices are clearly marked as such information and that significant assumptions on which they are based are stipulated.

At the request of the Commission the provider of recommendation shall explain the merits of the recommendations.

21.4 General Rules for Disclosure of Interests and Conflicts of Interest

Article 158

The Authorized Bank, as the provider of recommendations, is required to disclose all relationships and circumstances that can reasonably be expected to impair the objectivity of the recommendations, especially when the provider of recommendations has a significant financial interest in one or more financial instruments that are the subject matter of recommendations or significant conflict of interest in relation to the issuer the recommendation refers to.

When the person making the recommendations is a legal entity, the obligation under paragraph 1 above applies to any natural person or legal entity working for that legal entity on the basis of a contract or otherwise, and who participated in the preparation of recommendations.

When the person making the recommendations is a legal entity, information published in accordance with paragraphs 1 and 2 above shall include at least the following information about his interests and conflicts of interest:

- (1) The provider of recommendations or affiliated legal entities of which persons involved in preparing recommendations have knowledge or reasonably should be expected to have knowledge;
- (2) The provider of recommendation or affiliated persons, that are known to persons who, although not involved in the preparation of recommendations, have or should reasonably be expected to have had access to the recommendation prior to its distribution to clients or the public.

The disclosure under items 1 - 3 above should be included in the recommendation itself, and when it would be disproportionate in relation to the volume of distributed recommendation, it is sufficient in the recommendation itself to clearly and visibly make reference to a place where the public directly and easily access such information.

21.5 Distribution of Recommendations Produced by a Third Party

Article 159

When the Authorized Bank distributes recommendation drawn up by a third party on its own responsibility, it must clearly and visibly state its identity in the recommendation.

When a person who distributes a recommendation produced by a third party substantially changes the same, it shall clearly and in detail highlight these changes.

The Authorized Bank that distributes a summary recommendation developed by a third party shall ensure that such recommendations are clear and not misleading and that it refers to the original document and place where the public can directly and easily access the disclosures relating to this document, as long as such information is available to the public.

22. CODE OF ETHICS

Article 160

Employees of the Authorised Bank must entirely conduct and observe the Bank's Code of Ethics.

Starting from the need to improve the professionalism and business conduct, strengthening the principles of safety and accountability, fair competition based on economic and market principles, the Authorized Bank and the Authorized Bank's employees are required to perform their duties professionally, fairly, with due care and confidence, in accordance with good business practices and business ethics.

In order to improve the reputation of the profession, as well as strengthening the confidence of investors and society at large in the work of authorized participants in the financial instruments market, the Authorized Bank and the Authorized Bank's employees are obliged to behave in a manner that in no case will harm the reputation of the profession.

The Bank's values are material goods and human resources.

Protection of the Bank's assets. An employee is responsible for the protection and preservation of tangible and intangible assets of the Bank entrusted to him/her, clients and business partners. The property of the Bank, clients, business partners and third parties may be used and utilised only for permitted purposes in accordance with the prescribed permits and conditions.

Protection of the Bank's reputation. Expectations in relation to the rules of conduct are defined by the Bank's Code of Ethics, which includes rules of conduct in the workplace, an adequate work environment means a work environment without harassment, intimidation, discrimination, without offensive or degrading verbal communication between employees and between subordinates and superiors (subordination relationship).

Behaviour on employees' social networks is defined by the Bank's Code of Ethics, which implies that employees must refrain from any expression that could negatively affect the good reputation of the Authorized Bank and the Bank.

The political activity of employees is defined by the Code of Ethics, which implies that employees in their political performances outside the workplace must not abuse their function/position in the Authorized Bank and their behaviour must not negatively affect the good reputation of the Authorized Bank and the Bank.

Suitable business activity. Anti-corruption is defined by the Bank's Code of Ethics, which is based on: corruption, prohibited influence, gifts, payments that facilitate business, prohibition of sponsorship of political parties and organizations, donations.

Mutual respect. The Bank's Code of Ethics defines: discrimination and negative discrimination and abuse.

Obligations of the Bank. Financial reporting in accordance with international financial reporting standards as well as regulations of the Republic of Serbia.

Right to Competition. The Bank's management is committed to ensuring free and fair market conditions that encourage competition. The authorized bank shall refrain from any kind of conduct that could lead to the restriction of market competition or to the abuse of a dominant economic position. This refers, among others, but not exclusively, to unfair economic competition (which is done by violating or endangering the legitimate interests of clients, competitors, business partners), the submission and adoption of proposals

that would be aimed at agreeing on prices, on division of marketing information with the aim of influencing competition, i.e. would be focused on the distribution of markets and clients (restrictive agreements under the Law on Protection of Competition), further at the meetings of professional organizations for the protection of interests such topics that would be relevant from the aspect of restricting competition may not be discussed (e.g. prices, pricing policy, costs, marketing strategies).

22.1 Preventing Conflicts of Interest

Article 161

Employees are obliged to report observed cases of real or potential conflict of interest for themselves, their relatives or personal or business interests of their relatives on the one hand and the interests of the Authorized Bank and the Bank or the bank's clients on the other hand.

Relevant persons of the Authorized Bank are required to provide information to the Authorized Bank, i.e. the representatives of the Authorized Bank and the controller of their intention as well as of the intention of their related persons to buy or sell financial instruments on the date of issuing the buy or sell order for financial instruments in the regulated financial instruments market or outside the organized market or in similar market abroad.

The notice of intention to buy or sell financial instruments shall be considered the client's order to sell or buy, depositing order, transfer order and other forms of financial instruments orders in the regulated financial instruments market or outside the organized market or in other similar market abroad.

22.2 Prohibited Activities of the Relevant Persons

Article 162

The Authorized Bank shall prohibit to the relevant person to carry out the following activities:

- (1) To conclude personal transactions:
 - 1.1. If that includes the use or disclosing of insider or other confidential information;
 - 1.2. Which refer to the client or to transactions with the client or for the client's account;
 - 1.3. If concluding such transaction is in conflict or will probably come into conflict with the Authorized Bank's obligations;
- (2) To advise or induce other person to conclude transaction with financial instruments, in the manner which exceeds the relevant person's authorizations or which is not prescribed by the contract on providing of services;
- (3) To disclose to other person any information or opinions, except within the regular authorization or within the contract on providing of service, if the relevant person is aware, or should be aware, that such acting shall influence such other person to:
 - 3.1. Conclude the transaction with financial instruments,
 - 3.2. Advise or induce third party to conclude such transaction.

23. Basic Principles of Professional Ethics

Article 163

The Authorized Bank and all Bank employees and/or the relevant persons, are required in their work and behaviour, while performing an activity, to follow these basic principles of professional ethics:

- (1) **Protecting the reputation of the profession** - the Authorized Bank is obliged to act in accordance with the principles and rules of professional code of ethics - professional associations, as well as to act and operate on the organized financial instruments market so as not to harm its reputation or the reputation of the whole industry.
- (2) **Ensuring the promotion of the profession** - the Authorized Bank shall take care of professional education and training of the Authorized Bank's employees, as well as of improving the overall activities and the development of financial instruments markets and financial markets as a whole.
- (3) **The principle of treatment with due professional care** - the Authorized Bank, in performing tasks assigned to it by clients as a licensee, shall act with due professional care.

- (4) **The principle of equal treatment of all clients** - the Authorized Bank does not put any client in a privileged position compared to other clients, or is obliged to treat all clients the same way.
- (5) **The principle of ensuring the rights and interests of clients** – the Authorized Bank, while performing activities that it, as a licensee, was entrusted by clients, shall in everything take care of the interests of their clients and protect their interests.
- (6) **The principle of informing clients** – the Authorized Bank, at the best of its knowledge, as defined by a contract with the client, shall regularly provide accurate and reliable information to the client about the condition in the organized and outside the organized financial instruments market and on individual financial instruments, and other information that could affect the client's decisions concerning financial instruments transactions.
- (7) **The principle of trust** – the Authorized Bank and Bank employees base the client relationship on mutual trust, which may not be abused by the Authorized Bank or the Authorized Bank's employees.

23.1 Providing False Data

Article 164

Employees of the Authorized Bank may not:

- (1) Disclose data regarding stock exchange and over the counter trading which are false, which distort the true data or deliberately omit them;
- (2) Participate in the work or activity that is done in order to deceive a person engaged in buying or selling of financial instruments;
- (3) Carry out activities that are contrary to the operations of the Authorized Bank;
- (4) Disclose false data and information about the Authorized Bank.

Article 165

Employees of the Authorized Bank shall not trade in certain financial instruments if they are in possession of insider information, and are also obliged to refuse an order for buying or selling of financial instruments by clients who they believe are in possession of such information.

23.2 Communicating Information to Clients

Article 166

Employees of the Authorized Bank can conduct a conversation with clients about the unofficial information or information published in the stock market and OTC trading if they state in such conversation that the stated information is unofficial and if they provide the source of such information.

23.3 Recording of Telephone Conversations

Article 167

The Authorized Bank shall record telephone conversations, receipt of orders by telephone and official communication of its employees with clients.

The Authorized Bank, i.e. its employees is obliged to prior to commencing the conversation inform and warn the client that the telephone conversations are being recorded.

23.4 Public Communications and Advertising

Article 168

Statement regarding the performance of the Authorized Bank's activities directed to the public or clients can be given only by a person authorized to do so by the Bank, with the consent and upon proposal of the Authorized Bank. Employees of the Authorized Bank are required to communicate with the public in accordance with the Law.

Article 169

The Authorized Bank shall at a public communication, in communicating with the media, as well as during presentation of its services, take into account the reputation of the profession and the interests of other licensees in the financial instruments market, and in accordance with this formulations must not be used

that emphasize the Authorized Bank and eliminate the other participants, such as: "the only, the best, better than others, the exclusive, etc."

24. NOTIFICATION OF THE AUTHORIZED BANK

Article 170

The client-issuer of financial instruments shall provide the Authorized Bank with interim and annual reports on its operations and the audit report.

The client referred to in paragraph 1 above shall in writing at least 21 days in advance or, if possible, immediately after the occurrence of change inform the Authorized Bank on:

- (1) Amendments and supplements to the memorandum of incorporation or articles of association;
- (2) Change of representative and other persons authorized to do business with the Authorized Bank;
- (3) Change of status;
- (4) Acquisition or cessation of the client status with another investment company or Authorized Bank;
- (5) Increase or decrease of common equity;
- (6) Change in majority shareholders (those with more than 5% share in client's capital);
- (7) When the possibility exists for the client to become insolvent or that he already has become insolvent;
- (8) When against the client measures were taken by the competent authority;
- (9) When against the client the process of rehabilitation, receivership or liquidation was initiated;
- (10) Other information relevant to the business performed by the Authorized Bank on behalf of a client.

25. TRANSITIONAL AND FINAL PROVISIONS

Article 171

The Authorized Bank is required to provide the Rules and any amendments thereto before their application to the Securities Commission prior consent and upon approval by the Commission to make them available in the premises where the work with clients is conducted and to publish them on its website.

If the Authorized Bank has clients that are foreign legal entities or natural persons, the notification of amendments to the Rules is made in the manner stipulated in the contract with the client.

Article 172

An integral part of these Rules is Appendix 1: Information provided to clients (ID 8576).

Article 173

The Operating Rules shall enter into force on the day of obtaining the consent from the Securities Commission, and shall apply on the eighth day from the day of publication on the DMS Bank's notice board and Banks website, but not before April 30, 2021.

26. REFERENCES AND APPENDICES

26.1. Appendices

Appendix 1: Information provided to Clients (ID 8576)

26.2. References

No.	Document code	Document title
1.	"RS Official Gazette", no. 31/2011, 112/2015, 108/2016, 9/2020 and 153/2020	Law on Capital Market
2.	"RS Official Gazette", no. 46/2006, 107/2009, 99/2011 and 108/2016	Law on Takeover of joint-stock companies
3.	"RS Official Gazette", br. 36/2011, 99/2011, 83/2014 – other law, 5/2015, 44/2018, 95/2018 and 91/2019	Law on Companies
4.	"RS Official Gazette", no. 83/2014, 46/2015, 112/2015 and 20/2016	Law on Privatisation
5.	"RS Official Gazette", no. 113/2017 and 91/2019	Law on Prevention of Money Laundering and Terrorism Financing
6.	"RS Official Gazette", no. 87/2018	Law on Personal Data Protection
7.	"RS Official Gazette", no. 36/2011 and 139/2014	Law on Protection of Financial Services Consumers