

## Instruction for Issuing Trading Orders by Telephone

### 1. Introductory Notes

This Instruction regulates the manner and sequence of activities when receiving orders by telephone, and its objective is to define the manner of issuing orders for sale and purchase of financial instruments by telephone on the domestic, foreign and OTC market.

### 2. Preconditions for Submission of Requests and Issuance of Orders

The following conditions should be fulfilled in order to submit the Request for Order Issuance on the standardised form of the Bank (hereinafter: Request):

- ✓ Performed client identification, client categorisation, as well as concluded Investment and Ancillary Services Contract;
- ✓ Client's consent on having prior experience in trading in financial instruments;
- ✓ That the Client has an open:
  - ✓ Special-purpose cash account for settlement of transactions in financial instruments,
  - ✓ Financial instruments account for settlement of transactions in financial instruments;
- ✓ Prior to order issuance, the order coverage conditions should be met, i.e.:
  - ✓ For the purchase order, funds paid in and/or available for disposal on the client's special-purpose cash account;
  - ✓ For the sales order, adequate balance on the Client's financial instruments account.

The Bank obtains certificates on stated balances by way of software, directly from the Client or in direct contact with the depository of financial instruments and funds.

In the process of issuing the order by telephone, the Client may use funds and financial instruments that are under settlement (netting positions) of executed, but unsettled transactions.

### 3. Submission of Request for Order Issuance and Service Activation

The Client shall submit the Request containing identification data, as well as information on telephone numbers from which the trading orders in financial instruments will be placed.

The Request shall be submitted to the e-mail address: [broker@otpbanka.rs](mailto:broker@otpbanka.rs) signed by certified electronic signature of the Client or directly, at the branch of OTP bank Serbia or in the premises of the Capital Markets Department or Private Banking Department.

Upon receipt and processing of Request by employees of the Capital Markets Department, an identification code (password) along with information necessary for order issuance by telephone will be handed over to the Client.

Following receipt of the identification code (password) and fulfilment of conditions stated in Item 2 of the present Instruction, the Client shall have the possibility to use services of order issuance by telephone.

The Client is obliged to verify information and functionality on the website: [www.otpbanka.rs](http://www.otpbanka.rs), in the event that due to technical reasons the telephone numbers of the Bank have been changed.

Bank shall inform Client and send the Instruction for Issuing Trading Orders by Telephone in case of any change. Upon Client's request, the Bank may deliver to the Client the Instruction for Issuing Trading Orders by Telephone which is published on the Bank's website, either in written form or electronically.

#### **4. Telephone number for Order Issuance**

Telephone numbers for order issuance by telephone:

+381 11 205 33 90

+381 11 205 33 95

+381 11 205 33 96

+381 11 205 33 97

The Client shall dial from the phone number specified in the Request, after establishing the connection, the Client shall receive the notification that the conversation is being recorded. Audio recordings of a telephone order may be used to verify accuracy of given orders for trading in financial instruments.

#### **5. Receipt Time and Client Identification**

Receipt of telephone orders shall be performed during working hours, on business days from 09:00 a.m. to 06:00 p.m.

Note: Orders for transfer (depositing) shall be issued by no later than the date of closing the takeover bid or bid for acquisition/disposal of own shares, as a rule minimum half an hour prior to closure (11:30 a.m. i.e. at the time specified in the public invitation). Orders for trading in debt financial instruments of the Republic of Serbia on primary auction shall be issued, as a rule, 30 minutes at the latest prior to closure of auction (10:30 a.m. i.e. at the time specified in the public invitation).

Prior to issuing an order, the first step is identification, which is performed based on:

- ✓ **For natural persons**
  - ✓ Name and surname and Unique Personal Identification Number
  - ✓ Identification code
  
- ✓ **For legal entities**
  - ✓ Business name and registration number
  - ✓ Name and surname of person authorised to issue orders
  - ✓ Identification code.

Broker is obliged to compare the Client's telephone number and information in the application of the Bank which is recorded for receipt of orders for trading by telephone.

#### **6. Order Issuance**

The Bank is obliged to unambiguously determine the necessary elements of the order when receiving the order by telephone. Minimum data which the Client is obliged to submit to the Broker when issuing the order:

- ✓ Type of order: purchase/sale/revocation
- ✓ Name of financial instrument (name of company, stock exchange ticker symbol or ISIN number)

- ✓ Quantity of financial instruments
- ✓ Type of order per price (market, limit, stop and other)
- ✓ Price of financial instruments
- ✓ Time restriction of order (daily, until revocation, until date)
- ✓ Possibly other special information according to Client's intention (market, iceberg order, stop order, FOK and other types of orders depending on the market of trading).

When receiving the trading order, and according to Client's intention, the Broker will record other special data which may be specified by the Client when placing the order.

Should the Client not specify the place of order execution, the Broker will issue the order on the available market where the total cost of transaction is the most favourable for the Client, taking into account relevant circumstances in terms of type and size of the order in question, as well as market liquidity.

The Broker obtains information on the depositary of financial instruments and funds, which are contained in the trading order, by way of software through entry in the application, prior to order execution. If certain information (depositary of financial instrument and other) is not precise and clear, the Broker may request from the Client, by dialling the Client's recorded telephone number, to define specific information in order to remove any doubt and execute the Client's order in the best possible manner.

In the event of business needs for the provision of market information or removal of any unclear instructions or doubt, the Broker may contact the Client by dialling from the telephone number intended for issuance of orders. The Broker is obliged to inform the Client that the telephone conversation is being recorded.

The Broker shall enter elements stated in the Client's order in the application for receipt of trading order, whereby the employee shall select the telephone option for the manner of receipt.

Following entry of order elements, the Broker is obliged to repeat the elements of the given trading order to the Client and ask questions on whether all data referred to in the order are accurate and correct, i.e. whether the Client concurs with such data.

Once a positive answer from the Client is obtained, the employee may confirm receipt of the trading order, complete the conversation with Client and initiate execution of the trading order on the corresponding market.

The Client is entitled to issue a maximum of 5 trading orders in one telephone conversation.

When issuing an order by telephone, the conversation must not be interrupted and must proceed continuously, i.e. in case of interruption which occurred voluntarily or without the Client's will, it will be considered that the Client waived from issuance of order, i.e. that the Client did not issue a sufficiently precise trading order, thus the order will not be executed.

## **7. Order Revocation**

When revoking an order by telephone, all conditions in terms of Client identification should be met, as when issuing orders for trading in financial instruments.

The Client may revoke a purchase or sales order by telephone, regardless of the manner of issuing the initial purchase or sales order which is being revoked by the Client.

Upon successful identification of the Client and approval to continue with the procedure of receiving the revocation order, the Client shall state which order the Client wishes to revoke, as well as the basic elements of the order based on which the order the Client intends to revoke can be unambiguously determined.

Following receipt of the revocation order, the Broker shall locate the Client's order and if all conditions are met, i.e. if the order has not been realised and is active on the market, the Broker will revoke the order on corresponding market and forward the notice on revocation order receipt to the Client as defined by the Questionnaire and contracted with the Client.

If the order has been realised or there are other objective reasons due to which the order cannot be revoked (non-working day of the stock exchange, temporary or permanent suspension of trading with a certain financial instrument and the like), the Bank will notify the Client thereof as defined by the Questionnaire and contracted with the Client.

## **8. Notifying Clients on Order Issuance and Realisation**

Within 24h following receipt of the order by telephone, the Bank is obliged to submit the confirmation on order receipt, i.e. confirmation on receiving order revocation to the Client, containing all legally prescribed elements as defined by the Questionnaire and contracted with the Client.

In the event that the order has been realised, the Bank is obliged to inform the Client of the inability to realise the revocation order and deliver the confirmation on order realisation (trading confirmation) to the Client as defined by the Questionnaire and contracted with the Client.

## **9. Order Issuance through Authorised Person**

An Authorised Person may issue trading orders on behalf and for the account of the Client.

In the event that the trading order is issued by the Client's Authorised Person on the Client's behalf and for its account, in addition to verification which the Broker usually performs in client identification, it is obliged to obtain from the Client:

- ✓ For natural persons - corresponding certified power-of-attorney precisely containing all relevant elements of the power-of-attorney;
- ✓ For legal entities - corresponding power-of-attorney (Company decision) of legal entity, signed by the legal representative.

Prior to order issuance, the Bank is obliged to record data on the Authorised Person in the application, to verify the Authorised Person when identifying the Client simultaneously with verifying other identification data based on which Client's identity can be unambiguously determined.

## **10. Refusal of Order Receipt**

The Bank is entitled to refuse receipt and/or execution of an order.

The Bank shall refuse receipt and/or execution of a Client's order under conditions that are identical regardless of the manner of issuing the Client's trading order, and envisaged by the Rules of Procedure for Investment Services and Activities and Ancillary Services of OTP Bank Serbia with appendices and the Law on Capital Market.

When receiving a telephone order, grounds for order refusal by the Bank are may be imprecise and insufficiently clear instructions and conversations made outside the framework of this Instruction.