

Annex 2: Mutual rights and obligations of the client and the Bank

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1. Contracts with retail and professional investors

Article 1

A bank that provides clients with any investment service and activity or ancillary service (Services) concludes a written contract with clients, on paper or on another permanent data carrier, which determines the essential rights and obligations of the Bank and the client.

The contract establishes the essential rights and obligations of the parties and includes the following:

- 1) Description of the Services and, as the case may be, the nature and scope of the Services provided;
- 2) The rights and obligations of the contracting parties, whereby the same can be determined by referring to other documents that are available to the client;
- 3) In the case of portfolio management services, the types of financial instruments that may be bought and sold and the types of transactions that may be executed for the client's account, as well as any prohibited instruments or transactions;
- 4) A description of the main features of all services provided to the client, including the company's role regarding the corporate activities in relation to the client's instruments and the terms under which securities financing transactions involving the client's securities will generate a return for the client;
- 5) Other conditions under which the Bank provides the Services to the client;
- 6) The client's statement that he has become familiar with the content of the Rules of Procedure and the Fee Schedule before concluding the contract.

2. Contents of client contracts

2.2 General provisions

Article 2

The Bank concludes with clients all types of contracts prescribed by the Law, the Commission's bylaws, internal acts of the Bank, and the Rules of Procedure, as well as other types of contracts on the basis of which it provides the Services to the client.

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

Article 3

Based on the contract with the client, the Bank is obliged to directly or indirectly open a financial instruments account for the client. The client is not obliged to open a cash account with the Bank, and in that case the Bank may use the necessary data of other credit institutions regarding the client's cash account when providing the Services.

2.3 Financial instrument accounts

Article 4

Based on the contract with the client, the Bank undertakes to open a financial instrument account for the client with the CSD, *i.e.*, the Depository, directly or through another member.

The Bank is obliged to keep its own financial instrument account, separately from the financial instruments of its clients. Financial instruments of the Bank's clients are not property of the Bank and cannot be used to settle the Bank's obligations.

In the case of insolvency of the Bank, clients' financial instruments cannot be included in the liquidation or bankruptcy estate of the Bank, nor can they be used to settle the Bank's obligations. The Bank is obliged to ensure that there are enough financial instruments on the client's account on the day of settlement of the transaction.

2.4 Special purpose cash account for investment and ancillary services

Article 5

The Bank undertakes to, on the basis of the contract on special purpose cash account for investment and ancillary services with the client, open a special purpose cash account for the Services for the client, in the appropriate currency necessary for the execution of transactions.

The Bank is obliged to keep its own funds separately from the funds of its clients. Funds of the Bank's clients are not property of the Bank and cannot be used to settle the Bank's obligations.

In the case of insolvency of the Bank, clients' funds cannot be included in the liquidation or bankruptcy estate of the Bank, nor can they be used to settle the Bank's obligations. The Bank is obliged to ensure that there are enough funds on the client's account on the day of settlement of the transaction.

2.5 Common provisions of all client contracts

2.5.1 Client's obligations

Article 6

The Bank is entitled to demand from the client, and the client is obliged to:

- 1) Before concluding the contract, make the necessary documentation available to the Bank for the purpose of identification, as well as inform the Bank of any changes in the submitted client data, which are registered with the competent register of business entities or with other bodies and organizations in accordance with applicable regulations, as well as undertake all the necessary actions for their harmonization, immediately upon the occurrence of the change, by the competent register/with other bodies and organizations, *i.e.*, on the day of receipt of the decision on the registration of those changes, and deliver them to the Bank for harmonization;
- 2) Allow the Bank to use the following:
 - a. Necessary information and documentation for the correct categorization of the client;
 - b. Financial instruments or funds that are the subject of the transaction, under executed trading orders;
 - c. All the necessary information to assess the appropriateness of services and financial instruments for the client, except in cases where the Bank is not obliged to perform such an assessment;
- 3) Observe the provisions of the Law, the Commission's bylaws and the Rules of Procedure on the prohibition of manipulation and abuse of inside information when using investment services and activities and/or ancillary services;
- 4) Meet the obligation to pay commissions and all other fees to the Bank in accordance with the agreed commissions, fees, and the Fee Schedule;

- 5) Meet other obligations assumed by the contract concluded with the Bank, in accordance with the Rules of Procedure, the Fee Schedule, and other internal acts of the Bank to which he gave his consent by signing the contract with the Bank.

2.5.2 Client's representations

Article 7

- 1) The client declares:
 - a. That he will obtain all the documentation (including, but not limited to, powers of attorney and authorization, which are necessary according to the Law, the Commission's bylaws, the law governing the prevention of money laundering and financing of terrorism, the Law on Confirmation of the Agreement between the Government of the United States of America and the Government of the Republic of Serbia to Improve International Tax Compliance and to Implement FATCA, and the Rules of Procedure), which the Bank requires in order to fulfill its obligations under the Rules of Procedure;
 - b. That he bears responsibility for all his obligations to the Bank pursuant to the contract for the provision of investment and ancillary services;
 - c. That the financial instrument account and the collective account opened with the Bank does not result in any rights in favor of any third party, at the expense of the Bank. In the event that there are such rights and/or obligations arising under the Contract with the client, all such rights and/or obligations belong to the client;
 - d. That all information provided by the client to the Bank in connection with the Financial Instrument Account, Special Purpose Account, as well as investment services and activities is complete and accurate and he agrees to inform the Bank in the event of any changes in any such information and at any time during the term of the Contract concluded with the client;
 - e. That he will regularly inform and submit to the Bank the change of all data that is in accordance with the Contract for the provision of investment and ancillary services, the Rules of Procedure, and applicable regulations, and that he is aware of the consequences if he fails to do so in terms of responsibility for possible damage that could arise as a result of non-performance of these obligations;
 - f. That he will submit any additional data required by any competent authority, at the Bank's request;
 - g. That after acquiring or using shares in such a way as to directly or indirectly reach, exceed or fall below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights of the same joint stock company whose shares are traded on the regulated market, MTF, or other appropriate market in the country, he is obliged to inform the Bank, the Issuer and the Commission thereof in the form prescribed by the Law or corresponding bylaws;
 - h. That he will not store financial instruments of taxpayers from the United States of America on the collective account in question;
 - i. That he will submit the requested FATCA forms at the request of the Bank and that he accepts the costs related to their administration.

2.5.3 Reporting

Article 8

The client - issuer of financial instruments is obliged to submit to the Bank periodic and annual reports on its operations, consolidated annual reports on operations (if any), regular annual financial statements, consolidated annual financial statements (if any), and a report on the performed audit.

The client referred to in paragraph 1 of this Article is obliged to notify the Bank in writing of the following, at least 21 days in advance or, if this is not possible, immediately after the change has occurred:

- (1) Amendments to the articles of incorporation and articles of association;
- (2) Change of managers and other persons authorized to do business with the Bank;
- (3) Status changes;
- (4) Acquisition or termination of client status with another investment company or bank with a license to provide investment services and activities;
- (5) Increase or decrease of core capital;
- (6) Change of shareholders with significant interests (those who hold more than 5% interest in the client's equity);
- (7) existence of the possibility that the client will become or has already become insolvent;
- (8) Measures taken against the client by the competent authority;
- (9) Initiating rehabilitation, bankruptcy, or liquidation proceedings against the client;
- (10) Other data relevant to the operations that the Bank performs for the client's account.

2.5.4 Fees and expenses

Article 9

The client agrees to pay the Bank a fee for the provision of the Services, in accordance with the applicable Fee Schedule. In the event that the Client fails to settle his obligations, the contract authorizes the Capital Market Department to collect all its receivables without a payment order from any account that the Client has opened with the Bank, after which the Bank will deliver to the client a notification about the collection of obligations.

The Client agrees to reimburse the Bank at its request all costs, payments, receivables, damages, or obligations, including any legal fees, that the Bank may incur, provided that they arise directly or indirectly in connection with investment services and activities and ancillary services of the Bank and that they do not result from gross negligence, fraud or deliberate omission of the Bank. When in performing services for the client, the Bank incurs certain actual costs such as extraordinary or additional costs related to a specific market, financial instrument, transaction, financial instrument custody service, tax refund and other costs related to the financial instrument owned by the client, the costs of advertisements in the public media, extraordinary costs related to the execution of the client's instructions, postage costs, travel costs, document authentication and the like, the client is obliged to refund the costs so incurred in full according to the issued invoices.

The client is obliged to familiarize himself with the characteristics of the financial instrument, that is, whether such a financial instrument carries a special cost or commission, which is not contracted with the Bank. The Bank shall act in accordance with the client's instructions/orders, but shall not be responsible if the client is not familiar with the additional costs or commissions of a certain financial instrument.

2.5.5 Bank's obligations

Article 10

The Bank provides the Services for domestic and foreign, legal and natural persons - clients of the Bank.

When providing the Services, the Bank has the following obligations towards the client:

- 1) Before concluding the contract with the client, it is necessary to provide the client with an insight into the Bank's business premises intended for clients, *i.e.*, to submit a notice on the website on which the Rules of Procedure and the Fee Schedule are published, and to provide the retail investor with the information prescribed by these Rules of Procedure, as well as to inform the client about every change in those acts and enable the inspection of the changes in those acts no later than seven days before the start of the implementation of such changes;
- 2) Informing the client of the category into which he is classified (professional, certain professional or retail investor), the level of interest protection and the client's right to request classification into another category in accordance with these Rules of Procedure;
- 3) Receiving and executing client orders for the purchase/sale of financial instruments in accordance with these Rules of Procedure and the provisions of the order execution policy, or refusing the execution of client orders, if the execution of the order would violate the provisions of the Law or commit a criminal or other offense punishable by law;
- 4) Creating a client profile in order to assess the appropriateness of services or financial instruments for the client, that is, warning the client that it is not obliged to perform such an assessment in accordance with these Rules of Procedure;
- 5) Ensuring that the Bank's Relevant Persons comply with the provisions prescribed by the Law and bylaws on the prohibition of manipulation and abuse of inside or privileged information, as well as other rules of business conduct in dealing with clients;
- 6) Ensuring the protection of financial instruments and funds of the client, in accordance with these Rules of Procedure, bylaws and the Law;
- 7) Informing the client of the existence of a conflict of interest between the client and the Bank's Relevant Persons or among the clients themselves, which is important for making the client's investment decision;
- 8) Keeping client data as a trade secret of the Bank;
- 9) Performing all other obligations assumed by the contract concluded with the client in accordance with the Law, the Commission's bylaws, the Rules of Procedure, and other internal acts of the Bank.

The Bank's obligations depend on the timely receipt of appropriate requests, instructions, orders, other necessary documentation, as well as the receipt of the required amount of funds or financial instruments to conclude the transaction.

The Bank is liable to the client for all losses or damage caused by non-execution or improper or untimely execution of the client's instructions/orders, as a result of its gross negligence, fraud or deliberate violation of its duties and obligations according to the Rules of Procedure, whereby the amount of the resulting loss or damage cannot exceed the market value of the financial instruments in question at the time of such action.

2.5.6 Electronic communication with the client

Article 11

The Bank shall, in a timely manner before providing the Services to clients or potential clients, submit information that, in accordance with the Law, the Commission's bylaws and these Rules of Procedure via electronic means, and is obliged to ensure that the following conditions have been met:

- 1) That the client has provided the Bank with a valid electronic address, which is proof that the client has regular access to the Internet and that the delivery is appropriate;
- 2) That the client has given a statement that he expressly agrees and that he has chosen such a method of communication;

- 3) That the client has been informed via electronic means about the website address and the place where he can access the relevant data;
- 4) That the information is regularly renewed and updated;
- 5) That the information is continuously available on the Bank's website.

2.5.7 Rules of Procedure and Fee Schedule of the Bank

Article 12

The contract with the client must contain the provision that the following statement of the client is an integral part of the contract:

- 1) That the Rules of Procedure were available to him before the conclusion of the contract and that he is familiar with their content;
- 2) That he was familiar with the Fee Schedule before concluding the contract, that he is familiar with its content and that he fully accepts all the provisions of the Rules of Procedure and the Fee Schedule.

2.5.8 Refusal of receipt and/or execution of instructions and orders by the Bank

Article 13

The Bank may refuse to accept and/or execute a client's instruction, transfer order and trading order if:

- a. The instruction or order is not in accordance with the Law, the Commission's bylaws and the Rules of Procedure;
- b. If the execution of the instruction/order would commit an act punishable by law as a criminal offense, economic offense, or misdemeanor;
- c. It is not specialized or does not have the technical ability to carry out a specific instruction/order, about which the client was informed in a timely manner and in advance;
- d. The instruction or order was not properly signed by the client or the client's authorized representative. It is considered that a correct instruction or order contains essential elements for its execution. Essential elements are those data that are required for the execution of a certain type of transaction and prescribed by the Law, the Commission's bylaws, and the rules of the CSD;
- e. The client does not have sufficient financial instruments and/or funds to execute the instruction/order, including all agreed commissions and fees;
- f. Execution of the instruction/order would certainly cause damage to the Bank.

When the Bank refuses to receive a client's instruction/order, it is obliged to notify the client immediately, upon receipt of the instruction/order, stating the reason for refusal of execution in accordance with the Rules of Procedure.

2.5.9 Force majeure and exclusion of the Bank's liability

Article 14

The Bank is not liable for indirect or consequential damages arising in the cases provided for in these Rules of Procedure, such as:

- 1) In the case of losses or damage to the client based on investing in financial instruments, given that the client is aware of the risks associated with investing in financial instruments, that he

- assumes them and the Bank is in no case liable to the client for damage caused by the occurrence of any of the aforementioned risks in dealing with financial instruments;
- 2) Actions that occur as a consequence of the client's instructions/orders;
 - 3) If the client did not issue or revoke the instruction/order in a timely manner, did not inform the Bank in a timely manner of the change in his contact details, of the change in the person authorized to represent, revocation and/or change of power of attorney, of the actions of the client's authorized representative and his decision to buy and/or sell financial instruments in the name and on behalf of the client, as well as during all other activities that may affect the timely and correct execution of services and activities by the Bank for the client;
 - 4) Act, omission, illiquidity or insolvency of any financial instrument issuer, investment company, other credit institution, commercial bank, CSD, clearing house, custodian bank, failure of information systems used in the process of providing investment services and activities and ancillary services (trading, clearing and settlement), or delays during clearing and settlement of the transaction for any other reason, of any market participant and the like;
 - 5) If the cause of the error occurred in other institutions (CSD, market organizer, *etc.*), and the Bank acted correctly and in a timely manner, or if this is a consequence of the actions and decisions of state authorities, the Government of the Republic of Serbia, the National Bank of Serbia, the Commission, the market organizer, CSD, and other competent institutions;
 - 6) Extraordinary circumstances that the Bank could not influence, which are beyond the Bank's control, and in which it is not reasonable to expect the Bank to have been able to foresee these circumstances at the time of concluding the contract/transaction, nor to have been able to prevent, overcome, avoid, influence them or remove the consequences of those circumstances (case of force majeure, such as, but not limited to war, armed conflict, civil unrest, strike, revolution, terrorism, political unrest, natural disasters, pandemic, prolonged interruption in the supply of electricity, interruption of the Internet connection, and the like).

Article 15

The client is liable for damages:

- 1) If it becomes apparent that the data and documentation submitted with the instruction/order are not accurate and reliable;
- 2) Due to non-compliance with the provisions established by the Law, the Commission's bylaws, the Rules of Procedure, as well as other legal regulations;
- 3) Suffered by the Bank if the Client issues an uncovered order/instruction;
- 4) If he caused damage intentionally or through negligence;
- 5) Caused by the Client's omissions;
- 6) If he has achieved a legally prohibited goal through abuse, as well as caused damage to the Bank or the Bank's operations through abuse.

2.5.10 Data protection and trade secret

Article 16

In its operations, the Bank shall adhere to the obligation of keeping banking secrets in line with the law. The Bank will consistently safeguard the secrecy of transactions, services and data related to the Client.

The Bank keeps the submitted Client data as a trade secret in accordance with the Rules of Procedure and applicable regulations.

Article 17

When providing investment services and activities and ancillary services, the Bank processes certain personal data of clients and potential clients and other natural persons in accordance with the Personal Data Protection Policy, the Law on Personal Data Protection, and other regulations governing data processing, as well as these Rules of Procedure.

The data subject may be informed of his rights under the Law on Personal Data Protection and exercise them in accordance with the Personal Data Protection Policy available on the Bank's website.

2.5.11 Client complaints

Article 18

The Client submits complaints to the Bank regarding the performance of the Services in accordance with the Rules of Procedure.

2.5.12 Assignment

Article 19

The contract concluded with the client for the provision of the Services from the Rules of Procedure, as well as all rights and obligations thereunder cannot be assigned, delegated, or transferred by the contracting parties in any way without the prior written consent of the other party.

2.5.13 Waiver of immunity

Article 20

The Client waives any immunity based on sovereignty or on any other basis that it may be entitled to invoke.

2.5.14 Bilingual contract

Article 21

If any contract with the client is drawn up as a bilingual document, in the event of a discrepancy between the Serbian and English text of the Contract, the content in the Serbian language shall prevail.

2.5.15 Application of regulations

Article 22

Anything not regulated by the contract shall be governed by the Law, the Commission's bylaws, the Rules of Procedure, the Bank's internal acts, regulations of CSD and market organizers, provisions of the Law on Contracts and Torts, Law on Prevention of Money Laundering and Terrorism Financing, Law on Personal Data Protection, as well as other laws and bylaws of the Republic of Serbia.

2.6 Contract on investment and ancillary services

Article 23

The Bank performs the Services on the basis of a concluded contract with the client, in writing, on paper or on another permanent data carrier, before receiving the first request, instruction or order from the client.

In the contract with the client, the Bank undertakes to provide the Services for the client's account, to provide services for the purchase and sale of financial instruments based on the client's order, to execute transfer orders based on the client's instruction/transfer order, and the client undertakes to pay the agreed commission and fee to the Bank for this service.

The Contract on investment and ancillary services, as well as these Rules of Procedure, which are an integral part of the Contract which the Bank concludes with the client, regulate the following:

- 1) Procedure for opening and keeping a cash account for the Services;
- 2) Procedure for opening and keeping financial instrument accounts for the domestic and/or foreign market;
- 3) Procedure for receiving and transferring client orders related to the purchase and sale of financial instruments and the execution of orders for the client's account, orders for the transfer of rights from financial instruments, as well as all ancillary services in this regard;
- 4) Procedure for keeping and administering financial instruments, funds in the name and for the account of the client, that is, in the name of the Bank, and for the account of the client, when the Bank provides these services to the client.

By concluding the contract for the provision of investment and ancillary services, the client agrees as follows:

A. The Bank shall open, administer, and keep a **special purpose cash account for investment and ancillary services with financial instruments** (hereinafter: the Special Purpose Account);

- 1) The contract for the provision of investment and ancillary services shall contain the numbers of the client's Special Purpose Account with stated currencies;
- 2) The Bank shall not calculate or pay interest on deposited funds. The Bank guarantees the security of monetary receivables, while funds are insured in cases provided by the Law. The Special Purpose Account cannot be used for any other payments except for payments arising from the Service provided. The Bank shall collect, receive and make all payments (capital, income, interest and other income) and disbursements to the client's Special Purpose Accounts by undertaking all the necessary actions;
- 3) The Bank shall calculate and settle transactions in financial instruments through the Special Purpose Account, which implies:
 - (1) for the domestic market, the transfer of funds according to the specification of transactions received from CSD, in accordance with the legal acts of CSD. The Bank calculates and settles transactions based on the issued trading order or client transfer order, as well as on the basis of the client's instruction or settlement order;
 - (2) for foreign markets, the client authorizes the Bank to settle funds in accordance with the submitted settlement order. For the purposes of settling transactions in the appropriate currency, the Client agrees that the Bank shall purchase or sell dinar or foreign currency funds from any of the Client's cash accounts with the Bank, in the amount required to cover the completed transaction. The client agrees that he cannot use the funds in the Special Purpose Account opened under this Contract, if the funds are required to cover the purchase order and/or the completed transaction;
- 4) The Bank shall report to the client on the balance and turnover on the Special Purpose Account at the request of the Client;

- 5) The Bank undertakes to issue, at the Client's request, a Certificate of available funds in the Special Purpose Account for the purchase of financial instruments in the manner defined for communication with the Client;
- 6) The client undertakes to pay the Bank all commissions, fees, costs, and other obligations in accordance with the applicable Fee Schedule. By concluding this Contract, the client authorizes the Capital Market Department to collect the amount of commissions, fees, costs and other due receivables without a payment order from any account that the Client has opened with the Bank, after which the Bank will deliver to the client a notification about the collection of obligations;
- 7) The client can freely use his funds in the Special Purpose Account, only if the Bank has previously determined that the client has no active and unrealized purchase orders, as well as in the case that he has not had any activities related to executed but unsettled transactions;
- 8) Funds in the special purpose account can only be used to settle the obligations related to the Services, and cannot be used to settle the obligations of another person, nor can they be subject to enforced collection;
- 9) The Bank is obliged to control whether there are enough funds on the client's Special Purpose Account on the day of settlement of the transaction;
- 10) The Bank shall execute all payments in full without any deductions or withholdings other than those that are in accordance with legal regulations or are in accordance with instructions;
- 11) Before issuing an instruction or an order, the client must have a sufficient amount of funds in the Special Purpose Account, so that the instruction or order, including the associated transaction commissions, is covered with funds in netting, that is, the client is allowed to include funds in his items for already completed transactions, but unsettled funds;
- 12) If there are not enough funds in the client's Special Purpose Account to cover the transaction in the appropriate currency, the Bank can provide them by converting the amount from other cash accounts of the client by applying the exchange rate from the Bank's official exchange rate list on the conversion date, in accordance with the Bank's General Terms and Conditions available in the Bank's branches and on the Bank's website. In certain situations when this is agreed with the client or at the client's request, during currency conversion, the Bank may apply a more favorable exchange rate compared to its official exchange rate list;
- 13) In order to pay for the settlement of transactions and other obligations from transactions with financial instruments, the Bank will not deposit the client's funds with the Depository, but will provide the Depository with sufficient funds from its accounts, and will debit the client's Cash Accounts with the Bank in proportion to the amounts charged by the Depository increased by the agreed fees. The Bank regularly reconciles accounts for foreign markets in its records and records with the Depository;
- 14) For services provided in foreign markets, the Bank shall pay fees to its Depository as a supplier. Depending on the movement of the service price, which the Bank pays to its Depository as a cost, client fees may be changed for individual or all foreign markets, of which the Bank shall inform the client;

- 15) If it is necessary for the client's funds to be deposited abroad with a central bank, a credit institution, or a bank or another authorized institution, the Bank is obliged to ensure that these funds are kept in an account or accounts separate from the account belonging to the Bank;
 - 16) The Bank keeps certain data as a trade secret in accordance with the Common Provisions of all contracts with clients from item 2.5 of this Annex 2 (hereinafter: the Common Provisions) and/or the Rules of Procedure, laws and regulations;
 - 17) The Bank, as well as the group to which it belongs, processes personal data in accordance with the Common Provisions, the Rules of Procedure, other acts of the Bank, the Law and other regulations.
- B. The Bank shall open, administer, and keep a **financial instrument account** for the Services with financial instruments in its information system and CSD, in the name and for the account of the Client, through which transactions shall be executed on the domestic and/or foreign market, and ancillary services for financial instruments shall be provided in relation to his rights and obligations arising from financial instruments, as defined by the Law; the Bank shall also provide services for opening and administering a **collective financial instrument account**, in the name of the Bank and for the Client's account, which the Bank shall open in its information system and CSD, as well as an account in its information system intended for the custody and administration of financial instruments on foreign markets, used for the execution of transactions and provision of ancillary services with financial instruments related to his rights and obligations arising from financial instruments, as defined by the Law;
- 1) The contract for the provision of investment and ancillary services shall contain the numbers of Financial Instrument Accounts;
 - 2) The contract for the provision of investment and ancillary services shall contain the numbers of collective accounts;
 - 3) The Bank keeps and manages the Client's assets in a separate Financial Instrument Account and/or Collective Account in accordance with the Common Provisions, *i.e.* Rules of Procedure;
 - 4) Financial instruments on the Financial Instrument Account and the collective account are not property of the Bank, cannot be included in the Bank's liquidation or bankruptcy estate and cannot be used to settle the Bank's obligations to creditors;
 - 5) The Bank keeps appropriate records of financial instruments that are kept and maintained in the Financial Instrument Account and/or the collective account, and transactions made through the account and informs the client about the balance and turnover on the account at the client's request;
 - 6) The client appoints the Bank to keep and administer the financial instruments belonging to the client. The client may use his financial instruments, exclusively by giving an instruction or order to the Bank. Instructions or orders given by a duly identified attorney shall be considered as given by the client. The client is responsible for the accuracy and completeness of the data in the instructions, as well as for all the consequences that may arise in the case of giving incorrect or incomplete instructions;

- 7) The client shall give instructions or orders on the Bank's standardized form directly, by mail, SWIFT, in the Bank's branch office or by e-mail, *i.e.*, in the manner provided for in the Rules of Procedure. In electronic communication, the client can communicate exclusively from registered e-mail addresses; otherwise, the Bank cannot execute the instruction or order before examining the credibility of the e-mail address prior to executing the instruction or order. Instructions delivered by SWIFT must comply with international SWIFT standards. It is considered that a correct instruction is the one that contains essential elements for its execution. Essential elements of an instruction are those data that are required for the execution of a certain type of transaction. An instruction may contain special client statements (in the note part) regarding the transfer or use of financial instruments, if the statement is required by the Bank or prescribed by law;
- 8) The Bank accesses foreign markets through concluded contracts with financial institutions (Depositories) that have direct or indirect access to foreign markets;
- 9) The Bank undertakes to perform the following services for the account of the client under this Contract:
 - a. Custody of financial instruments,
 - b. Administration of financial instruments, *i.e.*, clearing and settlement of transactions with payment (DvP, RvP), as well as execution of transactions without payment (DF, RF),
 - c. Deposit in the public offer and transfer to the controlling shareholder according to CSD Rules of Procedure,
 - d. Collection of income arising from financial instruments (dividends, principal, interest, coupons and other income),
 - e. Reporting to the client on the balance and turnover on the Financial Instrument Account and the collective account;
- 10) The Bank keeps and manages all financial instruments of the Client separately from the property belonging to the Bank or other clients of the Bank;
- 11) The Bank acts according to instructions or orders without the obligation to check the ownership of financial instruments, which are kept on the Financial Instrument Account and/or the Collective Account, keeps special records and accounts in order to enable it to distinguish at any time and without delay the financial instruments of one client from the financial instruments of other clients, as well as from own property. The Bank keeps accounts and records in a way that ensures their accuracy, and especially compliance with financial instruments;
- 12) The Bank shall settle all transactions with financial instruments through the Financial Instrument Account and/or the Collective Account opened under this Contract, based on the Rules of Procedure, the Bank's internal acts, CSD's bylaws and the rules of the Depository in accordance with international standards;
- 13) When trading in financial instruments, the client is obliged to specify the financial instrument account number, in order to properly execute trading and settlement of transactions. In the event that the client fails to fulfill the stated obligation, the Bank will not be able to accept and execute the client's transaction;

- 14) The Bank is obliged to control whether there are enough financial instruments on the client's Financial Instrument Account and/or the Collective Account on the day of settlement of the transaction;
- 15) Before issuing an instruction or an order, the client must have a sufficient amount of financial instruments in the Financial Instrument Account or the Collective Account, so that the instruction or order is covered with financial instruments in netting, that is, the client is allowed to include in his items the already completed transactions, and unsettled financial instruments;
- 16) Based on the client's order or instruction, the Bank shall carry out the transfer of rights, as well as the registration and deletion of rights of third parties on its financial instruments pursuant to the received and relevant documentation, in accordance with the Law, the Rules of Procedure, the Commission's and CSD's bylaws, as well as other internal acts of the Bank;
- 17) The Bank's obligations depend on the timely receipt of appropriate requests, instructions, orders, other necessary documentation, as well as the receipt of the required amount of financial instruments to conclude the transaction;
- 18) The Bank is obliged to fulfill its obligations in accordance with the client's instructions or orders, which do not contradict the provisions of the Rules of Procedure. The client confirms and agrees that the Bank is not obliged to monitor the client's compliance with any restrictions based on this Contract concluded with the client;
- 19) Cases of force majeure and exclusion of the Bank's liability are determined in the Common Provisions;
- 20) Cases when the client is liable for damage to the Bank are determined in the Common Provisions;
- 21) The Client provides the Bank with the statements contained in the Common Provisions;
- 22) The Bank may refuse to accept a client's instruction, transfer order and trading order in accordance with the Common Provisions and the Rules of Procedure;
- 23) On the payment-maturity date, the Bank will debit the client's cash account for all pass through fees, as third-party fees that the client has committed to by acquiring a certain financial instrument (such as ADR/GDR and other fees defined by the issuer/administrator of the financial instrument or other market participants). Such fees do not originate from this contractual relationship between the Bank and the Client and cannot be treated as fees for the services of the Bank or its Depository. Fees of this type are defined by the issuer/administrator of the financial instrument by determining the amount per unit at the expense of each holder-owner, who on the specified record date owns the financial instrument in question. In the process of acquiring a financial instrument, the client undertakes to pay the corresponding third-party fees that such instrument bears. The Bank has no influence on the definition and frequency of collection of third-party fees. On the day of receipt of the Depository's notification on debiting the Bank's account, the account of the client who on the record date owned the financial instrument in question on his account with the Bank, shall be debited accordingly. In the event that the client does not have sufficient funds in his bank accounts to cover the fee, the Bank shall inform the client of the obligation to settle the fee and its basis, while in the event of

the client's refusal to pay the fee, the Bank has the right to collect third-party fees by initiating proceedings before the competent court;

- 24) The Bank has the right to entrust, on behalf of the client, financial instruments that are kept with the Bank to an account opened with a foreign Depository abroad, on the condition that the Depository is subject to special regulations and supervision, related to the custody and administration of financial instruments in the Depository's country. The Bank takes into account the expertise and market reputation of the Depository, as well as all regulatory requirements that may adversely affect the client's rights. The account opened with the Depository for the Client is kept in the name of the Bank, and for his account. The Bank takes the necessary measures to ensure that all financial instruments of the client that are kept and administered by the Depository can be distinguished from financial instruments belonging to the Bank and the Depository;
- 25) The client communicates directly with the Bank, regardless of the existence of the Depository;
- 26) The client agrees to receive notifications from the Bank for foreign financial instruments in English or the language officially used in the market of the financial instrument in question. If necessary, the client shall organize the translation of the document at his own expense. In order to preserve the accuracy and reliability of information, the Bank shall not translate the notifications received from the Depository, but shall adapt them to the name of the account, the available amount of the instrument and forward it to the clients;
- 27) The Bank shall, in accordance with available and accessible information, identify from official sources all corporate activities (shareholder meetings that include voting rights, rights, additional issues, share splits, mergers, tender offers, conversions, redemptions, and the like) and shall inform the client accordingly. For domestic corporate activities, the Bank collects information from available public sources (information from CSD and the Belgrade Stock Exchange), and for corporate activities abroad, the Bank receives notifications from its Depository. The Bank is not responsible for non-delivery of notification or late notification by the issuer, CSD, Belgrade Stock Exchange or the Depository, but will take into account any such failure when reviewing the Depository's appropriateness;
- 28) Based on the client's request and power of attorney, the Bank will represent the client-shareholder at the meetings of the joint-stock company of which he is a shareholder, deliver information regarding dividends to clients and, on their behalf, information necessary for paying dividends to issuers and similar actions;
- 29) The Bank is not liable if the company (issuer of the financial instrument) does not accept the powers of attorney and other forms submitted by it at the instruction or order of the client for financial instruments that are kept on the Financial Instrument Account or the collective account. The Bank does not guarantee the application of bilateral intergovernmental agreements on the avoidance of double taxation for the client's financial instruments on collective or Financial Instrument Accounts;
- 30) If the client, *i.e.*, the beneficial owner of the financial instrument on the collective account, initiates a court case against a third party, it will not be conducted on behalf of the Bank, and the Bank will not be a participant or a party to the dispute. At the client's request, the Bank will

issue a certificate containing his identification data and account balance. Further activities of documenting the legal owner are the responsibility of the client;

- 31) Financial instruments that are kept with the Depository on financial instrument accounts are subject to the legislation of other countries and accordingly the rights of clients arising from financial instruments may differ depending on the competent legislation that is applied;
- 32) The Bank declares that it will not use the right of settlement and/or pledge in relation to financial instruments regarding the collection of receivables in favor of third parties, unless the existence of such a right is necessary, in accordance with the laws of the Republic of Serbia or is necessary as a condition for participation in the local market;
- 33) Financial instruments in the Collective Account cannot be subject to pledge or gift. Financial instruments from the Collective Account can be transferred to the new holder by submitting appropriate documentation from legally binding court decisions (on inheritance, *etc.*) or liquidation of a legal entity;
- 34) The Bank does not provide tax consulting services to clients, nor does it guarantee the possibility of tax refunds, as well as the application of tax rates in accordance with signed interstate bilateral agreements regarding tax matters;
- 35) The Bank keeps separate records and collective account(s) to enable it to, at any time and without delay, distinguish the property managed for one client from the property of another client, as well as from its own property, and the Bank will record financial instruments that are kept on the Collective Account, as well as on the foreign markets account, in accordance with the client's instructions or orders, provided that all fees, costs and taxes that must be paid for that purpose have been paid in order to enable such records;
- 36) The Bank keeps records of financial instruments in its information system, keeps its records in a way that ensures their accuracy, and in particular compliance with property that is kept and managed for the client with CSD and/or with the Depository or the Central Securities Depository, according to their rules and contracts, and if this is not possible, then as required by local law or market practice;
- 37) The Bank undertakes all necessary measures to reduce the risk of loss or reduction in the value of property under this Contract, or rights related to such property arising as a result of abuse, fraud, poor administration, inadequate record keeping or negligence;
- 38) The level, quality and price of these services, which the Bank provides to clients, directly depends on the level and quality of services that the Bank receives from its Depositories;
- 39) The availability of certain foreign markets for the Bank's clients depends on the level of services and markets covered by its Depository as a supplier. The client can check the list of available markets on the Bank's website or by sending a direct inquiry directly, by phone or electronically;
- 40) Foreign financial instruments of the Bank's clients are kept in Financial Instrument Accounts and/or in Collective Accounts, with selected Depositories, which indirectly (through the network of their Depositories) or directly (through membership with the Central Depository) have access to certain markets;
- 41) The Bank keeps appropriate records the property kept in collective accounts and transactions made through the collective account and informs the client about the property at the client's

request, at least once a year. The Bank will periodically provide the client with statements from the Financial Instrument Account and the Collective Account, thereby providing information on the property in the client's account;

- 42) The Bank will make reasonable efforts to inform the client of any changes in the laws, regulations and practices of the Republic of Serbia, which may, in the opinion of the Bank, affect the services provided by the Bank under this Contract. However, the Bank's notices or any interpretation of legal regulations do not constitute legal advice, nor should the client treat them as such in any way;
- 43) The Bank is obliged to provide and deliver to the client the relevant information and data requested from the received instruction for corporate activity after the execution of the instruction for corporate activity; if the instruction is executed through the Depository, the Bank will inform the client about the execution of the instruction by the Depository in accordance with the received instruction;

C The Bank provides services by order and for the account of the client, in the process of **mediating the purchase and sale of financial instruments** on the regulated market or multilateral facility (hereinafter: MTF), organized trading facility (hereinafter: OTF), over-the-counter market (hereinafter: OTC), or other appropriate market, in accordance with the Law, legal regulations, the Commission's bylaws, acts of CSD, Belgrade Stock Exchange, acts of another market organizer, other relevant regulations, the Rules of Procedure and the Fee Schedule;

- 1) The Client and the Bank agree that information and notices on the receipt of orders, execution of orders, changes to the Rules of Procedure, the Fee Schedule, as well as all other important data and information are delivered in the manner specified during client categorization;
- 2) By concluding the contract, the client confirms that he is familiar with the Rules of Procedure and that he is aware of the risks associated with the capital market and that the Bank has made information available to him in a satisfactory manner;
- 3) Professional investors and designated professional investors confirm that they have sufficient knowledge and experience to independently make investment decisions and properly assess the risks specified in the Rules of Procedure, as well as that when making decisions on the purchase and sale of financial instruments, one should always take into account the aforementioned risks. Retail investor confirms that he is aware that there are general risks and special risks that are characteristic of certain types of financial instruments. Retail investor confirms that he has access to detailed information on the types of risks specified in the Information provided to the client and that he is familiar with other important information related to trading in financial instruments;
- 4) By placing an order, the client assumes the risks of the financial instrument that are specified in the Rules of Procedure, as well as other risks from the financial instrument that may arise for the client - holder of the financial instrument. The Bank is in no case liable to the client for damage caused by the occurrence of any of the aforementioned risks in dealing with financial instruments;
- 5) The Client is obliged to:
 - a. When concluding the contract, submit the necessary documentation and information needed to acquire client status;

- b. Report the purchase or sale of financial instruments by issuing an order in accordance with the Bank's Rules of Procedure;
 - c. Inform the Bank of all facts that could affect the change of the client's category;
 - d. Along with the order for the sale of financial instruments, deposit the financial instruments or submit a certificate of ownership of the financial instruments he intends to sell;
 - e. Submit to the Bank, along with the order for the purchase of financial instruments, proof that he has the funds for the purchase of financial instruments - a credit institution's confirmation of the paid deposit in the Special Purpose Account or an account statement;
 - f. Inform the Bank without delay in writing about any change in any data specified in the contract, or which was submitted to the Bank when concluding the contract, as well as all changes related to the data on the client's commercial bank. The client is obliged to provide the Bank with copies of the necessary documents proving their change. Otherwise, the Bank will consider the last data received from the client as valid data, and shall not be liable to the client for any damage that may occur due to the fact that the client failed to comply with the contract and the Rules of Procedure;
 - g. Submit to the Bank at its request all other information, data, and reports that the Bank considers essential for the protection of public interests and the interests of the client;
 - h. Issue orders for trading or revocation of orders on time, in accordance with the Bank's Rules of Procedure; otherwise, the Bank shall not be responsible for their implementation;
 - i. In the case of the sale of financial instruments that are in an account with another CSD member where the financial instruments are kept, the client is obliged to submit to the Bank, before issuing the sale order, a statement with the balance of the financial instruments account on the day the order is issued and the consent of the financial instruments depository that the client has no issued sales orders for the same financial instrument. Before withdrawing funds from a special purpose account with a commercial bank and financial instruments from a financial instrument account, the client is obliged to submit a confirmation from that bank that there are no unrealized purchase or sale orders when withdrawing financial instruments from the account;
- 6) The client authorizes the Bank to:
- a. In accordance with the client's order, transfer rights and register rights based on financial instruments to the appropriate client account, that is, to make payments to and from the client's cash account based on the purchase and sale of those financial instruments;
 - b. Implement all orders for trading in foreign financial instruments through a service investment company (intermediary) and foreign Depository with which the Bank has concluded a contract;
 - c. Open the necessary accounts with the foreign Depository, which are kept in the name of the Bank, and for the client's account, where the foreign financial instruments and funds of the clients will be kept. Settling (funds and financial instruments) will be done through this account based on the client's order.

The contract on the provision of investment and ancillary services, depending on the services provided by the Bank to the client, shall be subject to the Common Provisions and the aforementioned provisions regulating the provision of a specific service to the client.

2.7 Contract on issue agent with redemption obligations - underwriting

Article 24

In performing the activities of an underwriter, the Bank organizes the issuance of financial instruments with the obligation to redeem them from the issuer for further sale or with the obligation to redeem unsold financial instruments from the issuer.

With the contract on organizing the issuance of financial instruments with redemption obligation (underwriting), the Bank undertakes to purchase all financial instruments from the issuer and then organize their further sale or to purchase only those financial instruments that remain unsubscribed and unpaid after the deadline for registration and payment, and then organizes their sale, while the issuer undertakes to pay a fee for these services.

The underwriting contract that the bank concludes with the client contains in particular:

- 1) The underwriter's obligation to redeem the entire issue or only a part of the unsold financial instruments before the deadline for registration and payment expires;
- 2) The responsibility of the contracting parties in connection with the issuance of financial instruments and the issue price, *i.e.*, the interest rate;
- 3) The issuer's contingent obligation not to issue or sell financial instruments of the same type in a certain period after the start of the primary sale;
- 4) Provisions on fees, commissions, and terms of payment for underwriting services.

When in organizing the issuance of financial instruments with the obligation of redemption there are several participants on the underwriter's side, they are obliged to conclude a special contract that regulates mutual rights and obligations, by which they determine one participant as the main organizer of the distribution, who signs the contract with the issuer. This contract regulates the mutual rights and obligations of the Bank and other participants (investors) and determines the organizer of issuing financial instruments on the underwriter's side.

2.8 Contract on issue agent without redemption obligation

Article 25

When it performs the activities of an agent of the issue of financial instruments without the obligation to redeem unsold financial instruments, the Bank organizes activities for the client, the issuer of financial instruments, related to the following:

- 1) Issuing financial instruments through a public offer or without a public offer;
- 2) Including the issued financial instruments in the appropriate market.

The Bank performs the tasks referred to in paragraph 1 of this Article in a way that will enable the implementation of the strategy in organizing the issuance of financial instruments that is the most favorable for the client.

With the contract on organizing the issuance of financial instruments without redemption obligation, the Bank undertakes to organize the issuance of financial instruments, and the client undertakes to pay the Bank a fee for this service.

The contract from paragraph 1 of this Article regulates the mutual rights and obligations between the Bank and the client, in particular:

- 1) Organizing the issuance of financial instruments;
- 2) Organizing the inclusion of financial instruments in the appropriate market;

- 3) The amount and method of calculation of the fees and expenses for performing the work of an issue agent;
- 4) Other mutual rights and obligations.

The Bank is obliged to ensure that clients - buyers of debt financial instruments collect from the issuer of those financial instruments the nominal value, that is, the nominal value and interest on the maturity date of those financial instruments.

2.9 Contract on performance of market-maker activities

Article 26

The Bank performs market-maker activities in accordance with the contract concluded with the client, which defines the mandatory purchase and sale of financial instruments on the regulated market in its own name and for its own account at a price it announces in advance.

The Bank performs market-maker operations on the regulated market, in accordance with the rules of procedure of the organizer of a particular market.

2.10 Contract on performance of investment advisor activities

Article 27

The Bank performs investment advisor activities in the form of providing advisory services to clients when investing in financial instruments on the domestic and foreign market.

By contract, the Bank undertakes to inform the client about the state of the financial instrument market, give advice regarding the purchase and sale of certain financial instruments, prepare technical, fundamental and other analyses, give 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 for this in accordance with the Fee Schedule.

The contract on performance of investment advisor activities contains in particular:

- 1) Mutual rights and obligations of the contracting parties;
- 2) Types of consulting services that are the subject of the contract,
- 3) Conditions and method of providing services,
- 4) Amount of fees and expenses related to the performance of the investment advisor's work,
- 5) Other rights and obligations of the contracting parties.

General information aimed at familiarizing interested parties with the Rules of Procedure, the operating principles of the regulatory body and the functioning technique of the financial instruments market do not have the character of advisory services in the sense of the provisions of this item.

2.11 Contract on performance of portfolio management activities

2.11.1 Contract on discretionary portfolio management

Article 28

The Bank provides discretionary portfolio management services in accordance with the Law, bylaws and the Rules of Procedure; portfolio management includes one or more financial instruments, on an individual and discretionary basis, for each client separately, based on client authorization.

The contract on discretionary portfolio management contains in particular:

- 1) Mutual rights and obligations of the contracting parties;
- 2) Statement that the Bank has collected information on the client's knowledge and experience in the field of financial investment, on his financial situation, including the client's ability to cover possible losses, as well as on the client's investment goals and his risk tolerance;
- 3) Client categorization and assessment of appropriateness
- 4) Description of the appropriate portfolio models and in particular their risks;
- 5) Types of financial instruments that may be bought and sold and the types of transactions that may be executed for the client's account, as well as any prohibited instruments or transactions;
- 6) Obligations of the Bank regarding prior and subsequent publication of information on costs and fees for providing services;
- 7) Minimum investment amount;
- 8) Obligations of the Bank regarding the submission of information to the client;
- 9) That the contract is subject to the Bank's Rules of Procedure, other internal acts of the Bank, the Fee Schedule, the Law, the Commission's bylaws, and applicable regulations;
- 10) Other rights and obligations of the contracting parties.

2.11.2 Contract on granting loans to investors

Article 29

The Bank may grant loans to investors as an ancillary service in accordance with the Law. The Bank grants loans to investors for the purpose of concluding a transaction with one or more financial instruments when the Bank itself is involved in the transaction.

The contract on loan granted to the investor for margin purchases specifically contains:

- 1) Mutual rights and obligations of the contracting parties;
- 2) Established investor's limit;
- 3) Margin replenishment;
- 4) The Bank's right to settle from financial instruments for which the investor has given express consent to serve as a collateral for obligations under the contract;
- 5) Amount of fees and expenses related to the performance of these activities;
- 6) The term, *i.e.*, period of validity of the contract;
- 7) That the contract is subject to the Bank's Rules of Procedure, the Fee Schedule (if applicable), the Law, the Commission's bylaws, and applicable regulations;
- 8) Other rights and obligations of the contracting parties.

2.11.3 Contract on omnibus account

Article 30

The Bank opens an omnibus account in which the property of several (at least two) individual investors/clients is managed, and the omnibus account is managed in the name of the investment company/institutional client.

The bank and the investment company conclude a contract on the opening and maintenance of an omnibus account.

The contract on omnibus account contains in particular:

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

- 2) The Bank is obliged to deliver to the client-investment company all the necessary information on the balance of financial instruments in the omnibus account;
- 3) Liability to individual investors/clients;
- 4) The client-investment company is obliged and responsible for reporting to beneficial owners, that is, their clients, on the property and funds based on contracts concluded with them;
- 5) The client-investment company is obliged to provide data on beneficial owners at the request of the regulator or the Depository and is responsible for that.
- 6) The client-investment company is solely responsible and obliged to submit data on the FATCA status of beneficial owners and/or their clients;
- 7) The client-investment company is solely responsible for fulfilling the obligations according to the regulations governing the prevention of money laundering and financing of terrorism;
- 8) Amount of fees and expenses;
- 9) That the contract is subject to the Bank's Rules of Procedure, the Fee Schedule (if applicable), the Law, the Commission's bylaws, and applicable regulations.
- 10) Other rights and obligations of the contracting parties.

2.12 Loan contract

Article 31

The Bank may lend to another client, another investment company, another credit institution, a member of CSD, financial instruments whose legal holder is the Bank and whose legal holder is the client with whom the Bank has concluded a contract (if they conclude a loan contract or if the client has authorized so in writing) or a management contract (by which the possibility of lending the client's financial instruments is contracted).

Financial instruments on which a lien is constituted, *i.e.*, whose turnover is limited, cannot be the subject of this loan contract.

The loan contract, *i.e.*, lending authorization, contains in particular:

- 1) Mutual rights and obligations of the contracting parties;
- 2) CFI and ISIN code or other internationally recognized designation;
- 3) The amount of financial instruments that can be lent, that is, which are being lent;
- 4) Contract duration, which may not exceed one year;
- 5) The time for which financial instruments can be lent, *i.e.*, for which they are lent;
- 6) Provisions on fees, commissions, and terms of payment.

The bank is obliged to inform the client of the date of transfer, the amount and the time for which the instruments are lent no later than the next working day from the date of transfer of the financial instruments from the client's account.

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

If the borrower fails to settle his obligation arising from the loan contract when due, the lender can determine the value of his receivables in relation to the value of the financial instruments they had on the date of conclusion of that contract or on the date of fulfillment of the borrower's obligation, and sell the pledged item in accordance with the regulations governing contracts and torts.

2.13 Contract on provision of corporate agent services

Article 32

With the contract on provision of corporate agent services, the Bank undertakes to perform all activities for the client based on corporate actions, as well as ancillary services provided for by the Law, bylaws, CSD's rules of procedure and these Rules of Procedure, and the client undertakes to pay the Bank a fee for these services, in accordance with the Fee Schedule.

The contract on provision of corporate agent services, which the Bank concludes with the client, regulates the mutual rights and obligations between the Bank and the client, which the Bank exercises on behalf of the client before the competent institutions: CSD, market organizer, and the Commission.

2.14 Contract on provision of services in the process of implementing a takeover bid

Article 33

The contract on provision of services in the process of implementing a takeover bid also includes the opening and administration of a financial instrument deposit account, whereby the Bank undertakes to open the financial instrument deposit account on behalf and for the account of the client with CSD, pursuant to the Law, bylaws, CSD's Rules of Procedure, these Rules of Procedure and other regulations, and the client undertakes to pay the Bank a fee for those services, in accordance with the Fee Schedule.