

Pursuant to Article 37 of the Statute of Banca Intesa a.d. Beograd, and in conformity with Article 163 of the Law on the Capital Market (Official Gazette of the Republic of Serbia, Nos. 31/2011 and 112/2015 and 108/2016), the Executive Board of Banca Intesa a.d. Beograd at a meeting held on 22 January 2019 renders the following

BUSINESS RULES FOR THE PROVISION OF INVESTMENT SERVICES

I GENERAL PROVISIONS

Article 1

(1) In line with the Law on the Capital Market (hereinafter: the Law), the Authorised Bank represents an organisational part of Banca Intesa a.d. Beograd which has been authorised to provide investment services, and activities, as specified in a license received from the Securities Commission (hereinafter: the Authorised Bank). The Authorised Bank shall provide the investment services independently, or by using other systems of Banca Intesa a.d. Beograd, *i.e.*, a combination of these systems.

(2) These Rules shall define the Authorised Bank's general operating terms, applied when providing investment and additional services, and investment activities, referred to under Article 3 herein, in particular:

- a) Type of investment services provided by the Authorised Bank, as well as investment activities including the terms and methods of their execution (*e.g.*, client notification, in particular information regarding the Authorised Bank's commissions and fees, working hours, acting on client complaints, *etc.*);
- b) Client classification and category changes;
- c) Rules of business conduct when providing investment services, including protection of client's property, a ban on manipulation and distribution of false information, liability for damages caused to clients, acting on client complaints;
- d) Elements of contracts concluded with clients and mutual rights and obligations of the contracting parties;
- e) Manner of providing brokerage services, types of clients' orders, method and terms of receipt, implementation and order execution assignment;

Banca Intesa ad Beograd

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- f) Other investment services and activities (dealer services, underwriting and agent services, keeping and administrating financial instruments for the client's account, borrowing financial instruments, etc.);
- g) Other issues of significant for the Authorised Bank's operations in terms of the Law .

Article 2

(1) These Rules and Fee Regulations of the Authorised Bank (hereinafter: Fee Regulations) shall be available to the client upon request, and must be given prior to the conclusion of a contract on the provision of investment services referred to under Article 3 herein.

(2) The Authorised Bank shall enable insight into the latest version of these Rules and Fee Regulations, within its offices and those organizational parts of Banca Intesa a.d. Beograd where client's orders are received, including the offices of a third party receiving a client's order, in the name and for the account of the Authorised Bank, and by posting it in a visible and accessible place, or otherwise enabling insight, as well as on the webpage <http://www.bancaintesa.rs/>.

(3) A statement from the client that the aforementioned documents were made available to him/her prior to the conclusion of the contract, and that he/she was familiarized with their content, comprises an integral part of the contract between the client and the Authorised Bank.

I TYPES AND MANNER OF PROVIDING INVESTMENT SERVICES AND ACTIVITIES

1. Types of investment services

Article 3

(1) The investment services, in terms herein, imply the following investment services and activities performed by the Authorised Bank, referred to under Article 2 of the Law:

- a) receipt and transmission of orders for the purchase and sale of financial instruments and execution of orders on behalf of clients (hereinafter: Broker Services);
- b) trading for one's own account (hereinafter: Dealer Operations);
- c) underwriting of financial instruments, in terms of an offer and sale with a firm commitment (hereinafter: Underwriting);
- d) placing financial instruments without a firm commitment (hereinafter: Agent Services);

(2) The additional services provided by the Authorised Bank, in line with the provisions of the Law, include:



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- a) keeping and administration of financial instruments for the client's account and related services;
 - b) administering the client's cash funds and collateral;
 - c) granting loans to clients for the purpose of executing financial instrument transactions, when the Authorised Bank is involved in the transaction;
 - d) foreign exchange services where these are connected to the provision of investment services;
 - e) research and financial analysis of investments, or other forms of general recommendations relating to financial instrument transactions;
 - f) services related to underwriting;
 - g) investment services and activities, as well as additional services related to the derivative financial instrument basis under Article 2, Item 1, Subitems 5, 6, 7 and 10 of the Law, in relation to investment services and activities as well as additional services;
- (3) The Authorised Bank may, during its existence, alter the type of investment services performed, in accordance with the Law.
- (4) The Authorised Bank can assign the receipt of orders for the purchase and sale of financial instruments to another legal entity (hereinafter: Third Party) under the terms referred to under Article 66 herein.

2. Terms for the performance of investment services and activities

Article 4

- (1) The Authorised Bank performs investment services and activities for which it has received a license from the Securities Commission (hereinafter: the Commission), for the performance of operations on an organized market, and upon the fulfilment of terms regarding personnel and organizational capacities and technical equipment, as well as other terms regulated by law and acts of the Commission.

Article 5

- (1) Broker Services, Dealer Operations and Underwriting or Agent Services, at the Authorised Bank, shall be performed by employees holding a broker license, and these persons fulfil other conditions in accordance with the law, bylaws and acts of Banca Intesa a.d. Beograd.
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Article 6

(1) Banca Intesa a.d. Beograd has organized its operations in a manner so as to reduce possible conflict of interest between its clients and the Authorised Bank, Banca Intesa a.d. Beograd, its shareholders, directors, members of the Board of Directors, members of the Executive Board and its employees, to the lowest level possible.

(2) The Authorised Bank takes all necessary measures in order to uncover any conflict of interest, including a conflict of interest referred to under Paragraph 1 of this Article and all persons closely related to it, on the one hand, and the interests of its clients, on the other hand, as well as a mutual conflict of interest between individual clients, that may occur in terms of the provision of investment services.

3. Secondary trade with financial instruments

Article 7

(1) Secondary trade with financial instruments is performed for the account of the client and Banca Intesa a.d. Beograd (Broker and Dealer Services) on a:

- a) Regulated market,
- b) Multilateral trading facility (hereinafter: MTF) and
- c) OTC market (over the counter or direct dealing).

(2) The trading place is each, and every, regulated market, MTF or OTC market.

(3) The Authorised Bank shall perform the trade with financial instruments in accordance with the Law, Commission acts, rules of the Central Registry, Depot and Clearing of Securities (hereinafter: "the Central Registry") and rules of the market operator.

Article 8

(1) The Authorised Bank, the organisational parts of Banca Intesa a.d. Beograd, where client's orders are received, and where orders are received through third parties, where clients are familiarized with all circumstances of significance for reaching a decision regarding the purchase and sale of financial instruments, prior to the signing of the contract on financial services, or before the receipt of the first order from the client;

(2) The circumstances referred to under Paragraph 1 of this Article imply in particular, the current price of the financial instrument, the liquidity of those instruments on the market, the historic movement of prices, the investment risk for those instruments and other significant circumstances for reaching a decision for the client.

4. Client classification and change of category

Article 9

(1) The Authorised Bank, the organisational parts of Banca Intesa a.d. Beograd where client's orders are received, and third parties through which orders are received prior to services being provided, classify clients into professional and/or retail clients based on information available on the client, and in particular as pertains to its:

- a) investment goals,
- b) knowledge and experience, and
- c) financial position.

(2) If, during the course of business, it is established that the client no longer meets the conditions for placement into the initially determined category, the Authorised Bank shall inform the client of this fact.

Article 10

(1) A professional client is an entity possessing sufficient experience, knowledge and expertise for independent investment decision-making and accurate risk assessment regarding those investments, as well as other statutorily prescribed requirements, in particular:

- a) Entities requiring approval for operations on the financial market, *i.e.*, supervision by an authorized body such as: credit institutions, investment firms, other financial institutions whose operations have been approved or are supervised by authorized bodies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, commodities stock market dealers, and other entities monitored by an authorized body;
- b) Legal entities fulfilling at least two of the following conditions:
 - total property of no less than EUR 20,000,000;
 - annual operating income of no less than EUR 40,000,000;
 - own capital of no less than EUR 2,000,000;
- c) The state, autonomous provinces and local government units, as well as other states or national and regional bodies, the National Bank of Serbia and central banks of foreign countries, international and super national institutions such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.

(2) A professional client shall be under obligation to inform the Authorised Bank, promptly, of all facts that could cause a change to the its category.

Article 11

- (1) A retail client is any entity not classified as professional client.
- (2) The Authorised Bank categorises all clients-natural persons as retail clients.
- (3) The Authorised Bank automatically treats all clients not classified as professional clients as retail clients.
- (4) A retail client has a higher level of protection than a professional client, which refers to the following:
 - a) the Authorized Bank assesses the appropriateness of an investment in a particular financial instrument, based on the client's knowledge and experience in investments and, if necessary, warns the client of the possibility that he/she does not understand all risks that will be assumed with the specific investment, and that the financial instrument or service is not appropriate to him/her;
 - b) when the Authorised Bank is authorized to hold financial instruments or monetary assets for a client, it is required to supply the retail client with information regarding protection of financial instruments and monetary assets, which refers to the right to compensation by the Investor Protection Fund, in the prescribed cases;
 - c) when the Authorised Bank executes a retail client's order, the achievement of the most favourable outcome is determined in relation to the total cost of the transaction.

Article 12

- (1) A professional client may request from the Authorised Bank, in written form, a higher level of protection of its interest regarding all or individual services, transactions or financial instruments.
- (2) In the event referred to under Paragraph 1 of this Article, the Authorised Bank shall enter into a separate contract or annex with the client defining the services, transactions and/or financial instruments regarding which the client has the right to a higher level of interest protection.

Article 13

- (1) A retail client, may request from the Authorised Bank, in written form, a lower level of protection of its interests regarding all or individual services, transactions or financial instruments, by executing a change of category into a professional client.
 - (2) The Authorised Bank shall adopt the request submitted by the retail client, referred to in Paragraph 1 of this Article, only if it evaluates that the client possesses sufficient knowledge and experience for independent decision-making, which implies that the client meets at least two of the following three conditions:
 - that during the last year it has executed transactions on the financial market in the amount of no less than EUR 50,000, per quarter, with an average frequency of at least 10 transactions per quarter;
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- that the size of its portfolio of financial instruments exceeds EUR 500,000 EUR, including cash;
- that he/she has worked, or has been working, in the financial sector on operations requiring knowledge of financial instrument investments, for a period of no less than one year.

(3) If the request referred to under Paragraph 1 of this Article is adopted, the Authorised Bank shall:

- a) warn the client, unequivocally and in writing, of a reduction in the protection of its interests and loss of the right to a reimbursement right from the Investor Protection Fund;
- b) seek a written statement from the client that he/she is aware of the consequences resulting from the protection level loss;
- c) conclude a separate contract or annex defining the services, transactions and/or financial instruments with respect to which the client will be treated as a professional client, contingent on the client delivering the statement from the previous Item.

Article 14

(1) The Authorised Bank, the organisational parts of Banca Intesa a.d. Beograd where client's orders are received, and third parties through which orders are received, shall inform the client of the following:

- a) its category,
- b) level of interest protection that will be provided, and
- c) possibility to seek classification into another category, thus changing the level of protection.

(2) The notification referred to under Paragraph 1 of this Article shall be delivered in hard copy, on a CD, by electronic mail, or via another durable medium for data storing in digital format, in a manner that enables access, handling and completeness of data for a period of no less than the period regulated for data storing, *i.e.*, 10 years after the expiration of the business year in which the contractual relationship with the client ceased.

5. Notification of Client

Article 15

(1) The Authorised Bank, the organisational parts of Banca Intesa a.d. Beograd where client's orders are received, and third parties through which orders are received, shall, prior to the conclusion of the contract on providing specific investment services, familiarize the client with the following:

- a) the types of services it performs on the basis of its license,
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- b) circumstances that are important for making a decision regarding the purchase or sale of financial instruments such as: supply, demand, turnover, liquidity, current price and earlier price movements for the financial instruments,
 - c) the risks of investing in financial instruments;
 - d) other circumstances of relevance to decision-making regarding other services it provides, and the risks associated with those services,
 - e) these Rules and Fee Regulations.
- (2) By signing a contract with the Authorised Bank on the provision of investment services, the client confirms that he/she is aware of all risks related to investing in financial instruments, which he/she has been notified of in accordance with the previous paragraph of this Article and that he/she consciously accepts these risks.

Article 16

- (1) The Authorised Bank shall inform its clients of any change to these Rules and the Fee Regulations, at least seven days prior to the application of the change, in a manner defined under Paragraph 2, Article 2 herein.
- (2) Foreign legal entities or natural persons shall be notified of these changes in a manner foreseen by their contracts with the Authorised Bank, or these changes will be published in a manner referred to under Paragraph 1 of this Article.

Article 17

- (1) Information specifically provided to retail clients are an integral part hereto (Appendix 3 – Information for Clients) and contain data on:
- a) Banca Intesa a.d. Beograd, the Authorised Bank and investment services it provides within its headquarters, and other organisational parts of Banca Intesa a.d. Beograd where clients are greeted which include, among other things:
 - business name and registered office,
 - company registration number and tax identification number,
 - data that provide effective communication with the Authorised Bank including an e-mail address,
 - data on the decision granting a working license for providing investment services (number and date), activity of the investment company, as well as the body issuing such license, its contact address,
 - data on possible communication methods and languages, between the investment company and the client, including methods of giving and receiving orders, and the provision of documents and other information by the Authorised Bank,
 - short description of instruments protection, or monetary assets, including general data in the Investor Protection Fund,
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- short description of the conflict of interest management policy;
 - b) financial instruments, containing a general presentation of the nature and risk characteristic for financial instruments;
 - c) location of order execution ;
 - d) costs and charges, which include:
 - the total price that a client is required to pay in connection with a financial instrument or service, including all related commissions, fees and other charges, as well as any payments made through the Authorised Bank, including taxes payable by the beneficiary, and payable through the Authorised Bank
 - the basis for calculating the price when the total price cannot be stated, a currency warning and the relevant exchange rate and costs in cases where any part of the total price has to be paid or represents an amount in foreign currency
 - a warning that there is a possibility for other fees and charges, including taxes or other payments related to a transaction in relation to a financial instrument or service that may arise for a client that is not payable, or is not imposed, via the Authorised Bank
 - as well as ways of paying and fulfilling obligations
 - e) in cases referred to under Item (d), Subitems 1 and 2, the commission or fee charged by the company must be specified separately for each case.
- (2) The Authorised Bank shall provide the information referred to under Paragraph 1 of this Article via its website, and to retail clients through a permanent medium;
- (3) The Authorized Bank shall not be required to submit to certain categories of professional clients the information referred to under Paragraph 1 of this Article;
- (4) Prior to the conclusion of the transaction which finances the financial instrument that the Authorised Bank is keeping for the client, or before the usage of the financial instrument in another manner, the Authorised Bank shall be required to deliver to the retail and professional client, promptly and in writing, clear, complete and accurate data on:
- a) obligations and responsibilities of the Authorised Bank regarding the usage of those instruments,
 - b) terms for their return to the client, and
 - c) risks these instrument carry.
- (5) The Bank shall deliver to the client, upon its request, detailed information on its conflict management policy.
- (6) The Authorised Bank shall deliver to the client upon its request, on a durable information medium, about third parties receiving the order on behalf of the Authorised Bank, namely information referred to under Paragraph 1 of this Article.
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Article 18

(1) The Authorised Bank shall be under obligation to publish information for concluded transactions with financial instruments on a regulated market, regulated by an act of the Commission, on its webpage www.bancaintesa.rs, or by directing to the internet page of the market operator enabling the publication of this information. This information is publicly published, either for every transaction individually or by summing the amounts and prices of all transactions with the same financial instrument, executed per same price at the same time.

Article 19

(1) The Authorised Bank shall provide the client with notifications, reports and other data and documentation in written form to the address of its headquarters, residence or by electronic mail, SMS or telefax message, or in some other appropriate way in accordance with regulations, which corresponds to the content of the act or data delivered and which completely meets all necessary conditions for providing whole and clear information, privacy and confidentiality and protection of personal data on the client – natural person.

(2) The submission referred to under Paragraph 1 of this Article shall be carried out according to the latest data submitted by the client to the Authorised Bank. In case the client does not notify the Authorised Bank in due time of a change to data from the previous Paragraph, as well as on other occurrences that may influence regular delivery, it will be considered that regular delivery was performed in terms of data available to the Authorised Bank.

(3) In case the mail sent to the client is returned due to an erroneous address, or some other information the client delivered to the Authorised Bank, the Authorised Bank may stop sending the client written shipments and notifications, until the client notifies the Authorised Bank of a change to data of importance for regular delivery.

(4) The Authorised Bank may make deliveries to the client through a third party, with whom it has a concluded delivery contract, under the condition that the third party is under an obligation of protecting and keeping business information and data related to the client.

(5) The Authorised Bank shall be entitled to use information on the clients' address, telephone numbers, fax and telefax devices and electronic mail addresses, for the purpose of delivery of notifications regarding its activities, products and services, as well as delivery of information referring to its business with the client.

Article 20

(1) Upon the execution of an order for the client's account, and via a durable medium, the Authorised Bank shall be under obligation to, either directly or through an organisational part of Banca Intesa a.d. Beograd where the client's orders are received:

- a) deliver to the client a notification on important information for order execution;
- b) send to a retail client a confirmation on order execution, as soon as possible, at the latest on:
 - the first business day after execution,
 - the first business day upon receipt of confirmation, in case when the investment company has received the confirmation from a third party.

(2) The client can waive its right to be notified on order execution, but can order the sending of a notification, in one of the manners defined in the client's statement on receipt of a confirmation for an order execution, which is an integral part of the Contract.

(3) It shall be deemed that the client has received the notification referred to under Paragraph 1, a) of this Article, if the Authorised Bank delivers it: directly (through a courier service or at the counter), e-banking channel, electronic mail, SMS, telefax or by letter.

(4) It shall be deemed that by signing the statement on receipt of a confirmation for an order execution, which is an integral part of the Contract, the client has agreed to receive the confirmation at the registered office of Banca Intesa and/or organisational part of Banca Intesa a.d. Beograd where the client's orders are received, once it has received the notification from the Authorised Bank, as referred to under Paragraph 3 of this Article.

Article 21

(1) The Authorised Bank and its employees shall keep data on the status, and trading, carried out from the clients' financial instrument and monetary accounts as a trade secret, as well as other data on the client it has come to learn during the course of business.

(2) Information referred to under Paragraph 1 of this Article cannot be disclosed to third parties, nor can third parties be enabled to use them, unless: based on the client's written consent, during a supervision from a supervisory body, a court order, money laundering prevention or terrorism prevention body, or other state authorities.

6. Contract between the Client and the Authorised Bank

Article 22

(1) In terms of the provision of investment services, the client and the Authorised Bank shall enter into a written contract (hereinafter: the Contract between the Client and the Bank).

(2) The Contract between the Client and the Bank shall be entered into in written form and it shall determine the mutual rights and obligations of the client and the Bank, including:



- a) services the Authorised Bank provides to the client and the conditions for the same;
 - b) method of activating and deactivating certain services, by the client;
 - c) elements from Chapters III and/or IV herein – depending on the contract subject.
- 3) An integral part of the Contract between the Client and the Bank is a statement from the client that prior to conclusion, the client was presented with the content of these Rules and the Fee Regulations and that he/she accepts them, and that he/she has been warned about the risks from trading in specific financial instruments.

Article 23

- (1) The Authorised Bank, the organisational parts of Banca Intesa a.d. Beograd where client's orders are received, shall be required to act according to Banca Intesa's internal acts which pertain to identifying and monitoring activities from the aspect of regulations prohibiting money laundering and terrorism financing, comprised in terms of applicable regulations in effect in the Republic of Serbia and relevant regulations of Intesa Sanpaolo Group.
- (2) The client shall be required to submit to the Authorised Bank all information and evidence required in accordance with regulations and acts from Paragraph 1 of this Article.

Article 24

- (1) Prior to the conclusion of the contract on investment services with the Authorised Bank, the retail client shall fill out a questionnaire regarding his/her knowledge and experience in handling financial instruments on the financial market.
- (2) Based on assessment results, referred to in the previous Paragraph, the Authorised Bank shall check the suitability of the investment service, *i.e.*, of the financial instrument for that client.
- (3) If determined that the investment transaction is not suitable, even when the client has requested it himself/herself, the Authorised Bank shall inform the client of such circumstances and reasons thereof, including serving a warning that it is highly unlikely that the client would be able to understand the risks related to the requested product.
- (4) In cases referred to in the previous Paragraph, the client may execute the transaction if explicitly confirming his/her intention of continuing with the execution despite a warning from the Authorised Bank.
- (5) The document with a suitability test shall be signed by the client and the employee in charge.
- (6) By signing the Contract with the Authorised Bank, the Client shall confirm that he/she has been informed of the circumstance referred to in Paragraph 3 of this Article.

Article 25

- (1) Based on the concluded Contract, the Authorised Bank shall open an account for financial instruments, for the client, at the Central Registry, either directly or through another member of the Central Registry.
- (2) For a client for which a Contract is not mandatory, the Authorised Bank shall open an account based on an order from the client and in accordance with the rules of the Central Registry.

Article 26

- (1) These Rules shall be applied to all issues not specified in the Contract concluded between the Bank and the client.
- (2) Issues not addressed in the Contract referred to under Paragraph 1 of this Article and these Rules, shall be construed within the meaning of provisions of the Law on the Capital Market, and relevant bylaws, as well as the General Rules of Operation of Banca Intesa a.d. Beograd, published on the Bank's webpage <http://www.bancaintesa.rs/> under the section *General Rules of Operation*.
- (3) If a specific issue is regulated in a different manner by an enforceable regulation, after the conclusion of the Contract referred to under Paragraph 1 of this Article or these Rules coming into force, provisions of the subject regulation shall apply until an amendment to the Contract and/or these Rules.

Article 27

- (1) The Authorised Bank has no obligation of entering into a contract with the following professional clients, if it only performs services related to the receipt and transfer or orders, *i.e.*, order execution and additional services connected to it:
 - a) entities requiring approval for financial market operations, or supervision by an authorized body (such as credit institutions, investment firms, other financial institutions whose business is approved or supervised by an authorized body, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, commodities stock market dealers , as well as other supervised entities);
 - b) The state, autonomous provinces and local government units, as well as other states or national and regional bodies, the National Bank of Serbia and central banks of foreign countries, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations).
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Article 28

- (1) The Authorised Bank and its clients shall be required to abide by provisions of mutual contracts, Laws, Commission's rules, rules and other acts of the market operator, as well as these Rules.
- (2) The Authorised Bank's clients shall be under obligation to execute their obligations in a manner and under conditions determined by the concluded Contract.
- (3) The Authorised Bank's clients shall be under obligation to execute the obligations assumed on their behalf by the Authorised Bank soundly and in accordance with good business practice and business moral.

Article 29

- (1) Either contracting party may, at any time, terminate the contract regulating the provision of investment services, without stating cause, with a delivered unequivocal 30- day written notification to the other contracting party.
- (2) If the client terminates the contract in the manner stated in this Article, all of its obligations stemming therefrom shall be considered due on the day of delivery of the termination notice. In case the Authorised Bank cancels the contract, all of the client's obligations shall be deemed due on the date of expiry of the notice period, referred to in the previous Paragraph.
- (3) In cases referred to in Paragraph 1 of this Article, the Authorised Bank shall transfer all of the clients' funds (monetary assets and financial instruments) to other accounts in accordance with instructions received from the client.
- (4) In cases referred to under Paragraph 2 of this Article, it shall be deemed that the client has withdrawn all orders in accordance with Chapter 2.5, Section III herein.

7. Bank's Commission and Other Fees

Article 30

- (1) The client shall be required to pay a broker's commission or other fee for investment services provided, to the Authorised Bank in accordance with the Fee Regulations, unless it is otherwise defined in the Contract between the Client and the Bank.
 - (2) When determining the commission and fee amounts referred to under Paragraph 1 of this Article, what shall be taken into consideration are the types of services, other contracted relations between the client and the Authorised Bank, the value of the transaction per client's order, expenses incurred by the Authorised Bank while performing such services, and the complexity and scope of work, whereby the maximum amount cannot be higher than the maximum rates and/or amounts determined in the Fee Regulations.
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(3) In case of purchase and sale of financial instruments, the amount of the commission shall be precisely defined in the order receipt confirmation, in accordance with the maximum commission determined by in the basic mediation contract, *i.e.*, client representation.

(4) The Fee Regulations shall be published in the manner referred to under Article 2 herein.

(5) The client's submission of an order for the purchase or sale of financial instruments shall be construed as his/her confirmation that he/she has been familiarized with the commissions and fees from the current Fee Regulations and that he/she accepts them.

8. Business hours

Article 31

(1) The business hours of Banca Intesa a.d. Beograd are available on its webpage <http://www.bancaintesa.rs/> and on the entrance to its business premises.

(2) Banca intesa a.d. Beograd shall notify its clients of on-call services during weekends, state and religious holidays via its webpage <http://www.bancaintesa.rs/>, or in another appropriate manner.

Article 32

(1) The trading hours of the Authorised Bank have been harmonized with the market organiser's business hours.

Article 33

(2) Exceptionally, an authorized individual from Banca Intesa a.d. Beograd may define different business hours, and/or trading hours, for the Authorised Bank, of which fact the client shall be notified via its webpage <http://www.bancaintesa.rs/>, or in another appropriate manner.

9. Notifying the Authorised Bank

Article 34

(1) At the request of the Authorised Bank, the client shall be required to provide information, data and reports which the Authorised Bank deems significant for the protection of the client's interests and public interests.

(2) The client shall be required to inform the Authorised Bank immediately, and no later than within seven days from the change taking effect, of every change to information and data referred to under Paragraph 1 of this Article.

Article 35

- (1) A client of the Authorised Bank – issuer of financial instruments, shall be under obligation to deliver to the Bank annual reports on its operations, and audit reports.
- (2) The client referred to under Paragraph 1 of this Article shall be under obligation to notify the Authorised Bank, in writing and no later than within 15 days, upon the occurrence of:
- a) modifications, or amendments to its articles of association or corporate by-laws;
 - b) change to management and other persons authorized for dealing with the Authorised Bank;
 - c) status changes;
 - d) receipt, or termination of client status, with another investment company;
 - e) increase or reduction in share capital;
 - f) change to stockholders with a share over 10%;
 - g) possibility of becoming insolvent or in case of insolvency;
 - h) measures taken by an authorized body;
 - i) initiated bankruptcy or liquidation procedures;
 - j) other information relevant for the tasks performed by the Authorised Bank on its behalf.

Article 36

- (1) Submissions to the Authorised Bank shall be executed to:
- a) Via e-mail address: broker@bancaintesa.rs or
 - b) By post:
Banca Intesa a.d. Beograd – Authorised Bank
Milentija Popovića 7b
11070 New Belgrade
Serbia or
 - c) In line with written instructions received from the Authorised Bank.
- (2) Depending on the nature of the business, regulated obligations of the Authorized Bank, and the client's contractual obligations, the Bank may require specific identification documents and notifications from the client:
- a) in original or copy, with or without certification from an authorised body confirming that the copy is identical to the original;
 - b) with an Apostille, or other confirmation of authenticity, depending on the country of origin (in case of foreign ID).
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(3) The client's orders and the contract for the provision of investment services shall be prepared in Serbian. In case the client requests communication be in a foreign language, the contract for the provision of investment or additional services, as well as the accompanying documentation, shall be prepared in a bilingual form, Serbian and English, whereby the Serbian version shall prevail in case of inconsistency.

(4) The client shall be required to provide a certified translation into Serbian, with the seal of a court translator, for every document provided to the Authorised bank in a foreign language.

Article 37

(1) The Authorised Bank may record telephone conversations between its employees and the clients, with the obligation of informing the client of this possibility prior to contract conclusion.

(2) At the beginning of a phone conversation, a recorded message will be automatically activated informing the client that the conversation is being recorded.

(3) The Authorized Bank shall keep a recording of the telephone order, in an electronic format on an appropriate medium which will enable a clear and precise reproduction of the recording, as well as enabling a precise determination of the time of order receipt and acceptance.

(4) The Authorised Bank shall keep all documentation and records, of all services and transactions executed on behalf of Banca Intesa a.d. Beograd, or on behalf of the client, for no less than 10 years after the expiration of the business year in which the contractual relationship with the client was terminated, and longer when necessary for the finalization of supervision, *i.e.*, legal dispute.

II RULES OF BUSINESS CONDUCT WHEN PROVIDING INVESTMENT SERVICES

1. Ensuring the Client's Interests

Article 38

(1) Within its operations, the Authorised Bank shall abide by the principle of client equality.

(2) When providing investment services, the Authorised Bank shall be governed solely by the clients' interests, considering, in particular, the best possible execution of orders.

(3) The Authorised Bank shall not place its interests, *i.e.*, the interests of Banca Intesa a.d. Beograd, before the client's interests.

(4) The Authorised Bank shall be required to familiarize the client with a possible conflict of interest between the Authorised bank, *i.e.*, Banca Intesa a.d. Beograd, and the client, and a conflict of interest between two or several clients, as well as to undertake measures in order to limit these conflicts to the minimal possible extent.

2. Abiding by the Code of Ethics

Article 39

(1) When providing investment services, the Authorised Bank shall be governed by provisions of Banca Intesa a.d. Beograd's Code of Ethics available on the webpage <http://www.bancaintesa.rs/>.

3. Prohibition of manipulation and dissemination of false information

Article 40

(1) Market manipulations are prohibited. The Authorised Bank shall refrain from all actions which may be qualified as market manipulations, including:

a) Transactions and trading orders:

- that provide or will probably provide false or misleading signals or information on offer, demand or price of financial instruments or related spot contract for goods;
- by means of which a person, or persons acting together, maintain the price of one or more financial instruments on an unreal and artificial level, unless the person that participated in the transaction or provided the order shows that it has a sound foundation for it, and that those transactions and orders are in accordance with the accepted subject market practice;

b) transactions or trading orders in which false procedures are used, or any other form of deception or fraud;

c) spreading information through media, including the Internet or any other reporting channel, *i.e.*, which could be used to report false news or news which could mislead in terms of financial instruments, including the spreading of rumours and false and misleading news by persons that have known or could have known that this information was false or misleading.

d) spreading false and misleading information or giving false and misleading basic data in terms of the reference value, when the person reporting such information or providing basic data knew or should have known that the same were false or misleading, or any other action which aims to manipulate the calculation of the reference value.

(2) Actions and doings considered market manipulation, in particular, include the following:

a) activity of one or more persons acting together in order to secure a dominant position over an offer or demand of a financial instrument resulting in direct or indirect fixing of purchase or sales prices, or the creation of other unfair trading conditions;

b) purchase or sale of financial instruments at the beginning or before the closing of a trading day, which has or might have a misleading effect on the investors who reach decisions based on published prices, including initial and closing prices;



- c) occasional or regular access to traditional or electronic media by stating an opinion on a financial instrument, or indirectly about the issuer, in the manner that that person previously took a position on that financial instrument and gained profit from the influence of the stated opinion on the price of the instrument, without simultaneously stating the existence of a conflict of interest, in a proper and efficient manner.
- (3) The Authorised Bank establishes and maintains measures, systems and procedures by means of which it efficiently monitors received orders and transactions for the purpose of disclosing and preventing abuse on the market
- (4) The Authorised Bank shall, in each specific case, assess whether there are justified reasons for suspecting the trading of insider information, or market manipulation, in line with provisions of the Law and bylaws.
- (5) The Authorised Bank shall, without delay, inform the Commission on transactions and orders it suspects are insider trading or market manipulation, in the manner and form specified by the Commission.
- (6) In case the notification on suspicious transactions has been subsequently delivered, the Authorised Bank shall provide information on the circumstances leading to a further analysis which confirmed the existence, or an attempt, of market misuse.
- (7) In exceptional cases, *i.e.*, which cannot be delayed, the notification referred to in Paragraphs 5 and 6 of this Article may be communicated by phone to an authorised person at the Commission, whereas the Authorised Bank shall be under obligation to provide the Commission with a written notification within 24 hours from the moment of phoning in the report.
- (8) The Authorised Bank is not to inform any other person about the notification referred to in Paragraphs 5 and 6 of this Article which, in particular, refer to the person on behalf of whom the orders have been executed, *i.e.*, executed transactions, or persons related to that individual, except persons statutorily defined to receive such notifications.
- (9) The notification referred to in the previous Paragraph, provided in good faith, do not pose a violation of any prescribed or agreed limitation to information disclosure, thus the Authorised Bank, *i.e.*, Banca Intesa a.d. Beograd, shall not be liable on this basis.

4. Protection of Property of the Authorised Bank's Client

Article 41

- (1) The Bank shall apply all adequate systems for the protection of the client's ownership rights, to prevent the usage of the client's financial instruments for the account of the Authorised Bank, *i.e.*, Banca Intesa a.d. Beograd, or for the account of other clients, except with the explicit consent of the client.
- (2) The Authorised Bank:
- a) shall not pledge or alienate financial instruments owned by the client without his/her previous written authorization;
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BANCA INTESA

- b) shall not execute orders from clients in a manner not in accordance with the Law and the acts of the Commission or acts of the regulated market;
- c) shall not purchase, sell or borrow, for Banca Intesa a.d. Beograd's account, financial instruments which are the subject of the client's order, before acting on the client's order;
- d) shall not encourage clients to frequent transactions exclusively for the collection of a commission.

Article 42

- (1) For the purpose of protection its clients' rights, the Authorised Bank shall:
 - a) keep records and accounts in a manner which enables it to, at any moment and without delay, separate the funds of one client from those of another client, and from its own funds;
 - b) precisely and accurately keep records, accounts and correspondences regarding a client's financial instruments and monetary assets on accounts it is keeping;
 - c) take necessary steps to secure that all financial instruments of the client registered in the Central Registry can be differentiated from the financial instruments of Banca Intesa a.d. Beograd;
 - d) take necessary steps to secure that all monetary assets of the client deposited in Banca Intesa a.d. Beograd, or some other credit institution which is a member of the Central Registry, are held on an account, or accounts, that are different from the accounts used for depositing Banca Intesa a.d. Beograd's funds;
 - e) apply appropriate measures for reducing the risk from loss or a reduction of the client's property, or the rights regarding that property, which can occur as the consequence of misuse of that property, fraud, bad management, inadequate record-keeping or negligence.
- (2) The content and form of records referred to in Paragraph 1 of this Article are determined in accordance with the act of the Commission.

5. Liability for Damages

Article 43

- (1) Banca Intesa a.d. Beograd shall be liable for damages sustained by the client during the provision of investment services, being the result of a fault of the Authorised Bank. The Authorised Bank shall in no case vouch for the fulfilment of an obligation of the other contracting party, stemming from any transaction of purchase and/or sale of financial instruments, executed in line with the client's order.
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(2) Banca Intesa a.d. Beograd shall be liable for damages sustained by the client due to:

- a) non-execution, or irregular or delayed execution of orders,
- b) non-execution or irregular execution of order entry,
- c) providing illegal and inaccurate orders for the registry of rights which are the subject of entry into the Central Registry,
- d) violation of data confidentiality,
- e) if, during dealer operations, a conflict of interest with the client is not avoided.

Article 44

(3) The Bank shall not be liable for damages sustained by the client as a consequence of:

- a) non-execution of a third party's obligations towards the Authorised Bank, if this represents a prerequisite for execution of the obligation of the Authorised Bank towards the client (e.g. Central Registry);
- b) event for which the client or the issuer of the financial instrument is responsible;
- c) rejection of an order in cases referred to under Article 61 herein;
- d) rejection of an order due to existence of conflict of interest;
- e) inability to execute an altered order already realized or in the process of realization;
- f) inability to execute an order withdrawal (or withdrawal order) for an order in the process of realization or which has already been realized;
- g) change in the value of financial instruments, if the Authorised Bank acted in accordance with regulated obligations and these Rules;
- h) events referred to under Article 45 herein;
- i) acting in line with regulated obligations of the Authorised Bank that could not have been avoided, or restraint for the purpose of abiding by regulated prohibitions and limitations that could not have been avoided,
- j) realization of any risk related to the purchase and/or sale of a financial instrument.

Article 45

(1) A client shall be liable to the Bank for damages sustained due to false information and documentation delivered to the Authorised Bank, non-execution of obligations on the settlement date per concluded transactions for the purchase and sales of financial instruments, and other cases specified by the contract entered into with the Authorised Bank or regulated by Law, in accordance with the Law on Contracts and Torts.

6. Acting upon Clients' Complaints

Article 46

- (1) All complaints relating to the Authorised Bank's operations can be submitted in writing, stating personal data and cause.
- (2) The complaint may be submitted in one of the following manners:
 - a) Via e-mail: kontakt@bancaintesa.rs
 - b) By post:

Banca Intesa a.d. Beograd
Customer Satisfaction Office
Milentija Popovića 7b
11070 Beograd (Novi Beograd)
Republika Srbija
 - c) by means of the contact form on the Banca Intesa a.d. Beograd webpage (<http://www.bancaintesa.rs/>)
 - d) personal contact, when the client is submitting a written complaint, in person, to the Authorised Bank and the organisational parts of Banca Intesa a.d. Beograd where clients' orders are received.

Article 47

- (1) The Authorised Bank shall act upon complaints in line with the statutory provisions which relate to complaint processing.
 - (2) Each client shall have the option of lodging a complaint, whereby providing the relevant documentation to support the allegations. The Authorised Bank shall process it within a legally prescribed deadline of 15 days. All complaints, including those pertaining to the operations of the Authorised Bank, shall be registered with the Customer Satisfaction Office of Banca Intesa a.d. Beograd, and they shall be processed by the Authorised Bank and/or the Customer Satisfaction Office of Banca Intesa a.d. Beograd. All of the received complaints shall be recorded in the appropriate application for the processing of complaints and each complaint shall be allocated a unique identification number, by the Customer Satisfaction Office of Banca Intesa a.d. Beograd.
 - (3) The client shall be sent a complete and understandable response which contains the assessment of the merits of such complaints within 15 days from the date of receipt of the subject complaint. The response shall be delivered to the Client by the Authorised Bank or the Customer Satisfaction Office of Banca Intesa a.d. Beograd, whereas the response shall always be recorded by the Customer Satisfaction Office of Banca Intesa a.d. Beograd into the application for complaints processing.
 - (4) In case during the processing of the complaint it is determined that the resolution of the complaint would take longer than 15 days, due to reasons which are beyond control of the Authorised Bank or Banca Intesa a.d. Beograd, the subject deadline may be extended for more than 15 days, of which the client will receive written notification, stating the reasons extending the response deadline.
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(5) In case the complaint is assessed as founded or partially founded, the client shall, by means of the response to the complaint, be informed of the undertaken measures, with the aim of removing the cause which have led to the complaint, the deadline for its removal, as well as suggestion for resolution. In case the client's complaint has been assessed as unfounded, the response shall state clear reasons due to which the complaint has been rejected.

(6) In case the deadlines, referred to in this Article, have not been met by the Authorised Bank, *i.e.*, Banca Intesa a.d. Beograd, or the client is not satisfied with the response and the manner of resolution, the client may address the Commission.

III BROKER SERVICES

1. Contract on Provision of Broker Services

Article 48

(1) In providing broker services, the Authorised Bank mediates during the purchase and sale of financial instruments, and purchases and sells financial instruments, on its own behalf, and for the account of the orderer, or on behalf of and for the account of the orderer, for which it charges a commission.

Article 49

(1) The Authorised Bank will provide broker services based on the contract concluded with the client and an order received from the client for the purchase and sale of financial instruments (hereinafter: Broker Services Contract).

(2) The Broker Services Contract will be concluded prior to the receipt and execution of the first order and it shall, in particular, define:

- a) type of action;
- b) method of order sending;
- c) authorization the client sends to the Authorised Bank for the execution of the order, referring to the transfer and registration of rights stemming from financial instruments, on the client's account, in accordance with the provided order, or payments to the client's account;
- d) order execution method;
- e) mutual notification and communication manner;
- f) responsibility of contracted parties for the execution of work;
- g) amount and manner of calculating commission, fees and expenses;
- h) other rights and obligations of the contracting parties.

(3) Statement from the client that, prior to the conclusion of the contract, these Rules and the Fee Regulations were made available to him/her, and that he/she was familiarized with their content, which statement is an integral part of the contract between the client and the Authorised Bank.

(4) Depending on the type and amount of business the client is entrusting to the Authorised Bank, the Broker Service Contract can be concluded as:

- a) a contract on mediation in financial instruments trade,
- b) a contract on mediation in the process of depositing financial instruments.

Article 50

(1) Being a member of the Central Registry, the Authorised Bank shall be under obligation, and bound by the Broker Service Contract, to provide the client with the following services:

- (a) on behalf of and for the account of the client, to open and maintain an owners account of financial instruments with the Central Registry, used for the transfer of rights from financial instruments on the basis of their sale and purchase, as well as for the registration of rights of third parties over financial instruments;
 - (b) to receive, accept, transfer and/or execute client's orders for the transfer of rights from the financial instruments and for the registration of rights referred to under Item a) of this Paragraph;
 - (c) to deliver to the client, upon his/her own request, an extract of changes on the account of financial instruments, as an excerpt from the central information database of the Central Registry, on a specific day and for a specific period, on the business day following the day of receiving such a request.
- (2) In the Broker Service Contract, the client grants authorization to the Authorised Bank for all actions necessary for the execution of operations referred to under Paragraph 1 of this Article, as well as authorization to charge a commission based on the executed purchase/sales price.
- (3) The authorization referred to under Paragraph 2 of this Article can be contained in a separate contract on keeping a client's account, or in another legal matter.
- (4) It shall be deemed that the order for the sale of financial instruments contains an order for the transfer of rights from those instruments, from the client's account, for the fulfilment of obligations stemming from sale, if the contract does not specify otherwise.

Article 51

(1) Based on the Broker Service Contract, the client assumes the obligation to:

- a) provide the Authorised Bank, upon request, with all data and documents necessary for the execution of the Authorised Bank's obligations from the given contract;
 - b) to abide by the provisions of these Rules when delivering orders to the Authorised Bank.
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Article 52

(1) Prior to concluding the Broker Service Contract, the client will fill out the questionnaire on its knowledge and experience, referred to under Article 24 herein.

(2) Depending on the provided data, the Authorised Bank, *i.e.*, employees of the organisational parts of Banca Intesa a.d. Beograd where the clients' orders are received, and third parties through which the clients' orders are received, shall warn the clients, when filling out the questionnaire, of:

- a) risks arising from the trade of certain financial instruments,
- b) obligation of disclosing an offer for takeover stemming from the realization of the accepted purchase order, and/or
- c) possible loss of voting rights in accordance with the Law on Joint Stock Company Takeovers.

(3) If the Authorised Bank determines that the offered or requested service is not suitable for the client or that it is not possible to assess the suitability of such a service, the Authorised Bank, *i.e.*, employees of the organisational parts of Banca Intesa a.d. Beograd where the clients' orders are received, and third parties through which the clients' orders are received, shall warn the client of such circumstances and reasons, including a warning that it is highly unlikely that the client can understand the risks related to the requested service, *i.e.*, financial instrument.

(4) In case the client, in the event referred to in the previous Paragraph, wishes to proceed with the transaction, he/she needs to provide a statement confirming that he/she intends to proceed with the execution despite a warning from the Authorised bank, *i.e.*, employees of the organisational parts of Banca Intesa a.d. Beograd where the clients' orders are received, and third parties through which the clients' orders are received.

(5) Should the client refuse to sign the statement referred to under Paragraph 4 of this Article, the Authorised Bank, *i.e.*, employees of the organisational parts of Banca Intesa a.d. Beograd where the clients' orders are received, and third parties through which the clients' orders are received, shall refuse to provide the requested service.

2. Types of Clients' Orders, Methods and Conditions of Receipt

2.1. Types of orders

Article 53

(1) Clients of Banca Intesa a.d. Beograd may deliver to the Authorised Bank orders for the purchase and/or sale of financial instruments at the Authorised Bank's registered office, and the organisational parts of Banca Intesa a.d. Beograd where the clients' orders are received, and third parties through which the clients' orders are received.

(2) The content of the order is determined in accordance with the Law, other regulations and acts of the market operator where the subject financial instruments are being traded.

Article 54

(1) The client can provide the Authorised Bank with the following types of orders for the purchase and sale of financial instruments:

a) Per transaction type:

- i. Purchase order (for the purchase of financial instruments) or
- ii. Sales order (for the sale of financial instruments);

b. Per duration:

- i. Daily order (ceasing to be valid on the end of the business day of delivery),
- ii. Order to a given day (maximum of 90 days in duration) or
- iii. Order to recall (with the duration of 90 days);

c. Per price:

- i. Limited order or
- ii. Market order.

(2) In addition to the orders referred to in Paragraph 1 of this Article, the client can deliver to the Authorised Bank other types of orders determined by the acts of the market operator (special types of orders).

(3) If the client does not set the price at which the Authorised Bank must execute an order, in the purchase or sale order for the financial instrument, such an order will be considered market one and ceases to exist on the day it was brought to the market.

2.2. Delivery of orders**Article 55**

(1) The client can provide the Authorised Bank with the order for the purchase and sales of financial instruments directly or via the person authorized for the delivery of orders.

(2) The client's orders are delivered:

- a) directly to the Authorised Bank,
 - b) to branch offices of Banca Intesa a.d. Beograd authorised for receipt of orders, according to the list published on the webpage <http://www.bancaintesa.rs/> or
 - c) to the business premises of the third-party receiving clients' orders on behalf of and for the account of the Authorised Bank.
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Article 56

- (1) The client can provide the Authorised Bank with the order in one of the following ways:
 - a) In written form on the order form,
 - b) by telefax, in written form on the order form, if stipulated in the Contract between the Client and the Bank,
 - c) by telephone, if the recording of calls is enabled, if stipulated in the Contract between the Client and the Bank , or
 - d) by electronic mail (through protected internet service or e-mail), if stipulated in the Contract between the Client and the Bank.
- (2) When the Authorised Bank receives the client's order at an authorised branch office of Banca Intesa a.d. Beograd, it shall be under obligation to inform the client of the following:
 - a) that the authorised branch office is not authorized to execute the order;
 - b) on the time needed to forward the order to the Authorised Bank;
 - c) that the order will be treated as received only after it has been transferred to the Authorised Bank.
- (3) The obligation to warn the client, as specified in Paragraph 2 above, shall be applied also when orders are submitted in the premises of a third party authorized to receive the clients' orders on behalf of the Authorised Bank
- (4) Receipt via phone is in all respects equal to direct receipt if the following is enabled:
 - a. determination of the accurate time of order receipt (date, hour, minute);
 - b. identification of the number from which the order was issued;
 - c. accurate identification of the client issuing the order.
- (5) For delivery of the order by electronic means, the Authorised Bank secures the client with the necessary technical support and means (software, CD for identification, etc.) in order to secure regular formation of the electronic signature and reliable identification of the client, protect the integrity of the documents (orders) and disable the client's subsequent denial of responsibility for the content of the order.
- (6) The power of attorney a client provides to another person, for the delivery of orders for the purchase and sales of financial instruments, conclusion of a contract or the opening of monetary accounts, can be given on a *Power of Attorney for the Representation of the Owner of a Financial Instrument* received from the Authorised Bank or in another regulated form. The Bank will accept the power of attorney only if certified by a notary public within the last three months.

Article 57

- (3) The order form contains the following elements:
 - a. information on order receipt: order number, location, date and time (hour and minute) and method of order receipt, as well as contract number;
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- b. client information:
 - name and surname/Client's name,
 - address/registered office,
 - company registration number,
 - number of the owner's account for the financial instrument (with the designation of the Central Registry's member at which it is kept) or the number of a collective custody account for financial instruments (with the designation of the custody bank),
 - client 's account number (with information on the member of the Central Registry maintaining the account);
 - c. Information on the intended transaction:
 - order type (purchase or sale),
 - order type regarding the method of price setting (market or limited order specifying the price),
 - order type per duration (daily, to date and to recall, with stated date),
 - CFI code and ISIN number of financial instruments,
 - quantity (number) of financial instruments and the price in currency;
 - order status
 - d. Information on the market:
 - market operator (name and registration number),
 - trade method;
 - e. Commission amount (of the Authorised Bank, Banca Intesa a.d. Beograd, market operator, Central Registry);
 - f. Designating that the issuer is familiar with and clear with the elements of the order, especially the method of commission and expenses calculation payable for the order execution;
 - g. Signature of the client and authorized person - broker of the Authorised Bank.
- (2) Order issued by telephone and electronically will not contain the client's signature. With phone orders, authenticity of the order shall be confirmed based on an audio recording of the phone conversation.
- (3) The Bank may request for the order issued by phone or electronically to be confirmed in hard copy.
- (4) The order may contain the following:
- a) Authorization to the Authorised Bank to, due to the attainment of better conditions, join the sales order of the client to the orders of its other clients or the clients of other investment companies;
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BANCA INTESA

- b) Authorization to the Authorised Bank to entrust the execution of the order to another investment company;
- c) Consent that the Authorised Bank may represent another party in the same business of the purchase and sale.

Article 58

(1) When the client sets the price by order, when it is a purchase order the expressed price represents the maximum price the issuer is willing to pay, or if it is a sales order the minimum price the issuer is willing to accept for a certain financial instrument.

(2) When the Authorised Bank transfers the orders for execution to another investment company, the book of orders shall contain the following:

- a) name and surname/business name or other client's designation;
- b) business name or other designation of the investment company to which the order has been transferred;
- c) date and exact time of order transfer, *i.e.*, order change
- d) conditions for order transfer.

Article 59

(3) The Authorised Bank shall store all orders from the clients and all documentation regarding those orders for a period no less than 10 years from the expiration of the business year in which the contracted relationship with the client was terminated, or permanently when determined by Law.

(4) The Authorised Bank shall store, in electronic format and on an appropriate medium, a recording of the telephone call issuing the order, enabling its clear and precise reproduction and determination of the accurate time of receipt and acceptance of the order, in electronic form for a period no less than 10 years from the expiration of the business year in which the contracted relationship with the client was terminated.

2.3. Records of Received Orders

Article 60

(1) The Bank shall maintain the book of orders in which it enters the purchase or sale orders for financial instruments according to a time schedule of their receipt.

(2) All received orders will be entered into the book of orders, including the ones transferred for execution to another investment company, as well as modifications of orders, recall of orders and information on order execution.

(3) The book of orders will be kept in electronic form, in a way that:

- a) Disables a subsequent change to entered data,
 - b) Secures a review and a chronology of entered data.
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(4) The content of the order book and the method of its keeping is determined in accordance with the acts of the Commission.

2.4. Reasons for rejecting the execution of an order

Article 61

(1) The Authorised Bank will reject the execution of a purchase and/or sales order for financial instrument, and notify the Commission without delay, if there is reasonable doubt that the execution of such an order would:

- a) Violate the provisions of the Law,
- b) Violate the provisions of the Law on money laundry and terrorism financing prohibition or
- c) Would constitute a criminal offence, economic offence or misdemeanour offense.

(2) The Authorised Bank may reject:

- a) Execution of the purchase order – if it determines that the account of the client does not contain enough funds for the settlement of obligations incurred based on the execution of that order
- b) Execution of sales order - if it determines that the account of the client does not contain enough funds for the settlement of obligations incurred based on the execution of that order.

(3) The Authorised Bank will notify the client without delay, no later than the day following the day of receipt, on a rejection of the execution and the reasons for rejection, unless stating the reasons is prohibited by regulations.

2.5. Amendment and recall of an order

Article 62

(1) The client may, by means of a special order for withdrawal, change or recall an already issued order, in any of the ways in which the order can be issued to the Authorised Bank.

(2) The client does not have to amend or recall an order in the same form in which the order being amended or recalled was issued.

(3) Amendments to the order in terms of the price, or the amount, of the financial instruments is done by withdrawing the previous order and delivering a new one. The new order is delivered in accordance with Chapter 2.2 of this Section.

Article 63

(1) A written withdrawal order form will contain the following elements:

- a) Number of the order, location, date and time (hour and minute) and the method of order receipt;
 - b) Client information:
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BANCA INTESA

- Name and surname/Client's name,
 - Address/registered office,
 - Company registration number,
 - Name of the client's representative, if the client has one, and his/her personal number.
- c) Information on the order being recalled: order number, location, date, time (hour and minute) and the receipt method
- d) signature of the client/representative and authorized person – Broker of the Authorised Bank;
- e) Designation of the financial instrument (issuer, type, class or series, CFI code and ISIN code or other internationally recognized mark).

Article 64

(1) In the Broker Service Contract, the Authorised Bank will include a warning of a possibility that the order being amended/withdrawn has already been executed, or in the process of being executed, in which case the Authorised Bank will not be able to act in accordance with the amendment or withdrawal of the order.

(2) Depositing order can be withdrawn by the client by signing a withdrawal order, at the latest by 11.30 am on the last day of the period stated in the public takeover offer, except in case of withdrawal for the purpose of an amendment and in case of depositing stock with another member of the Central Registry, when the amendment can be executed at the latest by 10 am on the last day of the period stated in the public offer for takeover.

2.6. Order Receipt Confirmation

Article 65

(1) The Authorised Bank will, without delay and at the latest on the next day, deliver to the client on a durable medium a receipt confirmation and the acceptance of the order, or its amendment or withdrawal, or on the receipt and rejection of an order, in cases referred to under Article 61 herein. The confirmation will contain all elements of the order referred to under Article 57 herein.

(2) When the client delivers the order directly to the Authorised Bank, the organisational parts of Banca Intesa a.d. Beograd authorised for receipt of orders as well as to third parties through which the receipt of orders is executed, in a paper order form, the copy of the order kept by the client is considered confirmation of receipt.

(3) When the client delivers the order by e-mail or phone, the receipt of the order will be confirmed immediately upon receipt by delivery of an electronic notification.



2.7. Order receipt through third parties

Article 66

(1) The Authorised Bank can entrust a third party with the receipt of an order from the Authorised Bank's client, on behalf of and for the account of the Bank, if the following conditions are met:

- a) That the entity is an investment company;
- b) That the entity is not an issuer of financial instruments for which the business is conducted;
- c) That the conditions from the Decision of the National Bank of Serbia on risk management, governing a bank's risk management, have been met
- d) That a communication channel was maintained with the third party in a way that secures automatic update of data and forwarding of received orders to the Bank;
- e) That the business is executed within premises which are separated from the other premises of the company, and fulfil the conditions for working with a client;
- f) That the engagement of a third party does not include a fee or other expenses charged to the Authorised Bank's client, in an amount higher than the fees the client would pay if the Authorised Bank provided the service;
- g) That the Authorised Bank, by engaging a third party, will not assume unnecessary business risk, significantly threatening the quality of its internal control, or disabling supervision by the Commission.

(2) The contract between the Authorised Bank and the third party on entrusting the receipt of the orders from the Authorised Bank's clients must determine, among other elements:

- a) The description or the designation of the premises in which another person would execute tasks referred to under Paragraph 1 of this Article, stating, among other items, the address and surface area;
 - b) Obligations of the third party to use the premises specifically for the task referred to in Paragraph 1 of this Article, and hours of usage;
 - c) The Authorised Bank's clients unhindered access to the designated premises;
 - d) Rights and obligations of the third party which may influence the fulfilment of the Authorised Bank's obligation to issue the client a certificate on the receipt of the order, and abide by the time schedule for the order receipt;
 - e) Obligation of another person to keep received data and documentation, and to secure its confidentiality;
 - f) Obligation of the third party to submit, to the Authorised Bank, received data and documentation in a method determined by the contract;
 - g) Obligation of the third party to enable the Authorised Bank, an external auditor and the National Bank of Serbia, timely and unlimited access to documentation and data pertaining to entrusted tasks.
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(3) The Authorised Bank will notify the Securities Commission of concluded contracts, referred to under Paragraph 2 of this Article, no later than within seven days after the effective date of the contract.

(4) In case referred to under Paragraph 1 of this Article, the Authorised Bank can use client information forwarded by the third party.

(5) The Authorised Bank can accept recommendation or advice from a third party regarding the service or transaction provided to the client, but the third party remains responsible for the recommendation or advice.

(6) The Authorised Bank will be liable for the execution of services or transactions based on data or recommendations received from a third party, in accordance with the Law.

3. Order execution and order execution assignment

3.1. Order execution schedule

Article 67

(1) The Authorised Bank will execute a client's order for the purchase and/or sale of financial instruments by delivering the order to the central information database, of the market operator's information system for trading, stated in the order.

(2) The Authorised Bank will immediately check if the orders are covered in the sense of Article 61 of these Rules and then execute the purchase and sales orders for financial instruments, on the organized market and per receipt schedule from the book of orders, except if the organized market determines another schedule in terms of its rules.

(3) The Authorised Bank will notify the client, without delay, on a different schedule of order execution in accordance with the rules of the market operator.

(4) The Authorised Bank will deliver the client's daily order, to the market operator's information system, on the same day (according to the schedule from Paragraph 2 of this Article) immediately after an inspection of order coverage, unless the order is given after the completion of trading, when it will be delivered at the beginning of the following trading day.

Article 68

- (1) Client's orders have an advantage for execution compared to:
- a) Orders from Banca Intesa a.d. Beograd when it is purchasing or selling the same financial instruments for its own account, or the account of a dependent company;
 - b) Orders from the founder, members of the Board of Directors and Executive Board of Banca Intesa a.d. Beograd and employees of the Bank, as well as related persons;
 - c) Orders from other investment companies when the Authorised Bank purchases or sells financial instruments for the account of those companies and their brokers.
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(2) The advantage referred to under Paragraph 1 of this Article implies that the Authorised Bank does not execute other orders stated in Paragraph 1 if this would jeopardize the execution of previously delivered orders from the client, referring to the same financial instruments, or the execution of the client's order would be possible only under less favourable terms.

(3) Other orders referred in Paragraph 1 of this Article are executed after the client's order, per schedule determined by these Rules for the execution of orders.

3.2. Manner of Order Execution

Article 69

(1) The Authorised Bank will execute client's orders for the purchase or sale of financial instruments in accordance with the client's instructions.

(2) The execution of the order that the Authorised Bank delivers on behalf of its clients shall be considered the conclusion of a transaction on an organized market, or outside of the organized market. The order can be executed in whole or partially.

(3) The Bank undertakes activities necessary for the achievement of the most favourable outcome for the client, considering:

- a) The price of the financial instrument,
- b) Expenses, speed and the possibility of execution,
- c) Expenses, speed and possibility of settlement,
- d) Size, type and nature of the order and
- e) Other circumstances relevant for the execution.

(4) Notwithstanding paragraph 3 of this Article, when the Authorised Bank executes an order from a retail client, the achievement of the most favourable outcome is determined based on total transaction costs.

(5) When the Bank receives the order from the client with special instructions for execution, the Bank will abide by the previous Paragraph of this Article to the extent in which the instructions of the client will be fully abided by, and it will warn the retail client, in terms of order execution, under most favourable conditions, that the order will be executed in accordance with its instruction, and not in accordance with the policy and order execution assignment.

(6) The Authorised Bank will immediately check if the order is covered in the sense of Article 61 of these Rules and then deliver the order from the client in which the price for the purchase or sale of financial instruments is not determined, abiding by the schedule from the book of orders, except if the organized market determines another schedule with its rules.

(7) The Authorised Bank will send the order which refers to the financial instruments traded in discontinuity (on auctions), to the first following auction, unless the client states otherwise in the order.

(8) The Authorised Bank will notify the client without delay on all significant difficulties regarding order execution.

(9) The Authorised Bank will act in the best interest of the client when providing orders to another investment company. It will undertake measures securing the achievement of the best possible effect for the client, taking care of factors relevant for the execution of orders and criteria based on which the significance of those factors is determined. The Authorised Bank will ensure that the priority of client's instructions are abided by, regarding the execution of the order under the most favourable terms.

Article 70

(1) The Authorised Bank will suspend the execution of a purchase, *i.e.*, sale, order for a financial instrument:

- a) at the request of the client (*i.e.*, when the client recalls an order within the deadlines and in the manner set forth by these Rules and the market operator's rules);
- b) at the request of the competent regulatory body or based on an order from a court of jurisdiction;
- c) in case of failure to meet one of the requirements based on which the order was received;
- d) in case of reasonable doubt that the execution of the order would violate provisions of the Law, the Law on Prevention of Money Laundering and Terrorism Financing, or that it would constitute a criminal, economic or misdemeanour offense.

3.3. Order execution assignment

Article 71

(1) The Authorised Bank may execute a client's orders through another member of the organized market if:

- a) This does not condition the payment of a fee or other expenses for the client in the amount higher than the fee the client would pay if the Authorised Bank were to provide this service;
- b) Cannot cause unnecessary business risk to the Bank;
- c) Cannot significantly endanger the quality of internal control;
- d) Enables the supervision by the Commission.

(2) The execution of the order through another investment company is performed based on a contract which specifies the period and the method by which the order is transferred to the investment company, mutual rights, obligations and responsibilities in executing the order, in accordance with the Law and the act of the Commission.



3.4. Notifying the Client on Executed Orders

Article 72

(1) The Authorised Bank shall notify the client, upon the execution of the order, and provide the retail client with a confirmation in compliance with Article 20 herein.

IV OTHER INVESTMENT SERVICES AND ACTIVITIES

1. Dealer Operations

Article 73

(1) The Bank shall perform dealer operations in purchasing and selling financial instruments on behalf of and for the account of Banca Intesa a.d. Beograd.

(2) The Authorised Bank shall perform market maker operations when purchasing and selling a certain type of financial instrument in the name and for the account of Banca Intesa a.d. Beograd, per price published in advance, and Banca Intesa a.d. Beograd shall generate income based on the price difference of financial instruments.

(3) The Authorised Bank may conduct transactions by means of which securities are financed, on behalf of and to the account of Banca Intesa a.d. Beograd (repurchase agreements or reverse repurchase agreements or other transactions which include the purchase of financial instruments and their resale (buy-sell back transactions) or sale of financial instruments and their repurchase (sell-buy back transactions);

(4) The Authorised Bank shall perform the market-maker operations on an organized market and in line with the market operator's rules of operation.

(5) The Authorised Bank shall perform the operations of the dealer and the market-maker in order to avoid a conflict of interest in line with Article 6 herein.

Depending on the type and scope of operations stemming from the contracts, used to purchase and sell financial instruments, on behalf of Banca Intesa a.d. Beograd, *i.e.*, based on which securities are financed, entered into may be:

- a) Agreement/Order/Ticket/Confirmation of sale of financial instruments;
- b) Framework agreement on the repurchase of securities (Master Repo Agreement).

2. Underwriting services

Article 74

(1) Based on the underwriting contract between the client and the Authorised Bank:

- a) Banca Intesa a.d. Beograd shall assume the obligation, as an underwriter, to buy the entire emission or part of the unsold financial instruments of the client, until the expiration of the period for registration and payment;
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- b) Responsibility of the contracting parties are specified regarding the issuance of financial instruments and emission price, or interest rate;
- c) The client, as an issuer, is required not to issue or sell financial instruments of the same type in a certain period, after the initiation of the primary sale;
- d) Fees, commissions and terms of payment are determined for underwriting and other rights and obligations between the contracting parties.

(2) If, on the side of the underwriter with the obligation of purchase, there is another investment body in addition to Banca Intesa a.d. Beograd, Banca Intesa a.d. Beograd shall conclude a separate contract with such a company defining their mutual rights and obligations, giving one company the role of the main organizer for distribution which will enter into an underwriting contract with the issuer.

3. Agent's services

Article 75

(1) Based on the contract for providing agent services between the client and the Authorised Bank:

- a) The Authorised Bank shall be obliged to provide services as an agent regarding the offer and sale of financial instruments of the client without the obligation of purchase;
- b) Responsibility of the contracting parties are specified in terms of the issuance of financial instruments and emission price, or the interest rate;
- c) The client as an issuer is obligated not to issue or sell financial instruments of the same type, within a certain period after the initiation of the primary sale;
- d) Fees, commissions and terms of payment are determined for underwriting and other rights and obligations between the contracting parties.

4. Keeping and administration of financial instruments

4.1. Contract on storing and administration of financial instruments

Article 76

(1) The contract on storing and administration of financial instruments between the client and the Authorised Bank:

- a) The Authorised Bank shall be under obligation to:
 - takeover from the client, the financial instruments and the monetary assets for the purpose of storing financial instruments and the administration thereof;
 - prior to entry into contract, introduce the client to the basis of the system protecting investors, in the manner and in line with the Rules of Operations of the organiser of the Investor Protection Fund;
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BANCA INTESA

- on behalf of and for the account of the client, open and maintain an account of financial instruments at the Central Registry (ownership, pledge, emission) a financial instruments account;
- on its own behalf, and for the account of the client, open and maintain financial instruments with the Central Registry (collective account);
- execute orders for the transfer of rights from financial instruments and orders for entry of third-party rights over the financial instruments, and to ensure the transfer of such rights;
- from the issuer, and on behalf of the client, collect due receivables stemming from the financial instruments;
- ensure the exercise of other rights belonging to the client as the legal holder of financial instruments;
- notify the client of annual shareholders' assemblies and to represent the client at such assemblies, in compliance with Articles 77 to 80 herein;
- execute services related to lending of financial instruments, in compliance with Articles 81 and 82 herein;
- issue confirmations to the client for the purpose of execution of its tax obligations related to financial instruments;
- promptly inform the client of all operations performed based on the client's order, or instructions, or on behalf of and/or to the account of the client;

b) the client shall be required to:

- pay a commission and other fees to the Authorised Bank;
- not generate a negative balance on the account;
- ensure that the account of financial instruments only holds instruments whose right of ownership is neither limited nor burdened;
- provide the Authorised Bank, in due time, with all required data, reports on circumstances which could be of significant for the execution of its obligations under the same contract;
- secure and provide the Authorised Bank, in due time, with approvals, authorisations and licenses, and everything else necessary for the execution its obligations under the same contract.

(2) Depending on the type and scope of tasks the client has entrusted to the Authorised Bank, the contract on the keeping and administration of financial instruments, may be entered into as:

- a) a contract on opening and maintaining an owner account of financial instruments,
 - b) contract on opening and maintaining a pledge account of financial instruments,
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- c) contract on opening and maintaining an emission account and the provision of services during the execution of corporate activities.

4.2. Representing shareholders at assemblies

Article 77

(1) In line with the contract entered into a client (joint stock company or shareholder), the Authorised Bank shall execute the tasks of notifying the client-shareholder on the holding of the shareholders' assembly and shall represent the shareholder at the same.

Article 78

(1) The Contract between the Authorised Bank and the client – shareholder of the company, shall, in particular, govern the following:

- a) manner of notifying shareholders;
- b) manner of providing instructions to shareholder for exercising voters' right;
- c) fee for notifying and representing shareholders at annual shareholders' assemblies;
- d) as well as other rights and obligations between the contracting parties.

Article 79

(1) When representing the client – shareholder, the Authorised Bank shall, at the assemblies, receive voting rights in accordance with the client's instructions, and if these have not been received, the power of attorney for voting provides the Authorised Bank with the right to vote in accordance with the proposal the Authorised Bank gave to the client in terms of exercising the right to vote

(2) The Authorised Bank shall represent the shareholder in accordance with the Law, the Law on Companies, other regulations and the granted power of attorney.

(3) The Authorised Bank shall familiarize the shareholder, from which it received the power of attorney, with all limitations such representation has in terms of regulations.

Article 80

(1) The Client – the shareholder may, at any time, alter or withdraw the power of attorney given to the Authorised Bank under the condition that it notifies the Authorised Bank, and joint stock company, of this fact up to the day of the assembly.

(2) It shall be deemed that the power of attorney has been recalled if the shareholder personally attends the assembly meeting.



4.3. Financial instruments lending

Article 81

(1) The Authorised Bank can lend financial instruments to another client, investment company or credit institution, which is a member of the Central Registry, whose legal owner is Banca Intesa a.d. Beograd, *i.e.*, the client.

(2) If the subject of lending are financial instruments owned by the client, the Authorised Bank and the client must conclude a contract on maintaining a financial instruments account, prior to lending such instruments, and the client shall be required to authorize the Authorised Bank to lend its financial instruments, by contract or by special written authorization.

(3) The Authorised Bank can mediate on behalf of the client in the contract on lending financial instruments.

(4) Financial instruments for which the right of pledge has been instituted, *i.e.*, whose turnover has been limited, cannot be the subject of a lending agreement.

Article 82

(1) The contract, or lending authorization, shall contain the following elements:

- a) mutual rights and obligations of the contracting parties;
- b) CFI code and ISIN number or some other internationally recognized mark and the amount of financial instruments lent, or that could be lent;
- c) contract term, not longer than one year;
- d) period for which the client's financial instruments can be lent, period of time for which they are being borrowed;
- e) authorization the client provides to the Authorised Bank to execute the transfer of financial instruments which are the subject of the contract;
- f) provisions on fees, commissions and terms of payment.

(2) No later than the day following the transfer of financial instruments, from the client's account, the Authorised Bank shall notify the client of the date of transfer, amount and time at which the financial instruments was lent.

4.4. Research and financial analysis in the investment field

Article 83

(1) The Authorised Bank may conduct market research activities for clients and for Banca Intesa a.d. Beograd.

(2) The contract between the client and the Authorised Bank shall more closely govern the conditions of service provision referred to under Paragraph 1 of this Article.



4.5. Mediation during the preparation and publication of the public offer for takeover

Article 84

(1) The Authorised Bank shall provide mediation services during the preparation and publication of a public offer for takeover, in the manner and under the conditions governed by the contract between the client and the Authorised Bank, and in line with the Law governing the takeover of joint stock companies.

4.6. Investment services referring to financial derivatives

Article 85

(1) The provisions of these Rules which refer to services related to the basic financial instrument shall be duly applied to the provision of investment services which refer to financial derivatives.

4.7. Foreign exchange services

Article 86

(1) Banca Intesa a.d. Beograd shall provide the client with foreign exchange services where these are connected to the provision of investment services, in a way and under conditions determined by the General Operating Terms of Banca Intesa a.d. Beograd, within the current offer for foreign exchange services (*i.e.* payments executed in foreign countries).

4.8. Granting loans to clients for the purpose of executing transactions with financial instruments, when the Authorised Bank is involved in the transaction

(1) A client may be granted a loan for the purpose of executing a transaction with financial instruments in which the Authorised Bank has been involved.

(2) The terms referred to under the previous Paragraph shall be governed by the contract between the Authorised Bank and the client.

V TRANSITIONAL AND FINAL PROVISIONS

Article 87

(1) The following shall comprise an integral part of these Rules:

- a) Appendix 1 - Order Execution Policy and Order Execution Assignment
 - b) Appendix 2 - Policy for Joining and Classification of Orders;
 - c) Appendix 3 – Information for Clients.
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BANCA INTESA

Article 88

(1) These Rules shall enter into force on the day following the day approval for their content was obtained from the Serbian Securities Commission, and they shall be applied seven days upon publication in the manner referred to under Article 2 herein.

DEPUTY PRESIDENT OF THE EXECUTIVE
BOARD

PRESIDENT OF THE EXECUTIVE BOARD

Gabriele Pace

Draginja Đurić