



PRIVREDNA BANKA ZAGREB

Intesa Sanpaolo Group

GENERAL TERMS AND CONDITIONS
of Use of the Investment Services
of Privredna banka Zagreb d.d.

Zagreb, September 2023.

CONTENTS

SECTION ONE COMMON PROVISIONS

I. SUBJECT AND CONTENT OF THE GENERAL TERMS AND CONDITIONS	3
II. DEFINITIONS	5
III. FEES, COSTS AND RELATED EXPENSES	9
IV. SETTLEMENT OF CLAIMS, COSTS AND OTHER EXPENSES OF THE BANK	10
V. RISKS, CLASSIFICATION OF CLIENTS, ASSESSMENT OF SUITABILITY AND LIMITATION OF LIABILITY	10
VI. BUSINESS SECRETS, COMMUNICATION, CLIENT IDENTIFICATION AND SUBMITTING COMPLAINTS	14
VII. TERMINATION OF THE AGREEMENT	17
VIII. REPRESENTATIONS AND WARRANTIES OF THE CLIENT	19
IX. LANGUAGE OF THE CONTRACT, RECODING COMMUNICATION, DISPUTE RESOLUTION AND OTHER PROVISIONS	20

SECTION TWO BROKERAGE SERVICES

I. BROKERAGE SERVICE DEFINITION AND CONTENT	21
II. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES	22
III. PBZINVESTOR DISTRIBUTION CHANNEL	24
IV. PREREQUISITES FOR ISSUING ORDERS	26
V. PURCHASE ORDER/SALE ORDER FOR FINANCIAL INSTRUMENTS	29
VI. COMMUNICATION REGARDING BROKERAGE SERVICES	37

SECTION THREE CUSTODY SERVICE

I. CUSTODY SERVICE DEFINITION AND CONTENT	38
II. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES	38
III. CARRYING OUT OPERATIONS	47
IV. REPORTS	47
V. COMMUNICATION REGARDING CUSTODY SERVICES	48

SECTION FOUR OTHER AUXILIARY SERVICES

I. PROVIDING AUXILIARY SERVICES MARGIN LOANS	49
II. INVESTMENT RESEARCH AND FINANCIAL ANALYSIS	50
III. FOREIGN EXCHANGE SERVICES RELATED TO PROVIDING INVESTMENT AND AUXILIARY SERVICES	51

INVESTMENT COUNSELLING

I. DEFINITION AND CONTENT OF THE INVESTMENT COUNSELLING SERVICE	51
II. BASIS FOR THE PROVISION OF THE INVESTMENT COUNSELLING SERVICE	52
III. ADDITIONAL INCENTIVES	53
IV. CREATION OF CLIENT INVESTMENT PROFILE	53
V. ASSESSMENT OF APPROPRIATENESS	54
VI. CONTROLS AS PART OF THE APPROPRIATENESS ASSESSMENT	55
VII. DESCRIPTION OF DOCUMENTS RELATED TO THE INVESTMENT COUNSELLING SERVICE	56

SECTION FIVE

I. CAPITAL GAINS TAXATION	56
---------------------------	----



PRIVREDNA BANKA ZAGREB d.d.

with its headquarters in Zagreb, Radnička cesta 50 (hereinafter: the Bank), adopted the following:

GENERAL TERMS AND CONDITIONS

OF USE OF THE INVESTMENT SERVICES OF PRIVREDNA BANKA ZAGREB D.D.

(hereinafter: "General Terms" or "Terms")

SECTION ONE COMMON PROVISIONS

(applies to all investment and auxiliary services)

I. SUBJECT AND CONTENT OF THE GENERAL TERMS AND CONDITIONS

Article 1

(1) The subject and content of these General Terms and Conditions is the regulation of the mutual rights and obligations of the Bank and the Client related to the conclusion and execution of the Agreement, as well as other transactions involving Financial Instruments and the Client's funds provided for in the provisions of these General Terms and Conditions, which relate to the following investment and auxiliary services:

1. receiving and transmitting orders concerning one or more financial instruments and executing orders on behalf of Clients (hereinafter: the brokerage service),
2. receiving and transferring orders regarding shares in UCITS funds,
3. safekeeping and administration of Financial Instruments on the Client's behalf, including custody and related services, such as the management of monetary assets and collateral (hereinafter: custody service).
4. all other auxiliary services related to the provision of one or more of the above services.

(2) The Bank reserves the right not to enable clients in an organised manner at the time of the adoption of these General Terms, and until the time of the adoption of a business decision and fulfilment of the necessary organisational and technical conditions:

- a. activation and provision of individual investment or auxiliary services provided for in the previous paragraph and/or
- b. availability of certain auxiliary services through the PBZInvestor distribution channel and Digital Banking.

(3) The rights and obligations regarding investment and auxiliary services that the Bank enables the Client to activate and use at the time of the adoption of these General Terms and Conditions are defined in these General Terms and Conditions.



- (4) Prior to enabling the activation and use of an individual investment and/or auxiliary service, or enabling the availability of an individual investment or auxiliary service through the PBZInvestor distribution channel or Digital Banking, the Bank shall adequately amend these General Terms and Conditions (and other related documents), as well as informing the Clients through the appropriate distribution channels, i.e. the Bank's website.
- (5) The activation of any other service, except for the one covered by the Agreement concluded by the Client with the Bank, must be expressly requested and confirmed by the Client through the available distribution channels with appropriate identification and authentication of the Client (for example through the PBZInvestor distribution channel using the Identification Code). The Bank undertakes to carry out activities and actions only with regard to those services that the Client has activated, as well as charging fees and other contributions exclusively in accordance with the Price List for activated services.
- (6) The Client can deactivate any individual investment and/or auxiliary service, except the brokerage service, without cancelling the Agreement. The Bank may, without cancelling the Agreement on the use of the Bank's investment services, deactivate the custodial service if the Client does not use it for a period of more than 3 (three) months, in which case it undertakes to send the Client a prior written notice about the deactivation of the service at least 30 (thirty) days prior to the deactivation of the service.
- (7) Everything stated in these General Terms and Conditions for the brokerage service also applies to the service of receiving and transferring orders regarding shares in UCITS funds, only to the extent that it is applicable and in accordance with the nature and method of providing the service and in accordance with the regulations governing the establishment and operation of open-ended investment funds with a public offering and companies for managing these funds.

Article 2

- (1) These General Terms and Conditions are an integral part of the Agreement, and by signing the Agreement, or by identifying and authenticating through the PBZInvestor platform or Digital Banking with the use of an Identification Code, or by first sending an Order/Instruction /other instruction (for example, a request for the registration of Financial Instruments or advance payment of funds), the Client confirms that they are familiar with the content of these General Terms and Conditions and that they agree to their application.
- (2) For everything that is not regulated by the Agreement and these General Terms and Conditions, the valid legal and by-law regulations and acts on the Bank's operations, as well as the Bank's internal acts, with all amendments made during the duration of the Agreement and General Terms and Conditions, shall apply.
- (3) If after the conclusion of the Agreement or the adoption of these General Terms, pursuant to the laws or by-laws adopted based on the laws, an issue regulated by these General Terms and Provisions is resolved differently, the provisions of the relevant regulation will apply, until appropriate amendments to these General Terms and Conditions are adopted.
- (4) The Client agrees that the Bank may at any time amend these General Terms and Conditions in accordance with the legal regulations and the Bank's business policy, and that any further amendment or addition to these General Terms and Conditions shall be binding from the moment of their adoption and entry into force, and to which the Client agrees by the first subsequent referral of the Order and/or Instruction, as well as by the further use of any investment and/or auxiliary services of the Bank. Any amendment or supplement to these General Terms and Conditions shall be drawn up on a permanent medium, displayed in a visible and accessible place for the Client in the Bank's premises and on the Bank's website or shall be available to the Client through the Bank's distribution

channels (for example, the PBZInvestor distribution channel), unless otherwise prescribed by law. The Bank will always update the valid text of the General Terms and Conditions after their changes, additions or additions, and make the clarified text of the General Terms and Conditions available to Clients on the Bank's website and through the Bank's distribution channels (for example, the PBZInvestor distribution channel).

(5) The Client agrees that the Bank may at any time amend the Price List, the Order Execution Policy and all other accompanying documents (e.g. Information on the Bank's investment and ancillary services) in accordance with legal regulations and the Bank's business policy, and that any amendment or addition to the aforementioned documents is binding from the moment of their adoption and entry into force, to which the Client agrees by first submitting an Order, Instruction and/or other instruction, as well as by further using any of the Bank's investment and/or auxiliary services. Any amendment or supplement to these documents shall be drawn up on a permanent medium, displayed in a visible and accessible place for the Client in the Bank's premises and on the Bank's website or shall be available to the Client through the Bank's distribution channels (for example, the PBZInvestor distribution channel), unless otherwise prescribed by law.

(6) By sending an Order/Instruction/other instruction, it is considered that the Client simultaneously agrees that the Order Book or other business books of the Bank and evidence, as well as all other records on permanent media at the Bank's disposal, serve as proof of the amount and due date of any claim under the Agreement and General Terms and Conditions.

(7) These General Terms and Conditions shall enter into force on 11 September 2023.

II. DEFINITIONS

Article 3

Certain terms stated in these General Terms and Conditions and/or Agreement shall have the following meaning:

AGREEMENT:

- a) Agreement on the use of investment services of Privredna banka Zagreb or another agreement that regulates the services of receiving and transferring and/or executing Orders for the account of the Client,
- b) Agreement on the use of investment services of Privredna banka Zagreb – receipt and transfer of orders regarding shares in UCITS funds, and/or
- c) Agreement on the use of custodial services, as well as the storage and administration of the Client's Financial Instruments or another agreement that regulates the services of the storage and administration of Financial Instruments for the Client's account, including custody and related services.

Client or Principal: A domestic or foreign legal or natural person, or other organised form without legal personality, with whom the Bank directly or through an Authorised Representative, in accordance with the applicable regulations and internal procedures, enters into an Agreement, and with which the Client authorises the Bank to provide them with investment and/or auxiliary services to which the provisions of the General Terms and Conditions and the Agreement apply.

Authorised Representative: A legal or natural person authorised, on the basis of the law, a valid decision of the competent authority or a power of attorney by the Client, to issue Orders/Instructions, as well as using other

investment services and activities provided for in the Agreement and General Terms and Conditions, in the name and on behalf of the Client.

Order: Unilateral declaration of the will of the Client sent to the Bank in the manner specified in Art. 40 of these General Terms and Conditions, to buy or sell Financial Instruments in their own name and on behalf of the Client.

Instruction: Every authorised instruction or order of the Client or their Authorised Representative sent to the Bank in accordance with the provisions of the Agreement and these General Terms and Conditions.

Order Book: A business book of the bank that is kept in electronic form as a sum of individual Orders and that is organised in a manner and is kept in accordance with relevant regulations, rules of the profession and market practices.

Price list: The price list of the investment services of Privredna banka Zagreb attached to the Agreement, which determines the amount and method of calculation of fees, costs and related expenses that the Bank will calculate for the Client based on the provision of services and performance of activities that are the subject of the Agreement and these General Terms and Conditions.

Financial instruments: Transferable securities, money market instruments, units in entities for joint investments and derivatives, as well as other instruments and securities provided for in the provisions of the Capital Market Act.

Website of the Bank: <http://www.pbz.hr>.

Identification code: defined in Art. 31 of these General Terms and Conditions.

Order Execution Venue: A Regulated market, Multilateral Trading Facility (MTP), Organised Trading Facility (OTF), systematic internaliser, OTC, market maker, or other liquidity provider or other entity in a third country performing similar functions.

PBZInvestor distribution channel/PBZInvestor platform: The electronic platform of Privredna banka Zagreb, which is intended for placing Orders for the purchase or sale of Financial Instruments via the internet and the use of other investment and auxiliary services.

PBZ Digital Banking (Digital Banking): It enables the contracting and use of banking and financial services via the internet application and/or mobile application, insight into the balance and turnover of accounts, the execution of payment transactions, insight into the Client's PIN cards, contracting the provision of certification services and the conclusion of individual contracts on banking and financial services in electronic form, review of information on services provided by the Bank on its own behalf and for its own account or on behalf of and for the account of third parties based on special contracts and regulations agreed by the Client. As part of the mobile application, Clients of the PBZInvestor platform are enabled to issue Orders for the purchase or sale of Financial Instruments via the mobile application and use other investment and auxiliary services.

PBZInvestor services: The services in question defined in the Agreement on the use of PBZInvestor services, and in these General Terms and Conditions, represent the PBZInvestor distribution channel and additional options defined in more detail in Art. 30 of these General Terms and Conditions.

CAP Reader: (Abbreviated from Cardholder Authentication Program) is a certified reader through which the Client, using the reader's keyboard, enters a PIN, and the reader then generates a dynamic, one-time password, and can also be used to generate a cryptographic signature.

Token: A cryptographic device equipped with a screen and a keyboard under the control of a cryptographic algorithm, initialised with an associated key and protected by a password, and serves for the identification of the user and the authenticity of the signed electronic document.



mToken: A cryptographic program for mobile devices, initialised with an associated key and protected by a password, which uses cryptographic algorithms to identify users (control access to services) and to confirm authenticity.

withKEY: A mobile token integrated into the online banking mobile application for access and use of the online banking internet application. It serves as an authorisation method for accessing the online application or confirming payment through the online application.

CASH ACCOUNTS:

a) Monetary Assets Investment Account: The Client's cash account, to the benefit of which the Bank registers all monetary claims and debts arising from the provision of brokerage services in the manner provided for in the Agreement and General Terms and Conditions.

b) Monetary Assets Custody Account: The Client's cash account, to the benefit of which the Bank registers all monetary claims and debts arising from the provision of custodial services in the manner provided for in the Agreement and General Terms and Conditions.

FINANCIAL INSTRUMENTS ACCOUNTS:

a) Financial Instruments Investment Account: electronic records of the Client's financial instruments registered with the Bank, which is kept in the Bank's business books and results from the provision of brokerage services in the manner provided for in the Agreement and General Terms and Conditions. The bank registers all financial instruments resulting from the provision of brokerage services in favour of and at the expense of the said records.

b) Financial Instruments Custody Account: Account of the Client's Financial Instruments opened in the Bank's business books for the purpose of storing the Client's Financial Instruments for the purpose of providing a custodial service and carrying out work in the manner provided for in the Agreement and General Terms and Conditions.

c) Client Account: Financial Instruments Account of the Client with CDCC and/or another financial institution in the form of an electronic record that shows the Client's positions recorded on that account, i.e. the Client's Financial Instruments account where the Bank will store the Client's Financial Instruments based on the performance of the tasks provided for in these General Terms and Conditions and the Agreement.

A client in CDCC can have two types of accounts: Investor's Basic Account and Investor's Transaction Account.

Basic account is a securities account that CDCC opens in the process of registering investors in the CDCC system, where recorded positions of securities are kept. The account holder is the holder of securities who has the right to dispose of them. An investor can only open one Basic Account.

The **Transaction Account** of the investor is the Securities Transaction Account where securities positions are kept, the owner of which is the Client, whose identity is individually determined. Positions are managed by the Bank in its own name, and for the account of the Client. Assets on the Investor's Transaction Account are not the Bank's assets and are kept separate from the Bank's assets, except when the account holder is also the Bank, in which case the assets on the Investor's Transaction Account are the assets of the participant who is the account holder. The Bank opens a transaction account in its own name, and for the account of the Client in the CDCC.

User Consent: Consent on a permanent medium authorised by the Client using the Identification Code through the PBZInvestor distribution channel.

Assets: Financial instruments and funds that are the subject of the Agreement and these General Terms and Conditions.



Permanent Medium: Paper or a means that enables the storage of data in digital format in such a way that access, processing and the completeness of the data are ensured at least until the deadline determined by the CMA and the regulations adopted based on it.

Business day: Every day on which credit institutions in the Republic of Croatia are open for the transactions of the business contained herein and at the same time the day on which the Order Execution Venue works on which the specific transaction is executed, except for Saturdays and Sundays. The Bank's working hours are from 9:00 a.m. to 4:00 p.m. every business day, that is, the Bank reserves the right to unilaterally extend the working hours.

CDCC: Central Depository and Clearing Company d.d., Zagreb, Heinzelova 62a.

CDCC-CCP: CDCC-CCP Smart Clear d.d. Heinzelova 62a, Zagreb.

ZDP: Foreign Exchange Operations Act ("Official Gazette", no. 96/03, 140/05, 132/06, 150/08, 92/09, 133/09, 153/09, 145/10, 76/13, 52/21, 141/22), as well as any subsequent amendments to the Act.

CMA: Capital Market Act ("Official Gazette" No. 65/18, 17/20, 83/21 and 151/22), as well as any subsequent amendments to the Act.

ZSPNFT: Money Laundering and Terrorism Financing Prevention Act ("Official Gazette", No. 108/17, 39/19 and 151/22), as well as any subsequent amendments to the Act.

Act on administrative cooperation in the field of taxes: ("Official Gazette", no. 115/16, 130/17, 106/18, 121/19 and 151/22), as well as any subsequent amendments to the Act.

Income Tax Act ("Official Gazette", No. 115/16, 106/18, 121/19, 32/20, 138/20 and 151/22), as well as all amendments to the Act.

Corporate actions: They include the holding of the general meeting, calculation and payment of cash dividends, calculation and payment of interest and principal for debt securities, share splits, share mergers, increase or decrease of share capital, takeovers of joint stock companies, the early redemption of debt securities, as well as other corporate actions related to the realisation of rights from securities/financial instruments of their holders.

Third party: Clearing depository company or custodian with whom the Bank stores the Client's Financial Instruments, i.e. all other institutions that participate/mediate in the provision of services that are the subject of the Agreement and these General Terms and Conditions (e.g. an investment company through which the Bank performs brokerage services).

"FATCA" is a United States regulation called the Foreign Account Tax Compliance Act. In accordance with the FATCA regulation (the text of the regulation is available at <http://www.irs.com>), which is aimed at preventing American taxpayers from avoiding paying taxes, and in accordance with the obligations that the Republic of Croatia will assume under the international agreement, financial institutions based in the Republic of Croatia are obliged to identify US entities and report on certain accounts and data in the area of FATCA application.

"CRS or Common Reporting Standard" represents the standard for the mandatory automatic exchange of information in the field of taxation, which is defined within the European Union by the provisions of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards the mandatory automatic exchange of information in the field of taxation, with which EU member states must comply and apply the same from 1 January 2016. This regulation requires institutions in the Republic of Croatia to recognise and report to the tax authorities of the Republic of Croatia about tax residency (or more) for all clients who own financial assets held by institutions and to exchange data.

Article 4

- (1) The Bank shall carry out operations that are regulated by these General Terms on its own behalf and on behalf of the Client.
- (2) The Bank may, in accordance with the legal restrictions, entrust the execution of all or individual operations specified in these General Terms and Conditions to third parties.

III. FEES, COSTS AND RELATED EXPENSES

Article 5

- (1) The Bank will charge the Client fees, costs and related expenses based on the performance of the work that is the subject of these General Terms and Conditions and the Agreement, in accordance with and in the amount determined by the Price List, as well as any default interest.
- (2) By sending an Order/Instruction/other instruction and using any investment and/or auxiliary service of the Bank, it is considered that the Client has expressly declared that they know and accept the provisions of the Price List, which are an integral part of the concluded Agreement, and that they accept their subsequent additions and changes.
- (3) The Client shall also pay to the Bank all costs, commissions, fines and other costs charged by the market on which it is traded/institutions/third parties or otherwise arising for the Bank, including all taxes paid, in connection with the transactions provided for in these General Terms and Conditions, unless they were incurred as a result of the Bank's intent or gross negligence. The Bank's receivables from the Client always include, even when not specifically stated: (I) all obligations assumed by the Bank based on the execution of Orders/Instructions and its obligations under the Agreement and the General Terms and Conditions (II) all fees, costs, interest and default interest incurred in connection with the execution of Orders/Instructions and obligations from the Agreement or related to the non-execution of Orders/Instructions and obligations from the Agreement based on causes for which neither the Bank nor the Client are responsible, (III) all other claims related to the execution of obligations from the Order/Instructions/other instructions and the Agreement and (IV) all taxes in accordance with legal regulations that the Bank would be obliged to pay. For this purpose, the Client irrevocably authorises the Bank to debit their Cash Accounts or any other transaction account of the Client opened with the Bank for the amounts from the previous two sentences.
- (4) The Bank notes that there is a possibility of other costs, which include taxes or other charges related to the transaction of the Financial Instrument or the transaction with Financial Instruments, which may arise for the Client, and which are not payable through the Bank or are not imposed by the Bank.
- (5) If the Bank provides the Client with an invoice/notification of completed transactions and/or services for the provided investment/support services defined in the General Terms and Conditions, the Client undertakes to pay the Bank all fees, costs and related expenses no later than the due date specified in the invoice/notification of completed transactions and/or services. Should the Client be late with the payment, the Bank has the right to calculate the statutory default interest on all overdue claims.
- (6) Further to the previous paragraph of this article, if the Client does not pay fees, costs and related expenses when due, the Client irrevocably authorises the Bank to debit their Cash Accounts or any other transaction account of the Client opened with the Bank for such fees, costs and related expenses, increased by the legal default interest, as well as for the amounts referred to in Paragraph 3 of this Article.



IV. SETTLEMENT OF CLAIMS, COSTS AND OTHER EXPENSES OF THE BANK

Article 6

(1) The Client agrees that the Financial Instruments and funds in their Financial Instruments Accounts and Monetary Assets Accounts serve as insurance for all the Bank's claims based on the Agreement, as well as all other agreements the Client has concluded with the Bank. In any case, the Bank shall have the right to retain the said Financial Instruments and funds and can settle by selling the Client's Financial Instruments in accordance with the provisions of the Agreement and General Terms and Conditions.

(2) By signing the Agreement, the Client authorises the Bank to, in the event of the maturity of any claim under the Agreement and all other agreements the Client has concluded with the Bank, settle directly from the value of funds in the Fund Accounts, without any further consent or inquiry to the Client.

(3) If the funds in the Monetary Assets Accounts are insufficient to collect the Bank's claims based on the Contract, as well as all other contracts that the Client has concluded with the Bank, the Client authorises the Bank to directly, and for settlement out of court, sell any Financial Instruments from all of the Client's Financial Instruments Accounts at the market price at the Order Execution Venue, through the Bank's broker, and for this purpose, the Client irrevocably authorises the Bank to select Financial Instruments and to name and for their account submit the necessary instructions to CDCC (or another financial institution) for clearing and settlement in connection with Financial Instruments that are the subject of an out-of-court settlement.

(4) The Client authorises the Bank, without any further consent or notification, to collect claims based on the Contract, as well as all other contracts the Client has concluded with the Bank, without court intervention, from all their accounts maintained with the Bank.

V. RISKS, CLASSIFICATION OF CLIENTS, ASSESSMENT OF SUITABILITY AND LIMITATION OF LIABILITY

THE RISK OF INVESTING IN FINANCIAL INSTRUMENTS

Article 7

(1) The Client is aware that the risks of investing in Financial Instruments are the most important circumstances that the Client must pay attention to when making a decision on the purchase/sale of a Financial Instrument.

(2) Appropriate data and information on Financial Instruments, as well as all risks associated with investing in Financial Instruments, are listed in the document Information on the Investment and Auxiliary Services of the Bank, and are available to the Client in every branch of the Bank, on the Bank's website, as well as through other distribution channels of the Bank (for example, PBZInvestor).

(3) By signing the Agreement, the Client confirms that he/she knowingly assumes all the risks specified in the document from the previous paragraph of this article, and that the Bank is not liable to the Client in any case for

any damage caused by the realisation of any risk related to the purchase, sale, holding and/or storage of a Financial Instrument with which the Client was adequately familiar, i.e. the distribution of investment research, the granting of credit or a loan to an investor to enable them to conclude a transaction with one or more financial instruments, as well as all other risks related to the provision of investment and auxiliary services. Also, the Client confirms that the Bank has familiarised them with all investment and auxiliary services, as well as investment activities that the Bank as a credit institution is authorised to provide and perform, as well as the risks of investing in Financial Instruments, especially taking into account their knowledge and experience, as well as their financial situation and investment goals, in order to be able to offer them appropriate services and products.

(4) By signing the Agreement, the Client confirms that they have been informed that the Bank does not have to collect data and provide an assessment of suitability when providing investment services that consist exclusively of receiving and transferring and/or executing Client Orders, with or without auxiliary financial services, if the service is provided at the Client's initiative and other conditions specified in the document Information on the Bank's investment and auxiliary services are met.

CLASSIFICATION OF CLIENTS

Article 8

(1) Pursuant to the provisions of the CMA and other regulations adopted pursuant to it, the Bank is obliged to inform new and existing Clients about the classification and categorisation into small and professional investors, i.e. qualified principals, and is obliged to additionally warn the Client about the risks of investing in Financial Instruments in accordance with their knowledge, experience, financial situation and investment goals.

(2) The Bank will automatically treat all Clients as small investors if they do not meet the criteria set for categorisation as professional investors.

(3) Clients classified as small investors shall have the right to additional instructions and information, especially regarding data on financial instruments, fees, costs and related expenses, and the Bank is obliged to conclude a written contract with them before providing them with an investment service that regulates the mutual rights and obligations.

(4) Clients classified as small investors may request a different categorisation in the manner and according to the conditions prescribed in the document Information on the investment and auxiliary services of the Bank, with an additional assessment of experience and professional knowledge that will be performed by the Bank based on which it can be considered that the Client possesses sufficient experience, knowledge and expertise to independently make investment decisions and properly assess the associated risks.

(5) The bank is obliged to provide treatment with a higher level of protection to professional investors or eligible counterparties, at their request, as it provides to small investors. It is the obligation of the Client who is classified as a professional investor or eligible counterparty to request a higher level of protection if they believe that they cannot properly assess or manage the risks involved.

LIMITATION OF LIABILITY

Article 9

(1) The Bank's liability will be limited exclusively to property damage that could arise as a result of intent or gross negligence in the Bank's actions. The Bank shall not be liable for any of the Client's losses caused by force majeure, i.e. the occurrence of external, extraordinary and unforeseeable circumstances that arise after the conclusion of the Agreement, especially but not exclusively caused by any war (whether announced or not), political unrest, natural disasters, epidemics/pandemics, government restrictions, rules of the regulated market, cancellation of trading, strikes, crashes (or reduced throughput and functionality) of third party communication systems i.e. the Order Execution Venue, or due to the execution of the obligations arising from FATCA and/or CRS regulations, as well as any other event beyond the Bank's control.

(2) The Bank shall not be liable for any of the Client's losses or damage caused by the impossibility of using any of the distribution channels (for example PBZInvestor distribution channel or Digital Banking) and/or placing an order to buy or sell a Financial Instrument or Instructions/other instructions due to organisational technical limitations (for example crashes or reduced bandwidth or functionality caused by system overload, or disconnection by third parties).

(3) The Bank does not assume the obligation to execute the Client's Order/Instruction/other instruction as determined by the information provided there, nor to fulfil all or some of the obligations from the Order/Instruction/other instructions, especially but not exclusively in the event of the following circumstances: (a) the other contractual party with whom the Bank has contracted work (necessary for the execution of the Bank's obligations to the Client) does not fulfil its obligation to the Bank, or (b) non-fulfilment of obligations occurs due to a cause for which the other contractual party, issuer or institution whose services the Bank is responsible for uses, and is required to do so by regulations or the use of these services is customary in accordance with the general rules and business customs that apply in the market and between its participants, or (c) one of the following situations occurs:

(I) modification of the initial Order that was partially or fully executed, and the Bank, due to the existing legal and technical frameworks, could not foresee that at the moment or immediately after receiving the modification of the Order, i.e. the change in the terms of the initial Order, that the initial Order would be executed, i.e. that it was already partially or fully executed according to the terms of the initial Order, in which cases it will be considered that the Order is modified (in the part where the initial Order is changed):

- made by the execution of the initial Order – if the change refers to the reduction of the amount of securities, or
- new Order – if the change refers to any other component of the Order;

(II) cancellation of an initial Order that has been fully executed, and the Bank, due to existing legal and technical frameworks, could not foresee that at the moment or immediately after receiving the cancellation of the Order, the cancelled Order will be executed or has already been executed according to the terms of the initial Order, in which case it will be considered that the "cancelled" initial Order has been executed; or

(III) some other situation similar to the situation from the previous two points of this paragraph.

(4) The Bank also does not assume the obligation to fulfil the obligation of the other contracting party from any transaction of purchase or sale of Financial Instruments that is carried out in accordance with the Order/Instruction/other instruction, especially in the case of the so-called individual settlements in accordance with the rules of clearing and depository companies.

(5) The Bank shall not be liable for any damage caused to the Client or any other party due to the choice, actions and/or omissions of third parties that are beyond the Bank's control, assuming that the third party was chosen by applying the care of a good expert, and as a result of which bankruptcy, insolvency or the inability to perform any obligation by the third party that is the subject of the Agreement and these General Terms and Conditions may occur.

Article 10

In no case shall the Bank be liable for losses incurred due to exchange rate differences and fluctuations in the market movements of Financial Instruments, as well as for any violations or omissions committed by third parties and/or institutions during the execution of tasks delegated to them by the Bank on the basis of authority from the Agreement and these General Terms and Conditions.

Article 11

(1) The Bank shall not be liable if it acts in good faith in accordance with the Order/Instruction/other instruction that it reasonably assumes has been received from the Client in accordance with the provisions of the Agreement and the General Terms and Conditions, and shall not be liable for the costs incurred by the Client in case of the improper delivery of the Order/Instruction/other instruction or notification to the Bank. The Bank shall also not accept an Order/Instruction/other instruction for which it determines or estimates that the execution of the same would constitute a misdemeanour or a criminal offence or that the execution of the Order/Instruction/other instruction would cause the Bank to suffer damage.

(2) The Bank shall also not be liable for any damage that occurs if the Client makes available to a third party the data, instruments and/or funds necessary for identification and authorisation regarding the provision of Orders/Instructions/other instructions and/or notifications to the Bank (for example, password, CAP reader, token, or current account card), nor in any case of misuse by a third party who has come into possession of said data/instruments and/or funds.

(3) The Bank shall particularly not be liable for cases where the Client has not promptly and without delay informed the Bank about the change of Authorised Representatives, change of address, telephone numbers, i.e. telefax and email addresses of the Client listed in the header of the Agreement, as well as about all other changes in data that may significantly affect the performance of the tasks established by the Agreement and these General Terms and Conditions.

(4) If the Bank receives a contradictory, unspecified, unclear or incomplete Instruction/Order/other instruction, the Bank will ask the Client to supplement the Instruction/Order/other instruction and will not act on the Instruction/Order/other instruction sent to it until it resolves the ambiguities in contact with the Client, all without any obligations or responsibilities for the Bank.

Article 12

(1) The Bank is not authorised or obliged to provide the Client with any legal services, nor will it have any duty or responsibility for any advice or any other statement given to the Client.

(2) The Bank's obligations based on these General Terms and Conditions and the Agreement do not include any investment consulting services or providing personal recommendations related to property investment. Fur-

thermore, the Client assumes full responsibility in connection with the transactions on their Cash Accounts and Financial Instruments Accounts and also accepts that the Bank is not directly or indirectly responsible for any decision on investment and the disposal of Assets made by the Client.

(3) When providing investment and ancillary services in accordance with the General Terms and Conditions and the Agreement, the Bank will act with the care of a good expert, in accordance with the rules of the profession and prevailing business practice, and will take care of the interests of the Client and the Client's Assets as if they were its own assets. However, the Bank shall not be liable for the truthfulness, validity and accuracy of the documentation presented to it, nor the assets received, and has the right to consider that the content of the documentation presented to it is true. If the Bank notices an irregularity or inaccuracy in the documentation presented to it and/or the Assets delivered to it, or suspects that it has been forged, the Bank shall immediately notify the Client.

VI. BUSINESS SECRETS, COMMUNICATION, CLIENT IDENTIFICATION AND SUBMITTING COMPLAINTS

BUSINESS SECRETS

Article 13

The Bank undertakes to keep as confidential information about the Client, about the state of and changes in Financial Instrument Accounts and Cash Accounts, Orders/Instructions and work that the Bank performs on behalf of the Client, as well as all other information and facts that the Bank learns about in connection with the provision of investment and auxiliary services, and the performance of investment activities that are regulated by these General Terms and Conditions and the Agreement, and is authorised to disclose them only to those persons and in those cases where the disclosure of such information is prescribed by law.

Article 13.a

Privredna banka Zagreb d.d., Radnička cesta 50, Zagreb, TIN (OIB) 02535697732, entered in the register of the Commercial Court in Zagreb under the company registration number (MBS) 080002817 (hereinafter: the Bank), as a personal data processing manager, acting in accordance with the principles of Regulation (EU) 2016/679 of the EUROPEAN PARLIAMENT AND THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

When clients' personal data is collected, whether from the client at the time of collection or from another source, the Bank shall provide information in accordance with Articles 13 and 14 of the General Data Protection Regulation, for instance, information about the Bank as the controller, the purposes and the legal basis of personal data processing, the categories of personal data that is collected (for instance, personal data required for the establishment of a business relationship based on the Act on the Prevention of Money Laundering and the Financing of Terrorism, and other data required for the execution of a particular contract or in order to take actions before concluding a contract or fulfilling some other legal obligations, legitimate interests of the Bank as a data control-

ler or a third party), data retention period, the recipients of the data, the source of the data, as well as the rights related to personal data protection (the right of access to personal data, the right to erasure, the right to object, etc.) Contact information of the Data Protection Officer: sluzbenik.za.zastitu.osobnih.podataka@pbz.hr The bank collects and processes personal data for the purpose of implementing the Act on Administrative Cooperation in the Field of Taxes, which governs the implementation of the Agreement between the Government of the Republic of Croatia and the Government of the United States of America on the Improvement of the Fulfilment of Tax Obligations at the International Level and the Implementation of FATCA (the act of the United States of America on the fulfilment of tax obligations with regard to accounts in foreign financial institutions, which imposes on financial institutions the obligation to report in relation to certain accounts), which includes gathering information, applying due diligence rules, determining accounts that are reportable to the United States of America, and reporting them to the Treasury Department.

Also, the Bank collects and processes personal data for the purposes of implementing the Act on Administrative Cooperation in the Field of Taxes, which regulates administrative cooperation in the field of taxes between the Republic of Croatia and member states of the European Union and the automatic exchange of information on financial accounts between the Republic of Croatia and other jurisdictions, within the so-called Common Reporting Standard (CRS), which includes the collection of information from Art. 26 of the Act in accordance with the rules of reporting and the rules of due diligence, determining the accounts to be reported on and reporting them to the Ministry of Finance, Tax Administration.

COMMUNICATION

Article 14

- (1) Unless otherwise agreed, the Bank shall provide and send the Client all certificates, notifications, reports and invitations, as well as engaging in all other forms of communication related to carrying out the operations referred to in the Agreement specified in the header of the Agreement or from the Bank's records, or through other contracted distribution channels (for example, PBZInvestor distribution channel).
- (2) The Client shall direct and give the Bank all Orders/Instructions/other instructions, confirmations, notifications and invitations, as well as performing all other forms of communication in connection with the performance of business from the General Terms and Conditions to the addresses and numbers specified separately for each investment or auxiliary service provided by the Bank in accordance with the Agreement and the General Terms.
- (3) For the purposes of providing all services and performing tasks provided for in the General Terms and Conditions, it shall be considered that the notification and other mutual communication was received on the same day, if it was sent on a working day during working hours (9:00 a.m. to 4:00 p.m.), except in the case of sending registered mail, it will be considered that it was received on the day of receipt or, if the letter cannot be handed over for whatever reason to the recipient by means of delivery, on the day the recipient was left a note on the arrival of the letter by a legal entity authorised to deliver letters.
- (4) The Bank and the Client undertake to notify each other without delay about any changes in addresses and other information relevant for notification and until the party receives such a notification, it will be considered that the notification was properly given to that party if it was sent to the addresses/numbers specified in the header of the Agreement, i.e. the addresses and numbers of the Bank in accordance with the provisions of Paragraph 2 of this Article.

DETERMINATION OF IDENTITY

Article 15

(1) Pursuant to the provisions of the Act on the Prevention of Money Laundering and the Financing of Terrorism, the Bank shall be obliged to establish the identity of the party when opening all types of bank accounts or establishing other forms of permanent business cooperation with the party. For this purpose, the Client shall be obliged to provide the following documents and/or data to the Bank:

(I) If the Client is a natural person and a resident (in the sense of the provisions of the ZDP), a copy of the identification document/official document with a photo proving their identity with the presentation of the said document, as well as a copy of the card of the transaction account opened in the name of the Client. If the Client does not have the OIB listed on their identification document/official document with a photo, they are obliged to provide the Bank with the document on which the Client's OIB is listed.

(II) If the Client is a natural person and a non-resident (in the sense of the provisions of the ZDP), they are obliged to provide the Bank with a copy of their passport or other appropriate identification document, along with the presentation of the same, as well as a copy of the contract on the non-resident transaction account opened in the name of the Client.

(III) If the Client is a legal entity, the natural person who opens the account on behalf of the Client will give the Bank a copy of an identity document proving their identity (identity card or passport or other appropriate identification document) along with the presentation of the aforementioned document. If the Client is a legal entity and a resident (in the sense of the provisions of ZDP), they undertake to provide the Bank with:

- (a) a copy of the extract from the Client's court register;
- (b) a copy of the notification on the classification of the business entity according to the National Classification of Activities (NKD);
- (c) a copy of the signature card based on which the regular payment and transaction account was opened;
- (d) a Questionnaire with information on the real owner of the legal entity and the list of Management Board members in accordance with the provisions of the Act on the Prevention of Money Laundering and the Financing of Terrorism and the regulations based on it;
- (e) LEI (Legal Entity Identifier) of the Client;
- (f) founding document of a legal entity.

(IV) If the Client is a legal entity and a non-resident (in the sense of the provisions of the ZDP), they are obliged to provide the Bank with the following documents:

- (a) a copy of the decision on the establishment of the company;
- (b) a copy of the agreement on a non-resident transaction account opened in the name of the Client;
- (c) a Questionnaire with information on the beneficial owner of the legal entity and the list of Management Board members in accordance with the provisions of the Act on the Prevention of Money Laundering and the regulations based on it;
- (d) LEI (Legal Entity Identifier) of the Client;
- (e) founding document of a legal entity.

(V) All other data prescribed by the Bank's "Know your client" standard.

(2) For the purpose of opening an account under the Agreement and General Terms and establishing the identity of the Client, the Client shall be obliged to submit to the Bank other necessary documents and documents stipulated by special regulations.

COMPLAINTS

Article 16

(1) The Client undertakes to send any complaint about the work of the Bank in the performance of tasks under these General Terms and Conditions to the Bank in writing or via electronic mail to the following addresses:

PRIVREDNA BANKA ZAGREB d.d.

CRM i podrška mreži Radnička cesta 50

10000 Zagreb

to the attention of the executive director

Email: reklamacije.vp@pbz.hr

(2) The Bank shall notify the Client in writing, by mail or by email, about their complaint within 15 (fifteen) days from the date of receipt.

VII. TERMINATION OF THE AGREEMENT

Article 17

(1) Each contracting party may, without giving any reason, at any time, in accordance with the provisions of the Agreement and these General Terms and Conditions, cancel the Agreement with a notice period of 30 (in words: thirty) days. The cancellation period starts from the date of delivery of the notice of cancellation via the PBZInvestor distribution channel, or from the day when the notice of cancellation is sent by registered mail to the Client's residential address or contact address specified in the header of the Agreement, or to the Bank's address specified in the General Terms and Conditions. Any assumed and non-due liability of the Client towards the Bank based on the Agreement will become due upon the expiry of the notice period, and the Client is obliged to fulfil it without delay in accordance with the provisions of the Agreement and the General Terms and Conditions.

(2) The Bank shall have the right to unilaterally cancel the Agreement without the notice period specified in paragraph 1 of this article if one or more of the following situations occur:

- a) The Client fails to fulfil any obligation established by the Agreement and/or the General Terms and Conditions, especially in the event of the non-settlement or multiple late settlements of the Bank's claims based on the Agreement upon their maturity;
- b) any statement or warranty made or deemed to have been made by the Client or any information or document presented to the Bank proves to be false or fraudulent from the time it was made or presented;



- c) If a major change occurs in the financial situation of the Client or a bankruptcy is filed for the Client, if a liquidation procedure is initiated or if the Client becomes insolvent;
- d) in accordance with any legislative acts or changes in any laws or rules or their interpretation, or the occurrence of any other situation beyond the Client's control, the fulfilment of the obligations under the Agreement and General Terms and Conditions becomes illegal, inapplicable or makes it impossible for the Client or the Bank to fulfil the obligations under the Agreement; or
- e) if the further contractual relationship would be harmful for the Bank, and especially in the case of the Bank's suspicion of market abuse by the Client (as this term is defined in the CMA and the Bank's internal rules).

(3) The Client agrees that in the cases referred to in the previous Paragraph of this Article, the date of cancellation of the Agreement is considered the date of delivery of the notice of cancellation via the PBZInvestor distribution channel, i.e. the day when the notice of cancellation was sent. Provisions under Paragraph 1 of this Article apply to the delivery of the notice of cancellation.

(4) Cancellation of the Agreement shall not affect the validity of transactions and the performance of all necessary actions and operations concluded before the expiration of the notice period, which must be completed in accordance with the provisions of the Agreement and the General Terms and Conditions.

(5) The Client undertakes to settle all outstanding unpaid claims of the Bank based on the Agreement by the end of the notice period referred to in paragraph 1 of this article, i.e. immediately and without delay when the Agreement is cancelled in accordance with Paragraph 2 of this Article, and no later than the first following business day.

(6) Upon the expiry of the notice period referred to in Paragraph 1 of this Article, i.e. on the day when the Agreement is cancelled in accordance with Paragraph 2 of this Article, the Bank will close all Financial Instruments Accounts and Monetary Assets Accounts opened in the Bank.

(7) The Bank undertakes to cancel the registration of all Financial Instruments by the end of the notice period and to deliver them to the account designated by the Client together with all documents on the Financial Instruments and to transfer the funds to the account specified in the header of the Agreement or to another account designated by the Client.

(8) The Bank shall not be obliged to act in accordance with the provision of the previous paragraph of this article until all the works started based on the Agreement and these General Terms and Conditions are completed, i.e. until the Client settles all due claims that the Bank has against the Client based on the Agreement, and in that case, the Bank is not liable in any way for damage caused by the non-delivery of Financial Instruments or the non-payment of funds. The Client agrees that the Bank in any case has the right to retain the Client's Financial Instruments and funds on their Financial Instruments Accounts and Monetary Assets Accounts in accordance with the provisions of Article 6 of these General Terms and Conditions until all the Client's obligations to the Bank under the Agreement have been settled.

Article 18

(1) If the Client has an activated custodial service, they must, within 30 (in words: thirty) days from the date of delivery of the notice of the cancellation of the Agreement in accordance with the previous article, submit to the Bank a written instruction specifying the account to which the Bank will deliver Financial Instruments from the Client's Financial Instruments Custodial Account, i.e. funds from the Client's Monetary Assets Custodial Account (such instruction hereinafter: "Cancellation Instruction").

(2) If the Bank does not receive the Cancellation Instruction within the period referred to in the previous paragraph of this Article, the Bank shall retain the Assets under the Agreement until it receives the Cancellation Instruction, and in that case the Client undertakes to pay the Bank all Costs related to the storage of such Assets for which the Bank has not received the Cancellation Instruction.

Article 19

(1) The provisions on the cancellation of the Agreement are appropriately applied to situations when the Client deactivates any investment and/or auxiliary service, as a result of which the Bank is prevented from performing operations that are the subject of the Agreement and these General Terms and Conditions.

(2) The Bank shall consider the Client's request to deactivate the brokerage service as a cancellation of the Agreement.

VIII. REPRESENTATIONS AND WARRANTIES OF THE CLIENT

Article 20

- (1) The Client represents and warrants the following to the Bank:
- (a) that they provided the Bank with complete and accurate information for the purposes of concluding the Agreement;
 - (b) that they are capable of and have the right to conclude the Agreement, as well as performing the obligations arising from it;
 - (c) that they have obtained all authorisations, statutory and other permits, consents and permissions necessary for the conclusion and implementation of the Agreement;
 - (d) that the execution and fulfilment of the provisions under the Agreement and these General Conditions by the Client does not include or result in any violation of laws or regulations, nor is their execution contrary to the Client's statutes (if the Client is a legal entity), similar documents of the Client or any contract to which the Client is a party;
 - (e) that the financial instruments the Client has stored in the Bank and/or registered or intends to register with the Bank are freely transferable, that he/she is their legal owner or is authorised to dispose of the financial instruments in question in accordance with applicable regulations, and that the right of ownership of the financial instruments in question is not limited, conditioned or encumbered by any rights or burdens in favour of third parties;
 - (f) that the Assets stored in the Financial Instruments Accounts and Monetary Assets Accounts are not, nor will they be in the future, linked to any illegal activities according to the laws or regulations to which the Assets are subject. For this purpose, the Client undertakes to fill in and sign all the Questionnaires that the Bank requests when signing the Agreement;
 - (g) that for tax purposes, they have the status of resident in the country where they reside (if the Client is a natural person) or the seat (if the Client is a legal entity) specified in the introductory provisions of the Agreement, and that they meet the required conditions in order to ensure the provisions of the agreement



on the avoidance of double taxation (in case such an agreement exists) between the country in which the Client has the status of resident and the country of the Financial Instruments they invest and/or that they store in Financial Instrument Accounts;

- (h) That the fulfilment of this Contract, as well as the fulfilment of the obligations arising from this Contract, shall not result in any violation of any law, regulation, verdict, order or decision of any legislative, judicial body or judiciary relevant for the Client;
- (i) That he or she shall use the Identification code defined in the General Terms and shall not make it available and/or grant for use to a third party.

(2) The Client shall duly inform the Bank when the basis of any warranty, provided document or previously granted statement is altered.

IX. LANGUAGE OF THE CONTRACT, RECODING COMMUNICATION, DISPUTE RESOLUTION AND OTHER PROVISIONS

LANGUAGE OF THE CONTRACT

Article 21

The Client may contact the Bank and receive documents and other data that the Bank sends in the Croatian or English language, at the Client's special request. If the Client requests communication in the English language with the Bank, the Contract is concluded in five copies, three in Croatian and two in English, one in each language intended for the Client, while the Bank retains two copies in Croatian and one copy in English. In case of a discrepancy between the two contract versions, the provisions of the Contract in Croatian shall prevail.

RECORDING AND NOTING COMMUNICATION

Article 22

By signing the Contract, the Client shall grant express consent to the Bank, when performing any type of communication (including all distribution channels) with the Client, to record or in any other way note the entire communication or only certain communications, whereby the Bank is not obliged to issue special notices to the Client before any individual recording or noting commences; the Bank may use the recorded conversations and transcripts of recorded conversations made by the Bank, as well as other forms of stored documentation, as evidence in the process of controlling information and Orders and instructions that the Client gave to the Bank, either before a court or any other relevant body, or for any other purpose related to exercising the rights and obligations from these Terms, the Contract and any other contract between the Client and the Bank. It shall be deemed that the Client knows and agrees with the above through the act of issuing an Order.

RESOLVING THE DISPUTES

Article 23

- (1) These Terms and Contract are subject to the application of Croatian law, except for norm collision.
- (2) All disputes concerning the application of the Contract and these General Terms shall be resolved by the Client and the Bank amicably; if no agreement can be reached, the competent court is the relevant court in Zagreb.

TITLES OF INDIVIDUAL SECTIONS

Article 24

The titles of the individual sections of these General Terms serve only for the purpose of easier use and have no impact on their interpretation.

ALVATORIOUS CLAUSE

Article 25

If any of the provisions of this Contract and/or General Terms are subsequently established to be null and void, this shall have no effect on the other provisions and the Contract and the General Terms shall remain valid and in effect as a whole, whereby the contracting parties shall replace the provision that is null and void with a valid one that will, to the greatest extent possible, enable the fulfilment of the purpose that was intended to be achieved with the provision that was found to be null and void.

SECTION TWO BROKEREAGE SERVICES

I. BROKERAGE SERVICE DEFINITION AND CONTENT

Article 26

- (1) Within the meaning of the General Terms and Contract, the term brokerage service means providing the following investment services: receiving and transferring orders in connection with one or more financial instruments, and executing orders for the Client's account and storing and administering Financial Instruments for the client's account on the investor's Transaction Account (hereinafter: brokerage service).
- (2) Pursuant to the Contract and the General Terms, the Client authorises the Bank to perform the business of receiving and transmitting and/or executing the Client's Orders in connection with one or more financial instruments, and the Bank agrees to perform the said business on its own behalf, and for the Client's account, with a fee pursuant to the provisions of the Contract, General Terms and the Schedule of Fees.



(3) The Bank can, on its own behalf and on the Client's account, use the services of other financial institutions in order to receive and transmit and/or execute Orders or individual items of business from the Order (hiring intermediaries, tied agents, etc.), i.e. for the clearing and settlement services pursuant to the Order Execution Venue.

II. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

OBLIGATIONS OF THE BANK

Article 27

- (1) By signing the Contract and the automatic activation of the brokerage service, the Bank, on the Client's behalf, opens a Financial instruments investment account and Monetary assets investment account for an indefinite period in the Bank's books.
- (2) The Bank shall provide the following services to the Client:
- (a) Open a Financial Instruments account at the CDCC (if the Client has no such account open);
 - (b) Receive, accept, transmit and/or execute the Client's Orders in accordance with the provisions of the Contract and the General Terms;
 - (c) Record (enter) in the Financial instruments investment account (records at the Bank's books) and at the Client's account the Financial instruments stored at the CDCC and registered with the Bank, as well as Financial Instruments with documents stored at the Bank, and record the monetary assets stored at the Bank in the Client's special account (Monetary assets investment account) based on carrying out operations under the Contract and General Terms;
 - (d) If agreed with the Client, satisfy Financial Instruments and monetary assets on the basis of executed Orders to the credit and debit of the custody account opened with the Bank on the Client's behalf pursuant to the Contract or the General Terms regulating the use of custody accounts (such accounts are hereinafter referred to as: "Custody Account"), in which case the Client, by signing the Contract and accepting these General Terms, gives consent to the Bank to, before the Order is executed, check the balance of the Client's Custody Account and, accordingly, accept or reject the Order if it discovers the coverage or lack of coverage and/or conditions to fulfil the Order within the meaning of Articles 35 and 36 of these General Terms;
 - (e) Report to the Client, without delay, on each operation based on the Client's Order, including reporting to the Client on receiving, accepting and/or rejecting and amending the Order, difficulties in executing Orders, and on Orders executed through the contact address specified in the heading of the Contract or the addresses from the Bank's records and/or through the PBZInvestor distribution channel/Digital Banking, no later than the following business day after receiving, accepting and/or rejecting and amending the Order or, in case of rejecting the Order, immediately after it is rejected.
 - (f) Perform other business in accordance with the provisions of the Contract and the General Terms.

OBLIGATIONS OF THE CLIENT

Article 28

- (1) For the entire duration of the Contract, the Client is obliged to submit to the Bank the following:
 - (a) Documents, at the request of the Bank, if any such documents are required by the Bank in order to fulfil any obligations under the Contract and these General Terms; and
 - (b) Notice on any limitations on ownership over the Financial instruments pursuant to the provisions under Article 37 of these General Terms (Freely transferable financial instruments).
- (2) The Client shall, within the scope of the Contract implementation, register Financial Instruments at the Bank or, more specifically, shall deliver the documents on materialised Financial instruments to the Bank for holding and safekeeping. The Client can, within the performance of tasks under the Contract and the General Terms, register Financial Instruments at the Bank, which have to be freely transferable and legally owned by the Client or the Client is authorised to manage them pursuant to the valid law and regulations, and that the right of ownership of such instruments is not limited by, conditional upon, deposited or burdened by any rights or encumbrances in favour of third parties, and that shall be subject to the provisions under Article 37 of these General Terms (Freely transferable financial instruments).
- (3) The Client shall not issue Orders to the Bank on the purchase of Financial Instruments if, at the moment of issuing the Order, there is no coverage for the execution of the same Order in the available funds in the Monetary assets investment account, increased by the amount of all corresponding fees, costs and related expenses to the Bank, stated in the Schedule of Fees, or if at the moment of issuing the Order, there is no coverage in the Client's Custody Account at the Bank as the custodian.
- (4) The Client shall also not issue Orders to the Bank on the sale of Financial instruments if, at the moment of issuing the Order, there is no coverage for the execution of the Order (a) in the available Financial Instruments at the Financial instruments investment account and (b) in the amount of all corresponding fees, costs and related expenses to the Bank, stated in the Schedule of Fees, or if at the moment of issuing the Order, there is no coverage in the Client's Custody Account at the Bank as the custodian.
- (5) The Client is also obliged not to manage funds in his or her Custody Account that would prevent the settlement of the amount the Client owes pursuant to the transactions concluded with the Contract and these General Terms.
- (6) If the Client acts contrary to the provisions of items 3, 4 and 5 of this Article, it is responsible to the Bank for the incurred damage, whereby it shall be considered that the Client is not fulfilling its contractual obligations, based on which the Bank is entitled to terminate this Contract unilaterally pursuant to the provisions of the Contract and the General Terms.
- (7) The Client shall fully compensate the Bank against any taxes, tariffs, penalties and other charges to which this Contract, its implementation or the execution of any service thereof may be subject.
- (8) The Client shall pay to the Bank the fee, costs and related expenses for carrying out operations under the Contract and these General Terms in the amount, by the deadlines and in the manner described in the Schedule of Fees.
- (9) The Client shall immediately and without delay inform the Bank about any change to the contact address and email address specified in the heading of the Contract and shall pay for any possible damage incurred due to the failure to fulfil the said liability. Each such change affects the Bank on the following business day from the day the notice on the change was received.

CARRYING OUT OPERATIONS

Article 29

- (1) The Client shall issue an Order to the Bank in the manner set under the General Terms, and the Bank shall receive, accept, transmit and/or execute and satisfy the same pursuant to the provisions of the Contract, General Terms, Policy, market practice and the valid law and regulations.
- (2) The Bank shall accept the Client's Orders up to the amount of the available monetary assets and Financial Instruments in the Monetary assets investment account, or the Financial instruments investment account, i.e. in the amount found in the Client's Custody Account. Such available coverage includes the amount of all the corresponding fees, costs and related expenses to the Bank based on Order execution and calculated pursuant to the provisions of the Schedule of Fees.
- (3) The Financial Instruments and monetary assets, pursuant to the execution of the Client's Order for the purchase or sale of Financial Instruments through the credit and debit of the Monetary assets investment account, shall be settled by the Bank with the same (after executed compensation), i.e. in the Custody Account, and all pursuant to the provisions of the General Terms.

III. PBZINVESTOR DISTRIBUTION CHANNEL

Article 30

- (1) If the Client agrees to use the PBZInvestor platform as a distribution channel, the Bank shall introduce the Client to the method of using the PBZInvestor platform and trading through Digital Banking through instructions that will be available to them on the Brokerage website and through the PBZInvestor distribution channel, and shall provide the Client with access to the PBZInvestor platform and thus make available to the Client access to the PBZInvestor platform and trading through Digital Banking and in this way to provide at least the following options:
 - a) Access to the prices of Financial Instruments at specific Order Execution Venues in real time or delay time;
 - b) Giving Orders to buy or sell Financial Instruments;
 - c) Access to the balance of the Monetary assets investment account and Financial instruments investment account registered with the Bank 24 hours a day, on the internet pages <https://www.pbz.hr/gradjani#login>
- (2) PBZInvestor is an electronic distribution channel and the Client is obliged to ensure the minimum technical requirements for its use at his or her own cost, including internet access. The Bank may, without prior notice to the Client, modernise the technical characteristics of the PBZInvestor distribution channel, which can require the modernisation of the Client's software, hardware and/or internet browser. The Bank is not responsible for any possible costs that the Client may incur related to the update of the hardware, software and/or internet browser in order to use the PBZInvestor distribution channel, or any costs that could be incurred due to the Client's failure to update the corresponding technical requirements.

IDENTIFICATION CODE AND THE CLIENT'S OWN ACCOUNT

Article 31

(1) If when contracting the PBZInvestor platform as a distribution channel, the Client does not have an open current account for a citizen, giro account or another corresponding transaction account, the Contracting Parties shall conclude a Contract on a current account, Contract on a giro account or another corresponding contract at the same time, based on which the Bank shall enable the Client to use Token, mToken, the CAP reader card or another corresponding manner of identification and authentication (hereinafter: "Identification code"). The rights and obligations of the Contracting Parties regarding the opening and use of a current and/or giro account or another corresponding transaction account shall be regulated with a special contract.

(2) The Identification code enables the Client to access the PBZInvestor platform, identification and authentication of the Client when using the PBZInvestor distribution channel, the activation and use of individual and auxiliary services, as well as providing the required consent pursuant to the Contract and the General Terms (e.g. User's consent). The use of the PBZInvestor distribution channel is not possible without the Identification code.

(3) The Client shall be responsible for keeping the Identification code, and shall use the code exclusively in person and shall not give it to a Third party for use. The Client shall be responsible for all Orders and each and any action or failure of the Client while using the Identification code. The Bank shall not be held responsible for the costs incurred if the Client gives for use or makes his or her Identification code available to a Third party or in any case of misuse by a Third party who came into possession of the Client's Identification code.

RESPONSIBILITY FOR DATA ACCURACY

Article 32

(1) The Bank shall not be responsible to the Client or any Third party for any damage that can arise or manifest itself due to the impossibility of use of the PBZInvestor distribution channel, loss of data, financial loss, etc., and if the damage thereof can be connected to the use of the PBZInvestor platform and/or its performances, accidental actions in use or forbidden use of the same platform by the Client.

(2) The Bank shall not be responsible for data accuracy regarding prices, market depth and Financial Instrument transactions through the Order Execution Venue, the price of which, market depth and Financial Instrument transactions are available through the PBZInvestor platform or Digital Banking and the trading system of the Order Execution Venue.

COPYRIGHTS

Article 33

(1) The Bank shall enable the Client the use of the PBZInvestor distribution channel for the Client's personal, non-commercial purposes. The Client shall be allowed to use information available on the PBZInvestor platform and their printed versions, but the Client cannot remove the copyright signs thereof. The Client shall not reproduce, copy or distribute information received in the PBZInvestor platform for commercial purposes without the prior written permission of the Bank.

IV. PREREQUISITES FOR ISSUING ORDERS

FAMILIARISING THE CLIENT WITH THE DATA AND CIRCUMSTANCES

Article 34

- (1) Before accepting the Client's Order, the Bank is obliged to familiarise the Client with all the data and circumstances known and available, as well as with all other details in order for the Client to issue Orders to the Bank without any difficulties.
- (2) Nevertheless, the Bank shall not familiarise the Client with data and circumstances the disclosure of which would constitute the disclosure of confidential information or data that the Bank is obliged to keep as a banking or business secret.
- (3) The Client shall not send Orders to the Bank if he or she is not familiar with the data and circumstances under paragraph 1 of this Article; with the very act of issuing the Order, the Client confirms that the Bank familiarised him or her with the same and that the Client completely understood and expressly agrees to them.
- (4) The data stated in this Article, as well as all the corresponding data the Bank is obliged to duly disclose to the Client, and that relates to the investment and auxiliary services and activities provided and performed by the Bank, as well as the risks from investment to the Financial Instruments, shall be made available to the Client at the Bank's premises and on the internet pages of the Bank, or through the PBZInvestor platform and/or the Bank's other distribution channels.

ADVANCE PAYMENT OF MONETARY ASSETS

Article 35

- (1) Provisions of this Article relate to the transmitting and/or execution of Orders for the purchase of Financial Instruments through the Execution Venues in the Republic of Croatia. If the Client wishes to give Orders for the purchase of Financial Instruments on foreign Execution Venues, the Client is obliged to activate the use of the custody service prior to that pursuant to the Contract and these General Terms.
- (2) The Bank shall only accept or transmit and/or execute the Order for the purchase of Financial Instruments if the Client transferred the full coverage money required for the transmitting and/or execution of the issued Order including the amount of all corresponding fees, costs and related expenses to the Bank and/or other financial institutions based on the transmission and/or execution of the Order, including the provisions of the Order Execution Venue and CDCC fees (if the Financial Instruments are in the CDCC system) or other financial institutions, and calculated in accordance with the provisions of the Schedule of Fees.
- (3) The Bank shall instruct the Client on the manner of the advanced payment of monetary assets. It shall be deemed that the Client has transferred the required monetary assets when they are paid pursuant to the Bank's instructions to the Monetary assets investment account.
- (4) At any given moment, the Bank can stop carrying out the operations, subject to these Terms, until the payment of the monetary assets required for the transmitting and/or execution of issued Orders is received increased

by the amount of all corresponding fees, costs and expenses, and in such case shall hold no responsibility for damages incurred to the Client due to the failure to pay the required funds for the transmitting and/or execution of received Orders. In this case, the Bank shall immediately inform the Client.

REGISTERING FINANCIAL INSTRUMENTS

Article 36

(1) Provisions of this Article relate to the transmitting and/or execution of Orders for the sale of Financial Instruments through Execution Venues in the Republic of Croatia. If the Client wishes to give Orders for the sale of Financial Instruments on foreign Execution Venues, the Client is obliged to conclude an agreement for the use of the custody service prior to that pursuant to the Contract and these General Terms.

(2) The Bank shall only accept, transmit and/or execute the Order for the sale of a Financial instrument through an Execution Venue in the Republic of Croatia if the Client registered the Financial Instruments with the Bank and thus enabled the Bank to manage them, which is required for the transmitting and/or execution of received Orders. Otherwise, if the Client has insufficient or no Financial instruments, which are the subject of the Order, in the Financial instruments investment account, or if managing such instruments is enabled or limited, the Bank shall immediately inform the Client that or her Order has been rejected.

(3) The Bank shall instruct the Client on the manner of registration of Financial Instruments, depending on the form of their issuance, venue and manner of safekeeping, as well as the venue and manner of registration.

(4) It shall be deemed that the Client has registered Financial Instruments within the meaning of the provisions of these Terms when the following requirements are met cumulatively:

(a) The Client has registered Financial Instruments with the Bank in a CDCC computer system or other authorised institution computer system where such Financial Instruments are managed in an immaterial or electronic form; and

(b) Financial Instruments registered with the Bank in such manner are available in the Financial instruments investment account of the Client.

(5) At any given moment, the Bank can request other documentation, information or evidence related to the data on the Financial Instruments as additional authorisations and other documents in order to fulfil the agreed obligations, and can stop carrying out operations that are subject to these Terms until that moment. The Bank can also examine the authenticity of the Financial Instruments and data thereof with a Third party, as well as performing other actions in order to ensure the stability of such data and its own authorisation for the duration of the operation.

(6) If there are more authorised persons for a Financial Instrument or Financial instruments investment account of the Client, the Bank shall request a single authorised person to be named as the Authorised Representative who presents to the Bank the written consent of all the other authorised persons or a valid decision by a relevant body that he or she is authorised to act as a Principal.

(7) If during the registration of the Financial Instruments, the Client authorises the Bank to perform specific actions on its own that are in accordance with the usual business of the Client (e.g. issuing a special power of attorney, disclosing a password, PIN or other secret data), it shall be deemed that the Client is familiarised with the risks he or she is exposed to by granting such authorisation or disclosing such secret data, and the Bank shall remain obliged to use the given authorisation only in the part necessary for the completion of the action.

(8) The Client must take into account on his or her own that the registration of Financial Instruments at the CDCC limits, in a certain way, his or her rights arising from the Financial Instruments and that, for example, in order to participate in a public tender, the Client is obliged to instruct the Bank on the de-registration of Financial Instruments.

(9) The Bank regularly, upon every alteration and at least once a month if there have been no alterations, aligns the notes and accounts from its books with the notes and accounts of Third parties (including the CDCC) with which it keeps the Clients' assets. The Internal Audit Department of the Bank, as well as an independent outsourced authorised auditor of the Bank, shall examine the Bank's notes regarding the Clients' assets. Pursuant to the law and regulations, an independent outsourced authorised auditor of the Bank shall deliver to the HANFA (Croatian Financial Services Supervisory Agency) a report on the appropriateness of the Bank's measures regarding the protection of the Client's property.

FREELY TRANSFERABLE FINANCIAL INSTRUMENTS

Article 37

(1) The Bank shall, unless otherwise contracted, only transmit and/or execute an Order regarding Freely transferable financial instruments where the right of ownership of such instruments is not limited by, conditional upon or burdened by any rights or encumbrances in favour of third parties, and the Client is obliged to solely register such Financial Instruments with the Bank.

(2) If there is or is discovered subsequently a limitation of the right of ownership or the right of disposal of the rights of the Financial Instruments, the Client is obliged to inform the Bank immediately about such facts and the Bank and the Client shall try to settle the dispute situation immediately. If the Client fails to inform the Bank immediately about the said limitations or burdens the Third party on the Financial Instruments under this paragraph, the Client shall be responsible to the Bank for any damages caused by such behaviour of the Client.

(3) The provisions under this Article shall not refer to the limitations, conditions or other burdens to the credit of the Bank, nor based on the execution of the Client's Order in the judiciary proceedings or the amicable settlement of claims.

LIMITATION OF LIABILITY

Article 38

The Bank shall bear no responsibility for any costs that can be incurred due to the Client failing to make timely coverage of his or her Monetary assets investment account or failing to register Financial Instruments with the Bank, pursuant to the provisions of the Contract and these General Terms.

V. PURCHASE ORDER/SALE ORDER FOR FINANCIAL INSTRUMENTS

ESSENTIAL COMPONENTS OF THE ORDER

Article 39

- (1) The Bank shall only accept Orders that contain data on the essential components of the operation that should be completed by Order acceptance and that are without doubt directed from the Client.
- (2) Essential components of an Order are:
- (a) Personal data identifying the Client or its Authorised Representative, and that are identical to the personal data from the Contract;
 - (b) Type of Order (purchase or sale), or the nature of the transaction the Bank should perform;
 - (c) Data on the Financial Instrument unanimously setting the subject of the Order (official or unique securities identification number or the title of the Financial Instrument or the characteristics of the Contract in case of an executed Financial Instrument);
 - (d) Data on the amount of the Financial Instrument that is the subject of the Order (number of units of the Financial Instrument, nominal value of bonds or the number of executed contracts);
 - (e) the price of the Financial Instrument that is the subject of the Order, expressed as a unit price per security or derivative contract without commission and (where applicable) calculated interest – for shares and derivatives in euros and cents (that is, in the trading currency), and for debt securities as a percentage of their nominal value (the price on the Purchase Order is expressed as the maximum price that the Client is willing to pay for the purchase of the Financial Instrument, that is, on the Sale Order the price is expressed as the minimum price that the Client is willing to accept for the sale of the Financial Instrument);
 - (f) Price indication for the Financial Instrument in the currency in which the price is stated, an if it's a bond or another form of secured debt that is expressed as a percentage, and the price indication includes the said percentage;
 - (g) Order Execution Venue where the Order shall be executed, pursuant to the Policy on Order execution;
 - (h) Date when the Order expires; and
 - (i) identification of the Client (for an order sent in the manner defined in Article 40), or the authorisation of the order (if the Order was sent through the PBZInvestor/PBZ mobile banking distribution channel).
- (3) If the Bank receives a contradictory, unspecified, unclear or incomplete Order, the Bank shall have the right to request additional data on the Order or shall have the right to stop the procedure based on the received Order or instruction until the Bank solves any ambiguities with the Client, or reject the received Order, all with no obligations to the Bank. In the said cases, when the Bank rejects the received Order, it is obliged to inform the Client immediately thereof.
- (4) For all data not stated in the Order, which is also not established in the law and regulations as an essential part of the Order or data that is established to be data valid on the market, the Bank shall proceed with the care of a good expert or in the Client's interest, where the Bank shall not guarantee that the execution of such an Order shall achieve the maximum possible protection of the Client's interest or use.



MANNER OF GIVING ORDERS

Article 40

- (1) Orders can be issued to the Bank in the following manner, or with the use of the following distribution channels:
 - a) orally (by phone) or in writing
 - c) Through the PBZInvestor platform (exclusively after contracting the use of the same service as a distribution channel);
 - d) Via email, as defined under paragraph 5 of this Article;
 - e) through the Bloomberg terminal.
 - f) through Digital Banking
- (2) An oral order can be sent by the Client only by telephone to the telephone numbers listed in Art. 48 of these General Conditions, or to other phone numbers that the Bank has informed the Client about, with mandatory appropriate identification of the Client with a password that the Client will choose when concluding the Agreement or by another appropriate means of identification. The said password shall contain a minimum of 5 (five) and a maximum of 10 (ten) letters and/or figures. The Client agrees that the Bank, by developing its organisational and IT support, can issue a new password for the Client, which shall be used for undisputed identification when placing an Order by telephone and/or some other form of communication. The Bank shall notify the Client about the assignment of new passwords to the contact address from the header of the Agreement or from the Bank's records or through the PBZ Investor platform/Digital banking, or to another address that the Client has notified the Bank about in the manner provided for in the General Terms and Conditions and the Agreement. If the Client does not know the password, the Bank can identify the Client in another appropriate way.
- (3) The Client can issue a written Order to the Bank exclusively by arriving in person at the Bank's business premises, Corporate Banking Products Department, Brokerage Operations – address stated in Article 48 of these General Terms, by filling out and signing the Order form for the purchase of Financial Instruments or the Order form for the sale of Financial Instruments, The Bank will only accept a written Order if the personal data stated on the Order is identical to the personal data of the Client stated in the Contract. The Bank shall reject an Order where the Client stated personal data different from that stated in the Agreement or the Bank's records, or data the Client informed the Bank of before issuing the Order. If the Client does not know the password, the Bank can identify the Client in another appropriate way.
- (4) Issuing Orders through the PBZInvestor platform/Digital banking is done in electronic form with mandatory authorisation through the Identification Code.
- (5) The Bank can, based on the discretionary evaluation, allow the Client to issue Orders via email with the obligatory use of the password or another corresponding manner of identification.
- (6) Any persons issuing an Order on behalf of (representation of) another person have to be prepared to prove the authorisation granted for such issuing of Orders. The Bank shall bear no responsibility for such cases, or potential misuse regardless of the distribution channel used when issuing the Order.
- (7) For all Clients who are not natural persons and are not categorised as small investors, when receiving an order in any way and through any communication channel, brokers are not obliged to ask for a password, but it is sufficient for the order to be placed by a person registered in the Brokerage system through the method of communication recorded in the Brokerage system.

RECEIVING AND ACCEPTING ORDERS

Article 41

- (1) The receipt of Orders by the Bank is not the acceptance of Orders. The Bank is obliged to confirm to the Client that it has received the Order no later than the following business day after receiving the Order.
- (2) The Bank accepting the Order shall only be deemed the registration of the Order Book and the Bank shall notify the Client that his or her Order has been accepted and entered in the Order Book.
- (3) By accepting the Order, the Bank is obliged, on its own behalf and for the Client's account, to provide the investment service or perform the investment activity connected to a specific Financial Instrument, in accordance with the data stated in the Order and any further possible instructions pursuant to paragraph 6 of this Article.
- (4) If the Bank decides not to accept the said Order, the Bank is obliged to inform the Client of the rejection of the Order immediately after receiving the Order stating the reasoning for such rejection.
- (5) The Bank shall not accept an Order that, in particular, but not limited to, is found or assessed: (a) to not have essential components for carrying out an operation; (b) that the Bank could not execute the Order due to important deviations from the market conditions or other reasons; (c) that the Order has been received outside the regular business hours of the Order Execution Venue, unless the Bank notifies the Client of a different manner of proceeding; (d) that the Client failed to provide the Bank with the management of the Financial instruments or pay the amount of monetary assets for the payment of the purchase price and the costs related to the transfer and/or execution of the Order; (e) that the Order could have been issued for the purpose of the unauthorised manipulation of the prices of Financial Instruments or other forbidden and unlawful acts; (f) that, by executing the Order, the Bank would be harmed; or (g) that executing the Order would designate a committed offence or criminal offence.
- (6) The Bank shall also reject the Order if it deems that the execution of the Order based on its data and specifications would risk damage to the Client or if the Order requires additional instructions, and shall instead warn the Client thereof and seek further instructions. Such further instructions for an Order received shall be counted as a new Order, which shall be deemed accepted when entered in the Order Book.
- (7) At the Client's request, the Bank is obliged to duly deliver the print-out of the Order to the Client from the Order Book.
- (8) If the Client issues an Order to the Bank outside the regular working hours of the Order Execution Venue, the Order shall not be accepted or entered in the Order Book. The Bank can decide on specific cases to accept the Client's Orders issued outside of the regular working hours of the Order Execution Venue, whereas it is obliged to inform the Client thereof.

ALTERATION OF THE ORDER

Article 42

- (1) The Bank shall accept alterations of the Order or other instructions if, at the moment of the alteration, the Order has not been executed or if the alterations do not affect the operations carried out until that moment regarding the state of the executed Order.
- (2) The Bank is obliged to inform the Client of the failure to accept sent amendments to the Order or other instructions no later than the following business day.



(3) Alterations of the Order data shall only be deemed binding for the Bank if they are entered in the Order Book, with the exception of the extraordinary situations described under Article 9, paragraph 3 of these General Terms.

(4) Data being changed is, based on valid laws and regulations, a major alteration of the Order parts and affects the execution of the Order, therefore representing a new Order and the data from the previous Order, with the accepted alterations, shall be deemed the Client's new Order.

ORDER EXPIRATION

Article 43

(1) If the Order sets a date of validity, after the date expires, the Bank's obligation on the part of the Order that has not been executed shall end if such expiration does not affect any previously carried out operations regarding the state of the Order execution; as for the part the operations that have been started, the Bank shall carry out the said operations.

(2) The Bank is not obliged to inform the Client on the Order expiration. A single Order is valid for 45 (forty-five) days from the date the Order was accepted, unless the Client contracts a different Order validity date with the Bank.

ORDER REVOCATION BY THE CLIENT

Article 44

(1) The Bank shall accept the revocation of the Order in the same manner and under the same conditions valid for the alteration of the Order under Article 42 of these General Terms.

(2) The Bank can request the Client to provide a special form and procedure for the delivery of a revocation.

ORDER CANCELLATION BY THE BANK

Article 45

(1) The Bank can, at any given moment, unless otherwise contracted, cancel an Order not yet executed, even if the Order is partially executed, with obligatory reasoning for the cancellation, and the Bank shall not be held responsible for any damage to the Client caused by the unilateral Order cancellation by the Bank.

(2) The Bank can cancel an Order not yet executed for reasons that in particular include, but are not limited to, the following circumstances:

- (a) Announced or started corporate actions due to which the conditions of the Order deviate or would deviate from the market conditions that will be valid after the said corporate actions take place;
- (b) Suspension of trade with specific Financial Instruments through the Order Execution Venue;
- (c) Decision by the relevant regulator or Order Execution Venue;



- (d) Unpaid claims of the Bank to the Client;
 - (e) The Bank's suspicion that market abuse (as defined by the Capital Market Act and the internal rules of the Bank) is being committed by the Client;
 - (f) Executing OTC transactions with a Financial Instrument entered through a regulated market;
 - (g) Other circumstances that justify the cancellation of the Client's Order.
- (3) Apart from the reasons stated in paragraph 2 of this Article, the Bank can, at any given moment, cancel an Order based on reasons due to which, pursuant to the provisions of these Terms, it cannot accept the Order, and in particular if the Bank cannot contact the Client.
- (4) The Bank is obliged to inform the Client immediately about the Order cancellation, first and foremost, via telephone, and exceptionally (if the Bank cannot contact the Client in any other manner) in writing.
- (5) The Order cancellation shall be valid from the moment the cancellation is entered into the Order Book.

ORDER EXECUTION

Article 46

- (1) The Bank shall execute the Order with the care of a good expert while remaining within its limits and take care of the Client's interests in everything and rely on them, while applying the corresponding measures and procedures that enable the updated and correct execution of the Client's Order with regards to the orders of other Client's or trade interests of the Bank itself.
- (2) When executing the Order, the Bank shall follow the special laws and regulations that regulate the provision of investment and auxiliary services and carrying out investment activities, the rules of institutions the services of which it uses, as well as the general rules and business traditions valid on the market or between the market participants.
- (3) If the Orders can be executed using different Order Execution Venues, the Bank shall, unless receiving different instructions from the Client, choose the Order Execution Venue pursuant to the valid Policy on Order execution by the Bank.
- (4) The Bank can only deviate from the accepted Order and instructions with the Client's consent, and if the Bank cannot get the Client's consent due to a short deadline or any other cause, only if, based on the assessment of all the circumstances, the Bank found that it is demanded by the Client's interest.
- (5) After the execution of the Order, the Bank shall immediately, no later than the first business day after execution, send a notice on the executed transaction in a manner described under the General Terms. All complaints that the Client could possibly have concerning the subject notice must also be stated in a manner described under the General Terms and no later than one business day after receiving the notice. Otherwise it shall be deemed that the Client accepts the conditions of the subject notice.
- (6) If during the Order execution, the Bank finds that there are facts and circumstances that, had they been known, would have been a reason for the Bank's rejection of the Order, the Bank, based on the status of the Order execution, can stop the operation and request new instructions or cancel the Order and shall inform the Client immediately thereof.
- (7) The Client agrees that the Bank can execute an Order at the Client's request outside the regulated market, i.e. through an OTC transaction. Within this meaning, an OTC transaction includes any transaction with a financial

instrument that can, but does not have to be entered through a regulated market. The said transaction can be executed by ensuring, during compensation and settlement, the delivery of financial instruments or the reception of monetary assets, which the Bank shall communicate with the Client through its distribution channels or in a manner contracted in the Contract and/or these General Terms.

Regardless of the Client's request for the execution of the Order through an OTC transaction, the Bank can reject the execution of an Order without reasoning, especially if the Financial Instrument is entered in a regulated market.

(8) The Client must, in particular, take into account the risk of bankruptcy, insolvency or inability to fulfil any of the obligations (e.g. transmitting, executing orders and/or the settlement of financial instruments) that are the subject of the Contract and these General Terms by a Third party.

SAFEKEEPING OF THE CLIENT'S ASSETS

Article 47

(1) In its books, the Bank keeps the details of the Clients' accounts in a way that enables the separation of the assets of one Client from the assets of another, as well as the assets of the Bank itself, at any moment and without any delay. The Client's assets are not the property of the Bank, they do not comprise the Bank's assets nor liquidation or bankruptcy estate, nor may they be subject to enforcement regarding claims toward the Bank. The Bank shall not use the Financial Instruments of the Client without his or her prior explicit consent.

(2) The Bank shall accept and hold in safekeeping the Financial Instruments and/or monetary assets made by executing the Order in accordance with the valid laws and regulations, market practices, rules of financial institutions the service of which is used by the Bank, as well as in any other manner contracted between the Bank and the Client. The monetary assets of the Client shall be managed by the Bank in a Monetary assets investment account, and the Client's Financial Instruments shall be recorded in a Financial instruments investment account.

(3) Unless otherwise contracted, the Bank shall satisfy all the monetary receivables to the Client from the monetary assets in the Monetary assets investment account, and all the claims from the Financial Instruments to the Client from the Financial instruments noted on the Financial instruments investment account the Client registered with the Bank, pursuant to the valid law and claims. The Bank can call on the Client to fulfil his or her obligations, even based on a special call.

(4) The Bank shall transfer the monetary assets of the Client to his or her Monetary assets investment account pursuant to the instructions from the Order or in any other contracted manner pursuant to the General Terms and the Contract. Unless otherwise agreed, the Bank is obliged to transfer monetary assets pursuant to the rules of the financial institutions of the Order Execution Venue.

(5) The Bank shall also transfer all other rights and claims to the Client that have been acquired by the Client to a Third party that the Bank has carried out an operation with on the behalf and for the account of the Client.

(6) The Bank is not obliged to transfer the monetary assets until all started operations are completed, i.e. all overdue claims of the Bank for services and activities that are the subject of the General Terms and Conditions and the Agreement or any claim based on other contracts the Client signed with the Bank, have been settled. If the Client has failed to satisfy all his or her claims by the Bank from the previous sentence, the Bank shall not be held responsible in any manner for the damage incurred by the failure to pay the monetary assets.

(7) The Bank shall not calculate interest on monetary assets found in the Monetary assets investment account as it does not fall under the Bank's assets.



(8) A securities transaction account is an account that is opened in CDCC on the basis of the Bank's order on behalf of the Client and the positions of financial instruments are entered in it. Upon opening the Securities Transaction Account in CDCC, the Bank will open a Financial instruments investment account and Monetary assets investment account for the account of the Client in its records. The Client submits a request for opening a Transaction Account in writing/by phone to the Brokerage contact phone number. If the Client has financial instruments and/or monetary assets in the Financial instruments investment account/Monetary assets investment account, they will be transferred to the Transaction Account by contractual transfer. When opening the investor's Transaction Account, the Client's payment account recorded in the CDCC system will be selected as the default option for payout of monetary assets from corporate actions, and all future payments from corporate actions will be made to that account. The financial instruments on the Transaction Account and on the position registered with the Bank do not belong to the Bank, do not form part of its assets, do not enter into its liquidation or bankruptcy estate and cannot be used to fulfil its obligations to the CDCC, other members or any third party. To close the Transaction Account, the Client should contact the Brokerage Services by phone on the Brokerage Services contact number. At the moment of closing the Transaction Account, funds and financial instruments are transferred by contractual transfer to the Financial instruments investment account/Monetary assets investment account registered with the Bank in the CDCC on the Investor's Basic Account. When opening a transaction account, all Clients are required to provide an email address without which it is not possible to open a Transaction Account. The fee for maintaining and closing the transaction account is charged in accordance with the Investment Services Price List.

(9) The Bank is obliged to do the following within the scope of providing services and carrying out operations under the Contract and the General Terms:

- (a) Take over Financial Instruments from the Client for the safekeeping and administration of the Financial Instruments of the Client on the Transaction Account of the investor;
- (b) Accept and execute the Client's Instructions in accordance with the provisions of the Agreement and the General Terms;
- (c) The Bank shall inform the Client about corporate actions related to the exercising of the Clients' rights from the Financial Instruments in safekeeping. The Bank shall not undertake any actions related to the realisation of the Client's rights from the Financial Instruments in safekeeping and shall act exclusively according to the Client's Instruction and shall not, without the Client's Instruction, undertake any actions with regard to corporate actions.

If the Bank is going to act according to the Client's Instruction, the Client shall be obliged to deliver the Instruction to the Bank in writing no later than the deadline specified in the notice of corporate action, and in no case later than 5 working days before the deadline set by the issuer for exercising rights from the corporate action.

- (d) Satisfy the purchase or sale of Financial Instruments in accordance with the provisions of the Contract and the General Terms, as well as the Instructions of the Client;

(10) The Bank shall receive on its own behalf and on the Client's account:

- a) all monetary assets realised under rights arising from Financial Instruments on the Investor's Transaction Account (for example, dividends and interest), as soon as such monetary assets become due (if the CDCC does not pay them to the payment account defined when opening the Investor's Transaction Account), keep them in the Investment Account of the monetary assets.
- b) All the new editions of the Financial Instruments issued on the basis of the ownership rights the Client has based on the Financial Instruments on the Transaction Account of the investor (e.g. based on options and warrants), and hold the same for safekeeping in the Financial instruments Investment Account.

Nevertheless, the Bank has no obligation or duty to implement any measures in order to charge the amount from this Article if no obligation is satisfied for the Assets that are the basis of the specific right of the payment of monetary assets or issues of Financial Instruments, or if the payment or new issue of the Financial Instruments is rejected following a lawful request and submission.

The Bank shall not undertake the obligation to regulate the tax obligation of the Client, the payment of taxes or tax returns regarding Client's investment.

The taxation of domestic and foreign legal and natural persons based on revenue received through investing in Financial Instruments is regulated by legal acts in the sphere of profit and income tax. Every Client should consult his/her/its tax advisor on the tax consequences that may arise based on the ownership or disposal of Financial Instruments regarding the applicable domestic and foreign tax regulations or international taxation contracts.

(11) The Bank shall, on the investor's Transaction Account, on behalf of and for the account of the Client and based on the Client's Instruction, settle the purchase or sale of Financial Instruments, and shall immediately after the execution of such a purchase or sale, manage the received assets based on the Client's Instruction.

The Instruction from the previous paragraph of this Article must be received by the Bank in writing within a defined deadline, and it shall contain at least the following: (I) official identification of a Financial Instrument; (II) amount/nominal value of the Financial Instrument to be settled; (III) date of settlement; (IV) the venue where the relevant Financial Instrument will be put for safekeeping (if it is a receipt) or delivered (if it is a delivery); (V) the provider or receiver of the Financial Instruments; (VI) the amount of settlement if applicable; (VII) a statement that it is the delivery or receipt of the Financial Instruments with or without payment; and (VIII) other possible data required for settlement, such as date of trade, and account number with the supplier/recipient of Financial Instruments, all in accordance with standard market practice.

(12) The Client is obliged: to safekeep in his or her Financial Instruments Investment Account only the Freely transferable financial instruments where the right of ownership of such instruments is not limited by, conditional upon or burdened by any rights or encumbrances in favour of third parties. If there is a limitation on the right of ownership or other rights from the Financial Instruments or if they are found subsequently, the Client is obliged to inform the Bank immediately thereof and to replace the Financial Instruments with those where there are no such limitations or settle the situation in dispute in another manner set by the Bank by the deadline provided by the Bank. If the Client fails to inform the Bank immediately about the said limitations on the Financial Instruments under this paragraph, the Client shall be responsible to the Bank for any damages caused by such behaviour.

It shall be deemed that the limitation of the rights from the Financial Instruments exists in the following situations:

- If the call for the purchase of Financial Instruments followed before the delivery of the same to the Bank;
 - If there is a clear or actual circumstance that could dispute the Client's or the Client's clients' right of ownership over the Financial Instruments;
 - If there is a burden on the Financial Instruments, which means that they cannot be transmitted freely or delivered without such burden to a relevant market;
 - If the safekeeping of the Financial Instruments would mean a violation of the applicable laws and/or regulations;
 - If the certificates representing such Financial Instruments are not authentic or in good condition; or
 - If there are any other circumstances that could lead the Bank to the justified conclusion that the Financial Instruments are not validly delivered or are not appropriate for such a delivery;
- a) Make timely deliveries of completed Instructions to the Bank for all actions related to the Financial instruments investment account and the Financial Instruments in that account, where the Client is obliged to follow all the valid laws and regulations of the Republic of Croatia;



- b) Make the timely delivery of all licences, powers of attorney and other authorisations to the Bank concerning all the important circumstances that could be significant to the fulfilment of the Bank's obligations pursuant to the provisions of these General Terms;
 - c) Ensure and make timely deliveries of all licences, powers of attorney and other authorisations to the Bank necessary for the seamless exercise of rights and the fulfilment of the Bank's obligations created pursuant to the Contract and these General Terms, as well as a list of Authorised Representatives that the Bank is authorised to accept Instructions from, together with specimens of their signatures; and
 - d) Immediately confirm that all the reports and data received from the Bank are correct. Otherwise, if the Client fails to submit a written complaint to the Bank concerning the correctness of the reports and data received from the Bank within 7 (in words: seven) business days from the day of their receipt, it shall be deemed that the Client has accepted the delivered reports and data.
- 13) The Bank undertakes to deliver the following reports to the Client who has an open Investor's Transaction Account:
- a) once a month, a written report with a review of the Assets in the Client's Financial Instruments Investment Account and Monetary Assets Investment Account,
 - b) Annual ex post report on all the costs and fees related to the brokerage service if there has been a continuous relationship with the Client over the years.
 - c) notice of completed transactions.

VI. COMMUNICATION REGARDING BROKERAGE SERVICES

COMMUNICATION TOWARDS THE BANK REGARDING BROKERAGE SERVICES

Article 48

(1) Unless otherwise agreed, the Client shall provide and send all instructions, notifications and reports, as well as engaging in all other forms of communication with the Bank related to providing brokerage services, exclusively to the following addresses and/or numbers:

PRIVREDNA BANKA ZAGREB d.d. CORPORATE BANKING
PRODUCTS DEPARTMENT BROKERAGE OPERATIONS

Radnička cesta 50

10000 Zagreb

Tel.: + 385 (0)1 489 1331

Fax: +385 (0)1 636 0771

Email: brokeri@pbz.hr

or by visiting the Bank in person or through the PBZInvestor platform if there are technical prerequisites.

SECTION THREE CUSTODY SERVICE

I. CUSTODY SERVICE DEFINITION AND CONTENT

Article 49

- (1) Within the meaning of the General Terms and the Contract, the term of custodial service means the safe-keeping and administration of Financial Instruments on the Client's behalf, including custody and related services, such as the management of monetary assets and collateral (hereinafter: custody service).
- (2) Pursuant to the Contract and the General Terms, the Client shall authorise the Bank to provide custody services for the Client's account, and the Bank agrees to provide them and carry out the said services and operations on its own behalf, with a fee pursuant to the provisions of the Contract, these General Terms and the Schedule of Fees.
- (3) The Bank can, on its own behalf and on behalf of the Client, use the services of other financial institutions in order to provide custody service.

II. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

OBLIGATIONS OF THE BANK

Article 50

- (1) The Bank shall carry out operations that are regulated by these General Terms on its own behalf and on behalf of the Client.
- (2) For the purpose of carrying out the operations from the previous paragraph of this Article, the Bank is obliged to take over the Client's Assets and, pursuant to the Instructions the Bank receives from the Client, execute all the rights and obligations arising from the Assets taken over in such a manner.

Article 51

- (1) At the Client's special request, the Bank shall, on the Client's behalf, open one or more sub-accounts from a Financial instruments custody account, or a Monetary assets custody account of the Client, and in favour of the Client's clients (any such account, hereinafter: Client's custody sub-account).
- (2) The Bank shall manage books from which it shall be clear, at any given moment, that the Assets on the Client's custody sub-account is not the Bank's or the Client's property, but the property of the Client's clients.
- (3) Executing the rights and obligations of the Bank regarding the Client's custody sub-accounts, exclusively relevant for the Bank shall be the Instructions and other notifications from the Client, and within that meaning, the Bank is not obligated to proceed per the Instructions and other notifications of the Client's clients.

(4) When carrying out operations established in these General Terms and the Contract, the Bank shall retain the right to use the services of other financial institutions and clearing and depository institutions (hereinafter, together: "Third parties"), pursuant to the rules of the same, as well as the law and regulations that they are subject to. Custody Accounts opened with a Third party shall exclusively be subject to the instructions of the Bank, which shall proceed exclusively based on the Instructions of the Client.

Article 52

(1) The Bank shall accept and hold in safekeeping the Financial Instruments and/or monetary assets made by executing Client's Instructions in accordance with the valid laws and regulations, the rules of Third parties whose services are used by the Bank, as well as in any other manner contracted between the Bank and the Client. The monetary assets of the Client shall be managed by the Bank in a Monetary assets custody account, and the Client's Financial Instruments shall be recorded in a Financial instruments custody account.

(2) In its books, the Bank keeps the details of the Clients' accounts in a way that enables the separation of the assets of one Client from the assets of another, as well as the assets of the Bank itself, at any moment and without any delay. The Client's assets are not the property of the Bank, they do not comprise the Bank's assets nor liquidation or bankruptcy estate, nor may they be subject to enforcement regarding claims toward the Bank. The Bank shall not use the Financial Instruments of the Client without his or her prior explicit consent.

(3) The Financial Instruments entered into the CDCC depository are held by the Bank, pursuant to the legal requirements and market practice, in the transaction Custody Account(s) opened with the CDCC. If the legal requirements do not regulate the Financial Instruments in specific accounts, and if the Client fails to request otherwise in writing, the Bank shall hold the Client's Financial Instruments entered into the CDCC in a collective transaction custody account, as a rule.

(4) Foreign Financial Instruments shall be held by the Bank with a Third party in separate accounts in the records of the Third party, separate from the Financial Instruments of the Bank, as well as the Financial Instruments of the Third parties, all pursuant to the legal requirements and market practices.

(5) When selecting the Third party for accounts for safekeeping the Client's Financial Instruments, the Bank shall, with the care of a good expert, make sure that the Third party is professional, enjoys a good reputation on the market and follows the legal requirements and market practices referring to holding Financial Instruments that may have a negative impact on the rights of the Client; it shall challenge the selection of the Third party at least once a year. The basic criteria for the selection of a Third party are, among other things, the financial strength, reputation and quality of service of the Third party. The Bank shall select Third parties in countries where the safekeeping of financial instruments on behalf of another person is the subject of special regulations and supervision so that the third party is subject to the said regulations and supervision; these are renowned institutions possessing years of experience in providing custody services.

(6) The Bank can keep Financial Instruments, which are held for the Client, for safekeeping with a Third party in a third country in which the holding and safekeeping of Financial Instruments on behalf of another person are not regulated if one of the following conditions are fulfilled, including situations where the third person delegates any of its functions related to the holding and safekeeping of Financial Instruments to another Third party:

1. The type of Financial Instrument or investment service related to the said instruments requires that they must be kept for safekeeping with a Third party in a third country in which the holding and safekeeping of Financial Instruments is not subject to special laws and regulations or supervision; or
2. When the Financial Instruments are held on behalf of a professional investor, and the professional investor



has requested the Bank in writing to undertake the safekeeping of its Financial Instruments with a Third party in a third country in which the holding and safekeeping of Financial Instruments is not subject to special laws and regulations or supervision.

The Bank can only hold the Client's Financial Instruments or hold them for safekeeping with a Third party in a third country if the applicable laws and regulations of the third country where the Financial Instruments are being held prevent the Bank from fulfilling its obligations from the Capital Market Act regarding the protection of the Clients' Financial Instruments if all of the following requirements are fulfilled:

1. The holding or safekeeping of the Financial Instruments of the Client with such a subject is necessary for the provision of investment or auxiliary services;
2. The Financial Instruments of the Client are clearly separated from the Financial Instruments of another Client and the Bank's assets in the internal records of the Bank;
3. The Client has been previously informed of the circumstances of holding or safekeeping Financial Instruments with a Third party and has agreed by signature;
4. If it is a retail client, the previous notice under item (3) of this paragraph includes a direct warning of the risks and meaning of the Financial Instruments being held with a Third party.

In addition to the stated obligations of the Bank if the Client's Financial Instruments are being held by a Third party in a third country, the Bank is obliged to warn the Client directly of the circumstances if the Assets of the Client are not protected in a manner and scope prescribed under the Capital Market Act and the Regulation on the organisational requirements and the rules of business conduct for performing investment services and activities and policies of receiving, as well as the criteria for more important investment companies.

(7) The Bank regularly, upon every change and at least once a month if there have been no changes, aligns the notes and accounts from its books with the notes and accounts of the Third parties (including the CDCC) with which it keeps the Clients' assets. The Internal Audit Department of the Bank, as well as an independent outsourced authorised auditor of the Bank, shall examine the Bank's notes regarding the Clients' assets. Pursuant to the law and regulations, an independent outsourced authorised auditor of the Bank shall deliver to the HANFA (Croatian Financial Services Supervisory Agency) a report on the appropriateness of the Bank's measures regarding the protection of the Client's property.

(8) The collective account is open on behalf of the service provider (the Bank or Third party), where Financial Instruments are being held that are owned by different Clients service providers. In the case of the collective safekeeping of foreign Financial Instruments, the Third party does not have any records of the actual owner of the Financial Instruments. This way of safekeeping assets carries the following risks:

- Operational risks, which can be reduced through the regular alignment of the transactions and balance in the collective accounts with the Third party with the account balance and transactions in the Bank's books;
- The distance between the issuer of a Financial Instrument and the actual holder – it is known to the issuer of a Financial Instrument that the service provider is not the actual holder of the Financial Instrument, but it does not know who is, which, among other things, may cause a delay in the information flow;
- The implementation of corporate actions – in the case of the collective holding of assets and if certain rights ensue based on holding an appropriate number of Financial Instruments, it is possible that this will not be ideally allocated across the actual holders;
- Exercising the rights from Financial Instruments such as voting on general assemblies of the company may be difficult or impossible;

- It is not excluded that the holders of Financial Instruments in certain legislations where the holding of Financial Instruments for other persons is not fully regulated or is regulated in a flawed manner, will have to prove their ownership of the Financial Instruments, for example, in the case of enforcement regarding claims toward the Bank or the Third party or in the case of the liquidation or bankruptcy of the Bank or the Third party; then the disposal of the Financial Instruments and the use of the rights from the same can be temporarily prevented;
- There is a risk that one of the clients fails to fulfil its legal obligations, for example, to obtain consent/notify the relevant institutions in the case of acquiring a qualified share, in which case the Financial Instruments of all Clients may be temporarily blocked; it is also possible that the Clients will not be able to use their voting right arising from the said instrument;
- The risk of bankruptcy, insolvency or the inability to perform any of the obligations that are the subject of this Contract and the General Terms and Conditions by a third party.

(9) If the market practice and depository included in the Financial Instrument bought by the Client enable so, the Bank shall, when permitted by the laws, regulations and business practice, pay for such Financial Instruments on the Client's behalf only if the Financial Instruments are also reclassified with the Third party, and the Bank shall request the Third party to immediately deliver a certificate of the compensation and settlement of the said Financial Instruments in the Custody Account the Bank has opened with the Third party. If the market practice and the depository in which the Financial Instruments sold by the Client are included make this possible, the Bank shall, whenever the regulations and business practice allow, transfer such Financial Instruments for the Client's account, provided that the payment for the Financial Instruments is made simultaneously with the transfer thereof, and the Bank will require the Third Party to immediately provide it with confirmation of set-off and settlement on the custodial account that the Bank has opened with the Third Party. Any such transfer of Financial Instruments, or monetary assets, shall be visible in the books the Bank keeps for the Client's account.

(10) The Client shall not allow any of its Monetary assets custody (sub-)accounts, open pursuant to the provisions of the Contract and the General Terms, to show a negative balance, unless otherwise agreed with a special contract by the contracting parties.

(11) The Bank shall not calculate interest for the monetary assets of the Clients found in the Monetary assets custody account.

Article 53

(1) By activating the custody service, the Bank is obliged to renew the custody, safekeeping and administration operations for the Financial Instruments of the Clients entered on the Financial Instruments custody account, as well as the safekeeping and management operations of the monetary assets of the Client or his or her collateral, pursuant to the provisions of the Contract and the General Terms.

(2) The Bank is obliged to do the following within the scope of providing services and carrying out operations under the Contract and the General Terms:

- (a) Take over Financial Instruments and monetary assets from the Client for the safekeeping and administration of the Financial Instruments of the Client and carrying out custody operations involving the said Financial Instruments;
- (b) On behalf of the Client, open in its own books a Financial instruments custody account and Monetary assets custody account to receive the Financial Instruments and monetary assets of the Client that are subjects of the Contract and the General Terms and open a Financial instruments custody account with a Third party to manage the positions of the Financial Instruments of the Client, if applicable;



- (c) Accept and execute the Client's Instructions in accordance with the provisions of the Agreement and the General Terms;
- (d) Inform the Client about corporate actions related to the exercising of the Clients' rights from the Financial Instruments in safekeeping, as well as conducting all actions required to preserve and exercise the rights of such Financial Instruments, as well as other rights and obligations the Clients have due to the Financial Instruments in safekeeping;
- (e) Satisfy the purchase or sale of Financial Instruments in accordance with the provisions of the Contract and the General Terms, as well as the Instructions of the Client;
- (f) Inform the Client immediately of any operation carried out based on the Client's Instructions, i.e. each operation carried out on the Client's behalf and on the Client's account, through the contact address specified in the heading of the Contract; and
- (g) Perform all other business in accordance with the provisions of the Contract and the General Terms.

Article 54

- (1) The Bank shall enable the safekeeping and preservation of Financial Instruments (as well as all other certificates, confirmations, notices and other documents related to the right of the same), and for the Client's account, carry out all the actions in order to preserve and execute his or her rights from the Financial Instruments in safekeeping.
- (2) The Bank shall manage books where it will be able, at any given moment, to provide a report on the entire Assets of the Client's Financial instruments custody account, Monetary assets financial account, custody sub-accounts of the Client, as well as transactions the Bank executes on the Client's behalf based on the Client's Instruction, pursuant to the provisions of these General Terms and Contract.
- (3) Based on a special request of the Client, the Bank shall, within 4 (in words: four) business days from the date it received the same, give the Client a review of the accounts, confirmations, certificates, warranties and other instruments in safekeeping at the Bank regarding carrying out operations under these General Terms. The Client shall also have the right of insight into the Financial Instruments stored at the Bank in a materialised form in the organisational part of the Bank stated under this Section of these General Terms.
- (4) The Bank shall safeguard all the confirmations and accounts under this Article during a legal period or a period mutually agreed by the contractual parties.

Article 55

- (1) The Bank shall, on behalf of the Client, open in its own books as many Financial instruments custody accounts and Monetary assets custody accounts as the Client states in its Instruction, for the purpose of receiving and safekeeping a part of or the entire Assets.
- (2) The Bank shall receive on its own behalf and on the Client's account:
 - a) All the monetary assets acquired from the rights of the Financial Instruments in safekeeping (e.g. dividends and interest rates) when such assets are due, as well as ensuring the safekeeping of all the monetary assets in a Monetary assets custody account or another account set by the Client in the Instruction; and
 - b) All the new editions of the Financial Instruments issued on the basis of the ownership rights the Client has based on the Financial Instruments in safekeeping (e.g. based on options and warrants), and hold the same for safekeeping in the Financial instruments custody account or another account set by the Client in the Instruction.



- (3) Nevertheless, the Bank has no obligation or duty to implement any measures in order to charge the amount from this Article if no obligation is satisfied for the Assets that are the basis of the specific right of the payment of monetary assets or issues of Financial Instruments, or if the payment or new issue of the Financial Instruments is rejected following a lawful request and submission.
- (4) If the Bank receives a notice of unfulfilled obligations concerning the Assets or payment rejection by the issuers of the said Financial Instruments, the Bank shall immediately inform the Client thereof.

Article 56

- (1) The Bank shall not undertake the obligation to regulate the tax obligation of the Client, the payment of taxes or tax returns regarding Client's investment. The Bank shall approve the total received amount of the dividend in the Client's Monetary assets custody account. The taxation of domestic and foreign legal and natural persons based on revenue received through investing in Financial Instruments is regulated by legal acts in the sphere of profit and income tax. Every Client should consult his/her/its tax advisor on the tax consequences that may arise based on the ownership or disposal of Financial Instruments regarding the applicable domestic and foreign tax regulations or international taxation contracts.
- (2) If the Bank receives information:
 - a) That the Client or some of the Client's clients have the right, based on the relevant tax law and regulations, to a lower tax rate or a corporation and income tax exemption, as well as for transactions from the Assets, and that such a right to pay a lower tax rate or tax exemption can be exercised only by sending a request to a relevant state authority; or
 - b) That the Client's Assets (i.e. profit, income and transaction of the assets) has been calculated with a higher tax than should have been calculated based on the valid law and regulations - the Bank shall inform the Client about the said circumstances within a reasonable time, in order to get a tax return from the relevant authorities in the amount the Client or his or her clients are entitled to. For the purpose of the above, "tax" means any levy, fee, tariff, expenses or costs introduced by local, municipal, government, state, tax and customs authorities, anywhere in the world.
- (3) If the Bank fails to inform the Client about the facts stated in the previous paragraph of this Article, the Bank shall not be held responsible for any damage the Client could suffer due to that.

Article 57

- (1) The Bank shall, on behalf of and for the account of the Client and based on the Client's Instruction, settle the purchase or sale of Financial Instruments, and shall immediately after the execution of such a purchase or sale, manage the received assets based on the Client's Instruction.
- (2) The Instruction from the previous paragraph of this Article must be received by the Bank in writing within a defined deadline, and it shall contain at least the following: (I) official identification of a Financial Instrument; (II) amount/nominal value of the Financial Instrument to be settled; (III) date of settlement; (IV) the venue where the relevant Financial Instrument will be put for safekeeping (if it is a receipt) or delivered (if it is a delivery); (V) the provider or receiver of the Financial Instruments; (VI) the amount of settlement if applicable; (VII) a statement that it is the delivery or receipt of the Financial Instruments with or without payment; and (VIII) other possible data required for settlement, such as date of trade, and account number with the supplier/recipient of Financial Instruments, all in accordance with standard market practice.

Article 58

- (1) The Bank shall only settle the purchase of the Financial Instruments based on the Client's Instruction if, at the moment the Instruction is provided, the Client has full coverage in its Monetary assets custody account in money required to execute the purchase of the Financial Instruments.
- (2) If the Client's Monetary assets custody account does not have sufficient funds for settlement, the Bank shall inform the Client of the forthcoming date of transaction settlement stated in the Client's Instruction, and the Client shall immediately transfer the required monetary assets to its Monetary assets custody account, in addition and in writing, within the agreed number of business days before the settlement date.
- (3) In any case, the Bank shall not be responsible to the Client for any cost incurred as a consequence of the Client's failure to transfer the required monetary assets to his or her Monetary assets custody account on time for the settlement of the purchase of the Financial Instruments based on the Client's Instruction.

Article 59

- (1) After receiving the Client's Instruction, the Bank shall deliver the Financial Instruments sold on the Client's behalf or that are withdrawn, due or paid in advance, and approve the monetary assets made based on the purchase, withdrawal, maturity or collection of Financial Instruments to the Client's Monetary assets custody account if the Client instructed otherwise.
- (2) Every physical transfer of the certificate of the Financial Instrument shall be executed by the Bank at the Client's cost and risk. The Bank retains the right to decide on the manner of physical transfer of such a certificate, as well as the amount and issuer of the collateral for the transfer. The cost of such collateral shall be borne entirely by the Client.

Article 60

- (1) The Bank shall execute the rights from the Financial Instruments in safekeeping on its own behalf and on the Client's account, in a manner and pursuant to the conditions in which the Bank usually carries out the said operations for its clients, where the Bank is obliged to conduct all the actions necessary, on behalf of the Client, to preserve and exercise the Client's rights, such as: the right of ownership, the right to vote at shareholders meetings in the Republic of Croatia, the right to dividends, the right to coupon payments, stock splits and stock consolidations (i.e. reverse stock splits), Financial Instruments' conversion and other rights and obligations the Client has from the Financial Instruments in safekeeping.
- (2) The Bank shall send unambiguous and comprehensive information in writing to the Client on the corporate action that has taken place related to the Client's Assets, which the Bank knows of, and if the Client should make a decision and reply, state the final date before for the delivery of the Instruction or required document to the Bank. After the expiration of the date on the Instruction, the Bank shall take every necessary step to ensure the rights and fulfil the obligations of the Client to the Financial Instrument in safekeeping.
- (3) Nevertheless, if the Bank does not receive the Client's Instruction on the Corporate action on time, the Bank shall only proceed based on the requirements from the subject corporate action if the deviation based on the action is obligatory and if the Client does not have to consent to the action based on the action. The Bank shall then note all the changes arising in the Client's Financial instruments custody account based on the implemented corporate action.



(4) If the Bank does not receive an Instruction from the Client related to the corporate action before the date on which a reply on the subject corporate action is requested, the Bank shall not carry out any action on the Client's behalf and shall not bear any responsibility for any possible costs and/or damage that the Client could suffer as a consequence of his or her failure to reply. Moreover, the Bank is not obliged to participate in shareholders' general meetings if the Client did not send an Instruction requesting this before the deadline stated in the Bank's notice informing the Client about a general meeting.

(5) If the Bank, based on the Client's Instruction, has applied to participate in the shareholders' general meeting, but has not received an Instruction from the Client on the voting for each item of the published agenda no later than the deadline for the Instruction on voting stated in the Bank's notice informing the Client about a general meeting, the Bank is not obliged to participate in the said general meeting.

Article 61

- (1) Based on and in accordance with the duly and complete Instruction of the Client, the Bank shall:
- a) Pay monetary assets from the Client's Monetary assets custody account to the account set by the Client on the day it received the Instruction or the following business day, depending on the time the Instruction was received and the venue where the monetary assets are being transferred to, based on the Instruction;
 - b) Regarding the ownership transfer of the Financial Instruments, conduct everything necessary to execute the ownership transfer with a Third party where the subject Financial Instruments are managed, and provide the Client with all the information on the ownership transfer relevant to the Third party; and
 - c) Take any action necessary to register the purchased Financial Instruments for the Client's account or the account of his or her Clients.

Article 62

If any laws or regulations are issued by an authority that:

- a) Enable or impede the transfer of monetary assets pursuant to the Client's Instruction; and/or
- b) Limit the ownership right of the Client over the Financial Instrument or the transfer of the Financial Instruments to the Client or another person named by the Client,

the Bank shall continue to carry out operations pursuant to the provisions of the Contract and these General Terms, as well as taking any action related to the transfer of the Financial Instruments and/or monetary assets that are not contrary to the said law or regulation, and pursuant to the Client's Instruction, and the purpose of which is to exercise the maximum rights of the Client from the Financial Instruments and/or monetary assets in the Client's Financial instruments custody account and/or Monetary assets custody account.

OBLIGATIONS OF THE CLIENT

Article 63

- (1) The Client shall and is obliged to:
- (a) Pay to the Bank the fee, costs and related expenses for carrying out operations under the Contract and these General Terms in the manner and amount described in the Schedule of Fees enclosed with the Contract;
 - (b) Not allow his or her own Monetary assets custody account to show a negative balance. If the Client allows its Monetary assets custody account to show a negative balance, the Bank has the right to calculate and charge a statutory default interest applicable pursuant to the valid laws and regulations for the period from the occurrence to the settlement of the negative balance in the Client's Monetary assets custody account;
 - (c) Hold for safekeeping in his or her Financial instruments custody account only the Freely transferable financial instruments where the right of ownership of such instruments is not limited by, conditional upon or burdened by any rights or encumbrances in favour of third parties. If there is a limitation on the right of ownership or other rights from the Financial Instruments or if they are found subsequently, the Client is obliged to inform the Bank immediately thereof and to replace the Financial Instruments with those where there are no such limitations or settle the situation in dispute in another manner set by the Bank by the deadline provided by the Bank. If the Client fails to inform the Bank immediately about the said limitations on the Financial Instruments under this paragraph, the Client shall be responsible to the Bank for any damages caused by such behaviour. It shall be deemed that the limitation of the rights from the Financial Instruments exists in the following situations:
 - If the call for the purchase of Financial Instruments followed before the delivery of the same to the Bank;
 - If there is a clear or actual circumstance that could dispute the Client's or the Client's clients' right of ownership over the Financial Instruments;
 - If there is a burden on the Financial Instruments, which means that they cannot be transmitted freely or delivered without such burden to a relevant market;
 - If the safekeeping of the Financial Instruments would mean a violation of the applicable laws and/or regulations;
 - If the certificates representing such Financial Instruments are not authentic or in good condition; or
 - If there are any other circumstances that could lead the Bank to the justified conclusion that the Financial Instruments are not validly delivered or are not appropriate for such a delivery;
 - (d) make timely deliveries of completed Instructions to the Bank for all actions related to the Financial instruments custody account and the Financial Instruments in that account, where the Client is obliged to follow all the valid laws and regulations of the Republic of Croatia;
 - (e) Make the timely delivery of all licences, powers of attorney and other authorisations to the Bank concerning all the important circumstances that could be significant to the fulfilment of the Bank's obligations pursuant to the provisions of these General Terms;
 - (f) Ensure and make timely deliveries of all licences, powers of attorney and other authorisations to the Bank necessary for the seamless exercise of rights and the fulfilment of the Bank's obligations created pursuant to the Contract and these General Terms, as well as a list of Authorised Representatives that the Bank is authorised to accept Instructions from, together with specimens of their signatures; and



- (g) Immediately confirm that all the reports and data received from the Bank are correct. Otherwise, if the Client fails to submit a written complaint to the Bank concerning the correctness of the reports and data received from the Bank within 7 (in words: seven) business days from the day of their receipt, it shall be deemed that the Client has accepted the delivered reports and data.
- (2) The Client shall, immediately and without delay, inform the Bank about any change to the contact address and email address specified in the heading of the Contract and shall pay for any possible damage incurred due to the failure to fulfil this liability.

III. CARRYING OUT OPERATIONS

Article 64

- (1) The Client shall issue Instructions to the Bank in the manner set in the Contract and General Terms, and the Bank shall accept and execute the same pursuant to the provisions of the Contract, General Terms, the valid law and regulations.
- (2) The Bank shall accept the Client's Instructions up to the available amount of coverage in the Monetary assets custody account, or the Financial instruments investment account. Such available coverage includes the amount of all corresponding fees, costs and related expenses of the Bank based on the Client's Instruction execution, and calculated pursuant to the provisions of the Contract, the General Terms and the Schedule of Fees.
- (3) The Financial Instruments and monetary assets, pursuant to the execution of the Client's Instruction on the sale and purchase of Financial Instruments in the credit and debit of the Financial instruments custody account or the Monetary assets custody account, shall be settled by the Bank with the same pursuant to the provisions of the Contract and the General Terms.

IV. REPORTS

Article 65

- (1) The Bank shall deliver the following reports to the Client:
 - a) Once a month (unless otherwise requested by the Client in writing), a written report with a review of the Assets in the Client's Financial instruments custody account and Monetary assets custody account, as well as the custody sub-accounts, if there are any opened with the Bank;
 - b) At the end of each business day, notices on the change in the Assets if there was any;
 - c) Information on the corporate action after receiving the notice of the same. If the Client's Instruction is required to take action on the said corporate action, the Bank shall request the corresponding Instruction from the Client in writing;
 - d) Annual ex post report on all the costs and fees related to the custody service if there has been a continuous relationship with the Client over the years.



Article 66

- (1) The Bank shall deliver the following to the Client at his or her direct request:
- a) A copy of the newest revised financial report of the Bank;
 - b) Names and addresses of the state authorities supervising and/or regulating the Bank and the Institutions where the Financial Instruments are held for safekeeping; and
 - c) Other information related to the Bank's rules and procedures, local laws, business practices the Client can justifiably request, as well as information on the legal and economic environment of the Bank's business, except for data that is deemed a business secret and data that is a banking secret pursuant to the Croatian laws and regulations on banks.

Article 67

(1) The Client is obliged to immediately check the accuracy of all the reports received by the Bank pursuant to Articles 65 and 66 of these General Terms. Otherwise, if the Client fails to submit a written complaint concerning the content of the reports within 7 (in words: seven) days from the day of their receipt, it shall be deemed that the Client has accepted the delivered reports.

V. COMMUNICATION REGARDING CUSTODY SERVICES

Communication with the Bank Regarding the Custody Service

Article 68

- (1) The Client and the Bank shall exchange and send all the information and other mutual communication, except for Instructions, in writing, through SWIFT, by registered mail with a return note, fax or email unless the Client and the Bank directly agree otherwise in writing.
- (2) The Client shall send the Instructions through SWIFT. If that is not possible, the Client can send Instructions to the Bank in another written manner.
- (3) If the Client sends an Instruction to the Bank via fax or email, the Client is obliged to identify himself or herself with a password registered during the conclusion of the Contract.

Article 69

The Bank shall not be held responsible for any costs the Client could incur due to data entered inaccurately or incorrect data when the Instruction was sent. The Bank's employees can refuse to execute the Instruction when there is the minimum justified suspicion that the Instruction was not sent by the Client. The Bank shall not be held responsible for any costs the Client may incur in such a case.

Article 70

- (1) Unless otherwise agreed, the Bank shall provide and send the Client all certificates, notifications, reports and invitations, as well as engaging in all other forms of communication related to carrying out the operations referred to in the Contract, to the address and numbers stated in the Contract.
- (2) Unless otherwise agreed, the Client shall provide and send all instructions, notifications and reports, as well as engaging in all other forms of communication with the Bank related to carrying out the operations referred to in the Contract, exclusively to the following addresses and/or numbers:

PRIVREDNA BANKA ZAGREB d.d. CORPORATE BANKING PRODUCTS CUSTODY

Radnička cesta 50, 10000 Zagreb

Fax: +385-1-63 60 775 Email: custody@pbz.hr SWIFT: PBZGHR2X

or by visiting the Bank in person.

SECTION FOUR OTHER AUXILIARY SERVICES

I. PROVIDING THE AUXILIARY SERVICE OF MARGIN LOANS

Article 71

- (1) Pursuant to the provisions under Article 1 of Section One of these General Terms (Common Provisions), until the business decision is issued and the required organisational and technical conditions are fulfilled, the Bank shall not provide the Client with the auxiliary service of granting credit or loans to the investor in order to enable the conclusion of the transaction with one or more financial instruments – Margin service (loan).
- (2) The Bank shall inform all the Clients if the auxiliary Margin service is available (the option of activating and using it) through the available distribution channels (e.g. the PBZInvestor distribution channel), the Bank's internet pages, the General Terms or on their direct inquiry.
- (3) The Client agrees that the Bank can request a special contract to be signed with the Client for the provision of additional service regarding the margin loan.

II. INVESTMENT RESEARCH AND FINANCIAL ANALYSIS

Article 72

- (1) The Bank can temporarily deliver investment research and financial analysis through the distribution channels (such as the PBZInvestor distribution channel) to the Client, which shall be done pursuant to the valid laws and regulations and rules of the profession.
- (2) When creating the investment research and financial analysis, the Bank can rely on the information, analysis, studies and other documentation delivered by the analysed subject and can deem them, without additional checks, to be accurate, truthful and complete. The Bank can also rely on public information from accepted sources of financial data, which the Bank does not have to check every time.
- (3) The Bank emphasises that the content of the investment research and financial analysis to be distributed to the Client in no way represent express or silent investment advice or personal recommendations of any kind and nature to the Client and/or third persons connected to any of mentioned actual and/or proposed transactions, products or investment aims.
- (4) Investment research and financial analysis are not based on economic, financial and/or investment circumstances relating to the Clients, especially connected to their economic positions, financial state and indicators, as well as investment aims.

Article 73

- (1) The Bank places a special emphasis on the fact that the Client assumes full responsibility in relation to all the decisions and transactions involving the Client's monetary assets accounts and financial instruments accounts, and the Client also emphasises that the Bank shall not be held directly or indirectly liable for any decision made by the Client concerning the investment and disposal of Assets.
- (2) The Bank places a special emphasis on the fact that the Client knowingly and independently engages in the investment into Financial Instruments/products, and that the Bank shall under no circumstances be liable to the Client for any possible damage caused by the materialisation of any risk related to the buying, selling, holding and/or safekeeping of a Financial Instrument, with which [risk] the Client has been properly acquainted, or related to the distribution of investment research, granting credits or loans to an investor in order to facilitate the conclusion of a transaction in one or more Financial Instruments, as well as all other risks associated with the provision of investment and ancillary services.

Article 74

The Bank shall not assume any obligation or any assignments to make/deliver on a daily basis any information, document (e.g. Daily Report), research and/or financial analysis of any kind or nature, but the Client shall be entirely aware that the creation and distribution of these is the Bank's goodwill in its entirety and does not imply any responsibility by the Bank and/or its employees.

III. FOREIGN EXCHANGE SERVICES RELATED TO PROVIDING INVESTMENT AND AUXILIARY SERVICES

Article 75

The Bank shall, where applicable, perform foreign exchange auxiliary services for the Client, when the same is directly related to providing investment and auxiliary services pursuant to the Contract and the General Terms.

Article 76

By issuing an Order/Instruction/other instruction for the implementation of which it is necessary to use foreign exchange services, the Bank shall deem that the Client agrees to the fees set in the Schedule of Fees and shall not be responsible for any damage/profit loss that the Client and/or the Third party could experience.

INVESTMENT COUNSELLING

I. DEFINITION AND CONTENT OF THE INVESTMENT COUNSELLING SERVICE

Article 77

Investment Counselling is an investment service provided by the Bank in accordance with the provisions of the Capital Market Act and relevant by-laws. This service includes providing personal recommendations related to the structure of the financial assets of natural person clients. All clients who are natural persons are automatically classified as retail investors (category of clients with the highest level of protection). The Client makes investment decisions himself, which may or may not

be based on personal recommendations, i.e. the Bank's investment advice. The mutual relations of the contracting parties are governed by the Agreement on the provision of investment consulting services, to which, as an integral part of the contract in question, these General Conditions and the Price List and Information on the Bank's investment and auxiliary services, which are available in all branches of the Bank, as well as on the Bank's official website.

Article 78

The investment counselling service provided by the Bank includes:

- creating and updating the Client's investment profile, as well as assessing the Client's knowledge and experience in the field of the capital market,
- giving personal recommendations with regard to the Client's profile, which is created in relation to his knowledge, previous experience, ability to bear loss, appetite for risk, etc.,
- regular updating of the appropriateness of the recommendations provided and harmonising them with the state and trends in the capital markets,
- periodic reporting on the state, yields and structure of the Client's assets,



- periodic assessment of the appropriateness of financial instruments included in the recommendation (at least semi-annually),
- monitoring transactions with financial instruments and certain other products that the Client undertakes using the Bank's services on certain Bank channels (in accordance with the contractual documentation).

Providing personal recommendations implies creating an investment profile of the Client with regard to:

- the level of his or her knowledge and experience in the field of the capital market
- willingness to take over risks
- ability to bear losses and
- his or her investment goals.

Article 79

In order for the Bank to be able to provide a personal recommendation, it must profile the Client and assess the appropriateness of certain personal recommendations with regard to the Client's investment profile.

At least every 6 (six) months, the Bank shall evaluate the appropriateness of the content of personal recommendations for individual client profiles and, taking into account the economic situation and market trends, possibly correct the recommendations provided or the recommended structure of the client's assets.

II. BASIS FOR THE PROVISION OF THE INVESTMENT COUNSELLING SERVICE

Article 80

The bank does not provide investment counselling services on an independent basis.

Article 81

The Bank's provision of investment counselling services is based on a limited analysis of various types of financial instruments.

Giving personal recommendations in terms of investment offers is primarily limited to financial instruments: shares in entities for joint investments, i.e. open investment funds with a public offer under the management of investment fund management companies with which the Bank has concluded distribution agreements.

In addition to the above financial instruments, the Bank shall give personal recommendations to clients with whom it has entered into an Agreement on the provision of investment counselling services and regarding other individual financial products, which it distributes based on contracts with manufacturers of the products in question and/or of which it is the manufacturer itself, which may include some of the following:

- Life insurance
- Investment insurance products
- Packaged retail investment products
- Agreement on fixed-term funds (savings).

The bank reserves the right to extend recommendations to other financial products that do not necessarily belong to the category of financial instruments, and which may contain investment components.

III. ADDITIONAL INCENTIVES

Article 82

For all previously indicated types of financial products, the Bank receives and/or reserves the right to receive distribution fees.

Information on distribution fees and additional incentives can be found in the General Information forms for each individual product, in accordance with legal regulations.

IV. CREATION OF CLIENT INVESTMENT PROFILE

Article 83

The investment counselling service includes the creation of the client's investment profile. The client's investment profile is created on the basis of the Bank's prescribed forms:

- Questionnaire on the level of knowledge and experience
- Questionnaire on investment goals.

The assessment of knowledge and experience results in grades of the level of knowledge and experience from 0 to 4 (where 0 is the lowest and 4 the highest grade). The result of the assessment of investment goals is the Client's investment profile, which can be conservative, moderate and aggressive. The estimated value of knowledge and experience from 0 to 4 has the following meanings:

- 0 – minimal
- 1 – low
- 2 – medium low
- 3 – medium high
- 4 – high

The strategy of each individual investment profile is described below:

- Conservative – The purpose is to preserve the real value of the investment. With this goal, the intention is to take minimal risks and express aversion to losses
- Moderate – The purpose is moderate growth of the real value of the investment. With this goal, the intention is to take limited risks and aversion to moderate losses
- Dynamic – The purpose is a significant increase in the real value of the investment. With this goal, the intention is to take significant risks and have a limited aversion to losses.

Article 84

If the Client does not provide all the necessary information for the purposes of the Questionnaire, the Bank cannot provide investment counselling services to that Client. If the Client provides incorrect or misleading information in the Questionnaire, the provision of the service as well as personal recommendations as part of the investment counselling service may be inappropriate considering the needs and interests of the Client who provided such answers.

The initial personal investment recommendation as well as periodic recommendations regarding portfolio/investment correction, as well as the assessment of the appropriateness of transactions are based on the level of knowledge and experience and the investment profile of the Client.

V. ASSESSMENT OF APPROPRIATENESS

Article 85

The Bank shall check, periodically, and at least every 6 months, the compliance of the Client's asset structure with the Client's established profile. In doing so, the Bank fully takes into account all previously collected information about the Client, his assets and subsequent transactions, and provides investment advice regarding the alignment between the personal recommendation and the structure of the Client's assets.

The Client shall receive all information about the regular assessment of the appropriateness on a permanent medium, in accordance with the Agreement on the provision of investment counselling services. Also, the investment counselling service includes the monitoring of clients' transactions with financial instruments and other similar products in terms of controlling the appropriateness of transactions in relation to the established investment profile of the Client, and his knowledge and experience in the field of capital markets.

Article 86

If the Bank determines that the intended transaction is suitable for the Client's investment profile, the Client shall be able to carry out the transaction directly. If the Bank determines that the intended transaction is not suitable for the Client's investment profile, the Client shall be warned of this and:

- The Client will be able to carry out the transaction with express consent if it does not include financial instruments/products that the Bank actively distributes (for which it receives a distribution fee).
- The Client shall not be able to carry out the transaction if it includes financial instruments/products that the Bank actively distributes (for which it receives a distribution fee).

Article 87

Prior controls of appropriateness shall be carried out in relation to the given orders and the total portfolio of the Client (asset balance on T-1, i.e. the previous working day), and before the execution of the transactions themselves on all channels of the Bank, including the branch office, Online banking (PBZ digital banking) and transactions regarding the purchase and sale of financial instruments through the brokerage service (including PBZInvestor and the telephone channel).

Subsequent controls of appropriateness cover the total portfolio of the Client's assets in the Bank's records, regardless of the channels through which the transactions were executed.

VI. CONTROLS AS PART OF THE APPROPRIATENESS ASSESSMENT

Article 88

Bearing in mind the investment profile of the Bank, and taking into account different criteria for each of the profiles, the Bank carries out the following controls for the purpose of assessing appropriateness:

1. Value at risk or Exposure of assets:
The risk exposure of the Client's portfolio must be less than or equal to the maximum value for the investment profile based on the Questionnaire.
2. Product complexity:
The level of complexity of the product must correspond to the level of knowledge and experience of the Client based on the Questionnaire.
3. Reserve and liquidity needs:
The amount of reserve and liquidity in the Client's portfolio must be in accordance (equal or greater) with the amount indicated in the Questionnaire.
4. Issuer concentration:
The concentration of financial instruments of each individual issuer in the Client's portfolio is in accordance with the above maximum value.
5. Concentration of complex products:
The concentration of complex products in the Client's portfolio is in accordance with the above maximum value.
6. Period of asset holding:
The amount of long-term investment products in the Client's portfolio corresponds to the amount indicated in the Questionnaire.

The Bank uses the following settings to calculate the VaR indicator (asset exposure to risk):

- level of confidence: 99%
- time period: 90 calendar days
- prices: weekly
- historical overview: 3 years
- units to entities in joint investments – the assessment is based on the volatility of the net asset value (NAV).

Using the above settings, the Bank projects with ninety-nine per cent certainty a possible loss for a certain instrument (that is, the Client's total portfolio) in the next 90 calendar days, and makes the same estimates on a weekly basis based on historical data for the past three years.

The reference currency for VaR calculation is EUR.

VII. DESCRIPTION OF DOCUMENTS RELATED TO THE INVESTMENT COUNSELLING SERVICE

Article 89

In order to fully define the content of the investment consulting service, clients should also take into account the following documents:

- Agreement on the provision of investment counselling
- Form of general information about the distribution service of UCITS funds
- KIID form for each distributed UCITS fund
- General information for each distributed UCITS fund
- General information form for all other financial products
- General information form for the investment counselling service
- General conditions on investment services of Privredna banka Zagreb d.d.
- Information on the investment services of Privredna banka Zagreb d.d.
- Price list of investment services

SECTION FIVE

I. CAPITAL GAINS TAXATION

(Most of the articles from this section apply to Clients who have accepted the User's consent)

Article 90

Pursuant to the valid provisions of the Income Tax Act and the Rules on Income Tax, for 1 January 2016, the said taxation represents an investment income based on capital gains due to the disposal of Financial Instruments. Taxable income is the difference between the contracted sale price or the income based on the market value of the financial assets being disposed of and the purchase value based on the FIFO principle.

The person in charge of the calculation, stopping and payment of the tax from the previous paragraph – natural person, person acquiring the income in the Republic of Croatia or a foreign country (unless otherwise regulated with a contract).

The law prescribes the obligation to establish and make advance payments for income tax based on capital gains annually and pursuant to the tax basis representing the difference between the capital income and capital loss made during the same tax period (calendar year).

Article 91

The Bank can enable Clients, by providing the User's consent – an authorisation using the Identification code by using the PBZInvestor distribution channel or in any other corresponding manner, at the end of the year, to make a review of capital income and losses that will be used for establishing the tax basis and the calculation of income

tax from capital gains by the Client himself or herself, and exclusively in connection with the transactions the Client undertook through the Bank as the authorised company.

The service from the previous item includes the creation and delivery of data/reports to the Client, which can serve as a basis for the calculation of advance income tax payment from capital gains, as well as the creation of an annual tax return report. The said data/documents shall be available and/or delivered to the Client on a durable medium through the Bank's distribution channels (first and foremost PBZInvestor, email, etc.)

By accepting the User's consent, the Client is obliged to ensure the accurate and timely delivery of all the data and information required to fulfil the obligations, and in particular the following data:

- Date of acquiring Financial Instruments during registration;
- Purchase price of the Financial Instruments during registration;
- All other information and data required pursuant to the Contract and the General Terms, or pursuant to the Bank's requests.

Article 92

The said obligation shall start from the moment the User's consent is accepted, and shall be performed until the moment the User's consent is recalled in a manner predicted under the Contract and these General Terms.

Article 93

The obligations under this Section relate exclusively to the implementation of transactions in the manner described under the General Terms, with Financial Instruments in:

- Financial instruments investment account (brokerage account), which were executed on a regulated market in the Republic of Croatia or through an OCT transaction with the Financial Instruments entered in the regulated market in the Republic of Croatia;
- Financial instruments custody account (Custody Account), which were executed on a regulated market in and outside the Republic of Croatia, or through execution venues pursuant to the Policy on Order execution. Moreover, the said service shall be offered by the Bank to natural persons, residents and non-residents.

If the Client is a non-resident, the same has to take into account the possibility of the subject tax obligation being regulated with an international contract between the Republic of Croatia and the domicile country of the non-resident and that the Bank cannot give tax counselling, or inform whether the non-resident is required to deliver tax reports and pay taxes.

Pursuant to the above and Article 78 of these General Terms, the Bank shall take no responsibility for executing the described obligation regarding transactions contracted through Third parties, i.e. without executing brokerage service by the Bank.

Article 94

The Bank shall not be responsible for starting the execution of the subject obligation until the fulfilment of all activities deemed necessary for the fulfilment of such an obligation in a prescribed manner, whereas the Bank is obliged to inform the Client thereof through the PBZInvestor distribution channel or in another corresponding manner stated in the Contract and these General terms.

Article 95

The Bank shall fulfil the said obligation to the Client without a fee, and the Client shall agree and accepts that the Bank can introduce such a fee subsequently with the obligation of informing the Client thereof 15 (in words: fifteen) days before its application. If the fee is introduced, the Client shall agree to its application by issuing the first subsequent Order after the date of its implementation.

Article 96

During the execution of the subject obligation, the Bank shall only deliver the data and information (e.g. the procurement date and procurement price of the Financial Instruments during the registration of the Financial Instruments) that are available pursuant to the Contract and that were delivered by the Client at the Bank's explicit request through the PBZInvestor distribution channel or in any other corresponding manner described under the Contract and the General Terms.

The Client shall agree and accept that the Bank is not obliged to execute the obligation of data/report delivery if there is justified suspicion and/or knowledge on the part of the Bank that it does not possess sufficient data and/or information for the fulfilment of the obligation, and if any information is incomplete, inaccurate or inconsistent with the regulatory requirements, and when the execution of such an obligation can lead to the violation of any law and/or regulation, or if the execution or failure to execute the subject obligation could cause certain damage to the Bank. Due to the above, the Bank shall take no responsibility for any damages that can arise thereof to the Client.

The Client is obliged to compensate the Bank for any possible damage that could be incurred due to the management of incorrect, incomplete and/or inconsistent data and/or information delivered by the Client and/or that were previously available on the Client.

Article 97

The Bank shall make all possible effort in good faith in order:

- For the Client to duly inform it if he or she is not able to fulfil the subject obligation pursuant to the provisions of these General Terms; and
- To contact the Client to get all relevant data and/or information to execute the subject delivery of data/reports as soon as possible within a reasonable time.

The Bank shall proceed with the fulfilment of the said obligation with the care of a good expert, if the Client delivers all the relevant data to the Bank that is required to fulfil such an obligation, as well as all other required data and/or information in order for the Bank to fully and duly execute the delivery of data/reports to the Client.

Article 98

At no given moment shall the Bank act as a tax advisor, in particular after receiving the User's consent.

The taxation of domestic and foreign natural persons, based on revenues received through investing in Financial Instruments, is regulated by legal acts in the sphere of income tax. Every client should consult its tax advisor on the tax consequences that may arise based on the ownership and/or the disposal of financial instruments regarding the applicable domestic and foreign tax regulations or international taxation contracts, or from the delivery of the data/report in question by the Bank.



PRIVREDNA BANKA ZAGREB

Intesa Sanpaolo Group

Note:

This document is subject to periodic amendments.

The updated version of the document is available at the Bank's internet pages www.pbz.hr

PRIVREDNA BANKA ZAGREB D.D.

Radnička cesta 50, 10000 Zagreb



www.pbz.hr