

GENERAL TERMS

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

Zagreb, January 2022

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PRIVREDNA BANKA ZAGREB d.d.

with its headquarters in Zagreb, Radnička cesta 50 (hereinafter: the Bank), on **1 January 2022** adopted the following:

**GENERAL TERMS
OF USE OF THE INVESTMENT SERVICES
OF PRIVREDNA BANKA ZAGREB d.d.**
(hereinafter: "General Terms" or "Terms")

SECTION

COMMON PROVISIONS

(applicable to all investment and ancillary services)

I. SUBJECT MATTER AND CONTENT OF GENERAL TERMS

Article 1

(1) The subject matter and content of these General Terms include the regulation of the mutual rights and responsibilities of the Bank and the Client in connection with the conclusion and performance of Contracts, as well as other transactions involving the Client's Financial Instruments and Monetary Assets referred to in the provisions of these General Terms, related to the following investment and ancillary services:

1. Receiving and transmitting orders concerning one or more financial instruments / executing orders on behalf of Clients (hereinafter: the brokerage service);
2. Receiving and transmitting orders related to units in UCITS funds;
3. Safekeeping and administration of financial instruments for the Client's account, including custody and related services, such as the management of monetary assets and collateral (hereinafter: custody service);
4. All other ancillary services in relation to one or more of the above services.

(2) The Bank reserves the right, at the time of adoption of these General Terms and until the moment when the relevant business decision is made and the required organisational and technical conditions are met, not to make available to its clients, in an organised manner:

- (a) The activation and provision of specific investment or ancillary services referred to in the previous paragraph; and/or
- (b) The provision of specific ancillary services through the PBZInvestor distribution channel.



(3) The rights and responsibilities related to investment and ancillary services that the Bank, at the time of adoption of these General Terms, allows the Client to activate and use are defined in these General Terms.

(4) Prior to enabling the activation and use of specific investment and/or ancillary services and making them available through the PBZInvestor distribution channel, the Bank shall adequately amend these General Terms (and other pertaining documents) and inform the Clients thereof through appropriate distribution channels or the Bank's website.

(5) In order to activate any service other than the one referred to in the Contract that the Client has concluded with the Bank, the Client must make an explicit request and must confirm it through the available distribution channels by means of appropriate identification and authentication (e.g. through the PBZInvestor distribution channel using an Identification Code). The Bank shall only carry out those activities and take those actions that are related to the services that the Client has activated, as well as collect fees and other contributions related to the activated services exclusively in accordance with the Schedule of Fees.

(6) The Client may deactivate each particular investment and/or ancillary service other than the brokerage service without terminating the Contract.

(7) All the provisions of these General Terms relating to the brokerage service shall apply mutatis mutandis to the service of the receipt and transmission of orders related to units in UCITS funds, but only to the extent to which this is applicable to and in conformity with the nature and manner of providing the mentioned service and also in conformity with the regulations that govern the establishment and operation of open-end investment funds with a public offer and their management companies.

Article 2

(1) These General Terms form an integral part of the Contract. By signing the Contract, by using the Identification Code for identification and authentication on the PBZInvestor platform, or by issuing the first next Order / Instruction / other instruction (such as a request for the registration of Financial Instruments or the advance payment of monetary assets), the Client thereby confirms that he or she is familiar with the content of these General Terms and accepts their implementation.

(2) All issues not regulated by the Contract and these General Terms shall be subject to the currently valid laws and subordinate regulations, as well as the Bank's official business and internal regulations, including all their amendments adopted for the duration of the Contract and the General Terms.

(3) Should any issue laid down in these General Terms become differently regulated by certain laws or subordinate regulations at any time following the conclusion of the Contract or adoption of these General Terms, the provisions of the applicable law or regulation shall apply until adequate amendments to these General Terms are made.

(4) The Client hereby agrees that the Bank may, at any time, modify these General Terms in accordance with the legal provisions and the Bank's business policy, and that any further amendments or annexes to these General Terms shall be binding from the moment of their

adoption and entry into force, which the Client accepts by issuing the first subsequent Order and/or Instruction, as well as by the continued use of any investment and/or ancillary service provided by the Bank. Any amendment or annex to these General Terms shall be recorded on a durable medium, displayed in a visible place accessible to the Client at the Bank's premises and on its website, i.e. shall be made available to the Client through the Bank's distribution channels (such as the PBZInvestor distribution channel), unless otherwise provided for by law. The Bank shall promptly update the General Terms after each amendment or annex thereto, and shall make the consolidated and revised version of the General Terms available to Clients on the Bank's website or through the Bank's distribution channels (such as the PBZInvestor distribution channel).

(5) The Client hereby agrees that the Bank may, at any time, modify its Schedule of Fees, Order Execution Policy and all other accompanying documents (such as Information on the Investment and Ancillary Services of the Bank) in accordance with the legal provisions and the Bank's business policy, and that any amendments or annexes to the above-mentioned documents shall be binding from the moment of their adoption and entry into force, which the Client accepts by issuing the first subsequent Order, Instruction and/or other instruction, as well as by the continued use of any investment and/or ancillary service provided by the Bank. Any amendment or annex to the above-mentioned documents shall be recorded on a durable medium, displayed in a visible place accessible to the Client at the Bank's premises and on its website, i.e. shall be made available to the Client through the Bank's distribution channels (such as the PBZInvestor distribution channel), unless otherwise provided for by law.

(6) By issuing an Order / Instruction / other instruction, the Client is deemed to have agreed that the Order Book and the other Bank's books, as well as any other records on a durable medium that are at the Bank's disposal, shall serve as evidence of the amount and maturity of any claims arising from the Contract and these General Terms.

(7) These General Terms shall enter into force on 1 January 2022.

II. DEFINITIONS

Article 3

Particular terms used in these General Terms and/or the Contract shall have the following meanings:

Contract:

- (a) Contract on the use of the investment services of Privredna banka Zagreb or another contract that regulates the services of the receipt and transmission of orders and/or the execution of orders on behalf of Clients;
- (b) Contract on the use of investment services of Privredna banka Zagreb - the receipt and transmission of orders related to units in UCITS funds; and/or
- (c) Contract on the use of custody services and services of the safekeeping and administration of Client's Financial Instruments or another contract that regulates the



services of the safekeeping 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 another organised entity with no legal personality, with whom the Bank either directly or through an Authorised Representative, in accordance with the currently valid regulations and internal procedures, concludes the Contract, whereby the Client authorises the Bank to provide him/her/it with the investment and/or ancillary services referred to in the provisions of the General Terms and the Contract.

Authorised Representative: A legal or natural person who is authorised by law, or on the basis of a competent authority's decision with final force and effect or the Client's power of attorney, to issue Orders/Instructions, as well as to use other investment services and activities specified in the Contract and the General Terms, on behalf and for the account of the Client.

Order: A unilateral declaration of the Client submitted to the Bank in a way specified in Article 40 of these General Terms, requesting that the Bank buy or sell Financial Instruments in its own name but for the Client's account.

Instruction: Any instruction or order authorised by the Client or the Client's Authorised Representative given to the Bank in accordance with the provisions of the Contract and the General Terms.

Order Book: The Bank's business book kept in electronic form as the sum of individual Orders, which is organised and kept in accordance with the applicable regulations, rules of profession and market practices.

Schedule of Fees: The list of fees for investment services provided by Privredna banka Zagreb attached to the Contract, which determines the amount and the method for calculating fees, charges, and related expenses that the Bank charges to the Client for providing the services and carrying out the activities specified in the Contract and the General Terms.

Financial Instruments: Transferable securities, money market instruments, units in undertakings for collective investments and derivatives, as well as other instruments and securities referred to in the provisions of the Capital Market Act (CMA).

Bank's website: <http://www.pbz.hr>

Identification Code: Defined in Article 31 of these General Terms.

Order Execution Venue: Refers to a regulated market, a Multilateral Trading Facility (MTF), an Organised Trading Facility (OTF), a systematic internaliser, an OTC [market], a market maker, or other liquidity provider or other entity in a third country performing similar functions.

PBZInvestor distribution channel / PBZInvestor platform: An electronic platform of Privredna banka Zagreb intended for issuing Orders to buy or sell Financial Instruments on the Internet, as well as for using other investment and ancillary services.

PBZInvestor services: Specific services defined in the Contract on the use of PBZInvestor services, which, in these General Terms, shall mean the PBZInvestor distribution channel and additional options further defined in Article 30 of these General Terms.

CAP Reader: (Abbreviation for Cardholder Authentication Program) is a certified reader by means of

which the Client, using the Reader's keypad, enters his or her PIN, and the Reader then generates a dynamic one-time password; it can also be used to generate a cryptographic signature.

Token: A cryptographic device with a screen and a keypad using a cryptographic algorithm initialised by an assigned key and protected by a password, which makes it possible to identify users and to authenticate a signed electronic document.

mToken: A cryptographic program for mobile devices, initialised with an assigned key and protected by a password that uses cryptographic algorithms to identify users (service access control) and to validate authenticity.

Monetary assets accounts:

(a) Monetary assets investment account: The Client's cash account, to which the Bank credits and from which it debits all items representing claims and liabilities resulting from the provision of its brokerage service as specified in the Contract and the General Terms.

(b) Monetary assets custody account: The Client's cash account, to which the Bank credits and from which it debits all items representing claims and liabilities resulting from the provision of its custody service as specified in the Contract and the General Terms.

Financial instruments accounts:

(a) Financial instruments investment account: Electronic records of the Client's Financial Instruments registered with the Bank that are kept in the Bank's books, resulting from the provision of its brokerage service as specified in the Contract and the General Terms. The Bank shall record all financial instruments resulting from the provision of its brokerage service as credit and debit entries in the mentioned records.

(b) Financial instruments custody account: The Client's Financial Instruments account opened in the Bank's books for the purpose of safekeeping the Client's Financial Instruments in order to provide the custody service and carry out the operations specified in the Contract and the General Terms.

(c) Client's account: The Client's financial instruments account at the CDCC (Central Depository and Clearing Company) and/or other financial institution in the form of an electronic record showing the Client's positions recorded in that account, i.e. the Client's financial instruments account in which the Bank shall keep the Client's financial instruments based on the performance of the operations specified in these General Terms and the Contract.

User's consent: Consent on a durable medium authorised by the Client by means of an Identification Code through the PBZInvestor distribution channel.

Assets: Financial instruments and funds i.e. the monetary assets referred to in the Contract and these General Terms.

Durable medium: Paper or any instrument that enables the storing of information in digital format in such a way that access to, processing and the integrity of information are ensured for at least the period of time stipulated by the CMA (Capital Market Act) and regulations adopted on the basis of this Act.

Business day: Any day, other than Saturday and Sunday, on which credit institutions in the



Republic of Croatia are open for the transactions referred to herein, which is at the same time a business day of the Order Execution Venue where a certain transaction is to be executed. The Bank's business hours are from 9.00 to 16.00 each Business day; the Bank reserves the right to extend the business hours at its own discretion.

CDCC: Central Depository and Clearing Company Inc. (Središnje klirinško deponitarno društvo d.d.), Zagreb, Heinzelova 62a.

CDCC-CCP: CDCC-CCP Smart Clear Inc. (SKDD-CCP Smart Clear d.d.), Zagreb, Heinzelova 62a.

FX Act: Foreign Exchange Act (Official Gazette no. 96/03, 140/05, 132/06, 150/08, 92/09, 133/09, 153/09, 145/10 and 76/13), as subsequently amended.

CMA: Capital Market Act (Official Gazette no. 65/18), as subsequently amended.

Corporate actions: These include holding general meetings, the calculation and payment of dividends in cash, the calculation and payment of interest and principal for debt securities, stock splits and stock consolidations (i.e. reverse stock splits), share capital increases or reductions, acquisitions of joint stock companies, the early redemption of debt securities, as well as other corporate actions related to exercising the rights enjoyed by the holders of securities / Financial instruments.

Third party: A depository and clearing company or a custodian with which the Bank deposits the Financial Instruments of the Client and all other institutions that participate/act as intermediaries in the provision of the services that are the subject of the Contract and these General Terms (e.g. an investment company through which the Bank provides brokerage services).

"FATCA" is a US law whose full title is the "Foreign Account Tax Compliance Act". In accordance with the FATCA provisions (the text of the law is available at <http://www.irs.com>), which are aimed at preventing US taxpayers evading the payment of taxes, and also in accordance with the obligations the Republic of Croatia shall assume under the relevant international agreement, financial institutions that have their head offices in the Republic of Croatia are under an obligation to identify US entities, as well as to report on specific accounts and provide data within the scope of the FATCA application.

"CRS or Common Reporting Standard" means a standard for the mandatory automatic exchange of information in the field of taxation, defined within the EU by Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU regarding the mandatory automatic exchange of information in the field of taxation, with which EU Member States have to comply and apply from 1 January 2016. The above-mentioned legislative act requires institutions in the Republic of Croatia to identify and report to the Croatian Tax Authorities the tax residence (which may be multiple) of all clients that possess and hold financial assets with these institutions and to exchange information.

Article 4

(1) The Bank shall carry out the operations that are regulated by these General Terms on its own behalf and for the Client's account.

(2) The Bank may, in accordance with the legal limitations, entrust the performance of some or all the operations regulated by these General Terms to a third party.

III. FEES, CHARGES AND RELATED EXPENSES

Article 5

(1) On the basis of the performed operations that are regulated by these General Terms and the Contract, the Bank shall charge the Client fees, charges, and related expenses in accordance with the Schedule of Fees and in the amounts determined by the Schedule of Fees, including possible default interest.

(2) By issuing an Order / Instruction / other instructions and by using any other investment and/ or ancillary service of the Bank, the Client is deemed to have explicitly stated that he or she is familiar with and accepts the provisions of the Schedule of Fees, which are an integral part of the concluded Contract, and that he or she also accepts their subsequent amendments.

(3) The Client shall also be required to pay the Bank all costs, commissions, fines and other expenses imposed by the market where trading takes place / an institution / a third party or otherwise incurred by the Bank, including all paid taxes, resulting from operations regulated by these General Terms, unless they were incurred as a result of intent or gross negligence of the Bank. Even when it is not specifically stated, the Bank's claims against the Client shall always include: (i) all liabilities the Bank has incurred due to the execution of Orders/Instructions and the fulfilment of its obligations under the Contract and the General Terms; (ii) all fees, charges, interest and default interest incurred in relation to the execution of Orders/Instructions and the fulfilment of obligations under the Contract, or in relation to a failure to execute Orders/Instructions and to fulfil the obligations under the Contract when this is caused by something that neither the Bank nor the Client is responsible for; (iii) all other claims related to the fulfilment of obligations arising from Orders / Instructions / other instructions and the Contract; and (iv) all taxes imposed by the laws and regulations that the Bank would be required to pay. For that purpose, the Client irrevocably authorises the Bank to debit the expenses referred to in the previous two sentences from the Client's monetary assets accounts or any other transaction account that the Client has at the Bank.

(4) The Bank hereby calls attention to the possibility of additional expenses, such as taxes or other charges related to a transaction concerning a Financial Instrument or a deal involving Financial Instruments that may be incurred by the Client and that are not payable through the Bank or imposed by the Bank.

(5) If the Bank invoices the Client for the provided investment/ancillary services defined in the General Terms and the Contract or sends the Client a notification about the executed transactions and/or provided services, the Client shall be required to pay the Bank all fees, charges and related expenses by the due date specified in the invoice / notification about the executed transactions and/ or provided services at the latest. Should the Client fall behind with payment, the Bank shall be entitled to charge statutory default interest on all claims past due.

(6) Further to the previous paragraph of this Article, if the Client fails to pay the fees, charges and related expenses by the due date, the Client irrevocably authorises the Bank to debit such fees, charges and related expenses, along with any statutory default interest, as well as any expenses

referred to in paragraph 3 of this Article, from the Client's monetary assets accounts or any other transaction account that the Client has at the Bank.

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

Article 6

(1) The Client hereby agrees that the Financial Instruments and funds in the Client's financial instruments accounts and monetary assets accounts shall serve as collateral for all the Bank's claims arising from the Contract and all other contracts the Client has concluded with the Bank. In any case, the Bank shall have a lien [i.e. the right of retention] over the mentioned Financial Instruments and funds and may satisfy its claims by selling the Client's Financial Instruments in accordance with the provisions of the Contract and the General Terms.

(2) Should any claim resulting from the Contract or any other contract that the Client has concluded with the Bank become overdue, by signing the Contract, the Client authorises the Bank to satisfy its claims, without any further consent from the Client or any query to the Client being required, directly from the value of the funds in the monetary assets accounts.

(3) Should the funds in the monetary assets accounts be insufficient to settle the Bank's claims resulting from the Contract or any other contract that the Client has concluded with the Bank, for the purpose of settling claims out of court, the Client hereby authorises the Bank to directly sell any Financial Instruments held in all the Client's financial instruments accounts at a market price at the Order Execution Venue, through the Bank's broker; for that purpose, the Client irrevocably authorises the Bank to make a selection of Financial Instruments and to provide necessary instructions, in the Client's name and for the Client's account, to the Central Depository and Clearing Company (or another financial institution) in order to enable the clearing and settlement of the Financial instruments that are the subject of an out-of-court settlement of claims.

(4) The Client hereby authorises the Bank to collect all claims resulting from the Contract or any other contract that the Client has concluded with the Bank, without any further consent from the Client or notification to the Client being required, and without any court intervention, by debiting all accounts that the Client has at the Bank.

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

Risks of Investment in Financial Instruments

Article 7

(1) The Client is aware that the risks of investment in Financial Instruments are the most important circumstances that the Client needs to consider when making a decision on buying or selling Financial Instruments.

(2) Relevant data and information on Financial Instruments, as well as all risks associated with investment in Financial Instruments are provided i.e. specified in the document entitled Information on the Investment and Ancillary Services of the Bank, which is available to the Client in every branch office of the Bank, on the Bank's website, and also through other distribution channels of the Bank (such as PBZInvestor).

(3) By signing the Contract, the Client confirms that he/she/it knowingly takes on all the risks specified in the document referred to in the previous paragraph of this Article, 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. The Client also confirms that the Bank has made him/her/it familiar with all investment and ancillary services and investment activities that the Bank as a financial institution is authorised to provide and carry out, as well as with the risks of investing in Financial Instruments, while paying particular attention to the Client's knowledge and experience, financial situation and investment objectives in order to be able to provide the Client with adequate services and products.

(4) By signing the Contract, the Client confirms that they have been informed that the Bank is not required to gather data and make an assessment of appropriateness when providing investment services that consist only of the receipt and transmission and/or execution of the Client's Orders, with or without ancillary financial services, if the service is provided at the Client's initiative and if other terms specified in the document entitled Information on Investment and Ancillary Services of the Bank have been met.

Classification of Clients

Article 8

(1) In accordance with the provisions of the Capital Market Act and other regulations adopted on the basis of that Act, the Bank shall inform all new and existing Clients about their classification and categorisation as retail or professional clients, or eligible counterparties, and it shall further warn the Client about the risks of investment in Financial Instruments, taking into account the Client's knowledge, experience, financial situation and investment objectives.

(2) The Bank shall automatically treat all Clients as retail clients unless they meet the specific criteria required for their categorisation as professional clients.

(3) Clients classified as retail clients shall be entitled to additional instructions and information, particularly concerning financial instruments, fees, charges and related expenses, and the Bank shall be obliged, before providing an investment service to a retail client for the first time, to conclude a written agreement with the client that shall regulate their mutual rights and obligations.

(4) Clients classified as retail clients may request a different categorisation in a way and in



accordance with the terms specified in the document entitled Information on the Investment and Ancillary Services of the Bank, following an additional assessment of their experience and professional knowledge to be carried out by the Bank, on the basis of which it can be deemed that the Client possesses sufficient experience, knowledge and expertise to make independent decisions about investments and properly assess the related risks.

(5) The Bank shall be obliged to provide professional clients or eligible counterparties, at their request, with the same treatment (ensuring a higher level of protection) that it provides to retail clients. It shall be the obligation of a Client classified as a professional client or an eligible counterparty to request a higher level of protection if it deems that it is unable to properly assess or manage the risks involved.

Limitation of Liability

Article 9

(1) The Bank's liability shall be exclusively limited to any financial damage that might occur as a result of intent or gross negligence in operations carried out by the Bank. The Bank shall not be liable for any Client losses caused by an act of God i.e. resulting from external, extraordinary and unpredictable circumstances arising after the conclusion of the Contract, including but not limited to wars (declared or not), political unrest, natural disasters, epidemics / pandemics, government restrictions, rules of regulated markets, cancellation of trades, strikes, crashes (or reduced throughput and functionality) of the communication systems of third parties or of the Order Execution Venue, or caused by the fulfilment of obligations under FATCA or CRS regulations, or by any other event beyond the Bank's control.

(2) The Bank shall not be liable for any Client losses or damage to the Client caused by the inability to use any distribution channel (such as the PBZInvestor distribution channel) and/or to issue orders to buy or sell Financial Instruments or to give Instructions / other instructions due to organisational and technical limitations (such as system crashes, or reduced throughput or functionality caused by system overload, shutting off by third parties, etc.).

(3) The Bank shall not be under an obligation to execute an Order / Instruction / other instruction of the Client in accordance with the information specified therein, nor to fulfil all or some of the responsibilities specified in the Order / Instruction / other instruction, especially in the event of (but not limited to) the occurrence of the following circumstances: (a) if the other contracting party with whom the Bank has arranged a particular deal (necessary for the fulfilment of the Bank's responsibilities towards the Client) fails to fulfil its responsibility towards the Bank, or (b) if the failure to fulfil obligations is caused by reasons that are the responsibility of the other contracting party, issuer or institution providing services that the Bank, by law, is required to use, or if the use of such services is customary according to the general rules and business practices prevailing in the market and followed by its participants, or (c) one of the following occurs:

- i. An alteration of the initial Order that was partially or fully executed but, due to the existing legal and technical framework, the Bank could not have anticipated that, at

the moment of or immediately after receiving the altered Order or altered conditions for the initial Order, the initial Order would be executed or that the Order has already been partially or fully executed under the conditions of the initial Order, in which case the alteration of the Order (regarding the part of the initial Order that was subject to alteration) shall be deemed:

- to be made by executing the initial Order - if the alteration refers to reducing the quantity of securities, or
 - to constitute a new Order - if the alteration refers to any other component of the Order;
- ii. Cancellation of the initial Order that was fully executed but, due to the existing legal and technical framework, the Bank could not have anticipated that, at the moment of or immediately after receiving the cancellation of the Order, the cancelled Order would be executed or that it has already been executed under the conditions of the initial Order, in which case the “cancelled” initial order shall be deemed to be executed; or
- iii. A situation similar to those referred to in the two previous items of this paragraph has arisen.

(4) The Bank furthermore shall not be under an obligation to perform the obligations of the other contracting party arising from any transaction involving the purchase or sale of Financial Instruments carried out in accordance with an Order/ Instruction / other instruction, especially in the case of the so-called trade-for-trade settlement according to the rules of clearing and depository companies.

(5) The Bank shall not be liable for any damage to the Client or any other party caused by the selection, actions and/or omissions of third parties that are beyond the control of the Bank, where a third party has been selected by exercising due professional care, which may result in bankruptcy, insolvency or the inability of the third party to perform any obligation under the Contract and these General Terms.

Article 10

The Bank shall under no circumstances be liable for any losses resulting from exchange rate fluctuations and fluctuations of market trends in Financial Instruments, nor for any breaches or omissions by third parties and/or institutions while carrying out the tasks conferred to them by the Bank on the basis of authorisations under the Contract and these General Terms.

Article 11

(6) The Bank shall not be held liable if it acts in good faith, based on an Order / Instruction / other instruction that the Bank reasonably assumes has been received by the Client in accordance with the provisions of the Contract and the General Terms, nor shall it be held liable for any costs incurred by the Client in the case of the inadequate delivery of an Order / Instruction / other instruction or notification to the Bank. The Bank furthermore shall not accept an Order / Instruction



/ other instruction for which it determines or estimates that, by executing it, it would commit an offence or crime, or that by executing an Order / Instruction / other instruction the Bank would suffer damage.

(7) The Bank furthermore shall not be liable for any damage resulting when the Client allows a third party to use, or makes available to a third party, information, instruments and/or means required for identification and authorisation regarding the issuance of Orders / Instructions / other instructions and/or notifications to the Bank (such as a password, CAP Reader, token, current account card, etc.), nor [shall the Bank be liable] in any case of abuse by a third party who has come into possession of the above-mentioned information/instruments and/or means.

(8) The Bank, in particular, shall not be liable for cases where the Client has failed to notify the Bank, in a timely manner and without delay, of any change regarding Authorised Representatives, any change of address, phone and fax numbers or e-mail address(es) of the Client specified in the heading of the Contract, as well as any other changes of information that could significantly affect the performance of operations regulated by the Contract and these General Terms.

(9) If the Bank receives a contradictory, indefinite, unclear or incomplete Instruction / Order / other instruction, the Bank shall ask the Client to amend that Instruction / Order / other instruction and it shall not act on the received Instruction / Order / other instruction until all uncertainties have been cleared up in communication with the Client, with no liability or responsibility borne by the Bank.

Article 12

(1) The Bank is not authorised nor obliged to provide any legal services to the Client, nor shall it have any obligation on account of, or liability for, any advice or any other statement given to the Client.

(2) The Bank's obligations under these General Terms and the Contract shall not include any investment advisory services or the provision of personal recommendations concerning investments in Assets. Furthermore, the Client assumes full responsibility in relation to transactions in the Client's monetary assets accounts and financial instruments accounts, and the Client also agrees that the Bank shall not be held directly or indirectly liable for any decision made by the Client concerning investment and the disposal of Assets.

(3) While providing investment and ancillary services in accordance with the General Terms and the Contract, the Bank shall exercise due professional care, in accordance with the rules of the profession and prevailing business practices, and shall take care of the Client's interests and Assets as if they were its own. The Bank, however, shall not be liable for the authenticity, validity and accuracy of the documents presented to it or Assets received by it, and it reserves the right to assume that the content of the presented documents is authentic. If the Bank notices any irregularities or inaccuracies in the documents presented and/or Assets delivered to it, or if it suspects that they are forged, the Bank shall immediately inform the Client thereof.

VI. TRADE SECRETS, COMMUNICATION, CLIENT IDENTIFICATION AND THE PROCEDURE FOR LODGING A COMPLAINT

Trade Secrets

Article 12

The Bank shall be under an obligation to keep confidential all information about the Client, the balance and changes in Financial instruments accounts and monetary assets accounts, Orders/ Instructions and activities the Bank carries out on the Client's account, as well as any other information and facts obtained in connection with the provision of investment and ancillary services and the performance of investment activities regulated by these General Terms and the Contract; the Bank shall be authorised to disclose such information only to those persons and only in those cases when the disclosure of such information is required 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 company registration number (MBS) 080002817 (hereinafter: the Bank), as a data controller, operates in accordance with the principles of Regulation (EU) 2016/679 of the European Parliament and of 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 the personal data of the Bank's clients is collected, whether from a 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, such as information about the Bank as the controller, the purposes and the legal basis of personal data processing, the categories of personal data that are collected (for example, personal data required for the establishment of a business relationship pursuant to the Anti-Money Laundering and Terrorist Financing Law, as well as other data necessary for the performance of a particular contract or for taking actions prior to entering into a contract or for the fulfilment of some other legal obligations, for the legitimate interests of the Bank as the controller or of a third party); [information about] the storage period, the recipients of data, the source of data, as well as the rights related to personal data protection (for example, the right of access to personal data, the right to erasure, the right to object, etc.).

Contact details of the data protection officer: sluzbenik.za.zastitu.osobnih.podataka@pbz.hr.

The Bank shall collect and process personal data for the purpose of the implementation of the Act on Administrative Cooperation in the Field of Taxes (Official Gazette 115/2016), which governs the implementation of the Agreement between the Government of the Republic of Croatia and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA (the Foreign Account Tax Compliance Act, the US law that introduced a reporting obligation for financial institutions with respect to certain accounts), which includes the collecting of information, the application of due diligence rules, the identification of US reportable accounts, as well as reporting on these accounts to the Ministry of Finance.



The Bank shall also collect and process personal data for the purpose of the implementation of the Act on Administrative Cooperation in the Field of Taxes (Official Gazette 115/2016), which governs administrative cooperation in the field of taxes between the Republic of Croatia and EU Member States, as well as the automatic exchange of information on financial accounts between the Republic of Croatia and other jurisdictions, within the framework of the so-called Common Reporting Standard (CRS), which includes the collecting of information referred to in Article 26 of the Act in accordance with the reporting rules and due diligence rules, the identification of reportable accounts, as well as reporting on these accounts to the Ministry of Finance, Tax Administration.

Communication

Article 14

(1) Unless agreed otherwise, the Bank shall provide and send the Client all certificates, notifications, reports and invitations, as well as engage in all other forms of communication related to the performance of operations referred to in the Contract, to the address (including the e-mail address) and numbers specified in the heading of the Contract, or by using other agreed distribution channels (such as the PBZInvestor distribution channel).

(2) The Client shall provide and send to the Bank all Orders / Instructions / other instructions, certificates, notifications and invitations, as well as engage in all other forms of communication related to the performance of operations referred to in the General Terms and the Contract, to the address and numbers specified separately for each investment or ancillary service provided by the Bank in accordance with the Contract and the General Terms.

(3) For the purpose of providing all the services and carrying out all the activities regulated by the General Terms, any notifications and other mutual communications shall be deemed received on that same day if sent on a Business day during business hours (9.00 - 16.00 h), unless sent by registered mail, in which case they shall be deemed received on the day of their receipt, or if a sent item for any reason cannot be delivered to the recipient by a delivery service, it shall be deemed received on the day the recipient was left a notice of mail arrival by a legal entity authorised for mail delivery.

(4) The Bank and the Client shall inform each other without delay about any changes of address or [changes of] other information relevant to giving notifications, and until such a notification is received by either party, it shall be deemed that a notification was properly given to that party if it was sent to the address/numbers specified in the heading of the Contract, or to the address and numbers of the Bank, in accordance with the provisions of paragraph 2 of this Article.

Determining the Identity of a Client

Article 15

(1) Pursuant to the provisions of the Anti-Money Laundering and Terrorist Financing Law (Official Gazette no. 108/17), the Bank shall be obliged to determine the identity of a client when opening

all types of bank accounts or when establishing other forms of longer-term business relationships with a client. For that purpose, the Client shall provide the Bank with the following documents and/or information:

- i. If the Client is a natural person and a resident (within the meaning of the Foreign Exchange Act), he or she shall provide a photocopy of his or her identification document i.e. an official document with a photo that serves as proof of identity, presenting the original document for comparison, as well as a photocopy of a bank card for a kuna account opened in the Client's name. If the Client's TIN (Croatian "OIB") does not appear on his or her identification document i.e. official document with a photo, the Client shall present the Bank with a document which shows the Client's TIN (Croatian "OIB").
- ii. If the Client is a natural person and a non-resident (within the meaning of the Foreign Exchange Act), he or she shall provide the Bank with a photocopy of his or her passport, presenting the original document for comparison, as well as a photocopy of the contract governing a non-resident kuna account opened in the Client's name.
- iii. If the Client is a legal person, the natural person opening the account on the Client's behalf shall provide the Bank with a photocopy of his or her identification document with a photo that serves as proof of identity (an identity card or passport), presenting the original document for comparison. If the Client is a legal person and a resident (within the meaning of the Foreign Exchange Act), that Client shall be obliged to submit to the Bank:
 - (a) A photocopy of an extract from the court (companies) register as proof of the Client's registration;
 - (b) A photocopy of the notice of classification of a business entity (i.e. the Client) according to the National Classification of Economic Activities (NCEA);
 - (c) A photocopy of the signature card (i.e. the list of the Client's authorised signatories) on the basis of which a regular transaction account was opened;
 - (d) A questionnaire providing data on the beneficial owners of that legal entity and the list of Management Board members, in accordance with the provisions of the Anti-Money Laundering and Terrorist Financing Law and related subordinate legislation;
 - (e) LEI (Legal Entity identifier) of the Client.
- vi. If the Client is a legal person and a non-resident (within the meaning of the Foreign Exchange Operations Act), that Client shall be obliged to submit to the Bank:
 - (a) A photocopy of the Client's certificate of incorporation;
 - (b) A photocopy of the contract governing a non-resident kuna account opened in the Client's name;
 - (c) A questionnaire providing data on the beneficial owners of the legal entity and the list of Management Board members, in accordance with the provisions of the Anti-Money Laundering Law and related subordinate legislation;



(d) LEI (Legal Entity identifier) of the Client.

v. Any other information prescribed i.e. required by the Bank's "Know Your Customer" standard.

(2) For the purpose of opening an account regulated by the Contract and these General Terms, as well as determining the Client's identity, the Client shall also be obliged to submit to the Bank all other required documents prescribed by special regulations.

Compliance

Article 16

(1) The Client shall be required to submit any complaint against the Bank related to its performance of operations referred to in these General Terms and the Contract either by regular mail or e-mail, to one of the following addresses:

CORPORATE SUPPORT OFFICE
Radnička cesta 50
10000 Zagreb
Attn: Executive Director
E-mail: reklamacije.vp@pbz.hr

(2) The Bank shall respond to the Client's complaint by regular mail or by e-mail within 15 (fifteen) days from receipt of the complaint.

VII. CONTRACT TERMINATION

Article 17

(1) Each contracting party may terminate the Contract without explanation, at any time, in accordance with the provisions of this Contract and these General Terms, subject to a notice period of 30 (in letters: thirty) days. The notice period shall start running from the date of delivery of the termination notice via the PBZInvestor distribution channel or from the date of sending the termination notice by registered mail to the Client's permanent residence address or contact address specified in the heading of the Contract or to the Bank's address specified in the General Terms. Under the Contract, any obligation of the Client towards the Bank still outstanding shall become due on the date of expiration of the notice period and the Client shall be obliged to fulfil such obligations without delay, in accordance with the provisions of the Contract and the General Terms.

(2) The Bank has the right to terminate the Contract unilaterally, without the notice period referred to in paragraph 1 of this Article, if one or more of the following situations occur:

- a) If the Client has failed to perform, when due, any obligation set out in the Contract and/or the General Terms, especially in case of the non-payment or repeated late payment of the Bank's claims under the Contract;
 - b) If any representation or warranty given or deemed to be given by the Client, or any piece of information or document submitted to the Bank, has proved to be inaccurate or false from the moment when it was given or submitted;
 - c) If a major change occurs in the financial position of the Client, or if bankruptcy
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proceedings are brought against the Client or liquidation proceedings are instituted, or if the Client has become insolvent;

- d) If, as a result of any legislative activities or changes in any laws and regulations or interpretation thereof, or as a result of any other situation beyond the Client's control, the performance of the obligations regulated by the Contract and the General Terms becomes illegal, unfeasible or impossible for either the Client or the Bank; or
- e) If the continuation of a contractual relationship would be detrimental to the Bank, especially in the case of 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.

(3) The Client hereby agrees that, in the event of the occurrence of situations referred to in the previous paragraph of this Article, the date of Contract termination shall be deemed to be the date of delivery of the termination notice via the PBZInvestor distribution channel, i.e. the date of sending the termination notice. The delivery of the termination notice is regulated by the provisions of paragraph 1 of this Article.

(4) The termination of the Contract 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 need to be completed in accordance with the provisions of the Contract and the General Terms.

(5) The Client shall be obliged to settle all due and unpaid claims of the Bank arising from the Contract by the expiration date of the notice period referred to in paragraph 1 of this Article, or immediately and without delay if the Contract is terminated pursuant to the provisions of paragraph 2 of this Article, at the latest on the first subsequent Business day.

(6) Upon the expiration of the notice period referred to in paragraph 1 of this Article, i.e. on the date when the Contract is terminated pursuant to the provisions of paragraph 2 of this Article, the Bank shall close all the Client's financial instruments accounts and monetary assets accounts opened at the Bank.

(7) By the expiration date of the notice period, the Bank shall be obliged to cancel the registration of all Financial Instruments and deliver them to an account designated by the Client, together with all documents related to those Financial Instruments, and to transfer monetary assets [i.e. funds] to the account specified in the heading of the Contract or to another account specified by the Client.

(8) The Bank shall not be required to act in accordance with the provision of the previous paragraph of this Article until all operations initiated under the Contract and these General Terms have been completed, i.e. until the Client has settled all due claims that the Bank, under the Contract, has against the Client; the Bank, in that case, shall in no way be liable for any damage caused by the non-delivery of Financial Instruments or funds i.e. monetary assets. The Client hereby agrees that the Bank, in any case, shall have a lien [i.e. the right of retention] over the Client's Financial Instruments and monetary assets in the Client's financial instruments accounts and monetary assets accounts, in accordance with the provisions of Article 6 of these General Terms, until all the Client's obligations towards the Bank have been settled.

Article 18

(1) If the Client has been using a custody service, within 30 (in letters: thirty) days from the date



of delivery of the Contract termination notice and in accordance with the previous Article, the Client shall be obliged to deliver to the Bank a written instruction specifying the account to which the Bank should transfer all Financial Instruments from the Client's Financial instruments custody account and all monetary assets from the Client's Monetary assets custody account (such an instruction is hereinafter referred to as: "Instruction on Termination").

(2) If the Bank does not receive the Instruction on Termination within the time limit specified in the previous paragraph of this Article, the Bank shall retain the Assets referred to in the Contract until it receives the Instruction on Termination and, in that case, the Client shall be obliged to make payment to the Bank for all Expenses related to the safekeeping of such Assets concerning which the Bank did not receive the Instruction on Termination.

Article 19

(1) Provisions that govern the termination of the Contract shall accordingly apply to all situations in which the Client deactivates any investment and/or ancillary service, resulting in the Bank being unable to carry out the operations regulated by the Contract and these General Terms.

(2) The Client's request to deactivate a brokerage service shall be deemed by the Bank to constitute the termination of the Contract.

VIII. REPRESENTATIONS AND WARRANTIES OF THE CLIENT

Article 20

(1) The Client hereby represents and warrants to the Bank:

- (a) That he/she/it has provided complete and accurate information required to conclude the Contract;
- (b) That he/she/it has the capacity and right to enter into a Contract, as well as to perform all obligations arising therefrom;
- (c) That he/she/it has obtained all authorisations, legal and other permits, consents and approvals necessary for the conclusion and implementation of the Contract;
- (d) That the performance and fulfilment of the provisions of the Contract and these General Terms by the Client does not include nor shall it result in any breach of laws or regulations, and that their fulfilment is not contrary to the Client's Articles of Association (if the Client is a legal entity), nor to any similar documents of the Client or any other contract to which the Client is a party;
- (e) That the financial instruments deposited at the Bank and/or registered or about to be registered with the Bank by the Client are freely transferable, and that the Client is their legal holder or is duly authorised to dispose of such instruments under the currently valid laws and regulations, and that 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;

- (f) That the Assets held in the Financial instruments accounts and Monetary assets accounts are not associated with, nor will they be associated with any illegal activities in the future, according to laws and regulations applicable to the mentioned Assets. For this purpose, the Client shall fill in and sign all Questionnaires presented by the Bank to the Client when signing the Contract;
- (g) That, for taxation purposes, the Client has the status of a resident in his/her country of residence (if the Client is a natural person) or in the country in which its registered office is located (if the Client is a legal person) specified in the introductory provisions of the Contract, and that the Client meets the required conditions to be protected by the provisions of a double taxation agreement (if there is such an agreement) between the country in which the Client has the status of a resident and the country in which the Client performs investment in Financial Instruments and/or keeps them in Financial instruments 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 language or in the 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 on 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 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 Claims

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.

Salvatorious 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

BROKERAGE SERVICE

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 transmitting orders concerning one or more financial instruments and executing orders on behalf of Clients (hereinafter: the 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 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 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 and/or through the PBZInvestor distribution channel, 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, more specifically, 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 disable 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 to.

(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, within 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 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 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 contracts the use of the PBZInvestor platform as a distribution channel, the Bank shall show the client how to use the PBZInvestor platform through instructions that shall be available to the Client in the PBZInvestor distribution channel, and shall enable the Client access to the PBZInvestor platform and thus ensure that the Client has access to at least the following options:



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- 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 <http://net.pbz.hr>

(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, as for any costs that can 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 domestic and/or foreign currency 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 CAR 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 domestic and/or foreign currency 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, 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 available his or her Identification code 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 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, noncommercial 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 GIVING 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 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 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 including 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 the received Order. In this case, the Bank shall immediately inform the Client thereof.

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 contract (if the Client does not have an activated PBZInvestor distribution channel) and activate 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 his 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 perform 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 present a written consent to the Bank by all the other authorised persons, i.e. 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 of 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, as well as 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 those Orders that contain data on 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 in a unit of price per single security or executed contract without provision and (where applicable) calculated interests - for shares and derivatives in kunas and lipas, and for debt securities in a percentage from their nominal value (the price on the purchase Order is expressed as the maximum price the Client is ready to pay for the purchase of the Financial Instrument, and in the Order for the sale, the price is expressed as the minimum price the Client is ready to accept for the sale of the Financial Instruments);
- (f) Price indication for the Financial Instrument in the currency in which the price is stated, and 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) Signature of the Client (for the Order issued in writing), password (for the Order issued orally) or the authorisation of the Order using the Identification code (if the Order is issued through the PBZInvestor 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, and 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 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);
- (b) 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.

(2) An Oral Order by the Client can only be directed by telephone and to the telephone numbers stated under Article 48 of these General Terms, or other telephone numbers the Bank provided to the Client, with the obligatory use of a password, which the Client shall choose when signing the Contract. 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 issuing an Order through the telephone and/or some other form of communication. The Bank shall inform the Client of the issuance of the new password to the contact address specified in the heading of the Contract, through the PBZInvestor platform or to another address if the Client informed the Bank in the manner described under the General Terms and the Contract.

(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 shall 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 Contract, or data the Client informed the Bank of before issuing the Order.

(4) Issuing the Order through the PBZInvestor platform is performed electronically with an obligatory 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 has 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.

Receiving and Accepting Orders

Article 41

(1) The receipt of Orders by the Bank is not accepting 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 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 the essential components for carrying out an operation;
- (b) that the Bank could not be able to execute the Order due to important deviations from the market conditions or other reasons;
- (c) 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) 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) the Order could have been issued for the purpose of the unauthorized manipulation of the prices of Financial Instruments or other forbidden and unlawful acts;
- (f) by executing the Order, the Bank would be harmed;
- or (g) executing the Order would designate a committed offense or criminal offense.

(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 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 (fortyfive) 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, where 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 at 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 an 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 the 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

(8) beforehand to the Client through its distribution channels or in a manner contracted in the Contract and/or these General Terms.

(9) 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.

(10) 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) Pursuant to the provisions of the valid regulations, the Bank is obliged to manage the shares of credit institutions in a corresponding account on the Client's behalf, and the Client shall agree that the Bank shall manage such shares that the Client owns during the time of the Contract at a corresponding account on the Client's behalf.

(4) 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.

(5) The Bank shall transfer the monetary assets of the Client's 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.

(6) 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.

(7) The Bank is not required to transfer monetary assets until all the started operations are completed, or until all due claims by the Bank for services and activities that are subject to the General Terms and the Contract, or any claim based on other contracts the Client signed with the Bank, are satisfied. If the Client has failed to satisfy all his or her claims to 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.

(8) 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.

VI. COMMUNICATION REGARDING BROKERAGE SERVICES

Communication with 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 engage 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. PROIZVODI KORPORATIVNOG BANKARSTVA
BROKERSKI POSLOVI
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 custody service means the 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).

(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 on 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 Custody Accounts(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 on a collective custody account, as a rule.

(4) The foreign Financial Instruments shall be held by the Bank with the 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 and 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 of the Third party, reputation and quality of service. 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, such as: Clearstream Banking Luxembourg, Deutsche bank AG, The Bank of New York Mellon, UniCredit Bank d.d., Komercijalna banka AD Skopje, Raiffeisenbank a.d. Beograd and SKB Banka d.d. Ljubljana.

(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 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 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 service;
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 of 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 Bank, as a rule, holds the foreign Financial Instruments of retail clients with Deutsche Bank AG, Frankfurt, Germany. The contractual relationship between Deutsche bank AG and the Bank is subject to the German legislation. Pursuant to the said legislation, the Financial Instruments of the Clients that the Bank holds for safekeeping at Deutsche bank AG do not fall under the Deutsche bank AG assets or their liquidation or bankruptcy estate and cannot be subject to enforcement regarding claims to Deutsche bank AG. Deutsche bank AG shall have the right of compensation and lien in relation to the Clients' Financial Instruments found in the collective custody account only to the amount of the costs of management, administration and safekeeping of Financial Instruments in the account, as well as in cases when the Financial Instruments required for settlement are not enabled. For Financial Instruments held in Germany, Deutsche bank AG shall be responsible to the Bank for any possible failures of Deutsche bank AG employees and other persons involved in the fulfilment of the obligations under the contractual relationship. Moreover, Deutsche bank AG shall also be responsible to the Bank for any possible failure of Clearstream Banking AG. For other foreign Financial Instruments, the responsibility of Deutsche bank AG is limited to the application of due diligence when selecting a Third party, as well as instructions given to the Third party. If the indirect Third party is Clearstream Banking AG, a local depository or their foreign branch office, Deutsche bank AG shall also be responsible to the Bank for the failures of the said Third parties. Deutsche bank AG, as rule, holds foreign Financial Instruments on collective Custody Accounts, all in accordance with the legal requirements and market practice.

(9) 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.

(10) 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 at the same time 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 included in the Financial Instrument sold by the Client to the Bank enable it, the Bank shall, when permitted by the laws and regulations and business practice, transmit such Financial Instruments to the Client's account only if the payment for the Financial Instruments is performed at the same time as the transmitting thereof, and the Bank shall request the Third party to immediately deliver a certificate of compensation and settlement at the Custody Account the Bank has opened with the Third party. Any such transmitting and transfer of Financial Instruments, or monetary assets, shall be visible in the books the Bank keeps for the Client's account.

(11) 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.

(12) The Bank shall not calculate interest for 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 Financial Instruments of the Client and carrying out custody operations involving the said Financial Instruments;
- (b) On the 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 Contract and the General Terms;
- (d) Inform the Client of corporate actions related to the exercising of the Clients' rights from the Financial Instruments in safekeeping, as well as to conduct 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 letters: 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.

(4) 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.

(5) 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 ensure the safekeeping of all the monetary assets to 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 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 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 same) 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 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, account number at the provider/recipient of the Financial Instruments, etc., all pursuant to the 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 same is obligatory and if the Client does not have to consent to the action based on the same. 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 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 on 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 vote 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 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

(1) 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 to take 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 within 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 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 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

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- 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 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 fulfilment of the Bank's obligations created pursuant to the Contract and these General Terms, as well as a list of Authorised Representatives the Bank is authorised to accept Instructions from, together with the 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 letters: 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.

II. 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) At least every three months, a report on a durable medium on Financial Instruments that, among other things, include details of the Client's Financial Instruments at the end of the period of the report, a note if the Financial Instruments are subject to Directive 2014/65/EU of 15 May 2014 and its enforcement actions or not, and the market or nominal value or the ownership of share capital (if the market value is not available), with a note if the lack of market value of ownership Financial Instruments indicated a lack of liquidity;
- (e) 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 practice 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 letters: seven) days from the day of their receipt, it shall be deemed that the Client has accepted the delivered reports.

V. COMMUNICATION REGARDING THE CUSTODY SERVICE

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, though 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 a minimum of justified doubt 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 engage 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 engage 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.
PROIZVODI KORPORATIVNOG
BANKARSTVA SKRBNIŠTVO
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 AUXILIARY SERVICES 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 at their direct inquiry.

(3) The Client agrees that the Bank can request for 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, as 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 recommendation 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 (etc. Daily Report), research and/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 Third party could experience.



SECTION FIVE

CAPITAL GAINS TAXATION

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

Article 77

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 foreign country (unless otherwise regulated with a contract). The law prescribes the obligation to establish and make advance payment 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 78

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 which 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, e-mail...)

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

Article 79

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 80

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

- 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 in 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 81

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 82

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 letters: fifteen) days before it is implemented. 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 83

During the execution of the subject obligation, the Bank shall deliver only the data and information (e.g. procurement date and procurement price of the Financial Instruments during



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 there 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 doubt and/or knowledge by 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 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 84

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 deliver of data/reports as soon as possible within a reasonable time.

The Bank shall proceed in 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/information in order for the Bank to fully and duly execute the delivery of data/reports to the Client.

Article 85

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.

Note:

This document is subject to periodical amendments.

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



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