

# GENERAL TERMS AND CONDITIONS FOR BROKERAGE AND CUSTODY SERVICES

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**Raiffeisenbank Austria d.d.**  
**Brokerage**  
**Custody and Depositary business**  
**January 2019**

## CHAPTER A. GENERAL PROVISIONS

### I. SCOPE OF APPLICATION

1. The General Terms and Conditions of Brokerage and Custody Services (hereinafter: the General Terms) determine the rights and obligations in the relationship between Raiffeisenbank Austria d.d. (hereinafter: the Bank) and the Customer, and are a constituent part of the «Agreement on Financial Instruments Purchase or Sale Order» or the «Custody Agreement» in respect of provision of brokerage and/or custody services (hereinafter: the Agreement).
2. The Bank retains the right to amend and supplement the General Terms in keeping with the legal regulations and business policy of the Bank. Any amendments and supplements to the General Terms shall be published on the Bank's official web page, [www.rba.hr](http://www.rba.hr) no later than fifteen days prior to such amendments and supplements taking effect.
3. The document «Information for Investors», together with any and all amendments and supplements thereto, is a pertaining part of these General Terms and shall have equal legal power as if contained in the master text, and it is available at the Bank's seat, the Bank's business network and the internet site: <http://www.rba.hr/>.
4. Documents published on the Bank's website related to the services defined as under these General Terms and Conditions, can be delivered to the Customer also to the agreed communication channel at the Customer's written request.
5. The Customer shall be deemed to have accepted the amended/supplemented General Terms, if the Customer does not reject their application in writing prior to their effective date. If the Customer rejects the application of the amended/supplemented General Terms in whole or in part, the Customer shall be deemed to have cancelled the Agreement and the termination provisions of the General Terms shall apply. Amendments and supplements of the General Terms shall not apply to the Agreement during the cancellation period.
6. The General Terms enter into force on **25<sup>th</sup> January 2019**.

### II. DEFINITIONS

7. The following terms used in the General Terms shall have the meanings as set forth below, unless provided otherwise by the context:

<b>Bank</b>	<p>Raiffeisenbank Austria d.d. Magazinska cesta 69 10000 Zagreb Croatia Phone: +385 1 4566 466 072 62 62 62 Fax: +385 1 4811 624 E-mail: <a href="mailto:info@rba.hr">info@rba.hr</a> Internet: <a href="http://www.rba.hr">www.rba.hr</a> <b>Swift:</b> RZBHHR2X <b>IBAN:</b> HR0624840081000000013 <b>MBS:</b> 080002366 <b>PIN:</b> 53056966535</p> <p>The Bank hold a license for the performance of the following investment services and activities:</p> <ol style="list-style-type: none"><li>a) execution of orders for the Customer's account,</li><li>b) trading for own account,</li><li>c) investment advisory,</li><li>d) service processing, i.e. sale of Financial Instruments with redemption,</li><li>e) service processing, i.e. sale of Financial Instruments without redemption, and</li></ol>
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	<p>f) ancillary services of safekeeping and administration of Financial Instruments for the Customer's account, including custody and related services, issued by the Croatian Securities Commission (legal ascendant of the Croatian Financial Services Supervisory Agency having its registered office in Zagreb, Ulica Franje Račkog 6, www.hanfa.hr) and the Croatian National Bank (having its registered office in Zagreb, Trg hrvatskih velikana 3, www.hnb.hr).</p> <p>The Bank is a member of the Zagreb Stock Exchange. The Bank is a member of the Central Depository and Clearing Company. The Bank is a member of the investor protection system.</p>
<b>Assets</b>	Financial Instruments and Cash assets held in Custody account.
<b>Authorized Agent</b>	A private individual whom the Customer authorized with regard to the custody service to sign the Agreement and/or to give Instructions to the Bank, or related to the brokerage service, to sign the Agreement and/or place Orders.
<b>Business day</b>	A day (other than a Saturday, Sunday and official holiday) on which the Bank and the Global Custodian/Sub-Custodian (if appointed) are normally open for respective business.
<b>Basic account with the CDCC</b>	The Basic account is an account opened for the investor at registration into the depository. The holder of the Financial Instruments registered in the Basic account is exclusively the investor in whose name the account is opened and its as the holder of the account has the right of the Financial Instruments disposal. An investor can hold only one Basic account.
<b>Cash account – Brokerage</b>	The Cash account - Brokerage account to which the Customer's cash is deposited. The Cash account is opened on behalf of the Customer with the following institution under the account number: Raiffeisenbank Austria d.d. IBAN: HR1824840081300069103.
<b>Cash account – Custody</b>	A Custody account to which the Customer's Cash assets are deposited. The Cash account is maintained on behalf of the Customer with the following institution under the following account number: Raiffeisenbank Austria d.d. IBAN: HR8224840081300095499.
<b>Cash assets</b>	The amount of money which the Bank received from the Customer as a deposit for purchase of Financial Instruments or participation in Corporate action, or which proceeded from the sale of Financial Instruments or from a certain Corporate action in connection with the Financial Instruments, which are deposited in the Custody account.
<b>CDCC</b>	Central Depository and Clearing Company, Zagreb, Heinzelova 62a.
<b>CFSSA</b>	Croatian Financial Services Supervisory Agency.
<b>CMA</b>	Capital Market Act (Official Gazette 65/18), together with any and all subsequent amendments and supplements thereto.
<b>CNB</b>	Croatian National Bank.
<b>Corporate action</b>	An action that the Bank performs for the purpose of exercising rights in respect of Financial Instruments in accordance with the Customer's Instruction, or in some cases without the Customer's Instruction, as described in the section Corporate actions.
<b>Costs</b>	Liabilities, losses, damage, costs (including legal costs), taxes and expenses, of any nature whatsoever.
<b>CRS</b>	The Common Reporting Standards are a constituent part of the Council Directive no. 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information on financial accounts in the field of taxation of financial assets connected to another state with whom the Republic of Croatia has signed the bilateral automatic exchange agreements. The text of the Directive is available on: <a href="http://eur-lex.europa.eu/legalcontent/HR/TXT/?qid=1448542824019&amp;uri=CELEX:32014L0107">http://eur-lex.europa.eu/legalcontent/HR/TXT/?qid=1448542824019&amp;uri=CELEX:32014L0107</a> "
<b>Custody account</b>	One or more Cash accounts and Financial Instruments accounts that the Bank will open for the Customer.
<b>Customer</b>	One or more legal entities or private individuals, or asset without legal personality who/which concluded an agreement on brokerage and/or custody services with the Bank.
<b>FATCA</b>	The Foreign Account Tax Compliance Act is an agreement between the USA and the Governments of the FATCA partner states to enhance execution of tax obligations on the international level and FATCA implementation. The text of the agreement is available on <a href="http://www.porezna-uprava.hr">www.porezna-uprava.hr</a> .

<b>Fee</b>	Fees for brokerage and custody services which the Bank extends to the Customer, and which fees are contained in the „Brokerage and Custody Fees“, available to every Customer upon contracting the mentioned service, and in the Bank's business network and the internet site. The Customer and the Bank can contract also a type of fee different than the ones stated in the „Brokerage and Custody Fees“.
<b>Financial Instruments</b>	The undoubtedly, clearly and precisely defined Financial Instrument to which the Order and/or Instruction refers or which are deposited in the Custody account as defined under the Capital Market Act.
<b>Financial Instruments account</b>	The Financial Instruments account held with the CDCC or with the Global Custodian/Sub-Custodian, or the Customer's Custody account to which the Bank will deposit the Financial Instruments bought for the Customer's account.
<b>Fund</b>	Investor protection fund.
<b>Fund Share</b>	A share in the joint investment entities of the company Raiffeisen Invest Ltd.
<b>Global Custodian/Sub-Custodian</b>	Third party i.e. a financial institution in which the Bank holds a Financial Instrument account and/or Cash Account(s).
<b>Instructions</b>	Directions that the Customer or the Authorized Agent issues to the Bank related to the custody service.
<b>LEI CODE</b>	An uniquely reference code identifying legally distinct entities that engage in financial transactions to the effect of reducing systemic risk via better supervision and higher data availability, and also allowing for reduction of costs related to data collection and processing, and easier and more complete reporting to regulatory authorities.
<b>Management company</b>	The company for management of joint venture entities – refers exclusively to the company Raiffeisen Invest d.o.o.
<b>MIFID II relevant Financial Instruments</b>	A Financial Instrument as defined under article 4, paragraph 1, item 15 of the EU Directive 2014/65 and which is listed on trading venues (regulated market, multilateral trading platform, organized trading platform, systematic internalisers) that belong to the European Economic Area (EEA) or the underlying assets of which is listed on the said trading venues.
<b>NCA</b>	National Classification of Activities.
<b>Order</b>	The unilateral statement of the Customer's will addressed to the Bank within the scope of the brokerage service that they execute a particular deal with a particular Financial Instrument in their name, and for the Customer's account, which statement was accepted by the Bank.
<b>Order book</b>	Records kept by the Bank in the electronic form, in keeping with the provisions of the CMA and the by-laws, containing data on all individual Orders.
<b>PIN</b>	Personal Identification Number.
<b>Price</b>	The unit price for the unitized quantity of the Financial Instruments to which the Order refers.
<b>Quantity</b>	The exactly defined number of the Financial Instrument units to which the Order/Instruction refers.
<b>Stock Exchange</b>	Zagreb Stock Exchange Plc. or other organized market licenced by competent regulatory authority.
<b>Units in the joint investment subjects</b>	Shares in investment funds, hedge funds or other entities, certificates and/or guarantees issued by issuers whose seat is not registered in and which instruments were not issued in the Republic of Croatia, regardless of whether they are traded or not traded on a foreign Stock Exchange or regulated market.

### III. SERVICE AGREEMENT AND CUSTOMER IDENTIFICATION

8. With respect to the type of the Customer, the following documentation is required for contracting the brokerage and/or custody service:

<b>Legal persons</b>	<b>Croatian residents</b>	<b>Non-residents</b>
1. Registration documents	An extract from the court register or a Decision on registration in the court register with the Commercial court	An extract from the court register of the country where the head office was registered or other valid certificate of establishment (in

		original, not older than 3 months and translated by the certified translator into Croatian or English).
	A Notice of Customer classification according to the NCA issued by the Central Bureau of Statistics	The latest revised financial report certified by auditor or tax administration, or a tax certificate.
	Tax clearance certificate - PIN	Tax clearance certificate - PIN (required for transactions settled in the CDCC system), or authorization to the Bank for the submission of the request to the Tax Administration for issuance of an PIN.
2. Statement on Beneficial Owners – Bank’s standardized form		
3. Statement on Tax Residency – Bank’s standardized form		
4. Notice on Customer classification – Bank’s standardized form		
5. A photocopy of the personal identification documents (personal identification card or passport) of the Authorized Agents and of the Customer’s legal representatives		
6. LEI code		

Private Individuals	Croatian residents	Non-residents
1. Identification documents	A photocopy of the identification card/passport	A photocopy of the identification document (passport or ID card for the foreign citizens who are allowed to cross the Croatian state border by presenting their ID card issued by a foreign authority.).
	Tax clearance certificate - PIN	Tax clearance certificate - PIN (required for transactions settled in the CDCC system), or power of attorney given to the Bank for submitting a request for PIN issuance to the Tax Administration.
2. Statement on Tax Residency – Bank’s standardized form		
3. Notice on Customer classification – Bank’s standardized form		
4. A photocopy of the personal identification documents (personal identification card/passport) of the Authorized Agents		

9. The Bank also has the right to request other documents it may require for its purposes or in accordance with the applicable regulations which are in force as at the Agreement date.
10. If a Customer does not hold a current/transaction account or giro account on the occasion of contracting the custody service, on the same occasion the contractual parties shall enter into a relevant agreement pursuant to which the Bank shall open an account to which the inflow remitted from the Financial Instruments deposited in the Customer's Custody account shall be routed.
11. The Bank is not obligated to perform any assessment of appropriateness for a Customer who contracted only the custody service with the Bank.

#### IV. STATEMENTS AND WARRANTIES

12. The Customer states and guarantees to the Bank that:
- if the Customer is a legal entity, duly organized and validly existing under the laws of the country where it was founded and that it operates in keeping with the laws and regulations in force;
  - they are capable of and have the right to contract the Agreement, as well as execute any and all obligations arising from the Agreement;
  - the executing and fulfilling of the Agreement, and the fulfilling of the obligations arising from the Agreement do not include nor shall, as a consequence, result in any violation of any law, regulation, verdict, directive or decree of any legal body or of the legislation applicable to the Customer, or of any and all agreements in which the Customer is a counterparty;
  - it owns any decision, approval or authorization required according to state legislation and national competent authorities, to enter into and/or execute the Agreement, which are valid and fully effective;

- e) all information provided by the Customer to the Bank, pursuant to the Agreement, are true, accurate and are not misleading, and that the address given in the header of the Agreement represents Customer's domicile or habitual residence in accordance with the applicable tax regulations of the Republic of Croatia; and
  - f) the Financial Instruments, which are placed by the Customer for safekeeping with the Bank, of which the Customer is a lawful holder, or which the Customer is authorized to manage in accordance with applicable regulations, and which ownership right is not restricted, conditional, time limited or encumbered by any rights or encumbrances in favor of third parties, are freely transferable. If there is, or it is subsequently established to exist, restricted ownership or other rights of Financial Instruments, the Customer shall notify the Bank of these immediately and replace the Financial Instruments within the time specified by the Bank by such where there is no specified limit, or resolve such a contentious situation otherwise as specified by the Bank. If the Customer does not notify the Bank without delay of restrictions over the Financial Instruments referred to in this item, the Customer will be liable to the Bank for all costs caused by such actions. Right restriction over Financial Instruments shall be deemed to exist in the following situations:
    - 1. if the call for redemption of Financial Instrument was received before they were delivered to, or registered with the Bank;
    - 2. if obvious or actual circumstances, which can dispute Customer's or Customer's customers ownership right, exist;
    - 3. if encumbrance on Financial Instruments exists, which means that they are not freely transferable or deliverable without such encumbrance in any relevant market;
    - 4. if safekeeping of such Financial Instrument would mean violation of relevant laws and/or legislation;
    - 5. if certificates representing such Financial Instruments are not authentic or not in a good condition;
    - 6. if any other circumstance exists which leads the Bank to a justified conclusion that such Financial Instruments are not duly delivered or suitable for such delivery.
13. The Customer undertakes to, immediately upon the Bank's request, deliver any and all evidence, satisfactory to the Bank, on its compliance with the statements and warranties given in the article above.
14. By signing the Agreement the Customer confirms that they are aware of the risks related to investing in Financial Instruments and other type of assets as described in the document «Information for Investors», acknowledges that the Bank has provided the Customer with the requested data and information, and that the Customer has received a satisfactory reply to all the questions raised pursuant to legal regulations and the Bank's internal acts, and the Customer undertakes, in full awareness, any and all risks in connection with the Assets, and agrees that the Bank shall not be held accountable in any way to the Customer for any damage that may result from the occurrence of any risk in connection with the given services with respect to the Financial Instruments market.
15. The Customer shall take care of acquiring and releasing the Financial Instruments, and of the reporting in this respect to the issuer, supervisory bodies, regulators, organized markets or third parties.
16. The Bank represents and warrants that at the date of entering of the Agreement it shall:
- a) have full legal and business capacity, power and authority to enter into and execute the Agreement;
  - b) be duly organized and registered, and it shall operate in accordance with applicable laws and regulations;
  - c) have adequate staffing, technical and any other resources in place for the performance of duties stipulated in the Agreement.

## V. COMMUNICATION AND REPORTING

17. The Bank shall deliver to the Customer notifications, invoices and reports related to the brokerage services, in the Croatian or English language, to the address as set out in the Agreement, or as set out in the last notification received from the Customer.
- "Trade report" - at the latest on the first Business day after Order execution, or on the first Business day after receiving the confirmation of Order execution from a third party,
  - Order Status Information – at the Customer's request,
  - Account balance statement for the Customer's Financial Instruments or Cash assets – at least once in a trimestre if the Bank holds the Customer's Financial Instruments or Cash assets, and if such a report has not been delivered in the scope of another periodic report,



- Notification of subsidies received by the Bank in connection to the services it extends to the Customer, and
- EX post notification of Costs and Fees - at least once a year (starting from 2020 for 2019).

When buying (issuance) or selling (buy-back) of a Fund Share, the Customer will receive from the Bank the order agreement, the request and the confirmation of order receipt.

18. The Bank shall deliver to the Customer notifications, invoices and reports related to the custody services, in the Croatian or English language, monthly/per event, unless other frequency is agreed, to the address as set out in the Agreement, or as set out in the last notification received from the Customer.  
The Bank shall deliver the following notifications related to the custody service:
- "Statement of Transactions",
  - "Statement of the custody account",
  - "Specification of the transactions",
  - "Income collection notification",
  - "Corporate action notification",
  - "Invoice",
  - Notification of Subsidies received by the Bank in connection to the services it extends to the Customer, and
  - Ex-post Notification of Costs and Fees - at least once a year (starting from 2020 for 2019).
19. The Ex-ante Notification of Costs, delivered with the Agreement, notifies the Customer of anticipated costs, fees and related expenses that arise from the service of executing the Orders/Instructions, the custody service and of other investment services of the Bank which the Customer can use potentially. Further, the Customer will be informed of the costs and fees related to the Financial Instruments and of investment services of the Bank – ex-post in regular intervals, and at least once a year. The Bank notes that there is the possibility of other expenses, which include taxes or some other duties related to a transaction in connection to a Financial Instrument or to a deal in Financial Instruments, which can arise for the Customer, and which are not payable via the Bank or are not imposed by the Bank, and are as such not included in the Ex-ante Notification of Costs.
20. The Customer/Authorized Agent shall inform the Bank without delay if they have not received the reports related to the custody and/or brokerage service within the agreed term.
21. The Customer shall notify the Bank in writing of any and all changes of data contained in the Agreement. If the Customer fails to deliver such notification to the Bank, the Bank shall not be liable for any losses or damage that may result from the Bank sending the reports to the last address known to the Bank.
22. The Customer shall send Orders, Instructions, notifications, directions, complaints, and execute other forms of communication, unless agreed otherwise, in the Croatian or English language and exclusively to the following addresses and contacts:

	<b>Custody service</b>	<b>Brokerage service</b>
<b>Address:</b>	For delivery of Instructions, modification and cancellation of Instructions: Raiffeisenbank Austria d.d. Custody and Settlement SR Njemačke 2 and 8 10000 Zagreb	For delivery of Orders, modification and cancellation of Orders: Raiffeisenbank Austria d.d. Brokerage Petrinjska 59 10000 Zagreb
	For delivery of other notifications and information: Raiffeisenbank Austria d.d. Custody and Depositary Business Magazinska cesta 69 10000 Zagreb	For delivery of other notifications and directions: Raiffeisenbank Austria d.d. Securities Trading Transactions SR Njemačke 2 and 8 10000 Zagreb
<b>Phone</b>	For inquiries related to contractual relationship: +385 1 6174 327	For delivery of Orders, modification and cancellation of Orders*:

	+385 1 6174 492 +385 1 6174 350  For other inquiries: +385 1 6174 063 +385 1 6174 689 +385 1 6174 676	+385 1 4695 082 +385 1 4695 074 +385 1 4695 064 +385 1 4695 066  For delivery of other notifications and directions: +385 1 6174 031 +385 1 6174 027 +385 1 6174 032
<b>Telefax</b>	+385 1 4604 893**	+385 1 4604 888
<b>E-mail</b>	For delivery of notifications and general information: custody@rba.hr  For delivery of Instructions, modification and cancellation of Instructions: custody.instrukcije@rba.hr  For delivery of other notifications and directions: custody.bo@rba.hr  For delivery of complaints: custody-investigations@rba.hr	For delivery of Orders, modification and cancellation of Orders*: brokeri@rba.hr  For delivery of other notifications and directions: brokeribackoffice@rba.hr
<b>SWIFT:</b>	RZBHHR2X	RZBHHR2X

\* if so agreed.

\*\* communication via Facsimile is accepted in exceptional cases of other communication channels being unavailable.

or by personally visiting the Bank.

23. The Bank shall not be responsible for any misuse or errors in transmission of the data provided by means of telecommunications, unless it is proven that the Bank acted with gross negligence and deliberate intention.
24. By signing the Agreement, the Customer explicitly confirms being aware of and agrees to the fact that the Bank can tape or record in any way all or specific telephone communications, without any obligation to draw the Customer's attention to the act of taping or recording prior to each instance of recording and taping and that the Bank can use any communication thus taped or recorded as evidence in court or other competent institution or for any other purpose in connection with the execution of rights and obligations under the Agreement and General Terms hereunder. Before extending the investment services and activities, which refer to receipt, transfer and execution of Orders, the Bank will notify the Customer of recording the conversations and communication. A sample of recorded conversations and communication with the Customer, as well as all other agreement documentation of the Customer, will be available at the Customer's request in the period of five years after the business relationship has ended.

## VI. FEES, COSTS AND OTHER CLAIMS

### Calculation of Fees

25. The Bank will calculate and charge fees for the extended services, as well as all other costs arising for the Bank in connection to this. Information on the service price and expenses are stated in the Fees, available to every Customer upon contracting the mentioned service and, in the case the Customer is contracting the regular Bank's tariff, also in the Bank's business network and web site. By signing the Agreement, the Customer accepts these General Terms and Conditions and explicitly confirms to be aware of and to accept the Fees, as well as their subsequent amendments and changes. The Bank will inform the Customer of any and all costs and related expenses. At the Customer's request, the Bank will provide to the Customer an overview of costs presented by items. Such information is extended to the Customer regularly, and at least once a year in the report *Ex-post Notification of Costs and Fees*, starting from 2020 for 2019.



26. During the validity of the Agreement, the Bank shall have the unilateral right to change the Fees and shall publish the information on the new Fees on the Bank's web page, [www.rba.hr](http://www.rba.hr) fifteen (15) days prior to the date of these coming into force.
27. If the Customer does not agree to the change of service Fees, the Customer shall notify the Bank of their not accepting of the Fees in writing within eight (8) days from the date of being delivered/of publishing the changed service Fees, in which case such notification on the part of the Customer shall be deemed as Agreement termination. During the notice period the Bank shall calculate the Fees valid until that time.
28. If the Customer does not notify the Bank of their not accepting the Fees, by their first placing of an Instruction the Customer shall accept the change of service Fees.
29. If the Customer defaults on payment of the charged fees and expenses at maturity as specified on the issued invoice, the Customer explicitly and irrevocably agrees that the Bank may, without seeking the Customer's further consent or approval, collect any outstanding fee amounts either against the inflow into the Cash account - Brokerage, Cash account – Custody, by applying the middle exchange rate quoted by the CNB if the inflow is debited in the currency other than the currency of the fee, or against the balance standing to the credit of any other Customer's account held with the Bank by applying the buy/sell rate of exchange quoted by the Bank on the value date if the account is debited in the currency other than the currency of the fee. The income collection and distribution fee, shall be withheld by the Bank out of the said income. If the income is denominated in a foreign currency, the Bank shall apply the middle rate of exchange quoted by the CNB.
30. The Customer shall settle any and all fees and expenses not charged by the Bank upon transaction execution within seven (7) days from the delivery date of the Invoice or of the notification of charged fees. For any payment delays the Bank shall have the right to charge a default interest, starting on the maturity day of the above liabilities until, excluding, the settlement day of the calculated and charged fee. For any outstanding liabilities for Customer - legal entity, unsettled until the 25<sup>th</sup> of the month conclusively, the Bank shall deliver a Dunning Letter and charge the respective Dunning Letter costs.

#### **Brokerage Fees**

31. The Bank shall have the right to execute the Order in keeping with the Fees valid at the moment of Order placement. By placing an Order/Instruction, the Customer confirms to be familiar with the Fees.
32. The brokerage fee is given in the gross amount, or including the expenses of the Stock Exchange, the CDCC, the broker to whom the Order is forwarded to be executed and the custody transaction expenses if the Customer settles the transaction to the Custody account with the Bank, and such provision is stated in the Agreement, but not including any and all taxes, duties, fees of third parties and other duties, or expenses that arise with respect to extending the service of Order execution. If the Customer suffers any costs, caused by the specifics of an individual market, and which costs have not been anticipated in the Bank's Fees, the Bank will calculate these separately and deliver such costs calculation to the Customer. Apart from the said costs, there is the possibility that the Customer suffers also other costs in connection to transactions, such as e.g. taxes or duties in the name of ownership, which depend on the legislation of the country on the markets of which the Customer has invested. When receiving and transferring orders to buy (issuance) or sell (buy-back) the Fund Shares, the Bank transfers the order to the intermediary (Management company) with which it contracted the distribution agreement, and for its work it can receive a compensation fee from the Management company. The compensation fee amounts are presented in the documentation provided to the Customer before contracting such transaction.
33. The Bank shall charge the fee in the following manner:
  - for a Sell Order the Bank will reduce the amount paid to the Customer for the fee amount;
  - for a Buy Order the Customer shall increase the deposit for purchase of Financial Instruments for the fee amount.
34. If a Customer who contracted with the Bank the manner of operating as described in article 101 of these General Terms should fail to execute payment of Cash assets, or delivery of Financial Instruments, the Bank shall have the right to calculate and charge a default fee for the transaction amount as stated in the calculation of the purchase or sale (converted in the case of trading on the foreign markets into HRK at the middle exchange rate of the CNB as on the day of executing the transaction) upon delivery, and request settlement of any damage arising from the Customer's failure to execute the delivery/payment.

35. By placing an Order/Instruction/another instruction, the Customer agrees that the Order book, or other Bank's business books and evidence material, as well as any and all other records on permanent media at the Bank's disposal shall serve as evidence on the amount and maturity of any and all claims as under the Agreement and the General Terms.

#### **Custody Fee**

36. The custody fee is a constituent part of the Agreement. If not agreed otherwise, the Bank shall calculate and charge the following fees:
- safekeeping fee (custodial fee),
  - transaction services fee,
  - income collection and allocation fee,
  - extraordinary reports fee,
  - general assembly representation fee (corporate actions),
  - Dunning Letter cost,
  - other fees and costs (fees, duties, taxes, and other expenses) arising from executing the custody service for Financial Instruments.
37. The Bank shall calculate and charge the custody fee based on average daily value of Assets in the Custody account. The daily value of Financial Instruments and Cash assets in a foreign currency and pegged to a foreign currency will be calculated by applying the CNB middle exchange rate. The daily value of Assets shall be calculated as the sum of the balances of Cash assets in the Customer's Custody account and the value of Financial Instruments in the Customer's Custody account, applying following rules:

#### Active Financial Instruments:

- for equity and long-term debt Financial Instruments traded in the Republic of Croatia, the average trading prices shall be applied;
- for the Financial Instruments traded abroad, the last bid shall be applied, but if it is not available, the last trading price will be applied;
- for the short-term debt Financial Instruments of issuers from the Republic of Croatia, and for other debt instruments for which the market value is below the nominal value, the nominal value shall be applied;
- if there was no trading on a particular day, the calculation will include the last available price.

#### Non active Financial Instruments:

- a non active Financial Instrument is considered to be an instrument that has not been traded for more than six months or if Financial Instrument is delisted and the Bank has received such info from the Global Custodian/Sub-custodian/Stock Exchange;
- in case of non active Financial Instruments, the nominal value of the instrument shall be applied;
- if a Financial Instrument does not have a nominal value, and for the Financial Instruments traded in the Republic of Croatia, the last available market price will be applied.

In case that the Global Custodian/Sub-custodian, for valuating Financial Instruments, uses a price higher than the Bank does according to above stipulated rules, the Bank shall be entitled, in order to cover its actual costs, to use the price that the Global Custodian/Sub-custodian uses.

38. Fees are charged on a monthly basis, unless otherwise defined under the Agreement. Fee maturity is set at seven (7) days from the invoice date.
39. If the Customer requests delivery of the total Assets held in the Custody account, the Bank shall calculate the fee and charge it against the Assets in the Custody account or in other Customer's accounts with the Bank. If the Customer has no assets in the accounts, the Bank shall deliver the invoice of fees to the Customer, which invoice shall be settled before Assets are delivered from the Custody account.
40. If the Customer defaults on payment of the charged custodial fees and expenses, the Bank shall warn the Customer of the outstanding debt in writing. The Final warning letter shall be sent to the last Customer's address known to the Bank, as registered mail with return receipt. Upon expiry of seven (7) day period from the day of sending the Final warning letter, the Bank shall have the right to cancel the Agreement and initiate sale of Financial Instruments, in which process foreign Financial Instruments will be sold in total, and Financial Instruments registered with the CDCC in the in the quantity required to settle the outstanding debt. The Bank

shall sell the Financial Instruments at the price achievable at the moment of sale, through the Bank's broker or another broker appointed by the Bank.

Upon Agreement cancellation and claims settlement the Bank shall pay the possibly remaining Cash assets to the Customer's current/transaction/giro account, and register the remaining Financial Instruments in the Customer's Basic account, which the Bank will open with the CDCC, if such account has not been opened already.

41. The Bank reserves the right to charge and collect, in addition to the Fee, any costs in actual amount (third party fees, duties, taxes, penalties, fines, and other expenses) incurred in the course of providing brokerage and/or custody service.

## **VII. COMPLAINTS**

42. Any and all complaints regarding the performance of the brokerage and custody services by the Bank shall be submitted by the Customer to the Bank in writing to the address specified in section V. Communication and Reporting.
43. The Customer shall deliver any and all complaints regarding the calculation of fees or regarding the transaction for executed brokerage services in writing on the following Business day at the latest in keeping with article 42. Otherwise, the Customer shall be deemed to have accepted any and all terms of the contracted transaction as these terms are stated in the invoice calculation.
44. Any and all complaints in respect of the custody service shall be made, in keeping with article 42, by the Customer to the Bank in writing within eight (8) days after the end of the day on which the respective service was extended, the respective report or invoice sent in keeping with the agreed channel. Unless the Bank receives the Customer's complaint in respect of the delivered service within the specified time, the Customer shall be deemed not to have any complaints with regard to the service, report or invoice.
45. The Bank shall reply in writing to the received complaint within eight (8) Business days from receiving the complaint.

## **VIII. DATA CONFIDENTIALITY**

46. The Bank shall keep confidential all data and value judgments which it learns in the course of the business cooperation with the Customer. Data which are considered a banking secret shall be communicated to third persons only if expressly approved by the Customer, and without the Customer's specific approval exclusively to persons in respect of which there is no legal obligation to protect a banking secret, when all the legal conditions are fulfilled.
47. The Customer and all Authorized Agents give their explicit consent to the Bank to place at disposal of the CDCC, foreign depository, clearing company, financial institution, Global Custodian/Sub-custodian, issuer of a Financial Instrument, as well as of the domestic and foreign tax, regulatory and administrative bodies and the competent court, when it is necessary for the execution of the Agreement and/or for the purpose of the Customer's best interest, and/or due to the Bank's obligations towards the Global Custodian/Sub-custodian and with regard to the Agreement and in the case of request from the competent supervisory bodies, any and all personal as well as confidential data and documentation on the Customer and/or the Customer's customer and/or Authorized Agents, to the extent necessary.  
If the competent body, depository or Global Custodian/Sub-custodian requests from the Bank to deliver additional documentation and/or information required by the Bank to execute the obligations as under the Agreement and/or the received Customer's Instructions/Orders, by signing the Agreement, the Customer or the Authorized Agent shall, at the Bank's request, without any delay deliver any such additional documentation and/or information.
48. If the Customer is not compliant with the disclosure of its personal data, in order to receive a more favourable tax treatment, the Customer can issue a separate written and signed statement to declare the above and to acknowledge that they are aware that the waiver of the above shall constitute an acceptance of a higher tax rate on dividend/interest than the rate set out in the Double Taxation Treaty or under any regulation, and that

the Bank is entitled to charge any actual cost, loss or damage incurred by the Bank in accordance with the provisions of the Agreement and General Terms.

49. The Bank collects and processes the Customer's personal information in keeping with the effective regulations that define personal data protection. Information on the rights and obligations of the Bank, referring to personal data collection and processing, the purposes and legal basis for processing, and information on the rights and obligations of the Customer and other persons whose personal data are processed, on security and protection measures of the personal data processed, as well as any and all other information that the Bank as the processing party is obligated to provide to the Customer, are contained in the Rules of Personal Data Treatment of Raiffeisenbank Austria d.d. (hereinafter: Rules), which are available on the Bank's official internet site [www.rba.hr](http://www.rba.hr) and at the Bank's Branches.

The Bank's Customer information, as well as the facts and circumstances that the Bank learned in the process of providing services to Customer and in performing business with an individual Customer, represent a bank secret, and the Bank can disclose these to third persons only in the cases prescribed by law. In keeping with the Bank's legal obligations referring to risk management, the Bank will forward the information to the international Raiffeisen Group members for the purpose of forming a joint customer database.

The Bank will require that any and all persons, to whom it forwarded the confidential information in keeping with the above provisions, act in accordance with the applicable legal obligations in connection to keeping bank secrecy and personal data protection, and not to forward any such information to third persons, save in the cases prescribed by law.

50. By acceptance of these General Terms and signing the Agreement, the Customer explicitly agrees that the Bank may forward all Customer's data, made available to the Bank during the conclusion and execution of the Agreement, to the of members of the Raiffeisen group, domestic and abroad for the purpose of creating a joint Customer database of the group, with the purpose of preventing money laundering and terrorist financing, to the effect of establishing the tax residency and fulfilling the obligations arising from the FATCA and CRS regulations, and the Customer agrees that the data may be used and transferred, in compliance with the regulations, in order to fulfill the obligations of the reporting to the respective Tax Administrations of the respective residency states on their respective taxpayers with the aim to enforce the CRS or FATCA regulations, and also that the Bank may forward the data to third parties if this is necessary for the execution of the rights and obligations from the Agreement, to legal entities incorporated for the purpose of collecting and providing information on the total amount, types and payment discipline in meeting the liabilities with regard to the Customers with whom the Bank co-operates, to any new creditor/s and other legal entities or institutions in keeping with the legal regulations.

## **IX. EXCLUSION OF LIABILITY AND RIGHTS OF THE BANK**

51. The Bank shall execute the tasks that are the subject matter of the Agreement and of the individual Orders/Instructions, in its name, and for the Customer's account. When fulfilling the obligations undertaken by accepting the Orders/Instructions, in any and all its actions the Bank shall address the Customer's interests and act with due professional care and diligence. When fulfilling its obligations the Bank shall be held responsible for any error of its employees. If, in such a situation, the Customer should contribute to the occurrence of damage due to its own error, the principles of shared guilt will apply, and in keeping with these principles the Bank's scope of bearing the damages will be determined.
52. The Bank can entrust to the Global Custodian/Sub-custodian with executing deals taken over by accepting the Customer's Instruction. When selecting a Global Custodian/Sub-custodian, the Bank will apply due professional care, and take into account the expertise and the market reputation of such Global Custodian/Sub-custodian, the statutory terms and conditions and market practices that refer to depositing of Financial Instruments and can affect the Customer's rights, and at least once a year it will review the choice of such Global Custodian/Sub-custodian. The Bank will not be responsible for the damage arising for the Customer on account of the Global Custodian's/Sub-custodian's omissions, which omissions are outside the Bank's control, which can cause bankruptcy, insolvency or defaulting on any obligation on the part of the Global Custodian/Sub-custodian.
53. The Bank and the Global Custodian/Sub-Custodian shall be exempt from the responsibility for investment risks concerning Financial Instruments at home and abroad, devaluation and market instability.

54. The Bank and the Global Custodian/Sub-Custodian shall be exempt from the responsibility for not being able to provide custody services in case of objective difficulties which occur in the provision of the services. Disturbances in the provision of the services shall be any events which render the provision of custody services difficult or impossible, such as:
- failure to deliver in due time the Instruction by the Customer, or the Customer providing incomplete or irregular Instruction, which may result in a delay or inability to fulfill the Bank's obligations as defined under the Agreement and General Terms;
  - non-functioning or malfunctioning of the CDCC, National Clearing System, foreign depositories and clearing systems, Croatian Large Value Payments System, SWIFT, and Global Custodian/Sub-Custodian;
  - negligence, deliberate poor management, omission, inability to make payments, or bankruptcy of one of the central institutions or agencies which manage the central system of Financial Instrument transactions, which are beyond the control of the Bank and the Global Custodian/Sub-Custodian;
  - Stock Exchange control limitations, civil or armed conflict, blockade, mechanical failure, breakdown of computer system or equipment, malfunctioning of communication media, disturbances in postal delivery and electric power supply, or force majeure, or other circumstances that are beyond the control of the Bank and the Global Custodian/Sub-Custodian.
55. The Customer agrees that the Bank shall retain the right to correct the crediting or the debiting of the Custody or of any other Customer's account held with the Bank which occurred due to an incorrect entry or any change in terms or cancellation of the settled transaction by a third party.
56. If the Bank credits the Customer's account for an amount they remitted but which had been **reserved by a Global Custodian/Sub-Custodian** (especially in the framework of collecting rights from Financial Instruments or from a transaction with a Financial Instrument), any such amount disbursed to the Customer shall be deemed a reservation as well and there is a possibility for it to be cancelled or claimed by the issuer, of which the Bank will notify the Customer in the "Income collection notification". Pursuant to any such reservation, if the Bank was debited by a Global Custodian/Sub-Custodian from its account with the Global Custodian/Sub-Custodian, in the situation when the crediting or transfer was not successful, or if it is expected that because of the economic situation the issuer/counterparty/Global Custodian/Sub-Custodian, because of an intervention of a public authority, or for other reasons, the Bank shall not obtain unrestricted right to dispose of the amount to be collected and transferred, and in the situation when the Bank was debited by a third party on the basis of the remittance already collected and allocated in favour of the Customer's account, as under the legislation of a third party or pursuant to the agreement made with the Global Custodian/Sub-Custodian, then the Bank shall have the right to revoke the Customer's account crediting for the respective amount. If the respective amount can no longer be collected from the Customer's account balance, the Customer shall without any delay return any such assets. If a reservation is in force, the Bank shall have the right to decline the Customer the right to dispose of these respective credited amounts.
57. The Bank and the Global Custodian/Sub-Custodian shall not be responsible for any Authorized Agent's action and/or failure to perform an action, of such Authorized Agent as selected and advised to the Bank by the Customer, for the purpose of executing any transaction in respect of the Assets.
58. The Bank shall be responsible for the appointment of the Global Custodian/Sub-Custodian by applying due professional care and for the safekeeping of the Customer's Assets in accordance with the applicable national legislation and best market practice of the third country in which the Assets are held in safekeeping, in such a manner so as to ensure whenever possible that the Customer's Financial Instruments and Cash assets can be identified separately from the Financial Instruments and Cash assets of the Global Custodian/Sub-Custodian, of their other customers and of the Bank, and that the accounts which it opens and in which it holds the Assets in safekeeping shall be governed by special regulations and supervision to the extent applicable. The accounts which the Bank opens in this way with the Global Custodian/Sub-Custodian shall not be part of the liquidation value or bankruptcy estate of the Global Custodian/Sub-Custodian.
59. The Bank shall be responsible to the Customer in the case of gross negligence of the appointed Global Custodian/Sub-custodian, in the case of non-adherence to the provisions of the agreement between the Bank and the Global Custodian/Sub-custodian which have had an adverse impact on the Customer, and in the case of using the Bank Customer's assets without the Customer's Instruction, save in the cases as defined under the General Terms.
60. The Bank shall not be responsible for the appointment of third parties to which the Global Custodian/Sub-Custodian can delegate safekeeping activities or other related activities in respect of the Agreement. The Bank



shall therefore not be responsible for the insolvency of the third party to which the Global Custodian/Sub-Custodian delegated the activities. In the case of losing the Financial Instruments deposited for custody, the Global Custodian/Sub-custodian shall be unlimitedly liable, regardless of whether the loss was the responsibility of the Global Custodian/Sub-custodian or its third party. Without any delay the Bank will notify the CFSSA of any information it learns regarding any circumstances from this article arising, along with the notification of whether it intends to compensate the loss, which occurred due to the respective circumstances arising, to the Customer in full, partly or not at all, and of the Customer's amounts or Assets value in the respective case.

61. If the Bank is indemnified for the whole or part of the damage caused to the Customer by the Global Custodian/Sub-Custodian and/or Global Custodian/Sub-Custodian's third party the Bank shall transfer such indemnified amount to the Customer.  
If for whatsoever reason Bank cannot reimburse the damage caused to the Customer by the Global Custodian/Sub-Custodian and/or Global Custodian/Sub-Custodian's third party, the provisions of the national legislation and/or market practice of the third country governing the Global Custodian/Sub-Custodian, third party or the Financial Instrument which is the subject of such dispute shall apply.
62. In the case and to the extent permissible by the third country's law or regulation and upon the Customer's request, the Customer shall be subrogated to the rights of the Bank with respect to any claim for any loss, damage or claim suffered by the Customer of Customer's customer from a Global Custodian/Sub-Custodian and to pursue any such claim against such a Global Custodian/Sub-Custodian. Notwithstanding any other provision of the General Terms or the Agreement, in no event is the Bank obliged to bring suit in its own name or to allow suit to be brought in its name against the Global Custodian/Sub-Custodian or the third party.
63. Neither the Bank nor the Global Custodian/Sub-Custodian shall guarantee and be responsible for the execution of the Instruction if, due to the reasons which are beyond the Bank's control, such as, but not limited to, the cancellation of settlement, trade suspension, cancellation of transaction, counterparty's default, this shall not be possible.
64. Neither the Bank nor the Global Custodian/Sub-Custodian shall guarantee and be responsible for the rights and obligations arising from ownership over Financial Instruments.
65. The Bank does not warrant that the other counterparty, with whom the buy or the sell transaction for the Financial Instruments was made, will fulfill its obligation.
66. The Bank does not warrant that a received Order and/or Instruction will be actually executed.
67. Neither the Bank nor the Global Custodian/Sub-Custodian shall deliver or be responsible for delivery of notifications to the issuer and the designated regulatory authority regarding the acquisition and release of Financial Instruments for the Customer's account above and below the legally defined thresholds.
68. Neither the Bank nor the Global Custodian/Sub-Custodian shall provide to the Customer any legal advice or services, or tax advice. Neither the Bank nor the Global Custodian/Sub-Custodian shall provide to the Customer any investment services or advice, nor shall they be liable to the Customer for any information or statement given, nor for the consequences of the Customer's investment. The Customer agrees that any communication between the Bank and the Customer is for information purposes only, and does not represent or purports to be any investment recommendation and/or investment advice.
69. When selecting the Financial Instruments into which they will invest, Customers are advised to try to adjust the size, structure, maturity and risks of the investments with their current and assumed future income scale, taking into consideration also their investment experience in the same or similar area, as well as to seek counseling of a professional expert or institution if necessary.
70. By signing the Agreement the Customer confirms that its consciously take over the risks related to the Financial Instruments and other type of assets described in the document «Information for Investors», acknowledges that the Bank has provided to the Customer the requested data and information, and that the Customer has received a satisfactory reply to all the questions raised pursuant to legal regulations and Bank's internal acts, and the Customer undertakes, in full awareness, any risk in connection with the Assets and services and agrees that the Bank shall not be held accountable in any way to the Customer for any damage that may result from the occurrence of any risk in connection with the given services.



71. The Bank shall not be responsible in case the Customer has not immediately informed the Bank of the change of the personal or contact data of the Customer or Authorized Agent, and the change of any other data which may have an impact on the performance of the Bank's obligations resulting from the Agreement and General Terms.
72. If the Customer fails to fulfill any of its obligations to the Bank under the Agreement or General Terms, the Bank shall be authorized to retain any Financial Instrument (ius retentionis), to set-off, without giving any prior notice, amounts payable by the Bank to the Customer against any and all amounts owed by the Customer to the Bank, and/or to take or not take any measure or legal action, including, but not being limited to, the lien in respect of the Customer's Assets, which the Bank deems necessary to minimize or eliminate losses or liabilities in respect of its obligations under the Agreement and General Terms and up to the amount of the Bank's outstanding claims from the Customer.

## **X. TERMINATION OF AGREEMENT**

73. The Agreement shall be terminated:
  - a) by mutual agreement,
  - b) unilaterally by the Customer,
  - c) unilaterally by the Bank,
  - d) pursuant to the decision of the court, competent regulatory authority, legal and other regulations.
74. Both the Customer and the Bank can at any time whatsoever, in keeping with the provisions of these General Terms, terminate the Agreement with a thirty (30) day notice period. The notice period shall start from the day of delivering the Termination notice sent by registered mail to the Customer's address as stated in the Agreement, or to the Bank's address stated in the section Communication and reporting.
75. The Bank may terminate the Agreement unilaterally, without a notice period in following cases:
  - a) if the Customer does not comply with applicable regulations, provisions of the Agreement and of these General Terms,
  - b) if the Customer is inactive in the brokerage and/or custody business for a period longer than a year,
  - c) if the Customer fails to provide the requested information and documentation required to determine their tax residency status, and statements, approvals and other forms in keeping with the FATCA and CRS regulations,
  - d) if the regulator withholds the license from the Customer or the Authorized Agent,
  - e) if in keeping with any legal activities or changes of any laws or regulations or of their interpretation, or upon any other situation occurring beyond the Customer's control, the fulfilling of the obligations from the Agreement should become illegal, inapplicable or should disable the Customer or the Bank to fulfil the obligations as under the Agreement,
  - f) if further Contractual relationship would be harmful to the Bank, and especially in the case of the Bank suspecting the Customer's manipulation of the market (as the term is defined under the CMA),
  - g) if the Bank suspects the Customer's actions are contrary to the forceful regulations of the Republic of Croatia or the morality of the society, or if the Customer damages the Bank's reputation by their business activities.
76. The Agreement termination shall have no impact on the mutual rights and obligations of the Customer and the Bank arising from their business dealings prior to the expiry of the notice period.
77. In case of termination of the Agreement, the Bank shall declare any amounts owed to the Bank under the Agreement prematurely due and payable, and charge them by debiting the Cash account – Custody, Cash account - Brokerage or any other Customer's account held with the Bank.
78. The Bank shall not fulfill the Customer's request to terminate the Agreement until any and all amounts payable by the Customer under the contractual relationship are settled in whole.
79. In the course of Agreement termination the Customer shall have a duty to place Instructions/Orders for delivery of Financial Instruments, however, the Bank shall act on the Instructions/Orders only when any and all amounts payable under the contractual relationship are settled in whole. In this respect the Bank shall not be liable for any damage caused by non-delivery of the Financial Instruments, or non-payment of Cash assets.

80. The Customer shall notify the Bank of a new Custodian or of another method of handing the Financial Instruments and Cash assets back to the Customer no later than fifteen (15) Business days after the termination of the Agreement. Upon expiry of deadline the Bank shall make the respective Financial Instruments and Cash assets available to the Customer in an account held with CDCC, or in a Customer's Cash account. If none of the previously described methods of return of the respective Financial Instruments and Cash assets is possible, the Bank shall continue to keep them in the Custody account without having any responsibility in respect of these Financial Instruments and Cash assets.
81. Upon the termination of this Agreement, the Bank shall take any and all further actions as may be necessary to terminate the arrangements made under the Agreement between the Customer and the Bank.
82. In case of death of the Customer who is a private individual, the Bank shall, upon receipt of notice of the death, immediately suspend operations on the Custody account and upon receipt of the final decision on inheritance, close the Custody account. The Bank shall pay out to the heirs any balance that may remain to the credit of the Account or transfer the Custody account to the heirs. If there is any balance to the debit of the Custody account, the heirs referred to in the valid decision on inheritance shall be required to settle such amount.

## CHAPTER B. BROKERAGE SERVICES

### XI. BROKERAGE DEALS

83. In keeping with the legal regulations, when executing brokerage deals the Bank performs the following services:
- a) receives and transfers Orders for buying or selling one or more Financial Instruments;
  - b) accepts and executes the Customer's Orders in keeping with the provisions of the respective Agreements and the General Terms;
  - c) without any delay notifies the Customer of any deal made pursuant to its Order through the contact address given in the Agreement; and
  - d) executes any other tasks in keeping with the provisions of the respective Agreement, the CMA and the by-laws adopted pursuant to the Act.
84. By signing the Agreement the Customer undertakes to register with the Bank such Financial Instruments which are freely transferable, of which the sole owner they are, or for the management of which they are authorized pursuant to the prevailing regulations, and on which Financial Instruments the ownership title is not restricted, conditioned, limited in duration or encumbered by any titles or charges in favour of third parties.
85. Should the Customer act contrary to the provisions stipulated in the previous article, the Customer shall be accountable to the Bank for the resulting damage, where the Customer shall be deemed as not complying with the agreed provisions, based on which grounds the Bank shall unilaterally terminate the Agreement in keeping with provisions of these General Terms.
86. The Bank shall ask the Customer to provide data on the Customer's knowledge and experience concerning investment with specific types of requested financial services, in order to carry out an assessment on whether the said Financial Instruments are appropriate for the Customer. If the Customer fails to provide all requested data, the Bank shall not be able to carry out a suitability assessment, which the Customer is aware of and agrees with it.
87. If, during the suitability assessment, the Bank should find that the requested Financial Instrument is not suitable for the Customer, the Bank shall inform the Customer in an appropriate manner, but if the Customer still insists on placing an Order concerning the said Financial Instrument, the Bank will accept and execute the said Order, and the Customer shall bear all risks in connection with it. In that case, the Customer explicitly waives the right to compensation of damage or any other losses resulting from such an Order.
88. By signing the Agreement, the Customer consents explicitly that if the Order refers to the Units in the joint investment subjects, they shall not perform any activity whatsoever referred to and known as "Frequent trading", "Market timing" and "Late trading", or any such activity defined as illegal as under the prospectus, or any other corresponding document underlying for the issuance of the Units in the joint investment subjects. "Frequent trading" (or "Excessive trading") shall refer to transactions concerning Units in the joint investment subjects, which transactions seem to follow a time pattern or which are characterised by frequent or large trading.
89. To the effect of avoiding the activities described in article 88, the Customer shall hold the Units in the joint investment subjects for a period at least as stipulated under the relevant document pursuant to which the Units in the joint investment subjects were issued. If the document pursuant to which the Units in the joint investment subjects were issued does not stipulate any such period, the Customer shall hold the units in the joint investment subjects for a period of 90 calendar days. The previous sentence shall not be applicable if the Customer's activities are not deemed as "Frequent Trading", "Market Timing" or "Late Trading".
90. Further, to the effect of avoiding the activities described in article 88, and to the effect of enabling the issuer of the Units in the joint investment subjects, its management company, administrator, custodian or distribution company to offer special services to the Bank and/or Customer, the Customer accepts and agrees that:
- a) the Bank shall have the right to report to the issuer of the Units in the joint investment subjects the Customer's holdings with respect to the individual joint investment subject;

- b) the Bank shall have the right to forward to the issuer of the Units in the joint investment subjects any and all relevant data such as the time and the volume of the Customer's Orders with respect to the units in the joint investment subjects of the respective issuer;
  - c) the Bank is and shall be released from any and all obligation to keep and/or maintain banking secrecy and/or data protection provisions;
  - d) the Bank shall have the right, at its discretion, to accept or reject the Customer's Orders or instructions, without any obligation to explain the possible rejection.
91. The Customer acknowledges and undertakes to indemnify the Bank for any and all losses, damages, penalties, expenses and costs (including reasonable costs of legal representation) if the Customer violates any of the obligations as defined under articles 89 and 90.

The Customer acknowledges that from the issuer of the Units in the joint investment subjects, its management company, administrator, custodian or distribution company the Bank can receive additional bonus in connection to the services it extends to the Customer - the Trailer fee - as calculated on the basis of the overall investment into an individual joint investment subject as a percentage of the compensation fee for joint investment entities management. These compensation fees are necessary to maintain a high degree of quality and further enhance the ability to buy, the quality of counselling and informing the Customer. The amount of the current commission (compensation fee) depends on the product type and the issuer or intermediary itself. The thus received Trailer the Bank shall have the right to retain as the Bank's income in the case of bonuses (compensation fees) received from the joint investment entities' units for which the Bank extends to customers the services of Paying and information agent or the service of unit distributor provided that the Bank is able to provide a higher degree of service quality to the Customer. Otherwise, such bonus (compensation fee) will be paid to the Customer reduced for the calculated Fee for Income Collection as defined under the Agreement. The information of the paid amount along with the pertaining details will be sent to the Customer per event.

## **XII. PLACING ORDERS**

92. The Order shall be valid if placed:
- a) in person by visiting the Bank's offices,
  - b) by exchanging communications electronically, or
  - c) by telephone.
93. The Order can be placed electronically or by phone subject to prior agreement to that effect made between the Customer and the Bank.
94. The Customer can place a Request to open an Order for purchase or sale of Financial Instruments in the Bank's Branches, based on which the Order is entered in the Order book subject to fulfillment of all the conditions required.
95. The Request to buy (issuance) or sell (buy-back) Fund Shares can be placed at the Bank's Branches. In keeping with the Service Level Agreement, the Bank will forward the respective Request to the Management Company, and pursuant to the said Request, it will execute the order to buy or sell Fund Shares, in keeping with the Policy of Executing Orders of the Bank and the Management company. The Policy of Executing Orders is defined under the provisions of the Fund's Prospectus and Rules in the section Procedures and Conditions for Issuance and Buy-back of Fund Shares. Issuance and buy-back of Fund Shares is executed on a particular day at the price that is not set (known) at the time of request execution, but which is determinable, in accordance with the Fund's Prospectus.
96. The Bank shall accept the Order as limit order with time limitation on the appropriate market.
97. Limit order with time limitation on the appropriate market is an order limited by the designation of the Financial Instrument, price on the order, quantity, market and the validity period of the order. Such purchase (sale) orders shall not be executed for the Financial Instrument bearing a designation other than the one set by the Customer, above (below) the price limit, market and after the expiration of the validity period set by the Customer.

98. Only the Order containing the below listed details, which are considered as essential elements of the Order, shall be valid:
- Customer's personal information, allowing the Bank to identify the Customer (these data must be identical to data specified in the Agreement),
  - type of Order (buy order, sell order),
  - data on Financial Instrument (official designation – ticker or ISIN),
  - market data (the market shall be deemed as specified if there exists data of the market name or a Market Identification Code according to ISO 10383),
  - quantity of Financial Instruments,
  - price of Financial Instrument (price at which the Bank is requested to fulfill the Order) is defined as:
    - maximum price (for buy transactions), or
    - minimum price (for sell transactions).In respect of shares and other equity Financial Instruments the price is expressed in financial units (kuna and lipa, or in foreign currency for Financial Instruments quoted on international Stock Exchange or regulated markets), and for debt Financial Instruments the price is expressed as a percentage of their nominal value.
  - term period of the Order is defined as:
    - good-for-day: the Order is valid during the current market day.
    - with time limit: the Order is valid until a specific date.The Order is valid until the date specified in the Order itself, but not more than two (2) months from the date the Order is placed. After expiration of the validity period the Order can not be extended, but a new Order must be opened instead. The Order is valid until 24:00 hrs of the day specified as the term of the Order. The Bank shall not inform the Customer of the Order expiry.  
The Order for shares or other transferable Financial Instruments placed on markets that the Bank is not a direct member of (except for derivatives) will be accepted mostly as valid for a day.
  - the Customer's signature on the Order book statement for the Orders placed in person, or another confirmation by the Customer for the Orders placed by other means.
99. If the Customer does not determine any addition to the Order, the Bank shall execute the Order as a limit order, with the price, Financial Instrument designation, quantity and time limitation on the appropriate market.
100. Requests to open an Order, made outside of the Bank's usual business hours, i.e. on Saturdays, Sundays or holidays cannot be handled before the following Bank's Business day and appropriate place of trading. They will be handled in the order of their reception.
101. The Order shall take effect after:
- the Customer has clearly and undoubtedly communicated to the Bank the above listed terms of the Order
  - the Bank has received undisputable notification to the effect that the Customer:
    - in respect of buy Order – has deposited moneys required for Order completion in the Cash account - Brokerage, including funds required to settle costs in connection with the Order completion, or
    - in respect of sell Order – has made available to the Bank the Financial Instruments which are the subject of the Order for the purpose of sale,
  - all the other terms for taking effect of the Order, as agreed by both parties, have been fulfilled, and
  - the Bank has accepted the Order and entered it in the Order book.
102. The parties hereto can waive the application of the condition set forth in item b) of the previous article, subject to special arrangement or formal agreement, so that the Order can immediately take effect and be entered in the Order book.
103. The Financial Instruments shall be deemed as having been made available to the Bank as and when:
- they have been registered with the Bank in the CDCC Register, or have been placed on Custody account with Global custodian/Sub-custodian, or
  - the Bank has received confirmation from the custodian that the Customer possesses the Financial Instruments that are the subject of the Order, and the Customer has authorized the Bank to manage the Financial Instruments in the respective Custody account and the Bank has undertaken not to manage the Financial Instruments in a manner that could compromise the performance of duties and obligations with respect to transactions from the Order.
104. If the Customer authorizes the Bank to carry out Financial Instruments registration on its own or to take certain actions required for the Financial Instruments registration with the Bank (by providing it with a PIN,

passwords, or other secret data), the Customer shall be deemed to be familiar with the risks in connection with the provision of such data, and the Bank shall ensure that the data provided to it are used solely by staff members who handle the Financial Instruments registration and merely with respect to those activities necessary for the registration.

105. The Bank may request other documents and/or evidence for the Financial Instruments as well as additional authorizations in order to duly execute its obligations hereunder. The Bank shall be authorized to verify in a suitable manner the existence of the Financial Instruments and the information provided, and to take other actions so as to ensure the invariability of such information and its authorizations.
106. Unless agreed otherwise by the parties, only the freely transferable Financial Instruments, on which ownership title is not limited, conditional or encumbered by any rights or charges in favor of third parties, shall be the subject of the Sell Order. In the event it turns out at a later time that the Financial Instruments have been encumbered, or that the ownership title on these Financial Instruments is limited, the Customer shall indemnify the Bank for any damage it may suffer as a consequence, and the Bank shall be entitled to cancel the Order if it has not yet been executed.
107. The Customer shall be deemed as having paid the money required as and when the required amount of money has been credited to the Cash account - Brokerage.
108. If the Customer submits to the Bank an Order which is unclear, contradictory or indefinite, the Bank shall notify the Customer and request submission of additional data or explanation, and the Bank shall not accept the Order, nor shall the Bank take any actions with respect to such Order, whereby the Bank shall not be accountable to the Customer for any damage that may result as a consequence.

### **XIII. ORDER ACCEPTANCE AND ORDER BOOK**

109. The Bank shall be considered as having accepted the Order only when the Order is entered in the Order book.
110. The Request (Order) to buy (issuance) or sell (buy-back) Fund Shares is forwarded by the Bank to be executed by the Management company. The Management company will accept the Request to issue Fund Shares once a valid amount is paid as in the Request, or when it is recorded in the Fund Shares registry by the Management company. If, within the valid term for Request receipt the Customer executes one or several payments of a sum lower than the amount as in the Request, Fund Shares will be allocated only in the amount of the paid amount, and the Request shall be deemed fully executed. If, within the valid term for Request receipt the Customer executes one or several payments of a sum higher than the amount as in the Request, Fund Shares will be allocated only in the amount of the amount as in the Request, and the surplus paid amount will be refunded, without any right to default interests. The Management company undertakes to calculate the issuance of Fund Shares at the price valid as on the day of cash payment inflow for the inflows received by 14:00 hours. For the inflows received after 14:00 hours, the day of cash payment will be considered to be the following Business day or, in keeping with the Prospectus and Cut-off Time Rules for an individual fund. At any moment the Customer can dispose of all or a part of their Fund Shares and request payment of these shares from the fund assets provided if its authorised to dispose of them freely. The Management company is obligated to buy back the Customer's Fund Shares, save in the cases when stipulated by the law and Prospectus. In the case of buy-back of the Customer's Fund Shares, the Customer is recognised the price valid as on the day of receiving a complete Buy-back Request. Fund Shares Buy-back Requests received by 14:00 hours will be deemed as received as on the day of receipt, Fund Shares Buy-back Requests received after 14:00 hours will be deemed as received on the following Business day or, in keeping with the Prospectus and Cut-off Time Rules for an individual fund.
111. Placing the Order with the Bank and its receipt by the Bank shall not be deemed as acceptance of the Order and no obligation to execute the Order shall result from it.
112. The Bank shall notify the Customer that the Order has been accepted and recorded in the Order book in the same manner as the Order has been given to the Bank.
113. The Bank may reject to accept the submitted Order without giving reasons or explanations for that, and it shall inform the Customer without delay of the non-acceptance of the Order.



114. In particular, but without limitation, the Bank shall not accept an Order for which it determines:
- a) that it does not contain key elements set forth in section Placing orders hereof, or
  - b) that the Bank may not execute it due to major differences from market conditions, or
  - c) that the Customer aims at inadmissible manipulation of Financial Instruments prices or other inadmissible activity, or
  - d) that the Order refers to trading of the Financial Instruments which have been temporarily or permanently suspended from trading, or
  - e) that the fulfillment of the Order would result in a damage for the Bank, or
  - f) that the execution of the Order would constitute an offence and/or criminal act,
  - g) that it was rejected by the Stock Exchange that manages the regular market on which market the execution thereof was attempted within the cut-off times and in the manner as under the regulations of the Stock Exchange.

The Bank is not responsible if the Management company rejects to contract the agreement, and thus also the Request (Order) to issuance or buy-back Fund Shares in keeping with the terms and conditions prescribed under the Prospectus.

115. Data contained in the Order book are business secret. Data contained in the Order book can be presented for inspection by Government offices when they have authority or jurisdiction. Data contained in the Order book may be made available to individuals who conduct internal or external auditing and supervision of the Bank, perform accounting services or maintain the IT system of the Bank or design computer programs for it, as well as to other individuals who may have access to such data as a consequence of their functions and positions they hold in the Bank or on behalf of the Bank, provided these individuals have been advised of their obligation to protect secrecy of data contained in the Order book.

116. When requested by the Customer, the Bank shall make available a printout of the Order from the Order book to the Customer without delay.

#### **XIV. ORDER MODIFICATION**

117. Order modification is deemed the modification in the: requested quantity, Financial Instrument price, Order validity period and/or trading facilities with regard to the original Order. Order modification request is directed to the Bank in the manner stipulated for placing Orders.

The Customer may modify the Order only if the Bank, as at the moment of receiving such changes, has not yet executed the Order and if the requested changes can be accepted without any damage to the Bank.

The Customer may replace or transfer an existing Fund Share from one fund to another one managed by the same Management company by placing the Request for buy-back or issuance Fund Shares. In this case two separate transactions are conducted:

1. buy-back of Fund Shares from the fund from which the Shares are transferred,
2. issuance of Fund Shares in the new fund.

These two transactions cannot be executed in the same Business day. In practice buy-back of Fund Shares is on the following Business day from the day of receiving a valid Request (if the Request was received within the cut-off times as under the fund's Prospectus and Rules) and issuance of Fund Shares is executed only after payment from one fund is made, or the assets are paid to the other fund. Exchanging Fund Shares is subject to the terms and conditions for individual Fund Shares issuance/buy-back transactions as under the funds' Prospectus and Rules.

118. The Bank shall notify the Customer that the Order modification has been accepted and recorded in the Order book in the same manner as it has been given to the Bank.

119. The Bank may reject to accept the submitted Order modification without giving reasons or explanations for it and it shall inform the Customer without delay of the non-acceptance of the Order modification.

120. In particular, but without limitation, the Bank shall not accept an Order modification for which it determines:
- a) that it does not contain key elements set forth in section Placing orders hereof, or
  - b) that the Bank may not execute it due to major differences from market conditions, or

- c) that the Customer aims at inadmissible manipulation of Financial Instruments prices or other inadmissible activity, or
- d) that the Order refers to trading of the Financial Instruments which have been temporarily or permanently suspended from trading, or
- e) that the fulfillment of the Order would result in a damage for the Bank, or
- f) that the execution of the Order would constitute an offence or criminal act, or
- g) that it was rejected by the Stock Exchange that manages the regular market on which market the execution thereof was attempted within the cut-off times and in the manner as under the regulations of the Stock Exchange.

121. Any and all modifications of the Order shall be recorded in the Order book and shall be considered as being accepted by the Bank only after being recorded in the Order book.

122. In case the changes and/or additions to the Order are not accepted, the Bank shall promptly notify the Customer thereof.

## **XV. ORDER REVOCATION AND CANCELLATION**

123. At any time the Customer may revoke the Order to the extent to which it has not been executed as yet in the same manner in which the Order had or could have been placed.

124. The Bank may cancel the Order with respect to a segment in which it has not yet been fulfilled for reasons including, but not being limited to:

- a) suspension of Financial Instruments trading
- b) failure by the Customer to settle any liabilities due to the Bank,
- c) resolution made by the CFSSA or other regulatory body,
- d) any justified reason for which the Bank may refuse to accept the Order.

In case of cancellation of the Order by the Bank, the Bank shall not be accountable to the Customer for any damage resulting from the cancellation of the Order.

The Bank will direct the Customer to the Management company, if they wish to cancel the documentation filed for disposal of Fund Shares, which will cancel such documentation exclusively under the terms and conditions as under the fund's Prospectus.

125. Unless being instructed otherwise by the Customer, in case of Order revocation and cancellation, the Bank shall refund the deposit amount intended for the purchase, after deducting the applicable costs.

126. In case of Order revocation, the Bank shall, at the Customer's request, cancel the registration of the Financial Instruments.

127. The Bank shall promptly inform the Customer of the Order cancellation in an appropriate manner (including telephone communication).

128. The revocation and cancellation of the Order shall be valid as of the moment of the entry in the Order book.

## **XVI. METHOD OF ORDER EXECUTION**

129. The Bank prescribed the manner of Order execution in its general act Execution policy of the Customer's orders, which the Customer accepts, including any subsequent amendments and supplements passed during the validity of the Agreement, by signing the Agreement.

130. When executing the Order the Bank shall comply with special rules which regulate Financial Instruments trading, the regulations of the Stock Exchange on which the Order is executed, the rules of the CDCC, depository and other institutions whose services are necessary for the execution of the Order and the general rules and business practices.

131. The Bank may disregard the instructions contained in the Order only to the extent that it has grounds to consider this necessary in the interests of the Customer, having evaluated all the circumstances, and in cases when it is not possible to seek the Customer's consent due to limited time or other reasons.
132. The Bank shall be entitled to assign the execution of Orders to third parties according to CMA. When assigning the Order execution to a third party, the Bank shall be responsible exclusively for the selection of such party and for the instruction given to such third party.

## **XVII. ORDER PRIORITY**

133. When executing its undertakings under the Order, the Bank shall comply with the priorities set forth in the Order book.  
When executing its obligations arising from the Request to buy or sell Fund Shares, the Bank forwards the Request to buy or sell Fund Shares to the Management company which will adhere to the priorities from the Fund Shares Registry and in keeping with the fund's Prospectus.
134. The priority of individual Orders shall be established by the sequence in which Orders come into effect in the Order book, in such a way that the Order, which has become effective earlier, has a priority over the one that came into effect later. The Bank shall present buy and/or sell bids with respect to the execution of the individual Order in the Stock Exchange or in another organized market according to the priority so established. The sequence of executing Orders (making Financial Instruments transactions to execute the Order) depends on market conditions, instructions specified in the Order, and a strategy which the Bank shall use in order to fulfill the Order in the way most favorable for the Customer.
135. The Bank's orders of its own and the orders of the Bank's employees shall be treated as equal to other Orders and executed in the order in which they are entered in the Order book.

## **XVIII. HOLDING FINANCIAL INSTRUMENTS WITH THE BANK AND SETTLEMENT**

136. Bank shall hold the Financial Instruments delivered to it for the purpose of executing the sales transaction until settlement of the transaction. In case of Order revocation or cancellation, the Bank shall at the Customer's request cancel the registration of the Financial Instruments or register them in accordance with the Customer's instructions.
137. The Financial Instruments acquired by the Bank in a buy transaction shall be delivered to the account of the Customer or of its custodian or of the depository bank in CDCC or in the depository, in keeping with the Customer's instruction, and the Bank shall not execute any actions in connection with the custody of the Financial Instruments held by the Bank. The Financial Instruments purchased shall be registered with the Bank in the CDCC unless the Customer has given a different instruction.
138. If the Customer holds an open Custody account with the Bank, the Bank shall settle the Financial Instruments of foreign issuers in favour of or by debiting the Customer's Custody account always, and other Financial Instruments in accordance with the Customer's instruction contained in the Order. In the case of settling Financial Instruments in favour of or by debiting the Customer's Custody account, the valid instruction to the custodian bank will be the Trading receipt which the Bank will deliver to the custodian in due time, and on the basis of the executed Customer's Order. By signing this Agreement, the Customer gives its explicit general instruction to the custodian to act upon every Trading receipt that the Bank delivers to the custodian.
139. The moneys received in respect of the Financial Instruments in the sell transaction, or any excess amounts or any amounts in respect of the buy transaction in case of the Order revocation or cancellation shall be deposited to the Customer's Cash account by the Bank or retained by the Bank in its special account in keeping with the Customer's instruction. Unless agreed otherwise the Bank shall deposit the moneys to the Customer's Cash account on the settlement date after the execution of the transaction or all transactions in respect of the executed Order, or, in case of Order revocation or cancellation, within ten (10) days after the revocation or cancellation of the Order.

140. The Bank shall compute no interest on the funds kept in the Cash account - Brokerage as security for the received buy Orders.
141. The Bank may demand from the Customer additional funds required for the settlement of the purchased Financial Instruments in an event that, without any fault on the Bank's part, it is not possible to make full settlement in respect of the executed Order, in particular, but not exclusively, in case of exchange rate changes, market price changes, accrued interest increase, etc.
142. The Bank shall transfer to the Customer any other rights and claims that it acquired against third parties when executing the Order.

## **XIX. RESPONSIBILITY FOR TRADING DATA**

143. If the Bank gives the Customer access to the Stock Exchange trading data, the use of these data shall be intended only for the Customer's personal use and any commercial use of any such data shall be forbidden as well as any redistribution of the data via electronic or print media or in any other way. The owner of the data is the Stock Exchange which enabled the Bank to access data. The Stock Exchange shall not be liable for the accuracy of data.

## CHAPTER C. CUSTODY SERVICES

### XX. CUSTODY SERVICES FOR FINANCIAL INSTRUMENTS

144. Pursuant to legal regulations, in conducting its custodial business for Financial Instruments the Bank performs the following services:

- a) safekeeping and custody of Financial Instruments;
- b) reporting on dividend payment, interest payment or maturity of other instruments;
- c) notifying on general meetings of issuers of shares and on rights in respect of the shares and other Financial Instruments held in custody, of which the Bank has been promptly informed by issuers of such Financial Instruments or by the Global Custodian/Sub-Custodian, or such information has been published in the Official Gazette of the Republic of Croatia, and execution of the Customer's Instructions regarding the realization of these rights;
- d) notifying on legal changes that indirectly or directly affect reporting on balance of Financial Instruments in the Custody account;
- e) providing proxy voting services at general meetings;
- f) executing received Instructions, unless they contravene the legal regulations;
- g) other services related to Financial Instruments, realization of rights and fulfillment of obligations in respect of the Financial Instruments, as agreed between the Customer and the Bank, which do not contravene the law.

145. Pursuant to the Agreement, the Bank shall open in its books one or more Custody accounts for the Customer in which it will manage the Assets up to date in the name and on behalf of the Customer in the manner that allows differentiating between the Customer's Assets and the assets of the Bank and/or of other Bank's customers at any time, without delay. In its records the Bank will mark the Custody account in a manner clearly showing that the Financial Instruments and Cash assets are not the property of the Bank, and it will not use the right of set-off and/or pledge with respect to claims of any person save upto the amount of the Financial Instruments management, administration and depositing and/or the amount of Customer's default with regard to the liabilities as under the agreed transaction. The Bank shall inform the Customer of the opened Custody account(-s) by a written "*Notification on account number*".

146. The Customer agrees that the Bank can, at any time and without obtaining special approval of the Customer, appoint a third party (Global Custodian/Sub-Custodian and other sub-custodians) to perform reporting on corporate actions, and to perform deposits and settlements in the transactions of the Financial Instruments, which parties are a subject of the national legislation of a third country. The Customer accepts that the Assets will be held at Global Custodian/Sub-Custodian in omnibus accounts opened in Bank's name and on behalf the Customer, or in Customer's name and on behalf of the Customer, or otherwise in accordance with the provisions of applicable legislation and accepts all other terms of this contractual arrangement. The Customer agrees that the Global Custodian/Sub-Custodian acquire the rights stipulated by the provisions of the jurisdiction in which it performs business in respect of all or a part of the Assets.

The Bank shall be liable to the Customer for selection of Global Custodian/Sub-Custodian and for Global Custodian/Sub-Custodian's actions under the terms and in the cases set out in the General Terms.

147. When nominating the Global Custodian/Sub-Custodian with whom the Financial Instruments and Cash assets are safekept, the Bank shall:

- a) apply an appropriate level of expertise and due professional care in selecting and regularly monitoring the Global Custodian/Sub-Custodian and agreements made for this purpose;
- b) take into account expertise, service quality and reputation of the Global Custodian/Sub-Custodian and all legal requirements and market practices related to the custody of the Financial Instruments;
- c) act as a trustee, and contract that the Financial Instruments and Cash assets of the Customer, which the Bank deposits with Global Custodian/Sub-Custodian can be identified separately from the respective Global Custodian's/Sub-Custodian's financial instruments and cash in a way that the Financial Instruments and Cash shall be combined in the Global Custodian's/Sub-Custodian's records, yet in separate accounts segregated from the accounts of the Global Custodian/Sub-Custodian and of other customers of the Global Custodian/Sub-Custodian, and that the Global Custodian/Sub-Custodian will not use the right of set-off and/or pledge with respect to claims of any person save upto the amount of the Financial Instruments management, administration and depositing and/or the amount of Customers'

default with regard to the liabilities as under the agreed transaction, or if prescribed under the national legislation or being a required condition to participate in the local market;

- d) agree the manner and conditions for providing the services pertaining to custody, and the extent of the Global Custodian's/Sub-Custodian's responsibility in the event of inability to fulfill the agreed obligations;
- e) periodically, and at least once a year, review the selection of the Global Custodian/Sub-Custodian and of the agreed arrangements that refer to the safekeeping of the Customer's Financial Instruments and Cash assets, and risks arising from this appointments, which may damage the Customer's interests.

148. Data on Global Custodian/Sub-Custodians and the numbers of Custody accounts opened on behalf of the Customer in local depositories is specified in the "Markets list" and are available in the Custody and Depository business, the Bank's branch network and the Bank's web page. The Bank has the right, for the duration of the Agreement, amend and/or supplement the "Markets list" and is required to published it on the Bank's official web page [www.rba.hr](http://www.rba.hr) no later than fifteen (15) days prior to taking effect of such amendments and supplements.
149. If a Customer requests so, the Bank will report to its on the terms and conditions of the agreement that the Bank had signed with the Global Custodian/Sub-Custodian which safekeeps the respective Customer's Financial Instruments.
150. The Global Custodian/Sub-Custodian may have the right of lien and/or set-off in respect of the Financial Instruments and Cash assets held in the account which the Bank opened on behalf of the Customer in keeping with the terms and conditions as under paragraph 147.c herein. If the Global Custodian/Sub-Custodian should exercise this right in respect of the Customer's Assets as a consequence of the Bank's failure to perform its obligation to the Global Custodian/Sub-Custodian under a mutual agreement between them, the Bank shall compensate the Customer for any damage, except in case the Bank is not able to perform its obligation to the Global Custodian/Sub-Custodian because the Customer defaulted on the Customer's obligation under the Agreement or the General Terms to the Bank. If the Global Custodian/Sub-Custodian agrees the right of lien, encumbrance and/or set-off in respect of the Financial Instruments, this shall be registered also in the Customer's Custody account.
151. The Bank shall be authorized to perform any action in respect of the Customer's Financial Instruments as it deems to be necessary and beneficial for the Customer.
152. The Bank shall only be responsible for performance of duties set out in the Agreement and General Terms or contained in the Instructions given in accordance with the Agreement and the General Terms. In performing these duties the Bank shall act in a good faith and in the Customer's best interest, with due professional care.
153. For the previous Business Day, the Bank shall reconcile the internal records against the Cash Account daily. For the Financial Instruments accounts the Bank shall reconcile the internal records against the records of the Global Custodian/Sub-Custodian on a regular basis, minimal in the event of any change, but at least once a month.
154. The Customer agrees to assume the risk of holding the Assets, in whole or in part, on omnibus Custody accounts with the Global Custodian/Sub-Custodian, or on individual accounts as and when required by applicable legislation.
155. The Bank or the Global Custodian/Sub-Custodian shall not use the Customer's Financial Instruments held in the Custody account for own account or for account of other customers, or contract transaction agreements on financing securities with the Customer's Financial Instruments (e.g. securities lending) without prior explicit written consent of the Customer. The Bank undertakes appropriate measures to prevent unauthorised use of the Customer's Financial Instruments through the implemented systems of working procedures and controls.

## **XXI. SAFEKEEPING OF ASSETS ON CUSTODY ACCOUNT**

156. The Bank shall open on its books the Custody account for the Customer and duly manage the Assets in the account for the Customer in such a way that it allows it at any time without delay, to distinguish the Customer's Assets from the Assets of other customers and the assets of the Bank. The Assets in the Custody



account can be the property of the Customer or the Customer's customer. The Assets held in the Custody account shall not be part of the assets of the Bank or part of the liquidation value or bankruptcy estate and shall not be applied for the enforcement in respect of the claims against the Bank. The Bank shall deliver to the Customer a written "Notification on account number".

157. The Financial Instruments which are registered in the CDCC, shall be kept with the Bank on the Custody account(-s) in the CDCC. The Financial Instruments which are registered in the CDCC shall be kept in the omnibus Custody account by the Bank. In exceptional cases, if the Customer should request it in writing or if legal regulations (for shares of credit institutions/central depository/buying of T-bills in the primary market) or practice require so, the Bank shall open a Custody account - named or a Custody account – protected for the Customer in the CDCC.

158. In keeping with the applicable provisions of the national legislation, the Bank shall keep foreign Financial Instruments on omnibus Custody accounts held with a Global Custodian/Sub-Custodian, or on segregated Custody accounts only to the extent that this is required by law or if, for some reason, certain Assets require special treatment.

The Customer's Financial Instruments which are subject to the national legislation of a third country and which are held in Custody accounts with the Global Custodian/Sub-Custodian, are kept in the Global Custodian's/Sub-Custodian's records in the Bank's name and on behalf of the Customer, or in the Customer's name and account, and they can be distinguished at any time without delay from the Financial Instruments of the Global Custodian/Sub-Custodian, of other Global Custodian's/Sub-Custodian's customers and of the Bank. If such Financial Instruments can not be placed in the safekeeping on behalf of the Customer due to the provisions of the national legislation of the third country or recognized market practices or such registration method is not in the Customer's best interest, the Financial Instruments shall be kept in the Global Custodian's/Sub-Custodian's records in the name and for account of the Bank. The Bank shall notify the Customer of such safekeeping practice.

159. Custody accounts on which the Financial Instruments and Cash assets are held safekeeping, and which are maintained with the Global Custodian/Sub-Custodian, are governed by applicable national laws of the third country.

In this respect the Customer's rights from the Financial Instruments and Cash assets may vary regarding the tax treatment, the investor's protection system whereby the respective Assets are secured and restrictions. Investment restrictions may relate to the limit of the issuer's equity, type and class of the Financial Instruments in which foreign investors are allowed to invest, capital repatriation, exercising voting rights in issuer's general meetings (in some cases only with the holding of a certain share in capital/issue), transfer of ownership title only on the regulated market, currency conversion and other.

Also, with regard to the applicable national legislation of the third country, the investment options availability differs in individual markets, i.e. some markets stated in the "Markets list" are available for immediate investments, whereas some have additional requirements, which requirements may include: additional documentation, opening of an individual Custody account on behalf of the Customer, hiring a local tax advisor, etc. Therefore, the Customer shall notify the Bank of investing into a foreign market seven (7) Business days prior to the beginning of their investment so that the prerequisites can be arranged, if necessary.

The Customer is to pay special attention to the rights they have as the holder of a Financial Instrument or Cash assets if such Assets are subject to the legislation of a country which is not a member of the European Union/European Economic Area, as such rights can greatly differ from the ones arising from the legislations of the EU/EEA and thus also of the Republic of Croatia.

160. When the Bank deposits Customer's Financial Instruments with a Global Custodian/Sub-Custodian in a country where the safekeeping of Financial Instruments for the account of other persons is subject to special regulation and supervision, the Bank shall deposit Customer's Financial Instruments exclusively with a Global Custodian/Sub-Custodian who is authorized to provide such services pursuant to licence issued by the appropriate authority or with those Global Custodians/Sub-Custodians that are subject to special regulations and supervision.

161. By signing this Agreement, the Customer requests that the Bank deposits the Financial Instruments with a Global Custodian/Sub-Custodian in a third country where the keeping and depositing of Financial Instruments for the account of another person are not regulated, exceptionally when the nature of the Financial Instrument or of the investment service related to the mentioned Financial Instrument require that it be deposited with a Global Custodian/Sub-Custodian in a third country in which the keeping and depositing of Financial Instruments are not subject to special regulations and supervision. The Bank or Global Custodian/Sub-

Custodian can deposit the Financial Instruments they hold for the Customer with a third party in a third country where holding and depositing of Financial Instruments for the account of another persons are not regulated only if one of the following conditions have been met: 1. the type of the Financial Instrument or investment service connected to the said instrument require that these be deposited with a third party in a third country where holding and depositing of Financial Instruments are not subject to special regulations and supervision, or 2. when the Financial Instruments are held for the account of a professional investor, and they request in writing that the Bank deposits their Financial Instruments with a third party in a third country where holding and depositing of Financial Instruments are not subject to special regulations and supervision.

162. The Bank will use due diligence to deposit Customer's Assets with Global Custodians/Sub-Custodians in this manner, but can not take responsibility if such a level of protection can not be achieved due to the legal requirements and market practice.
163. Financial Instruments that can be deposited in a Custody account are transferrable security papers, and money market instruments foreseen in the provisions of article 3 paragraph 24 items a) and b) of the CMA, the following transactions being allowed:
- receiving and delivering a Financial Instrument
  - transferring a Financial Instrument to/from a Custody account with or without change in ownership
  - repo transactions;
  - transaction of buy/resell or transaction of sell/buy-back;
  - placing a Financial Instrument under the pledge right to borrow a lombard loan.
164. The Bank does not provide the custody service for Financial Instruments with financial leverage, for derivatives, nor does it execute transactions with contingent liabilities for small investor who is not classified as the customer of the organization unit Private Banking.
165. By signing the Agreement, the Customer accepts the risk of holding Financial Instruments and Cash assets in markets that do not provide sufficient protection and agree in writing with the depositing of Assets under such conditions.
166. Cash assets shall be held in safekeeping in the Cash account – Custody, which will be opened in the name of the Bank or of the Global Custodian/Sub-Custodian, and on behalf of the Customer. The Bank will not deposit Cash assets in the accounts specified for settlement of Financial Instruments with Global Custodian/Sub-Custodian but will place such assets exclusively for the purpose of settlement of the Customer's open transactions.
167. No interest shall be paid in respect of the Cash assets held in safekeeping in the Cash account – Custody, but such Cash assets shall be included in the base for calculation of the custody service fee.
168. The Customer agrees that the tax treatment of the Financial Instrument or service depends on a specific case and there may be changes implemented in future.

## **XXII. AUTHORIZED AGENTS**

169. The Customer - legal entity shall appoint their Authorized Agents, and the Customer - private individual can act individually or appoint an Authorized Agent who shall act in their name and on their account before the Bank. The Customer appoints the Authorized Agents, and any and all potential changes to the Authorized Agents on the Bank's form "List of Authorized Agents", stating the date on which authorization given to an Authorized Agent shall become effective, as well as the signing procedure.
170. The Customer may cancel or restrict the previously assigned authorization for giving Instructions to the Bank by submitting a new form "List of Authorized Agents" or in the form of a signed letter which can be sent to the Bank as original or scanned copy from the e-mail address defined in the Agreement.
171. The Customer shall define the date on which each requested change should be performed in the Bank. If the Customer fails to define date on which the requested change should be performed or if this date has already passed, it shall be deemed that the date on which the requested change is to be performed shall fall at the

latest on the Business day following the day on which the Bank received a written request for change of authorization.

172. The Customer shall inform the Authorized Agents of their rights and obligations in relation to exercising authorizations for giving Instructions to the Bank and shall supervise the authorizations.
173. The Bank shall not be held responsible for any damage that may arise from the Customer's failure to give to the Bank the notification in respect of the restriction, cancellation or change of the authorization in due time.

### **XXIII. INSTRUCTIONS**

174. The Bank shall receive Instructions regarding management of Assets and of rights related to the Assets from the Customer and/or Authorized Agent and act only in accordance with valid Instructions.
175. A valid Instruction is any Instruction that is:
- a) given on the Bank's standardized form or in free form, and includes at least following data:
    1. transaction type: trading, repo/lending transaction, transfer without ownership change or transfer with ownership change,
    2. official identification of Financial Instrument (ISIN),
    3. information whether it is a delivery or receipt of Financial Instruments/Cash assets,
    4. quantity of Financial Instruments which needs to be delivered/received,
    5. date of trading,
    6. date of settlement,
    7. trading price,
    8. counterparty,
    9. standing settlement instruction (counterparty account/receiving or delivering agent/depository)
    10. payment/collection amount and currency;
  - b) delivered to the Bank in writing in one of the following ways:
    1. personally,
    2. via SWIFT,
    3. via RBA DIREKT services (Internet),
    4. by e-mail,
    5. by registered mail,
    6. by telefax (only in exceptional, previously agreed cases);
  - c) delivered in accordance with "Time Schedule for Custody Instruction Delivery",
  - d) if delivered by telefax and/or post, then signed by the Customer or the Authorized Agent whom the Customer defines in the Agreement or in any subsequent Notification given;
  - e) in case of electronic mail (e-mail) delivery, it shall be sent from the e-mail address set out in the Agreement;
  - f) before giving the Instruction, the Customer/the Authorized Agent shall have ensured a balance in the Custody account required for the Bank to be able to execute the respective Instruction.
176. "Time Schedule for Custody Instruction Delivery" is available at the Custody and Depository business, in the Bank's business network and on the Bank's internet site. During the Agreement validity, the Bank shall have the right to amend and/or supplement the "Time Schedule for Custody Instruction Delivery" and shall deliver the information of this to the Customer, fifteen (15) days prior to their coming into force at the latest by publishing these changes and/or amendments at the Bank's internet site [www.rba.hr](http://www.rba.hr).
177. If the Customer/Authorized Agent gives Instruction to the Bank by means of telecommunications, the Customer/Authorized Agent shall take all precautions so as to avoid any misuse or errors in transmission. The Bank shall not be responsible for any misuse or errors in transmission of the Instructions provided by means of telecommunications, unless it is proven that the Bank acted with gross negligence and deliberate intention.
178. The Instruction submitted to the Bank via RBA DIREKT service shall be given in keeping with the agreement on use of a specific RBA DIREKT service. The Customer/Authorized Agent is responsible for proper use of RBA DIREKT service.

179. The Customer/Authorized Agent shall be responsible for and bear any damage in executing Instructions resulting from the loss or theft of an identification instrument or due to their failure to protect the personalized security features of the instrument (e.g. PIN).
180. The Customers who trade in the Financial Instrument through the Bank's broker/treasury, do not place the Instruction to the Bank, but the Trade report of the Bank's broker/trade Confirmation of the Bank's treasury, which contains a settlement instruction, and based on the Customer's order shall be considered a valid Instruction.

## **XXIV. EXECUTING INSTRUCTIONS**

181. Upon receipt of an Instruction for which the Bank has reasons to believe to be valid, the Bank shall, without any verification, execute such Instruction. If the Bank should detect one or more irregularities, the Bank shall notify thereof the Customer/Authorized Agent in writing, and shall not execute such Instruction until further notice from the Customer/Authorized Agent, received by the same means of communication as was the Instruction.  
The Bank shall not be held responsible for any potential losses or damage, if it acts in good faith in accordance with any Instruction for which it has reasons to believe to be valid.
182. If the Customer/Authorized Agent requests a cancellation or modification of a valid Instruction by giving to the Bank an Instruction for cancellation/modification in a manner in which the valid Instruction should be delivered, the Bank shall, if it is possible, act in accordance with the Instruction for cancellation/modification, applying the principles of good faith and due diligence.  
The Customer/Authorized Agent can cancel the issued Instruction only if the Bank has not commenced the execution of such Instruction, or if the Bank is able to stop the execution of such Instruction without causing any damage. The cancellation of the Instruction shall be made in the same manner in which the Instruction was given.
183. The Bank shall have the right to refuse to execute a received Instruction in the following cases:
- a) in the Custody account there are no sufficient Cash assets or Financial Instruments to execute the received Instruction or settle the fee payable for the execution of Instruction;
  - b) the received Instruction does not contain all necessary/stipulated data;
  - c) the received Instruction is not signed by the Customer/Authorized Agent listed in the "List of Authorized Agents" in the Agreement ;
  - d) the received Instruction is not delivered in one of the ways set out in the section Instructions;
  - e) the received Instruction is not delivered to the address/numbers stated in the section Communication and reporting;
  - f) the received Instruction is not delivered on time;
  - g) the received Instruction exceeds the scope of the Agreement;
  - h) the received Instruction is not in keeping with the applicable laws and regulations;
  - i) the received Instruction requests receiving and depositing illiquid Financial Instruments and the Bank assess that the remittance of any such Financial Instruments would cause them damage;
  - j) if the execution of the received Instruction would cause damage to the Bank; or
  - k) if the Customer has any due outstanding amounts for service fees or any costs and/or claims on any other basis pursuant to the execution of service from the Agreement.
184. The Bank is also entitled to reject execution of a received Instruction and proceed with the termination of the Agreement in the following cases:
- a) if the license is withheld from the Customer or Authorized Agent by the regulator;
  - b) if the Customer defaults on its obligations under the Agreement and these General Terms;
  - c) if the Bank assesses the Customer influences the Bank's reputation negatively.
185. The Bank shall have the right to cancel any unsettled transaction upon the expiry of a six (6) month period from the set settlement date, except if it has not been cancelled in the meantime in keeping with the valid regulations, market practices or pursuant to a decision of a competent authority.
186. In case that under the same Instruction the Bank should both deliver and receive Cash assets and/or Financial Instruments, the Bank shall not take responsibility that the counterparty in such transaction will fulfill its

obligation, especially in the case of Trade for Trade settlement in accordance with the rules of the clearing and depository companies and shall not be held responsible for any damage that the Customer may incur as a result.

187. If the Customer forwards the Instruction to the Bank requesting payment from the Custody account and if the Customer's account has available funds which are not intended to be applied for payment of any non-executed Instruction or unpaid obligation to the Bank, and if all the other preconditions have been fulfilled for the Instruction referred to in this article to be executed, the Bank shall transfer the sum of Cash assets to the account defined in the Instruction no later than one (1) Business day from the receipt of the Instruction, where for the cross-border and international payment transactions the Bank ensures the said execution deadline only up to the first bank involved in the intermediation, or in the execution of a payment instruction. The actual date of crediting the payee's account depends on the rules of the payee's bank and the legislation of the payee's country.
188. If the Bank receives the Instruction after the cut-off time for Instructions as under the "Time Schedule for Custody Instruction Delivery" or on non-Business day, it will be deemed that the Instruction was received on the following Business day and thus the rights and the obligations of the Bank and the Customer will be set according to this.

## **XXV. CORPORATE ACTIONS**

189. The Bank shall receive and hold for safekeeping all certificates, receipts, notices, warrants, agreements or other instruments or documents evidencing or representing the rights of ownership of the Financial Instruments, or the Customer's rights to receive, purchase or subscribe if that is in the Customer's best interest.
190. The Bank shall be authorized, without any Instruction, to perform the following actions related to Assets in the Customer's Account, in accordance with the provisions of the Agreement:
- a) collect principal, interests, dividends and other incomes on their respective maturity; and deliver notification of inflow to the Customer/Authorized Agent, and transfer, after withholding the agreed fee amount, such income to the Customer's account with the Bank, in keeping with legal requirements. If the Bank is not able to disburse the inflow to the Customer's account with the Bank and to act in keeping with the legal requirements, the Bank shall pay and keep inflows in the Customer's Cash account – Custody in keeping with legal requirements. Cash assets will be kept in the Customer's Cash account – Custody until receiving a different instruction from the Customer;
  - b) collect and receive dividends in the form of new shares or other non-cash Assets resulting from the Financial Instruments, and deliver the notification of transactions in the Custody account to the Customer/Authorized Agent;
  - c) submit for collection all Financial Instruments in the Custody account that have matured or that have in any other way become payable, and all vouchers and other incomes that become due upon presentation of documents, send notification of action taken and inflow to the Customer/Authorized Agent, and hold Cash assets in the Cash account – Custody until further Instruction received from the Customer/Authorized Agent;
  - d) deliver to the Customer/Authorized Agent the notification in respect of the announced general meetings of the local issuers of the Financial Instruments which are registered in the depository of the CDCC and other Corporate actions of local and international issuers, of which the Bank has been notified in due time by the issuer of the Financial Instrument or by the Global Custodian/Sub-Custodian, or the respective information has been published in the Official Gazette and/or in the Court Registry.
191. The Bank shall forward the Corporate action notification in writing, and shall, in case a decision and/or response is required from the Customer/Authorized Agent, specify the final date by which the Instruction and any required document should be delivered to the Bank.
192. If the Customer/Authorized Agent fails to give to the Bank an Instruction related to the Corporate action in due time, the Bank shall act in keeping with the requirements of the respective Corporate action only if such action is mandatory, and, in doing so, select the default option, received as such from the Global Custodian/Sub-custodian or the issuer. The Bank shall record all changes that occur in the Customer's Custody account in respect of such Corporate action.



193. If the Customer/Authorized Agent fails to give to the Bank with the Instruction regarding a Corporate action or the general meeting by the end date specified in the notification, the Bank shall not take any action on behalf of the Customer, and shall not be liable for any potential cost/damage that may be incurred as a result of such Customer's failure to provide Instruction or response. The Bank shall not have a duty to participate in the general meeting of a company and/or any optional Corporate action unless the Bank receives from the Customer/Authorized Agent an Instruction requiring this, at the latest by the end date specified in the Bank's notification sent to the Customer/Authorized Agent.
194. If the Bank, in accordance with the Customer's/Authorized Agent's Instruction, has registered for voting at the company's general meeting, but it has not received, by the end date specified in the Bank's notification of general meeting sent to the Customer/Authorized Agent, the Customer/Authorized Agent's Instruction on how to vote on each item of the agenda, the Bank shall not be obliged to participate in the respective company's general meeting.
195. If the Customer/Authorized Agent applies for participation in the general meeting after the end date specified in the notification, the Bank shall act on a best effort principle and attempt to register the Customer/Authorized Agent for participation in the general meeting, but shall not be responsible if such participation should not be possible. If the company fails to respond to the Bank's inquiry concerning the documentation which is required to be submitted for the participation in the general meeting within two (2) days from the day the inquiry was sent, and if the Customer/Authorized Agent applies for participation in the general meeting after the end date specified in the notification, the Bank shall by default deliver to the company the following documentation: application for participation in general meeting, certified power of attorney and original excerpt from court register, and pass on the real costs to the Customer.
196. Unless the Bank has received an Instruction with specific directives from the Customer/Authorized Agent by the end date specified in the Corporate action notification, the Bank shall, in the case it has been authorized by the Customer to vote in its name, advise the Customer/Authorized Agent of its proposals for the vote, taking the Customer's interests into account. If the Bank is not aware of the Customer's interests (for instance, lack of knowledge of strategic goals, overall business and assets of the Customer), the Bank shall refrain from exercising the voting rights or other rights in respect of the Financial Instruments and notify the Customer/Authorized Agent thereof. Unless the Bank receives the Instructions from the Customer/Authorized Agent that the voting right or other rights in respect of the Financial Instruments can be exercised, the Bank shall vote in such manner as has already been communicated by the Bank to the Customer/Authorized Agent.
197. Taxation of domestic and foreign private individuals, on the basis of income from investing in Financial Instruments, is regulated under the legal acts in the area of profit tax and income tax, and the Bank shall not undertake the obligation to regulate the Customer's tax obligation, tax collection or tax return with respect to the Customer's investments. Any and all tax-related questions and uncertainties that require professional assistance will be resolved by the Customer itself directly with the competent tax administration authority or by hiring a certified tax advisor.
198. The Bank shall credit the Customer's account for the total dividend amount received, and advises Customer to seek counselling with its tax advisor with regard to the liabilities that may arise from the ownership or disposing of Financial Instruments in connection with the applicable domestic and foreign tax regulations or international taxation treaties.

## **XXVI. CONTINUITY PLAN FOR CUSTODY SERVICES ON FOREIGN MARKETS**

199. The Bank delegated custody service abroad pursuant to the "Markets list".
200. On each of these markets extraordinary circumstances can occur in case of which Bank acts with due professional care, pursuant to the legal provisions on the delegation of the Global Custodian's/Sub-custodian's services to third parties, with the aim of reducing or eliminating the risks associated with the safekeeping of Customer's Assets in the respective market, which could reduce value of Assets or rights from the Assets.
201. Examples of extraordinary circumstances, and also the potential risks in dealing with a Global Custodian/Sub-custodian, are as follows:



- a) bankruptcy of Global Custodian/Sub-custodian;
- b) Global Custodian/Sub-custodian is not able/does not want to provide custody services any more;
- c) Global Custodian/Sub-custodian does not meet the Croatian legal requirements in connection with custody services;
- d) the competent regulatory authority withdraws permission to provide custody services to Global Custodian/Sub-custodian;
- e) the legal framework of the country changes in a way that does not regulate or supervise the custody services of Financial Instruments for the account of a Global Custodian/Sub-custodian;
- f) if the Bank holds Financial Instruments on behalf of Customers on omnibus account and that type of the Custody account cease to exist;
- g) third country legislation imposes requirements that the Bank/Bank's Customer can not or which not comply to;
- h) a moratorium on the payment of the respective state, etc.

202. In case extraordinary circumstances appear the Bank will:

1. request from the Global Custodian/Sub-custodian to take measures for alignment with legal requirements and take measures for the deflection of the identified risk if the respective is within the capabilities of the Global Custodian/Sub-custodians;
2. in a case where Global Custodian/Sub-custodian can not or chooses not to influence on deflection of extraordinary circumstances, the Bank will:
  - a) inform the Customer through the publication of amendments to the General Terms of custody services on the web site [www.rba.hr](http://www.rba.hr) and/or by the delivery to the contact address of the Customer using the channel defined in the Agreement and/or
  - b) ask Customer for whose account Financial Instruments are held with respective Global Custodian/Sub-custodian to deliver written consent to continue using the Global Custodian/Sub-custodian despite of extraordinary circumstances or
3. explore the respective market to determine whether there is a Global Custodian/Sub-custodian which meets all the requirements for delegation of custody services and begin the process of selection of a new Global Custodian/Sub-custodian and termination of contractual relationship with the existing one, or
4. make a decision on the withdrawal of Customer's Assets from the market and inform the Customer hereof.

203. Withdrawal of the Customer's Assets from the market where extraordinary circumstances appeared:

- a) The Bank coordinates the manner and time of the withdrawal from the market with Customer, professional investors who hold Assets on the respective market in order to avoid financial losses to the Customer.
- b) The Bank informs the retail investors of withdrawal from the market sixty (60) days before initiating the withdrawal of Assets from the market in order to protect Customer's interests. If the retail investor, within the expiration of sixty (60) days, does not inform the Bank about new custodian, or any other means of handing over the Financial Instruments, or about transferring Financial Instruments to the Customer's account in the other bank/depository, the Bank will inform the Customer that it will, within the eight (8) days, start selling the respective Financial Instruments. If the Customer - retail investor does not react within eight (8) days, the Bank will offer Financial Instruments for sale. The Bank will sell Financial Instruments at a price that can be reached in the moment of sale, through the Bank's broker or through other broker Bank selects. Cash assets received from the sale the Bank will transfer to the Customer's Cash account defined in the Agreement as an account for payment of income from Financial Instruments. If payment to the said Customer's account is not possible for any reason whatsoever, the Bank will pay the assets to the Customer's Cash account – Custody.

## CHAPTER D. FINAL PROVISIONS

### XXVII. LEGAL SUCCESSION

204. General Terms, as a constituent part of the Agreement, are binding for all future legal successors of both contractual parties.
205. The Customer agrees that in case of business reorganization the Bank shall transfer all rights and obligations under the Agreement to a third legal person.

### XXVIII. FINAL PROVISIONS

206. Any issue not regulated under these General Terms shall be subject to the valid legal regulations and by-laws, and the Bank's internal acts, together with any and all amendments and supplements adopted thereto during the time of the Agreement validity.
207. In case of conflict of provisions from the General Terms with the legal and sub-legal documents in force, the provisions from the legal or sub-legal documents shall apply.
208. If any of the provisions of the General Terms and/or of the Agreement should be established as null and void subsequently, this shall have no effect on other provisions and the validity of the General Terms in whole.
209. All disputes resulting from the Agreement and the General Terms shall fall under the jurisdiction of the competent Croatian law, except the provisions on conflict of laws, and shall be handled by the competent court in Zagreb.