

# GENERAL TERMS AND CONDITIONS FOR BROKERAGE AND CUSTODY SERVICES

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**Raiffeisenbank Austria d.d.**  
**Brokerage**  
**Custody and Depositary business**  
**January 2021**

## 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 RBA) and the Client, 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. By signing the Agreement, the Client explicitly confirms being aware of and agrees to the General Terms and Conditions as well as to the following documents which are a constituent part of the General Terms and Conditions, and thus also of the Agreement: «Information for Investors», «Markets list», «Fees», «Policy of Executing Orders of the Clients», «Rules of Personal Data Treatment of Raiffeisenbank Austria d.d.», «cut-off Time Schedule for Instruction Delivery», together with any and all amendments and changes, and are available at the RBA's business network and the internet site [www.rba.hr](http://www.rba.hr).
3. At the Client's written request, the above documents can be delivered to the Client also to the agreed communication channel.
4. RBA retains the right to amend and supplement the General Terms in keeping with the legal regulations and business policy of the RBA. Any amendments and supplements to the General Terms shall be published on the RBA's official web page, [www.rba.hr](http://www.rba.hr) no later than fifteen (15) days prior to such amendments and supplements taking effect.
5. The Client shall be deemed to have accepted the amended/supplemented General Terms, if the Client does not reject their application in writing prior to their effective date. If the Client rejects the application of the amended/supplemented General Terms in whole or in part, the Client 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 **January 1<sup>st</sup> 2021.**

### 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>Stock Exchange</b>	Zagreb Stock Exchange Plc. or other organized market licenced by competent regulatory authority.
<b>Price</b>	The unit price for the unitized quantity of the Financial Instruments to which the Order refers.
<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>Management company</b>	The company for management of joint venture entities – refers exclusively to the company Raiffeisen Invest d.o.o.
<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>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>Fund</b>	Investor protection fund.
<b>Custodian</b>	Third party i.e. a financial institution in which the RBA holds a Financial Instrument account and/or Cash Account(s).
<b>CFSSA</b>	Croatian Financial Services Supervisory Agency.
<b>CNB</b>	Croatian National Bank.
<b>Assets</b>	Financial Instruments and Cash assets held in Custody account.
<b>Instructions</b>	Directions that the Client or the Authorized Agent issues to the RBA related to the custody service.
<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.
<b>Client</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 RBA.
<b>Order book</b>	Records kept by the RBA in the electronic form, in keeping with the provisions of the CMA and the by-laws, containing data on all individual Orders.
<b>Quantity</b>	The exactly defined number of the Financial Instrument units to which the Order/Instruction refers.
<b>Corporate action</b>	An action that the RBA performs for the purpose of exercising rights in respect of Financial Instruments in accordance with the Client's Instruction, or in some cases without the Client's Instruction, as described in the section Corporate actions.
<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>MIFID II CODE</b>	A personal identifier as prescribed by Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 supplementing Regulation (EU) no. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities
<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>Trading venue</b>	Any regulated market, multilateral trading platform, organized trading platform or systematic internaliser licenced for business by the competent regulatory authority.
<b>Fee</b>	Fees for brokerage and custody services which the RBA extends to the Client, and which fees are contained in the „Brokerage and Custody Fees“, available to every Client upon contracting the mentioned service, and in the RBA's business network and the internet site. The Client and the RBA can contract also a type of fee different than the ones stated in the „Brokerage and Custody Fees“.
<b>Order</b>	The unilateral statement of the Client's will addressed to the RBA within the scope of the brokerage service that they execute a particular deal with a particular Financial Instrument in their name, and for the Client's account, which statement was accepted by the RBA.
<b>NCA</b>	National Classification of Activities.
<b>Cash assets</b>	The amount of money which the RBA received from the Client 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>Cash</b>	Transaction account, in the case of a private individual, a current and /or FCY

<b>account</b>	account, is the Client's account held with RBA.
<b>PIN</b>	Personal Identification Number.
<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>Authorized Agent</b>	A private individual whom the Client authorized with regard to the custody service to sign the Agreement and/or to give Instructions to the RBA, 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 RBA and the Custodian (if appointed) are normally open for respective business.
<b>Cash account – Brokerage</b>	The Cash account - Brokerage account to which the Client's cash is deposited. The Cash account is opened on behalf of the Client with the following institution under the account number: Raiffeisenbank Austria d.d. <b>IBAN: HR1824840081300069103.</b>
<b>Cash account – Custody</b>	A Custody account to which the Client's Cash assets are deposited. The Cash account is maintained on behalf of the Client with the following institution under the following account number: Raiffeisenbank Austria d.d. <b>IBAN: HR8224840081300095499.</b>
<b>Financial Instruments account</b>	The Financial Instruments account held with the CDCC or with the Custodian, or the Client's Custody account to which the RBA will deposit the Financial Instruments bought for the Client's account.
<b>RBA</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: info@rba.hr Internet: www.rba.hr <b>Swift:</b> RZBHHR2X <b>IBAN:</b> HR0624840081000000013 <b>MBS:</b> 080002366 <b>PIN:</b> 53056966535</p> <p>The RBA hold a license for the performance of the following investment services and activities: a) execution of orders for the Client's account, b) trading for own account, c) investment advisory, d) service processing, i.e. sale of Financial Instruments with redemption, e) service processing, i.e. sale of Financial Instruments without redemption, and f) ancillary services of safekeeping and administration of Financial Instruments for the Client'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). The RBA is a member of the Zagreb Stock Exchange. The RBA is a member of the Central Depository and Clearing Company. The RBA is a member of the investor protection system.</p>
<b>RH</b>	Republic of Croatia.
<b>Central Depository</b>	The legal entity managing the Financial instruments settlement system (CSD).
<b>CDCC</b>	Central Depository and Clearing Company, Zagreb, Heinzlova 62a.

<b>Custody account</b>	One or more Cash accounts and Financial Instruments accounts that the RBA will open for the Client.
<b>SRDII</b>	The Shareholder Rights Directive II (EU) 2017/828 establishes the shareholder position and requirements in relation to passing decisions on long-term stability of companies to the effect of enhancing corporate governance which have their registered office in a Member State and the Financial instruments of which are admitted to trading on regulated s situated in the EU. The SRDII amends the original Directive 2007/36/EC.
<b>Costs</b>	All for of liabilities, losses, damages, costs (including legal costs), taxes and expenses, fines, possible penalties, default interest, etc. regardless of their nature and arising from obligations under the Agreement and General Terms.
<b>Fund Share</b>	A share in the joint investment entities of the company Raiffeisen Invest Ltd.
<b>JCD</b>	Joint Client Database is the RBA system of Client data records.
<b>CMA</b>	Capital Market Act (Official Gazette 65/18), together with any and all subsequent amendments and supplements thereto.

### III. SERVICE AGREEMENT AND CLIENT IDENTIFICATION

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

Legal persons	Croatian residents	Non-residents
1. Registration documents	Decision on registration in the competent register or an extract from the law or a document of the competent authority on, and an excerpt of registration in the beneficiary register.	An excerpt from the court register of the country where the head office was registered or other valid certificate of establishment (in original (in the original, not older than 6 weeks and translated by the certified translator into Croatian or English).
	A Notice of Client 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 RBA for the submission of the request to the Tax Administration for issuance of an PIN.
	Statement on Beneficial Owners – RBA’s standardized form	
	Questionnaire for Business Entities – RBA’s standardized form	
	A photocopy of the personal identification documents (personal identification card or passport) of the Authorized Agents and of the Client’s legal representatives	
2. Notice on Client classification – RBA’s standardized form		
3. MIFID II code		
4. LEI code		

Private Individuals	Croatian residents	Non-residents
1. Registration 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, or a Residence permit).
	Tax clearance certificate - PIN	Tax clearance certificate - PIN (required for transactions settled in the CDCC system), or power of attorney given to the RBA for submitting a request for PIN issuance to the Tax Administration.
	Statement on Tax Residency – RBA’s standardized form	
2. Notice on Client classification – RBA’s standardized form		

3. A photocopy of the personal identification documents (personal identification card/passport) of the Authorized Agents

9. RBA collects the Registration documents at the moment of opening a Cash account
10. If a Client does not hold an opened/active Cash account on the occasion of contracting the brokerage and /or custody service, on the same occasion the contractual parties shall enter into a relevant agreement pursuant to which the RBA shall open an account to which the inflow remitted from the Financial Instruments deposited in the Client's Custody account or in the name of sale of the Financial Instruments registered with the RBA broker shall be routed.
11. The RBA is not obligated to perform any assessment of appropriateness for a Client who contracted only the custody service with the RBA.
12. The RBA also has the right to request other documents it may require at the moment of contracting the Agreement as well as request renewal of the overall documentation during the life of the Agreement and in accordance with its current business policy and in accordance with the applicable regulations which are in force as at the Agreement date.

#### **IV. STATEMENTS AND WARRANTIES**

13. The Client states and guarantees to the RBA that:
  - a) if the Client is a legal entity, duly organized and validly existing under the laws of the country where they were founded and that they operate in keeping with the laws and regulations in force;
  - b) they are capable of and have the right to contract the Agreement, as well as execute any and all obligations arising from the Agreement and General Terms;
  - c) the executing and fulfilling of the Agreement and General Terms, 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 Client, or of any and all agreements in which the Client is a counterparty;
  - d) 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 throughout the contracting and life of the Agreement;
  - e) all information provided by the Client to the RBA, pursuant to the Agreement, are true, accurate and are not misleading, and that the address given in the header of the Agreement represents Client's domicile or habitual residence/seat in accordance with the applicable tax regulations of the Republic of Croatia; and
  - f) the Financial Instruments, which are placed by the Client for safekeeping with the RBA, of which the Client is a lawful holder, or which the Client 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 favour 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 Client shall notify the RBA of these immediately and replace the Financial Instruments within the time specified by the RBA by such where there is no specified limit, or resolve such a contentious situation otherwise as specified by the RBA. If the Client does not notify the RBA without delay of restrictions over the Financial Instruments referred to in this item, the Client will be liable to the RBA for all costs caused by such actions and RBA is authorized to terminate the Order/Instruction if it has not been executed. 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 RBA;
    2. if obvious or actual circumstances, which can dispute Client's or Client's Clients 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 RBA to a justified conclusion that such Financial Instruments are not duly delivered or suitable for such delivery.

14. The Client undertakes to:
- a) immediately upon the RBA's request, deliver any and all evidence, satisfactory to the RBA, on its compliance with the statements and warranties given in the article above;
  - b) during the term of this Agreement and General Terms deliver to RBA documents at the request of RBA if such documents could be required by RBA to the effect of fulfilment of obligations under this Agreement or if RBA is obligated to collect such documents pursuant to legal and sub-legal acts;
  - c) notify RBA in writing of any and all changes of personal data as well as the data of Authorized Agents contained in the Agreement. If the Client fails to deliver such notification to RBA, RBA shall not be responsible or liable for any possible loss or damage arising in the case of acting in accordance with the latest data available;
  - d) inform the Authorized Agents of their rights and obligations under this Agreement and General Terms and related to exercising of the authorisations assigned to them, as well as supervise the exercising of these;
  - e) take the necessary caution measures to avoid misuse or mistake when exchanging information and data with RBA irrespectively of the communication channels;
  - f) take due account of buying and selling Financial instruments and of reporting to the issuer, tax authorities, supervisory bodies, organized markets or third persons related to this;
  - g) without any delay notify RBA if they have not received any reports in connection to the service under the Agreement within the agreed term, and in keeping with section V. Communication and reporting;
  - h) act responsibly and bear any and all possible damage that arises because of executing an Instruction /Order caused through loss or theft of the identification device or because of failure to safekeep the personalized security features of such device (e.g. PIN, Token, access to electronic mail, etc. )
15. By signing the Agreement, the Client confirms that
- a) 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 RBA:
    - has provided the Client with the requested data and information,
    - the Client has received a satisfactory reply to all the questions raised pursuant to legal regulations and the RBA's internal actsand that the Client undertakes, in full awareness, any and all risks in connection with the Assets, and agrees that the RBA shall not be held accountable in any way to the Client 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;
  - b) that the Client understands all key characteristics and risks in connection to trading the packaged retail and insurance-based investment products (hereinafter: PRIIP) in the case of trading in such products. The Client agrees that in connection to trading the PRIIP financial instruments, RBA can deliver a document containing key information both in the Croatian and in the English language. The Client shall have no right to place a subsequent complaint that individual information was not known to them or that they were misled because the document containing key information of a particular PRIIP was delivered in a language different defined under the Agreement. RBA will always deliver to the Client the document containing key information in the Croatian language if the PRIIP campaign is held in the Croatian language or similar languages of the member country region, or otherwise in the English language;
  - c) they are aware of the fact that RBA can record or register in any other way all or any individual telephone communication, and that they need not be specifically warned of the fact of recording or registering before every individual recording or registering, and that RBA can use any such recorded or registered communication as evidence material before the court or another competent authority or for any other purpose in connection to exercising the rights and obligations as under the Agreement and General Terms. RBA will notify the Client before providing investment services and activities, and which pertain to receipt, transfer and execution of Orders, of the fact that phone calls and communication are recorded. The Client undertakes to acquire all necessary licences and consents for the above recording before placing, modifying or recalling an Order by telephone as well as notify the Authorised Agents for authorised placing, modifying or recalling an Order. A copy of the recording of the phone calls and communication with the Client, as well as all other agreement documentation of the Client will be available at the Client's request during a five-year period after the completion of the business relationship;
  - d) they are aware that RBA may inform the Client about products, services and relevant market information within business activities with Financial Instruments;
  - e) they are aware that RBA can, for the needs of executing the tasks as under the Agreement and General Terms (e.g. for the needs of corporate actions, delivery of Instructions, etc.), communicate with the Client through other contact data of the Client available to RBA from its internal records (JCD), except if the Client requests that a different address be used exclusively for the needs of the Agreement in writing;

- f) they are aware that RBA can, at any moment, without any special consent of the Client, entrust the Custodian to perform the tasks of reporting on corporate actions as well as the tasks of depositing and settlement transactions of the Financial instruments that are the subject of national legislation of a third country;
  - g) they are aware that Assets with the Custodian will be kept in aggregated custody accounts held in the name of RBA and for the account of the Client or in the name of and for the account of the Client or in another way in compliance with the regulations and any other conditions under which the contractual relationship is made, including acquisition of a part or of the whole of Assets such rights as are stipulated by the legislation of the country in which the Custodian operates;
  - h) they are aware that by taking on the risk of keeping a part or of the whole of Assets in aggregated custody accounts with the Custodian, or in individual accounts when legally required;
  - i) they are aware of the risk they take by keeping Financial instruments and Cash assets in the markets that do not provide adequate protection and by depositing Assets under such conditions;
  - j) ClientClientClientClientthey are aware that RBA reserves the right for correction of credit or debit of Client's Custody account or any other Clients account in the RBA as a result of incorrect entry;
  - k) they are aware that that upon a reasoned invitation, RBA shall without a delay return the payment received in connection with the corporate action on the grounds that neither the Custodian or Central Depository received such payment (advance payment) or it was paid by mistake of the Custodian or a third party upon which a claim against RBA has been initiated. In the case of a non-monetary payment (eg dividend in shares, replacement financial instrument, etc.) if the Client is not able to return the payment in the same form, it agrees to forward its cash equivalent to the RBA. In the above situations, the RBA reserves the right to debit Client's Custody Account or any other Client's Account with RBA.
  - l) they are aware that taxation of domestic and foreign income and of capital gains that the Client realises by investing into the Financial instruments is regulated by legal acts in the area of profit tax and income tax and that RBA shall undertake no obligation of regulating the tax obligation of the Client, tax collection or tax return in connection to the Client's investments. Any tax issues and dilemmas requiring professional assistance the Client will resolve autonomously with the competent tax administration or by hiring a certified tax advisor;
  - m) they are aware that tax treatment of a Financial instrument or service depends on every individual case and that there is a possibility of changes in the future;
    - n) they are aware of the obligations as under the Agreement and General Terms and accepts to indemnify RBA for all losses, damage, fines and costs (including reasonable attorney representation costs) arising from the contracted service and related activities, regardless of whether they arose by Client's fault or Client's breach of obligations as defined by the Agreement and General Terms, unless caused by RBA's intentional or gross negligence; Cliento) they are aware that every communication between the Client and RBA pursuant to the Agreement is of informative character and does not represent an investment /tax advice and/or recommendation.
16. The Client is advised to, when selecting the Financial instruments into which they invest, attempt at adjusting the volume, structure, maturity and risk of the investment to their current and anticipated future position, taking into consideration also their investment experience in such or similar area, as well as to, where necessary, seek advice of a professional or an institution.

## V. COMMUNICATION AND REPORTING

17. The RBA shall deliver to the Client 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 Client.

### **RBA shall deliver the following reports for the brokerage service:**

- "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 Client's request,
- Account balance statement for the Client's Financial Instruments or Cash assets – at least once in a trimester if the RBA holds the Client'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 RBA in connection to the services it extends to the Client, and
- EX post notification of Costs and Fees - at least once a year.
- order agreement, request and confirmation of order receipt – buying (issuance) or selling (buy-back) of a Fund Share by RBA

**RBA shall deliver the following reports related to the custody service:**

- Statement of the custody account - within 5 Business days after the end of the calendar month,
  - Statement of Transactions – on the same Business days after executing the placed Instructions, and which impacted the balance of the Cash assets or Financial instruments in the Client’s Custody account, and within 5 Business days after the end of the calendar month for the reporting month,
- Income collection notification - on the following Business day after receipt and allocation of revenues at the latest,
- Corporate action notification - within the term in accordance with good business practice,
- Notification of Fees - within 5 Business days after the end of the calendar month,
- Ex-post Notification of Costs and Fees - at least once a year.

18. The Ex-ante Notification of Costs, delivered before signing of the Agreement, and for the purpose of notifying the Client of anticipated costs, fees and related expenses that arise from the service of executing the Agreement and of other investment services of the RBA which the Client can use potentially. Further, the Client will be informed of the costs and fees related to the Financial Instruments and of investment services of the RBA – ex-post in regular intervals, and at least once a year. The RBA 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 Client, and which are not payable via the RBA or are not imposed by the RBA, and are as such not included in the Ex-ante Notification of Costs.

19. The Client 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 i 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 i 8 10000 Zagreb
<b>Phone</b>	For inquiries related to contractual relationship: +385 1 6174 327 +385 1 6174 492 +385 1 6174 350  For other inquiries: +385 1 6174 063 +385 1 6174 689 +385 1 6174 374	For delivery of Orders, modification and cancellation of Orders*: +385 1 4695 082 +385 1 4695 074 +385 1 4695 064 +385 1 4695 066  For other inquiries: +385 1 6174 031 +385 1 6174 027

		+385 1 6174 176
<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 Orders, modification and cancellation of Orders*: brokeri@rba.hr
	For delivery of Instructions, modification and cancellation of Instructions: custody.instrukcije@rba.hr	For delivery of other notifications and directions: brokeribackoffice@rba.hr
	For delivery of other notifications and directions: custody.bo@rba.hr	
	For delivery of complaints: custody-investigations@rba.hr	
<b>SWIFT:</b>	RZBHHR2X	RZBHHR2X

\* if so agreed, or by personally visiting the RBA.

## VI. FEES, COSTS AND OTHER CLAIMS

### Calculation of Fees

20. The RBA will calculate and charge fees for the extended services, as well as all other costs. Information on the service price and expenses are stated in the Fees. At the Client's request, the RBA will provide to the Client an overview of costs presented by items. Such information is extended to the Client regularly, and at least once a year in the report *Ex-post Notification of Costs and Fees*.

21. By placing an Instruction/Order/other direction, the Client agrees that the Order Book, or other business records of RBA as well as any other records on durable media at the disposal of RBA, shall serve as evidence of the amount and maturity of any claim as under the Agreement.

22. If the Client defaults on payment of the charged fees and expenses at maturity as specified on the issued invoice, the Client explicitly and irrevocably agrees that the RBA may, without seeking the Client's further consent or approval, collect any outstanding fee amounts either against the inflow into the Cash account - Brokerage, Cash account – Custody, or against the balance standing to the credit of any other Client's account held with the RBA by applying the appropriate buy/sell rate of exchange quoted by the RBA (depending on the amount and original currency) valid on the value date if the account is debited in the currency other than the currency of the fee.

The income collection fee charged in a currency other than the currency of income, in the event that it is charged immediately from the realized income, is calculated by applying the middle exchange rate of the RBA valid on the day of collection. Other fees charged from the account in a currency other than receivables from fees are charged to the account using the RBA's purchase / sale exchange rate on the day of charge.

23. The Client shall settle any and all fees and expenses not charged by the RBA 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 RBA 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 Client - legal entity, unsettled until the 25<sup>th</sup> of the month conclusively, the RBA shall deliver a Dunning Letter and charge the respective Dunning Letter costs.

### Brokerage Fees

24. The brokerage fee is given in the gross amount, or including the expenses of the Stock Exchange and the CDCC for domestic Financial instruments deposited in the local Central Depository. , For all other Financial instruments Fees ,apart from Stock Exchange costs, additionally include the broker costs to whom the Order is forwarded to be executed and the custody transaction expenses if the Client settles the

transaction to the Custody account with the RBA. The amount of fees is stated in the documentation handed in to the Client before contracting a transaction. Apart from the said costs, there is the possibility that the Client suffers also other costs in connection to specifics of a particular market, which are not anticipated within the RBA Fees. on the markets of which the Client has invested. RBA shall calculate and deliver such specific costs to the Client separately. For example: taxes or duties in the name of ownership depending on the legislation of the country in the markets of which the Client invests or when trading Shares in a fund, an additional cost can pertain to the fee to the Management Company, etc.

25. The RBA shall charge the fee in the following manner:

- for a Sell Order the RBA will reduce the amount paid to the Client for the fee amount;
- for a Buy Order the Client shall increase the deposit for purchase of Financial Instruments for the fee amount.

26. If a Client who contracted with the RBA the manner of operating as described in article 79 of these General Terms should fail to execute payment of Cash assets, or delivery of Financial Instruments, the RBA 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 Client's failure to execute the delivery/payment.

### **Custody Fee**

27. The custody fee is a constituent part of the Agreement. If not agreed otherwise, the RBA shall calculate and charge the following fees:

- safekeeping fee (custodial fee),
- transaction services fee,
- income collection fee,
- extraordinary reports fee,
- general assembly representation fee (corporate actions),
- Dunning Letter cost,
- other fees and costs arising from executing the custody service for Financial Instruments.

28. The RBA shall calculate and charge the custody fee based on average 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 Client's Custody account and the value of Financial Instruments in the Client's Custody account, applying following rules:

- for debt Financial instruments traded in the Republic of Croatia the average trading prices weighted by traded volume shall be applied;
- for Financial instruments traded abroad as well as for equity instruments traded in the Republic of Croatia the last trading price from appropriate source (ZSE, Bloomberg) will be applied;
- for short-term debt Financial instruments of issuers from the Republic of Croatia, and for other debt Financial 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 of the same type;
- if the last price is not available at all (for example, a Financial instrument has never been traded on a stock exchange), the nominal value is used for valuation;
- the daily value of Financial instruments and cash in a foreign currency and pegged to a foreign currency will be calculated by applying the CNB middle exchange rate.

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

29. Fees are charged on a monthly basis, unless otherwise defined under the Agreement.

30. Any changes related to the Fees, the RBA shall communicate to the Client by making the Fees available on its website [www.rba.hr](http://www.rba.hr) fifteen (15) days prior to their effective date. The exception is the change of Fees which may result due to Client's change of segment when it comes to private individuals, in which case the change becomes effective on the first day of the following month, and upon which the Client will receive notification on the occurrence event to the contracted communication channel.
31. If the Client requests delivery of the total Assets held in the Custody account, the RBA shall calculate and charge the Fees based on early settlement principle from the Assets in the Custody account or in other Client's accounts within the RBA. If the Client has no assets in the accounts, the RBA shall have the right to request an earlier payment for settlement of Fees before total Assets are delivered from the Custody account. The client will receive the invoice in the regular cycle, and in case of overpaid balance, one will be returned to the Cash Account.
32. If the Client defaults on payment of the charged custodial fees and expenses, the RBA shall warn the Client of the outstanding debt through the agreed communication channel. The warning shall be sent to the last known contact address of the Client and in the case of sending by post, it will be delivered as registered mail with return receipt. Upon expiry of 7-day period from the day of sending the Final warning letter, the RBA 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 RBA shall sell the Financial Instruments at the price achievable at the moment of sale, through the RBA's broker or another broker appointed by the RBA.

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

## **VII. COMPLAINTS**

33. Any and all complaints regarding the performance of the brokerage and custody services by the RBA shall be submitted by the Client to the RBA in writing to the address specified in section V. Communication and Reporting.
34. The Client 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 the previous article herein. Otherwise, the Client shall be deemed to have accepted any and all terms of the contracted transaction as these terms are stated in the invoice calculation.
35. Any and all complaints in respect of the custody service shall be made, in keeping with article 33, by the Client to the RBA in writing within seven (7) 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 RBA receives the Client's complaint in respect of the delivered service within the specified time, the Client shall be deemed not to have any complaints regarding the service, report or invoice.
36. The RBA shall reply in writing to the received complaint within seven (7) Business days from receiving the complaint.

## **VIII. DATA CONFIDENTIALITY**

37. The RBA shall keep confidential all data and value judgments which it learns in the course of the business cooperation with the Client. Data which are considered a banking secret shall be communicated to third persons only if expressly approved by the Client, and without the Client'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.

38. Adhering to the exercising of individual shareholder rights included under the SRDII Directive, as well as the Companies Act, after receiving the issuer's request for shareholder identity information, RBA shall forward such information in the manner as requested without any further consent of the Client. In keeping with the RBA's business practice, such request can be received also from third parties, and in the name and for the purpose of the issuer. To every such received request which references the exercising of individual shareholder rights, RBA will act in good faith and notify the Client of that.
39. If the Client is not compliant with the disclosure of its personal data, in order to receive a more favourable tax treatment, the Client 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 RBA is entitled to charge any actual cost, loss or damage incurred by the RBA in accordance with the provisions of the Agreement and General Terms.
40. The RBA collects and processes the Client's personal information in keeping with the effective regulations that define personal data protection. Information on the rights and obligations of the RBA, referring to personal data collection and processing, the purposes and legal basis for processing, and information on the rights and obligations of the Client 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 RBA as the processing party is obligated to provide to the Client, are contained in the Rules of Personal Data Treatment of Raiffeisenbank Austria d.d. (hereinafter: Rules), which are available on the RBA's official internet site [www.rba.hr](http://www.rba.hr) and at the RBA's Branches.

In keeping with the RBA's legal obligations referring to risk management, the RBA will forward the information to the international Raiffeisen Group members for the purpose of forming a joint Client database.

The RBA 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.

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

41. RBA 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.
42. The RBA shall execute the tasks that are the subject matter of the Agreement and of the individual Orders/Instructions, in its name, and for the Client's account. When fulfilling the obligations undertaken by accepting the Orders/Instructions, in any and all its actions the RBA shall address the Client's interests and act with due professional care and diligence and take adequate measures for prevention of unauthorised use of Financial Instruments of the Client through implemented systems, operating procedures and controls.
43. The RBA can entrust to the Custodian with executing deals taken over by accepting the Client's Instruction. When selecting a Custodian, the RBA will apply due professional care, and take into account the expertise and the market reputation of such Custodian, the statutory terms and conditions and market practices that refer to depositing of Financial Instruments and can affect the Client's rights, and at least once a year it will review the choice of such Custodian.
44. When fulfilling its obligations, RBA shall be responsible:
  - a) For any error of its employees. If, in such a situation, the Client 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, RBA's scope of bearing the damages will be determined;
  - b) for performance of only such duties as set out in the Agreement or contained in the Instructions /Orders given in accordance with the Agreement and General Terms. In performing these duties RBA shall act in

- a good faith and in the Client's best interest, with due professional care, adhering to the provisions of the Capital Market Act and the regulations arising therefrom;
- c) in its records RBA will mark the Custody Account in a manner clearly showing that the Financial instruments and Cash assets are not the property of RBA 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 Clients' default with regard to the liabilities as under the Agreement and General Terms (ius retentionis);
  - d) to the Client for the selecting of and actions of the Custodian in the case of **gross negligence** or misconduct of the nominated Custodian, in the case of non-adhering to the provisions of the agreement between RBA and the Custodian which had an adverse effect on the Client, and in the case of using the Client's Assets without the Client's Instruction, except in the cases as defined under the Agreement and General Terms;
  - e) if the Custodian exercises the right of set-off and/or pledge on the Client's Financial instruments and Cash assets deposited in the account which RBA opened for the account of the Client under the terms and conditions as in article 118.d. as the consequence of omission of RBA to execute its obligation towards the Custodian pursuant their mutual agreement. RBA shall be liable for compensating the Client for the loss save in the case when RBA is unable to execute its obligation towards the Custodian because the Client failed to execute their obligation in connection to the Agreement and General Terms towards RBA.
45. RBA shall not be responsible:
- a) for security, confidentiality, any misuse or errors in transmission of the data electronically unless it is proven that it acted with gross negligence and wilful misconduct;
  - b) for any damage or loss arising from theft of the Client's identity when sending an electronic or written message;
  - c) for any damage or consequence in the case when the Client failed to notify RBA without delay of change in their personal or contact information, the contact information of the Authorised agent/s and changes in other data that may impact execution of RBA's obligations as under the Agreement and General Terms;
  - d) nor warrant that the other counterparty, with whom the buy or the sell transaction for the Financial Instruments was made, will fulfill its obligation;
  - e) nor warrant that a received Order and/or Instruction will be actually executed;
  - f) for the damage arising for the Client due to the actions and/or omissions of the Custodian, and which are beyond the control of RBA, which can cause bankruptcy, insolvency or defaulting on any obligation on the part of the Custodian;
  - g) for the appointment of third parties to which the Custodian can delegate safekeeping activities or other related activities in respect of the Agreement. RBA shall, therefore, not be responsible for the insolvency of the third party to which the Custodian delegated the mentioned activities. In the case of losing the Financial instruments deposited for custody, RBA shall be liable in accordance with the provisions of the regulations that define the protection of Client's Assets.. Without any delay RBA will notify the HANFA 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 Client in full, partly or not at all, and of the Client's amounts or Assets value affected in the respective case;
  - h) if it, despite applying due diligence to deposit the Client's Assets with the Custodian in the manner as stipulated by the Agreement, fails to achieve the mentioned degree of protection due to the legal conditions and market practice.
46. The RBA and the Custodian shall be exempt from the responsibility for not being able to provide custody services as under the Agreement and General Terms 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:
- a) failure to deliver in due time the Instruction/Order/other direction by the Client, or the Client providing incomplete or irregular Instruction/ Order/other direction, which may result in a delay or inability to fulfil the RBA's obligations as defined under the Agreement and General Terms;
  - b) non-functioning or malfunctioning of the CDCC, National Clearing System, Croatian Large Value Payments System, SWIFT, telecommunications, etc.;
  - c) negligence, deliberate poor management, omission, inability to make payments, or bankruptcy of any CDCC or financial institution which manage the central system of Financial Instrument transactions, which are beyond the control of the RBA and the Custodian;

- d) 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 RBA and the Custodian.
47. RBA and the Custodian shall:
- a) not guarantee and shall not undertake any liability for execution of Instructions if circumstances arise that are outside the control of RBA and the Custodian, such as but not exclusively, halting of settlement, suspending of trading, annulment of transaction, default by the other counterparty and the like;
  - b) not be liable for the rights and obligations arising from ownership of Financial instruments;
  - c) not deliver, nor will they be responsible for the delivery of, notifications to the issuer and the competent supervisory body on the acquisition and release of Financial instruments for the account of the Client above and below the statutory thresholds;
  - d) not provide to the Client any legal advice or services, or tax advice;
  - e) not provide to the Client any investment advice;
  - f) not be liable to the Client for any information or statement given;
  - g) not be liable to the Client for any consequences of the Client's investments;
  - h) not, without prior explicit written consent of the Client, use the Client's Financial instruments, deposited in the Custody Account, for their own account or for the account of other Clients, or contract transaction agreements on financing securities for the Client's Financial instruments (e.g. Repo, securities lending, etc.).
48. If the RBA is indemnified for the whole or part of the damage caused to the Client by the Custodian and/or Custodian's third party, the RBA shall transfer such indemnified amount to the Client. If for whatsoever reason RBA cannot reimburse the damage caused to the Client by the Custodian and/or Custodian's third party, the provisions of the national legislation and/or market practice of the third country governing the Custodian, third party or the Financial instrument which is the subject of such dispute shall apply.
49. In the case and to the extent permissible by the third country's law or regulation and upon the Client's request, the Client shall be subrogated to the rights of the RBA with respect to any claim for any loss, damage or claim suffered by the Client or by Client's Client from a Custodian and to pursue any such claim against such a Custodian. Notwithstanding of any other provision of the Agreement and General Terms, in no event is the RBA obliged to bring suit in its own name or to allow suit to be brought in its name against the Custodian or the third party.

## **X. TERMINATION OF AGREEMENT**

50. The Agreement shall be terminated:
- a) by mutual agreement,
  - b) unilaterally by the Client,
  - c) unilaterally by the RBA,
  - d) pursuant to the decision of the court, competent regulatory authority, legal and other regulations.
51. Both the Client and the RBA 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 Client's address as stated in the Agreement, or to the RBA's address stated in the section Communication and Reporting.
52. The RBA may terminate the Agreement unilaterally, without a notice period in following cases:
- a) if the Client does not comply with applicable regulations and provisions of the Agreement and General Terms,
  - b) if the Client is inactive in the brokerage and/or custody business for a period longer than a year,
  - c) if the Client 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 Client 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 Client's control, the fulfilling of the obligations from the Agreement and General Terms should become illegal, inapplicable or should disable the Client or the RBA to fulfil the obligations as under the Agreement,
  - f) if further Contractual relationship would be harmful to the RBA, and especially in the case of the RBA suspecting the Client's manipulation of the market as the term is defined under the CMA,
  - g) if the RBA suspects the Client's actions are contrary to the forceful regulations of the Republic of Croatia or the morality of the society, or if the Client damages the RBA's reputation by their business activities.
53. The Agreement termination shall have no impact on the mutual rights and obligations of the Client and the RBA arising from their business dealings prior to the expiry of the notice period.
54. In case of termination of the Agreement, the RBA shall declare any amounts owed to the RBA under the Agreement prematurely due and payable and charge them by debiting the Cash account – Custody, Cash account - Brokerage or any other Client's account held with the RBA.
55. The RBA shall not fulfil the Client's request to terminate the Agreement until any and all amounts payable by the Client under the contractual relationship are settled in whole.
56. In the course of Agreement termination, the Client shall have a duty to place Instructions/Orders for delivery of Financial Instruments, however, the RBA 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 RBA shall not be liable for any damage caused by non-delivery of the Financial Instruments, or non-payment of Cash assets.
57. The Client shall notify the RBA of a new Custodian or of another method of handing the Financial Instruments and Cash assets back to the Client no later than fifteen (15) Business days after the termination of the Agreement. Upon expiry of deadline the RBA shall make the respective Financial Instruments and Cash assets available to the Client in an account held with CDCC, or in a Client's Cash account. If none of the previously described methods of return of the respective Financial Instruments and Cash assets is possible, the RBA shall continue to keep them in the Custody account without having any responsibility in respect of these Financial Instruments and Cash assets.
58. Upon the termination of this Agreement, the RBA shall take any and all further actions as may be necessary to terminate the arrangements made under the Agreement between the Client and the RBA.
59. In case of death of the Client who is a private individual, the RBA shall, upon receipt of notice of the death, immediately suspend operations on the Custody and/or Brokerage account and upon receipt of the final decision on inheritance, it shall transfer any remaining balance of the Assets to any account designated by the heirs and close the respective Custody account. If there is any balance to the debit of the Custody/Brokerage account, the heirs referred to in the valid decision on inheritance shall be required to settle such amount in accordance with compulsory inheritance regulations.



## CHAPTER B. BROKERAGE SERVICES

### XI. BROKERAGE DEALS

60. In keeping with the legal regulations, when executing brokerage deals the RBA performs the following services:
- a) receives and transfers Orders for buying or selling one or more Financial Instruments;
  - b) accepts and executes the Client's Orders in keeping with the provisions of the respective Agreement and General Terms;
  - c) without any delay notifies the Client 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.
61. The Client undertakes to register with the RBA 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.
62. Should the Client act contrary to the provisions stipulated in the previous article, the Client shall be accountable to the RBA for the resulting damage, where the Client shall be deemed as not complying with the agreed provisions, based on which grounds the RBA shall unilaterally terminate the Agreement in keeping with provisions of these General Terms.
63. The RBA shall ask the Client to provide data on the Client'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 Client. If the Client fails to provide all requested data, the RBA shall not be able to carry out a suitability assessment, which the Client is aware of and agrees to.
64. If, during the suitability assessment, the RBA should find that the requested Financial Instrument is not suitable for the Client, the RBA shall inform the Client in an appropriate manner, but if the Client still insists on placing an Order concerning the said Financial Instrument, the RBA will accept and execute the said Order, and the Client shall bear all risks in connection with it. In that case, the Client explicitly waives the right to compensation of damage or any other losses resulting from such an Order.
65. By signing the Agreement, the Client 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.
66. To the effect of avoiding the activities described in article 62, the Client 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 Client 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 Client's activities are not deemed as "Frequent Trading", "Market Timing" or "Late Trading".
67. To the effect of avoiding the activities described in article 62, 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 RBA and/or Client, the Client accepts and agrees that:
- a) the RBA shall have the right to report to the issuer of the Units in the joint investment subjects the Client's holdings with respect to the individual joint investment subject;

- b) the RBA 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 Client's Orders with respect to the units in the joint investment subjects of the respective issuer;
- c) the RBA is and shall be released from any and all obligation to keep and/or maintain banking secrecy and/or data protection provisions;
- d) the RBA shall have the right, at its discretion, to accept or reject the Client's Orders or instructions, without any obligation to explain the possible rejection.

The Client acknowledges that from the issuer of the Units in the joint investment subjects, its management company, administrator, custodian or distribution company the RBA can receive additional bonus in connection to the services it extends to the Client - 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 Client. The amount of the current commission (compensation fee) depends on the product type and the issuer or intermediary itself. The RBA shall have the right to retain any thus received Trailer fee as the RBA's income, and the records of bonuses paid per Client shall be kept in the Shareholder Registry.

## **XII. PLACING ORDERS**

68. The Order shall be valid if placed:

- a) in person by visiting the RBA broker's offices,
- b) by exchanging communications electronically via [brokeri@rba.hr](mailto:brokeri@rba.hr), or
- c) by telephone on the numbers + 385 1 4695 072 / 074 / 082 / 064 ili 066.

69. in the RBA's Branches the Request can be placed to:

- a) open an Order for purchase or sale of Financial Instruments, based on which the Order is entered in the Order book subject to fulfilment of all the conditions required;
- b) buy (issuance) or sell (buy-back) Fund Shares

70. The Client shall be sending e-mail messages to place, change or revoke the Orders only and exclusively from the e-mail address registered in the RBA's internal records (JCD). Each message transmitted from the mentioned e-mail address for the purpose of placing, changing or revoking the Order, with the application of due care on the part of the RBA's authorized person, shall be deemed as an unambiguous identification of the Client, and the Client shall take full responsibility for any damage or loss incurred if the RBA acts on the Order given, changed or revoked electronically. The Client is aware of the fact that the RBA uses protection and verification systems for all messages and as a consequence a message may be rejected or delivered with delay.

71. The RBA will assign a PIN to the Client with which the Client will identify himself each time the Order is given, changed or revoked by telephone. If the Client forgets or suspects loss or misuse of PIN, he must inform the RBA and the RBA will assign a new PIN. Each phone call made to give, change or revoke the Order in which the RBA has identified the Client via PIN shall be deemed as an unambiguous identification of the Client, and the Client shall take full responsibility for any damage or loss if the RBA acts on the Order given, changed or revoked by telephone, provided the RBA has identified the Client via PIN

72. The RBA shall record each Order placed and each change or cancellation made in the Order Book pursuant to the provision of section XII to XV of the General Terms, and only after being entered in the Order Book shall the RBA be deemed as having accepted the Order, and/or its change or cancellation. The RBA shall transmit the confirmation of the acceptance, change or cancellation of the Order to the Client electronically. In case the RBA does not confirm the acceptance, change or cancellation of the Order no later than the next business day after the day on which the Client sent the message, the Order, and/or its change or cancellation, shall be deemed as not having been accepted. The RBA shall not be held accountable for any damage and/or loss that the Client may suffer as a consequence of the RBA not having accepted the Order and/or its change or cancellation, the notice of which was transmitted electronically.

73. The RBA has the discretion to refuse the possibility to place an order electronically and/or by telephone.
74. The RBA shall accept the Order as limit order with time limitation on the appropriate market.
75. 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 Client, above (below) the price limit, market and after the expiration of the validity period set by the Client.
76. Only the Order containing the below listed details, which are considered as essential elements of the Order, shall be valid:
- Client's personal information, allowing the RBA to identify the Client (these data must be identical to data specified in the Agreement),
  - type of Order transaction (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 RBA is requested to fulfil 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: Order is valid during the current market day.
    - with time limit: Order is valid until a specific date.
- The Order is valid until the date specified in the Order itself, but not more than 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 of the day specified as the term of the Order. The RBA shall not inform the Client of the Order expiry.
- The Order for shares or other transferable Financial Instruments placed on markets that the RBA is not a direct member of (except for derivatives) will be accepted mostly as valid for a day.
- the Client's signature on the Order book statement for the Orders placed in person, or another confirmation by the Client for the Orders placed by other means.
77. If the Client does not determine any addition to the Order, the RBA shall execute the Order as a limit order, with the price, Financial Instrument designation, quantity and time limitation on the appropriate market.
78. Requests to open an Order, made outside of the RBA's usual business hours, i.e. on Saturdays, Sundays or holidays cannot be handled before the following Business day of the RBA and of the appropriate place of trading. They will be handled in the order of their reception.
79. The Order shall take effect after:
- the Client has clearly and undoubtedly communicated to the RBA the above listed terms of the Order
  - the RBA has received undisputable notification to the effect that the Client:
    - 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 RBA 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 RBA has accepted the Order and entered it in the Order book.
80. 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.

81. The Financial Instruments shall be deemed as having been made available to the RBA as and when:
- a) they have been registered with the RBA in the CDCC Register, or have been placed on Custody account with Custodian, or
  - b) the RBA has received confirmation from the custodian that the Client possesses the Financial Instruments that are the subject of the Order, and the Client has authorized the RBA to manage the Financial Instruments in the respective Custody account and the RBA 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.
82. If the Client authorizes the RBA to carry out Financial Instruments registration on its own or to take certain actions required for the Financial Instruments registration with the RBA (by providing it with a PIN, passwords, or other secret data), the Client shall be deemed to be familiar with the risks in connection with the provision of such data, and the RBA 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.
83. The RBA 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 RBA 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.
84. The Client 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.
85. If the Client submits to the RBA an Order which is unclear, contradictory or indefinite, the RBA shall notify the Client and request submission of additional data or explanation, and the RBA shall not accept the Order, nor shall the RBA take any actions with respect to such Order, whereby the RBA shall not be accountable to the Client for any damage that may result as a consequence.

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

86. Placing an Order with RBA and its receipt by RBA shall not be deemed as Order acceptance and no obligation of Order execution shall arise from this for RBA. The RBA shall be considered as having accepted the Order only when the Order is entered in the Order Book. RBA will notify the Client that an Order was accepted and entered in the Order Book in the same way as such Order was submitted to RBA.
87. The Request (Order) to buy (issuance) or sell (buy-back) Fund Shares is forwarded by the RBA, pursuant to the service level agreement, to be executed by the Management company. The Management company will execute the Request to issue or buy-back Fund Shares in keeping with the provisions of the Prospectus and the Rules of the Fund in the segment «Procedures and Terms of Issuance and Buy-back of Fund Shares». 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 Client 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 Client 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 Client can dispose of all or a part of their Fund Shares and request payment of these shares from the fund assets provided it is authorised to dispose of them freely. The Management company is obligated to buy back the Client's Fund Shares in keeping with the provisions of the law and Prospectus. In the case of buy-back of the Client's Fund Shares, the Client 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 as in keeping with the Prospectus and Cut-off Time Rules for an individual fund.

88. The RBA may reject to accept the submitted Order without giving reasons or explanations for that, and it shall inform the Client without delay of the non-acceptance of the Order.
89. In particular, but without limitation, the RBA shall not accept an Order for which it determines:
- a) that it does not contain key elements set forth in section XII Placing orders hereof, or
  - b) that the RBA may not execute it due to major differences from market conditions, or
  - c) that the Client 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 fulfilment of the Order would result in a damage for the RBA, 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 RBA is not responsible if the Management company rejects to contract the agreement, and thus also the Request (Order) for issuance or buy-back Fund Shares in keeping with the terms and conditions prescribed under the Prospectus.

90. 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 RBA, perform accounting services or maintain the IT system of the RBA 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 RBA or on behalf of the RBA, provided these individuals have been advised of their obligation to protect secrecy of data contained in the Order book.
91. When requested by the Client, the RBA shall make available a printout of the Order from the Order book to the Client without delay.

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

92. 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 RBA in the manner stipulated for placing Orders.

The Client may modify the Order only if the RBA, 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 RBA.

The Client 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.

93. The RBA may reject to accept the submitted Order modification without giving reasons or explanations for it and it shall inform the Client without delay of the non-acceptance of the Order modification.
94. In particular, but without limitation, the RBA shall not accept an Order modification for which it determines:
- a) that it does not contain key elements set forth in section XII Placing orders hereof, or
  - b) that the RBA may not execute it due to major differences from market conditions, or
  - c) that the Client 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 fulfilment of the Order would result in a damage for the RBA, 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.
95. Any and all modifications of the Order shall be recorded in the Order book and shall be considered as being accepted by the RBA only after being recorded in the Order book.

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

96. At any time, the Client 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.
97. The RBA 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 Client to settle any liabilities due to the RBA,
  - c) resolution made by the CFSSA or other regulatory body,
  - d) any justified reason for which the RBA may refuse to accept the Order.

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

The RBA will direct the Client 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.

98. Unless being instructed otherwise by the Client, in case of Order revocation and cancellation, the RBA shall refund the deposit amount intended for the purchase, after deducting the applicable costs.
99. In case of Order revocation, the RBA shall, at the Client's request, cancel the registration of the Financial Instruments.
100. The RBA shall promptly inform the Client of the Order cancellation in an appropriate manner (including telephone communication).
101. 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**

102. The RBA prescribed the manner of Order execution in its general act Execution policy of the Client's orders.
103. When executing the Order the RBA 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.

104. The RBA 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 Client, having evaluated all the circumstances, and in cases when it is not possible to seek the Client's consent due to limited time or other reasons.
105. The RBA 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 RBA shall be responsible exclusively for the selection of such party and for the instruction given to such third party.

## **XVII. ORDER PRIORITY**

106. When executing its undertakings under the Order, the RBA 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 RBA 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.

107. 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 RBA 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 RBA shall use in order to fulfil the Order in the way most favourable for the Client.
108. The RBA's orders of its own and the orders of the RBA'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 RBA AND SETTLEMENT**

109. RBA 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 RBA shall at the Client's request cancel the registration of the Financial Instruments or register them in accordance with the Client's instructions.
110. The Financial Instruments acquired by the RBA in a buy transaction shall be delivered to the account of the Client or of its custodian or of the depository RBA in CDCC or in the depository, in keeping with the Client's instruction, and the RBA shall not execute any actions in connection with the custody of the Financial Instruments held by the RBA. The Financial Instruments purchased shall be registered with the RBA in the CDCC unless the Client has given a different instruction.
111. If the Client holds an open Custody account with the RBA, the RBA shall settle the Financial Instruments of foreign issuers in favour of or by debiting the Client's Custody account always, and other Financial Instruments in accordance with the Client's instruction contained in the Order. In the case of settling Financial Instruments in favour of or by debiting the Client's Custody account, the valid instruction for the RBA will be the Trading receipt, and on the basis of the executed Client's Order. By signing this Agreement, the Client gives its explicit general instruction to the RBA to act upon every Trading receipt which the RBA delivers to the Client.
112. 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 Client's Cash account - Brokerage by the RBA in keeping with the Client's instruction. Unless agreed otherwise the RBA shall deposit the moneys to the Client'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.

113. The RBA shall compute no interest on the funds kept in the Cash account - Brokerage as security for the received buy Orders.
114. The RBA may demand from the Client additional funds required for the settlement of the purchased Financial Instruments in an event that, without any fault on the RBA'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.
115. The RBA shall transfer to the Client any other rights and claims that it acquired against third parties when executing the Order.

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

116. If the RBA gives the Client access to the Stock Exchange trading data, the use of these data shall be intended only for the Client'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 RBA 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

117. Pursuant to legal regulations, in conducting its custodial business for Financial Instruments the RBA performs the following services:
- a) safekeeping and custody of Financial Instruments;
  - b) reporting on dividend payment, interest payment or other income arising from Financial Instruments kept on the Client's Custody Account;
  - 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 RBA has been promptly informed by issuers of such Financial Instruments or by the Custodian, or such information has been published in the Official Gazette of the Republic of Croatia, and execution of the Client'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 fulfilment of obligations in respect of the Financial Instruments, as agreed between the Client and the RBA, which do not contravene the law.

118. When nominating the Custodian with whom the Financial instruments and Cash assets are safekept, RBA shall:

- a) apply an appropriate level of expertise and due professional care in selecting and, and at least once a year, monitoring the Custodian as well as agreements made for this purpose and the risks arising from any such nomination;
- b) make a contractual relationship exclusively with a Custodian licensed to provide such services by an appropriate competent authority, or with a Custodian subject to specific regulations and supervision;
- c) take into account expertise, service quality and reputation of the Custodian, as well as all legal requirements and market practices related to the custody of the Financial instruments;
- d) act as a trustee, and contract, always when possible with respect to the applicable national legislation and the best market practice of a third country, that the Financial instruments and Cash assets of the Client which RBA deposits with the Custodian can be identified separately from the Financial instruments and Cash assets of the respective Custodians and their Clients in a way that the Financial instruments and Cash assets shall be combined in the Custodian's records, yet in separate accounts segregated from the accounts of the respective Custodians and their other Clients and that the said accounts shall not be included in the liquidation or bankruptcy estate of the Custodian, as well as that the Custodian will not use the right of set-off and/or pledge on the Financial instruments with respect to claims of any person save upto the amount of the Financial instruments management, administration and depositing, and/or the amount of Clients' 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;
- e) agree the manner and conditions for providing the services pertaining to custody, and the extent of the Custodian's responsibility in the event of inability to fulfill the agreed obligations.

119. Data on Custodians and the numbers of Custody accounts opened on behalf of the Client in local depositories is specified in the "Markets list" and are available in the Custody and Depository business premisses.

120. If a Client requests so, the RBA will report to its on the terms and conditions of the agreement that the RBA had signed with the Custodian which safekeeps the respective Client's Financial Instruments.

121. If the Custodian agrees the right of lien, encumbrance and/or set-off in respect of the Financial Instruments as under paragraph 118.d herein, this shall be registered also in the Client's Custody account.

122. For the previous Business Day, the RBA shall reconcile the internal records against the Cash Account – Custody daily. For the Financial Instruments accounts the RBA shall reconcile the internal records against

the records of the Custodian on a regular basis, minimal in the event of any change, but at least once a month.

123. The RBA shall be authorized to perform any action in respect of the Client's Financial Instruments as it deems to be necessary and beneficial for the Client.

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

124. The RBA shall open on its books the Custody account for the Client and duly manage the Assets in the account for the Client in such a way that it allows it at any time without delay, to distinguish the Client's Assets from the Assets of other Clients and the assets of the RBA. The Assets in the Custody account can be the property of the Client or the Client's Client. The Assets held in the Custody account shall not be part of the assets of the RBA or part of the liquidation value or bankruptcy estate and shall not be applied for the enforcement in respect of the claims against the RBA.

125. The Financial Instruments which are registered in the CDCC, shall be kept with the RBA on the aggregate Custody account in the CDCC. In exceptional cases, if the Client 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, for such Client the RBA shall open a Custody account - named or a Custody account – protected in the CDCC.

126. In keeping with article 118.d., the RBA shall keep foreign Financial Instruments on aggregated Custody accounts held with a 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.  
If such Financial Instruments can not be placed in the safekeeping on behalf of the Client due to the provisions of the national legislation of the third country or recognized market practices or such registration method is not in the Client's best interest, the Financial Instruments shall be kept in the Custodian's records in the name and for account of the RBA. The RBA shall notify the Client of such safekeeping practice.

127. Custody accounts on which the Financial Instruments and Cash assets are held safekeeping, and which are maintained with the Custodian, are governed by applicable national laws of the third country. In this respect the Client'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 Client, hiring a local tax advisor, etc. Therefore, the Client shall notify the RBA 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 Client 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.

128. RBA and/or Custodian can deposit the Financial Instruments they hold for the Client 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:  
a) 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,

- b) when the Financial Instruments are held for the account of a professional investor, and they request in writing that the RBA 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.
129. 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.
130. The RBA 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 Client of the organization unit Private Banking.
131. Cash assets shall be held in safekeeping in the Cash account – Custody, which will be opened in the name of the RBA or of the Custodian, and for the account of the Client. The RBA will not deposit Cash assets in the accounts specified for settlement of Financial Instruments with Custodian but will place such assets exclusively for the purpose of settlement of the Client's open transactions.
132. 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.

## **XXII. AUTHORIZED AGENTS**

133. The Client - legal entity shall appoint their Authorized Agents, and the Client - private individual can act individually or appoint an Authorized Agent who shall act in their name and on their account before the RBA. The Client appoints the Authorized Agents within the scope of the Agreement and valid until revoked. Any and all potential changes to the Authorized Agents shall be stated on the RBA's form, stating also the date on which authorization given to an Authorized Agent shall become effective, as well as the signing procedure. New form can be delivered in the original or as scanned copy sent from the electronic address as registered in the Agreement.
134. The Client shall define the date on which each requested change should be performed in the RBA. If the Client 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 RBA received a written request for change of authorization.
135. The Authorized Agents shall gain equal rights and obligations under the Agreement and General Terms as the Client and explicitly confirm their respective agreement to this by signing the Agreement documentation.

## **XXIII. INSTRUCTIONS**

136. The RBA shall receive Instructions regarding management of Assets and of rights related to the Assets from the Client and/or Authorized Agent and act only in accordance with valid Instructions.
137. A valid Instruction is any Instruction that is:
- a) given on the RBA'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 RBA 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;
- c) delivered in accordance with "Time Schedule for Custody Instruction Delivery",
- d) if delivered by post, signed by the Client or the Authorized Agent whom the Client 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 Client/the Authorized Agent shall have ensured a balance in the Custody account required for the RBA to be able to execute the respective Instruction.

The Instruction submitted to the RBA via RBA DIREKT service shall be given in keeping with the agreement on use of a specific RBA DIREKT service. The Client is responsible for proper use of RBA DIREKT service.

138. The Clients who trade in the Financial Instrument through the RBA, do not place the Instruction to the RBA additionally, but the Trade report of the RBA's broker/trade Confirmation of the RBA's treasury, which contains a settlement instruction, and based on the Client's order shall be considered a valid Instruction.

## **XXIV. EXECUTING INSTRUCTIONS**

139. Any instruction received by the RBA prior to its processing shall undergo a 4 eyes principle control. Upon receipt of an Instruction for which the RBA has reasons to believe to be valid, the RBA shall, without any verification, execute such Instruction. If the RBA should detect one or more irregularities, the RBA shall notify thereof the Client in writing and shall not execute such Instruction until further notice from the Client, received by the same means of communication as was the Instruction. The RBA 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.

140. If the Client requests a cancellation or modification of a valid Instruction by giving to the RBA an Instruction for cancellation/modification in a manner in which the valid Instruction should be delivered, the RBA shall, if it is possible, act in accordance with the Instruction for cancellation/modification, applying the principles of good faith and due diligence.

The Client can cancel the issued Instruction only if the RBA has not commenced the execution of such Instruction, or if the RBA is able to stop the execution of such Instruction without causing any damage. The cancellation/modification of the Instruction shall be made in the same manner in which the Instruction was given.

141. The RBA 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 Client 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 and General Terms;
  - 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 RBA 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 RBA; or
  - k) if the Client 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.
142. The RBA 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 Client or Authorized Agent by the regulator;
  - b) if the Client defaults on its obligations under the Agreement and General Terms;
  - c) if the RBA assesses the Client influences the RBA's reputation negatively.
143. The RBA will actively monitor the settlement status of all transactions sent to the market and will notify the client in the event of difficulty in settlement. If possible, the RBA will contact the other party to settle the transaction. For payment transactions, the RBA will not deliver (Financial Instruments or Cash) until safe settlement is fulfilled. The RBA 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.
144. In case that under the same Instruction the RBA should both deliver and receive Cash assets and/or Financial Instruments, the RBA shall not take responsibility that the counterparty in such transaction will fulfil 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 Client may incur as a result.
145. If the Client forwards the Instruction to the RBA requesting payment from the Custody account and if the Client's account has available funds which are not intended to be applied for payment of any non-executed Instruction or unpaid obligation to the RBA, and if all the other preconditions have been fulfilled for the Instruction referred to in this article to be executed, the RBA 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 RBA 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.
146. If the RBA 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 RBA and the Client will be set according to this.
147. Transaction fees are calculated on the transaction date / trade date.
148. The RBA has the right to cancel the instruction if it is incorrect, incomplete or if for any reason it is not possible to execute it without the additional consent of the Client. The transaction fee for such instruction will be calculated in accordance with the agreed tariff with the Client.

## **XXV. CORPORATE ACTIONS**

149. The RBA 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 Client's rights to receive, purchase or subscribe if that is in the Client's best interest.

150. The RBA shall be authorized, without any Instruction, to perform the following actions related to Assets in the Client's Account, in accordance with the provisions of the Agreement and General Terms:
- a) collect principal, interests, dividends and other incomes on their respective maturity; and deliver notification of inflow to the Client, and transfer, after withholding the agreed fee amount, such income to the Client's account with the RBA, in keeping with legal requirements. If the RBA is not able to disburse the inflow to the Client's account with the RBA and to act in keeping with the legal requirements, the RBA shall pay and keep inflows in the Client's Cash account – Custody in keeping with legal requirements. Cash assets will be kept in the Client's Cash account – Custody until receiving a different instruction from the Client;
  - 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 Client;
  - 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 Client, and hold Cash assets in the Cash account – Custody until further Instruction received from the Client;
  - d) deliver to the Client 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 RBA has been notified in due time by the issuer of the Financial Instrument or by the Custodian, or the respective information has been published in the Official Gazette and/or in the Court Registry.
  - e) collect payments of Cash assets on Client's Cash Account - Custody.
151. The RBA shall forward the Corporate action notification in writing, and shall, in case a decision and/or response is required from the Client, specify the final date by which the Instruction and any required document should be delivered to the RBA.
152. If the Client fails to give to the RBA an Instruction related to the Corporate action in due time, the RBA 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 Custodian or the issuer. The RBA shall record all changes that occur in the Client's Custody account in respect of such Corporate action, and will not be liable for any Costs that might incur as a result of the Client's failure to respond. The RBA shall not have a duty to participate in the general meeting of a company and/or any optional Corporate action unless the RBA receives from the Client an Instruction requiring this, at the latest by the end date specified in the RBA's notification sent to the Client
153. If the Client authorizes RBA to vote at the general meeting of the company, RBA will act exclusively according to the previously received Client's instruction by which the Client expresses his will on each item on the agenda of the general meeting with <for>, <against> and <restrained>. In the event that additional items on the agenda, or additional proposals on already known items on the agenda, are presented at the general meeting, RBA will not participate in voting on them.
154. If the RBA, in accordance with the Client's Instruction, has registered for voting at the company's general meeting, but it has not received, by the end date specified in the RBA's notification of general meeting sent to the Client, the Client's Instruction in accordance with the previous paragraph, the RBA shall not be obliged to participate in the respective company's general meeting. In such case RBA ClientClientClientRBARBAClients shall refrain from exercising the voting rights and notify the Client thereof.
155. If the Client applies for participation in the general meeting after the deadline specified in the notification, the RBA shall act on a best effort principle and attempt to register the Client 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 RBA's inquiry concerning the documentation which is required to be submitted for the participation in the general meeting within reasonable deadline, Clientthe RBA 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 Client.

156. The RBA shall credit the Client's account for the total dividend amount received, and advises Client 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**

157. The RBA delegated custody service abroad pursuant to the "Markets list".
158. On each of these markets extraordinary circumstances can occur in case of which RBA acts with due professional care, pursuant to the legal provisions on the delegation of the Custodian's services to third parties, with the aim of reducing or eliminating the risks associated with the safekeeping of Client's Assets in the respective market, which could reduce value of Assets or rights from the Assets.
159. Examples of extraordinary circumstances, and also the potential risks in dealing with a Custodian, are as follows:
- a) bankruptcy of Custodian;
  - b) Custodian is not able/does not want to provide custody services anymore;
  - c) 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 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 Custodian;
  - f) if the RBA holds Financial Instruments on behalf of Clients on aggregated account and that type of the Custody account cease to exist;
  - g) third country legislation imposes requirements that the RBA/RBA's Client can not, or which not comply to;
  - h) a moratorium on the payment of the respective state, etc.
160. In case extraordinary circumstances appear, the RBA will:
1. request from the 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 Custodians;
  2. in a case where Custodian can not or chooses not to influence on deflection of extraordinary circumstances, the RBA will:
    - a) inform the Client 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 Client using the channel defined in the Agreement and/or
    - b) ask Client for whose account Financial Instruments are held with respective Custodian to deliver written consent to continue using the Custodian despite of extraordinary circumstances or
  3. explore the respective market to determine whether there is a Custodian which meets all the requirements for delegation of custody services and begin the process of selection of a new Custodian and termination of contractual relationship with the existing one, or
  4. make a decision on the withdrawal of Client's Assets from the market and inform the Client hereof.
161. Withdrawal of the Client's Assets from the market where extraordinary circumstances appeared:
- a) The RBA coordinates the manner and time of the withdrawal from the market with Client, professional investors who hold Assets on the respective market in order to avoid financial losses to the Client.
  - b) The RBA 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 Client's interests. If the retail investor, within the expiration of sixty (60) days, does not inform the RBA about new custodian, or any other means of handing over the Financial Instruments, or about transferring Financial Instruments to the Client's account in the other bank/depository, the RBA will inform the Client that it will, within the eight (8) days, start selling the respective Financial Instruments. If the Client - retail investor does not react within eight (8) days, the RBA will offer Financial Instruments for sale. The RBA will sell Financial Instruments at a price that can be reached in the moment of sale, through the RBA's broker or through another broker RBA selects. Cash assets received from the sale the RBA will transfer to the Client's Cash account defined in the Agreement as an account for payment of income from Financial Instruments. If payment to the said Client's account is not possible for any reason whatsoever, the RBA will pay the assets to the Client's Cash account – Custody.

## CHAPTER D. FINAL PROVISIONS

### XXVII. LEGAL SUCCESSION

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

### XXVIII. FINAL PROVISIONS

164. Any issue not regulated under the Agreement and General Terms shall be subject to the valid legal regulations and by-laws, and the RBA's internal acts, together with any and all amendments and supplements adopted thereto during the time of the Agreement validity.
165. In case of conflict of provisions from the Agreement and General Terms with the legal and sub-legal documents in force, the provisions from the legal or sub-legal documents shall apply.
166. If any of the provisions of the Agreement and General Terms should be established as null and void subsequently, this shall have no effect on other provisions and the validity of the Agreement in whole.
167. All disputes resulting from the Agreement and 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.