

General Terms and Conditions of Brokerage Operations

The General Terms and Conditions are issued by OTP banka d.d., Doomovinskog rata 61, Split, registered with the Split Commercial Court, with a registered office in Split. Taxpayer ID No.: 52508873833;

IBAN (International Bank Account Number): HR5324070001024070003 ; SWIFT/BIC: OTPVHR2X; website: www.otpbanka.hr;

E-mail: info@otpbanka.hr

1. SUBJECT AND CONTENTS OF THE GENERAL TERMS AND CONDITIONS

(1) The subject and contents of the General terms and Conditions of Brokerage Operations hereinafter: The General Terms and Conditions) is the regulation of mutual rights and obligations of the Bank and Clients related to the conclusion and the implementation of the Agreement on the purchase/sales of financial instruments (hereinafter: Agreement), as well as other operations related to financial instruments and monetary assets of the Client foreseen in the provisions in these General Terms and Conditions, and familiarising the client with the risks of operations related to financial instruments.

(2) General Terms and Conditions are an integral part of the Agreement, as well as of other acts of the Bank if it is expressly stated in them.

(3) Special Terms and Conditions of Brokerage Operations (Special Terms and Conditions) shall apply for particular categories of clients. If some of the terms and conditions were defined differently in the Special Terms and Conditions than in the General Terms and Conditions, then the definitions in the Special Terms and Conditions shall apply.

2. MEANING OF CERTAIN TERMS

Certain terms stated in these General Terms mean the following:

Bank - a credit institution as defined by the law governing the establishment and operations of credit institutions.

Broker - employee in a certified company authorised to carry out trades using financial instruments.

Stock exchange - Zagreb Stock Exchange or another organised public market, domestic or foreign

Pricing list - Pricing list enclosed as an Annex to determine the price and the method of calculation of the fees the Bank shall calculate for the Client based on operations which are subject to these General Terms and Conditions.

Financial instruments - are portable securities, money market instruments, units in joint investment entities, derivatives defined by the Capital Market Act.

Investor Protection Fund - Financial instrument and/or monetary assets of the Client are protected in accordance with the Capital Markets Act governing the establishment and the foundation of the Investor protection Fund in the Investor Protection System. In legal aspects, the Agency implements and oversees the Investor Protection System, and the Central Clearing and Depository Company System establishes and manages the Fund, as well as the company authorised by the Agency to

do so. The fund is activated when the agency reaches a decision on the ensured item because bankruptcy was initiated against a member of the Fund, or if the agency determines that the member of the Fund is unable to fulfil their obligations towards Clients, which includes not fulfilling their monetary obligations and/or return the financial instruments held for the client, which the member of the Fund administered or managed, and the circumstances are not likely to change significantly in the foreseeable future.

HANFA/Agency - Croatian Financial Services Supervisory Agency whose powers and scope of activities are set forth in the Croatian Financial Services Supervisory Agency Act, and the Capital Markets Act.

ISIN - (English International Securities Identification Number), a unique identification number of a security.

Statement on the intent to use investment services at one's own responsibility - document signed by the client, which confirms that they are familiar with the risks and potential consequences of trading (complex) financial instruments, and once the bank's assessment on an inappropriate investment profile (hereinafter: Statement) has been completed, or if it was not possible to carry out the assessment due to the client not wanting to submit data to the investment firm in accordance with the Capital Markets Act, or if they did not submit enough information on their knowledge and experience.

Client - any natural person or legal entity to whom the investment firm provides investment and/or ancillary services.

Order Book - business book of the Bank held in electronic form as a sum of all individual Orders, organised in the manner prescribed by and managed in accordance with the Capital Markets Act and other relevant regulations.

Corporate actions - include holding a general meeting, the calculation and the payment of dividends in cash, increase of share capital, decrease of share capital, pre-emption right distribution, distribution of shares, merger of shares, conversion of securities, new issuances of debt securities, calculation and payment of the principal for debt financial instruments, issuances of rights and warrants, takeovers of trading companies, general offers to purchase shares of the company which is not the target company or purchase of non-voting stock, a public offer of financial instruments, preliminary redemption of debt financial instruments, squeeze-out of minority shareholders, mergers and acquisitions of companies, division of companies, and other changes in status of the company, withdrawal of financial instruments, transfer of the company's assets, restructuring of the company's operations, as well as other corporate actions pertaining to the realisation of rights in financial instruments of their holders.

Order - a unilateral expression of the Client's will, directed to the Bank as specified by these Terms and Conditions, to carry out certain activities with financial instruments on its behalf, and for the client.

Carrying out orders on the Client's behalf - actions taken by investment company in order to conclude the Agreement on the purchase or sales of one or more financial instruments for Clients.

Authorised representative - natural person or legal entity authorised to issue a Order to purchase or sell transferable financial instruments and other operations related to financial instruments, based on legal regulations or the power of attorney of the Client, as foreseen in the Agreement and these General Terms and Conditions, on behalf of and for the Client.

PIN – (Personal Identification Number) is a secret six-digit number. It is assigned by the Central Clearing and Depository Company d.d. at the same time when the account holding financial instruments is opened. In addition to the financial instruments account, only one PIN was assigned,

which is valid for all financial instruments which are already managed or will be managed in the financial instruments account.

Transferable financial instruments - shares, or other securities, bonds and other sorts of securitised debt, including certificates in deposited securities, all other financial instrument entitling to the acquisition or sales of those types of transferable financial instruments, or based on which payments in cash can be made, determined on the basis of transferable financial instruments, currencies, interest rates or yield from goods, index or other measurements, money market Instruments, as well as other papers foreseen in the Capital markets Act (hereinafter; transferable financial instruments or financial instruments).

The financial instruments account - account of financial instruments registered in the Bank's books for the Client into which the Bank records all financial instruments of the Client further to the operations carried out, which were foreseen by these General Terms and Conditions, and the Agreement.

Financial Assets Account - monetary account opened in the books of the Bank in the name of the client into which the Bank pays, or out of which it withdraws funds for the purposes of purchase of financial instruments.

Business day - every day on which the banks in the Republic of Croatia are open for transactions within the operations described here, and also on the day in which the relevant market is open, and in which a certain transaction is carried out. The Bank's business hours are between 8 A.M. and 4 P.M. on all business days.

SKDD - Središnje klirinško depozitarno društvo d.d. (Central Clearing and Depository Company) Zagreb, Heinzlova ulica 62a

Questionnaire on the assessment of the suitability of an investment service - a questionnaire the Bank uses to assess whether the Client's possesses the knowledge needed to trade structured financial instruments, in accordance with the Capital markets Act, the Bank shall collect the following information on the client from the questionnaire on the suitability to rate the service to the Client:

- general information on the Client
- information on the degree and type of education
- frequency of monitoring fluctuations in financial markets
- information on the period of use and the type of investment services used by the Client
- information on the frequency of carrying out transactions and the types of financial instruments to which they are subject
- information on the investment horizon and risk tendency, and the general knowledge they have on certain financial instruments

The related representative - is a person appointed by the investment firm for the purpose of performing operations set forth in this Act, under full and unconditional responsibility, for said firm.

Password - an alphanumeric mark with a defined value, used to identify the Client and protect from unauthorised actions.

Penalty interest - interest that the Client pays should they fail to uphold the contractual relationship. Penalty interest shall be calculated as the statutory penalty interest.

MIC - identification of the market, as defined in norm ISO 10383.

Client ID (identification of a natural person) - identification of a natural person identifying them in the transaction report, it consists of two alpha-2 marks in norm ISO 3166-1 (two-letter country marks) marking a person's citizenship, after which come s a national identifier of the Client, as mentioned in Annex II, based on the citizenship in accordance with the delegated regulation of the EU Commission EU 2017/590 of 28 July 2016.

LEI (Legal Entity Identifier) - identification of a legal entity issued by authorised local operating units in the global legal entity identifier system, as defined in norm ISO 17442.

MPT (multilateral trading platform) - a multilateral system managed by an investment company or market operator, which combines the supply and demand of financial instruments for several interested third parties. Combining the supply and demand takes places according to previously defined unambiguous rules, and results in an agreement between the contracting parties.

Price movement - regime determining the minimal difference between two price levels in orders recorded in the Order Book related to financial instruments.

Reference time - coordinated business time which the bank uses to record the date and time of all events which are reported on in accordance with the coordinated universal time (UTC) distributed through the satellite system

CMA - Capital Markets Act and all of its potential subsequent amendments.

3. AUTHORISATION TO CARRY OUT OPERATIONS

(1) The Bank is registered with a competent court further to the approval of the Croatian Financial Services Supervisory Agency and the Croatian National Bank to carry out purchases and sales of financial instruments under the Client's Orders (in their name and for the **Client account**).

(2) The Bank is registered to conduct operations related to financial instruments in accordance with the provisions in the Capital Markets Act on carrying out banking services and other financial services further to the approval of competent bodies.

(3) The Bank may occasionally carry out its operations by using the services of a Related representative. A Related representative (or, as the case may be, several of them), are authorised representatives only based on a special decision by HANFA granting them the permission.

(4) The Bank is a member of the Zagreb stock exchange.

(5) The Bank is a member of the Central Clearing and Depository Company.

(6) The Bank is authorised to perform all mediation services in operations related to financial instruments, as well as in other services provided by institutions in this item, in accordance with regulations governing operations with financial instruments

(7) The Bank is also a member of other financial institutions, authorised by competent bodies whose services it uses, i.e. by whose mediation it carries out operations in its name and on the behalf of the Client.

(8) The Bank is obligated to only carry out operations which are subject to these General terms and conditions independently, in its name, and on behalf of the client.

(9) The Bank can, in its name, and on behalf of the Client, use the services of financial institutions in this item for the purpose of carrying out an Order, or only individual operations in the Order (hiring a mediator).

(10) All provisions in these General Terms and Conditions also refer to proxies when they act on behalf of and for the Client;

(11) The Bank can, in accordance with legal limits, entrust third parties with carrying out all or certain activities established in these general Terms and Conditions and.

(12) The Bank enables its Clients to purchase and sell financial instruments in domestic and foreign capital markets. The company is offering a service of trading financial instruments abroad or through mediation of authorised domestic or foreign brokers and/or agents in accordance with the current Order Execution Policy.

4. MANAGING CONFLICT OF INTERESTS

(1) The Policy on the Prevention of Conflict of Interest (hereinafter: Policy) determines the rules on the management and the prevention of conflict of interest when dealing with financial instruments of the Bank as a credit institution.

(2) The purpose of the Policy is:

- identify potential and/or existing conflicts of interest which can arise when investment and ancillary services and carrying out investment activities
- determining preventive measures and procedures in order to prevent or remove conflict of interest.
- determining conflict resolution in situations where it is not possible to implement preventive measures,
- establishing high standards of business behaviour and transparency in operations which are expected from relevant persons.
- familiarising all employees of the Bank and relevant persons with obligations in managing conflicts of interest when providing investment services, and carrying out investment activities.

(3) The Bank manages conflicts of interest, existing ones as well as potential ones, by avoiding the abuse of the situation containing conflict of interest, and the violation of its obligations towards the Clients, as well as the violation of applicable laws and regulations. For these reasons, the Bank uses different procedures and techniques to manage situations in which conflict of interest can occur to avoid or diminish risks and the potential impact of conflict of interest on Clients.

5. ISSUING ORDERS

5.1. Providing information to the Client

(1) Before the Client's Order is accepted, the Bank shall familiarise the Client with all the data and circumstances it is aware of, which are usually considered necessary to carry out operations in General Terms and Conditions, such as, for example, accurate information on the supply, demand, turnover and price variations of financial instruments, and the general depiction of the properties and risks associated with financial instruments, as well as other details which enable the Client to issue Orders to the Bank. The Bank shall use an Agreement or a special document to notify the Client on the assigned classification into small or professional investors, or qualified principals, and on the related levels of protection.

- (2) Clients have the right to request being classified into another Client category at any time. In that case the Bank shall inform the Client about all consequences which may arise from the requested change in the level of protection in writing.
- (3) The Bank shall inform the Client on the Rules of Operations in order to prevent conflict of interest.
- (4) The Order Execution Policy determines the procedures and actions which the bank will take to enable carrying out orders with the most favourable possible terms and conditions for the Client, and they represent an integral segment of the Agreement.

5.2. Granting collateral - advance of monetary funds

- (1) The Bank shall accept, i.e. carry out an Order to purchase financial instruments only if the Client noted full coverage in funds needed to carry out the Order issued, increased by the amount of all the related fees and costs to the Bank based on the execution of the order, including commissions to the Bank and the fees of Central Clearing and Depository Company) or counter parties, calculated in accordance with the provisions of the Price list (that total amount hereinafter: Coverage).

Exempt from this shall be the clients from a predefined list of VIP clients of the Bank. The Order to purchase financial instruments from those Clients shall be accepted, i.e. executed, without the client having marked full coverage in monetary assets needed to carry out the Order in question if the Client accepts the Special Terms and Conditions on the Order to Purchase/Sell Financial Instruments, and sign a consent form granting power to the Bank to seize financial instruments owned by them, and forcibly sell them if the obligation incurred by failure to carry out orders is not met in the prescribed deadline.

- (2) The Bank shall inform the Client on the manner in which Coverage shall be remitted. The Client will be considered to have remitted the Coverage when the funds are paid into the account in accordance with the Bank's instruction or into client's custodian account in the Bank.
- (3) The bank can cancel operations which are subject to these General terms and conditions at any time before the remittance has been received, i.e. until the Client has paid the money to be used as coverage. In such cases, the Bank is not responsible for the damages caused by the Client not paying the Coverage.
- (4) Additionally, the Client agrees that if they have not settled the executed Order on time, the bank has the right to retain financial instruments held by the Client, and also has the right to settle from their value out of court, as well as the right of offset with monetary assets in a special account if the Client has liabilities towards the Bank which are due, but not settled, arising from any agreement concluded in accordance with these General Terms and Conditions.
- (5) In order to uphold the provisions in the previous paragraph, the Client irrevocably grants authority to the Bank to debit the amounts in question in their account, or any other transaction account of the Client open with the Bank. The Bank shall inform the Client on their intention to collect from the rights of retention, or on the intention to offset. The amount of the settlement represents the value of the carried out Order, increased by the amount of all related and costs to the Bank based on the execution of the Order, including commissions to the Stock exchange, and the Central Clearing and Depository Company, i.e. the counterparty.

5.3. Granting coverage - registration of financial instruments

- (1) The Bank shall accept or transfer and/or carry out an Order to sell a financial instrument only if the Client recorded their financial instruments with the Bank or a third party, if this was regulated by the contractual relationship, and this enabled management of them, which require a transfer, and/or execution of the received Order. Should this fail to occur, if the Client does not have the financial instruments which are the subject of the Order in their account or in an account held with

a third party, or if there are not enough of them, i.e. if the financial instruments can not be managed, or can only be managed in a limited capacity, the Bank shall immediately inform the Client that their Order has been rejected.

(2) The Bank shall inform the Client on the manner of registration of financial instruments, depending on the form and the manner of their storage, as well as the manner of their registration.

(3) The Client is considered to have registered the financial instruments in accordance with the provisions in these General Terms and Conditions when the following conditions have been met jointly (in mass):

(a) The Client shall register the financial instruments with the Bank or with a third party, or places financial instruments on custodian account in the Bank, if this has been regulated by the contractual relationship, in the Central Clearing and Depository Company's information system, or other authorised institutions in which such financial instruments shall be managed in electronic form, and

(b) The instruments registered in this manner shall be available for trade with the Bank or custodian account in the Bank or a third party in the Client's account if this has been established in the contractual relationship.

(4) At any time, the Bank may request additional identifications and evidence related to the information on financial instruments, as well as additional authorisations and other identifications, in order to fulfil the agreed upon obligations. Before then, the Bank can terminate the operations subject to these General Terms and Conditions. The Bank can also verify the credibility of the information with third parties, and the information related to it, and perform other operations to ensure that the data cannot be changed, and their authorisations for the duration of the operation.

(5) If there are several parties authorised for financial instruments, the Bank shall request that only one authorised person be defined as an Authorised representative which will present written consent of all other authorised persons to act as the Principal to the Bank.

(6) If during the registration of financial instruments, the Client authorises the Bank to carry out certain actions that the Client carries out in accordance with the regular activities (for example, granting a special power of attorney, revealing the password, the PIN, or any other confidential information), the Client is considered to be familiar with the risks they are exposed to by granting such authorisations and giving out such information, and the Bank shall use the authorisation granted to it only in the segment necessary to carry out activities they are entrusted with.

5.4 Freely transferable financial instruments

(1) Unless otherwise agreed, the Bank shall carry out orders only related to the freely transferable financial instruments on which the Client's right as their legal holder is not restricted, conditioned, encumbered by rights or pledges on behalf of third parties, and the Client shall register only financial instruments of that sort.

(2) If there is, or if it is later found that there is a limit to the Client's rights as a holder of financial instruments, i.e. to the right to manage rights in financial instruments, the Client shall immediately notify the Bank on the facts in question, whereby the bank and the Client will attempt to clarify the situation without delay. If the Client does not notify the Bank on the limits, i.e. on the pledges to benefit third parties in financial instruments, without delay, the Client will answer to the Bank for the damage caused by their misconduct.

(3) The provisions in this article do not refer to the limitations, the terms and conditions, nor to other pledges on behalf of the Bank, as well as the limits, terms and conditions, or other pledges determined based on carrying out the Order of the Client in processes related to collection in court or out of court.

5.5 Important segments of the Order

- (1) The Bank shall accept only those Orders which contain information on the important parts of the operation to be carried out by accepting the Order, and which indisputably come from the Client.
- (2) The following are considered to be the important parts of the order:
 - (a) personal data used to identify the Client, which is the same as the data stated in the Agreement;
 - (b) type of order, i.e. the type of activity the Bank needs to perform (purchase/sales);
 - (c) data on financial instruments which unambiguously define the subject of the Order (official mark of the financial instrument);
 - (d) data on the amount of financial instruments which are subject to the Order;
 - (e) the price of the financial instrument which is the subject of the Order, expressed in units - for shares in HRK and in lipa, i.e. in the currency in which the relevant financial instrument is traded, and for debt financial instruments, in a percentage of their nominal value (the purchase price in the Order is calculated as the greatest price the Client is willing to pay, which means that in the Order, the price is expressed as the minimal price that the Client is willing to accept for the sales of the financial instrument.
 - (f) The Stock Exchange or the Location of the Execution of the Order, i.e. the ISIN number for the financial instrument, included in a foreign stock exchange;
 - (g) date by which the Order is valid
 - (h) signature of the Client (for an Order issued in written form), or a password (for an Order issued orally or in the form of an electronic record), or an alternative manner of identifying the Client.
- (3) Should the Bank receive contradictory, ambiguous, unclear, or incomplete Orders, the Bank has the right to request that an Order be completed, not accept the Order, act in accordance with a free discretion evaluation, or it can defer acting in accordance with the issued Order for as long as it does not resolve all ambiguities, with no obligations for the Bank.
- (4) For all data not stated in the Order, and which were not specified as a mandatory ingredient of the Order or for data which for which data valid in the market are considered to be valid, the Bank shall be managed with the diligence of a prudent businessman, i.e. the interests of the Client, whereby the bank does not guarantee that carrying this order out shall enable the best possible protection of interests or value for the Client.

5.6 Issuing an Order

(1) Orders may be issued to the Bank orally (by telephone) in written form, via fax (with an obligatory identification of the Client by the password, or by an alternative method of Client identification), i.e. if the Client comes into the Bank personally (the Brokerage Team), via e-mail (the order can be issued from an e-mail address which the Client noted in the footer of the Agreement with a mandatory use of password, or via an alternative method of client identification) or via an Internet securities trading platform "OTP e-t@der", as follows:

■ The Client can issue a written Order to the Bank by personally coming onto the Bank's business premises, or by sending a fax message to the address of the Brokerage Team, filling out the form the Order to purchase financial instruments, i.e. the Order to sell financial instruments. The Bank will accept the written Order only if it contains personal data, and that data is the same as the personal data of the client stated in the Agreement. The Bank will not accept an Order in which the Client notes personal data different than the ones noted in the Agreement, and also different than the ones on which the Client submitted to the Bank in writing before the Order was issued.

■ The Client can only issue orders verbally over the telephone, and only on the telephone numbers noted in these General Terms and Conditions, i.e. at the numbers which the Bank informed the Client about, with a mandatory password the Client will select when concluding the Agreement, which is noted in the footer of the Agreement. The password in question shall contain no fewer than 3 (three), and no more than 30 (thirty) letters and/or digits. The client agrees that the Bank can, due to developments in its organisational, and information-technical support, assign a new password, which will be used as indisputable identification when issuing an Order over the telephone and /other via s other form of communication. The bank shall notify the Client via registered mail or with acknowledgement of receipt from the footer of the agreement, or another address which the Client informed the Bank about, as set forth in the General Terms and Conditions, and the Agreement. The Client shall keep any assigned password a secret. The bank is not responsible for any abuse of the password by third parties. The bank can identify a Client by other methods, i.e. it can request certain information from the Client (**Taxpayer ID number**, date of birth, home address, phone number, SKDD number, user credentials for OTP e-trader service, etc.) and based on those, determine the Client's identity unambiguously.

■ It is possible to issue an Order in the form of an electronic record solely by sending an e-mail from the e-mail address noted in the footer of the Agreement, with a mandatory use of password.

■ Independently of previously stated provisions in these General Terms and Conditions for issuing orders to purchase/sell via an internet platform "OTP e-tr@der", the General Terms and Conditions of Using the Service "OTP e-tr@der", which are an integral segment of these General Terms and Conditions shall apply and be valid.

■ The Client can issue an Order to the Bank in Croatian and/or in English.

(2) The party issuing the order on behalf of and for the benefit of another party (representation) must be able to prove that they are authorised to issue such an Order.

5.7 Acceptance of an Order

(1) Only recording the order into the Order Book shall be considered accepting the Order.

(2) The Bank's reception of an Order does not represent an automatic acceptance of an Order. The Bank shall notify the Client that the Order has been accepted and included into the Order Book.

(3) By accepting the Order, the bank accepts the obligation to carry out operations with financial instruments in accordance with the information noted in the Order, and potential further instructions, in accordance with the General Terms and Conditions.

(4) The Bank shall not accept the order if it is contradictory, unclear, or incomplete, i.e. if it is not issued in the manner described in these General Terms and Conditions, and it shall notify the Client on this without delay.

(5) The bank shall not accept the Order if the Client has not previously secured a sufficient amount of freely transferable financial instruments or monetary assets;

(6) The Bank shall not accept the order by the Client if there are any obligations towards the Bank which have not been settled in terms of financial services performed (costs of settlement, storage, costs of transaction, costs of corporate actions and other costs in accordance with the Price list).

(7) The Bank shall not accept Orders which they determine or judge:

■ do not contain relevant parts for carrying out operations;

■ the Bank would not be able to carry out the Order due to significant derogations from market conditions or other reasons;

- the order might be given for the purpose of unauthorised manipulation of prices of financial instruments or to commit other unlawful activities;
- that by carrying them out, the Bank would suffer damage, or it would result in a felony, i.e. a criminal action.
- the Client did not submit all the information which is necessary in the process of reporting towards the regulator, i.e. the trading place (date of birth, taxpayer ID no., the LEI (legal entity identifier))
- other reasons.

(8) The bank will not accept the Order if it believes that carrying out the order, in accordance with the data and the instructions in it, would lead to damage to the Client, or that it needs additional instructions. The Client shall be warned of this, and further instruction shall be requested from them. The additional instruction given in this manner becomes an integral part of the Order, which shall be considered to be accepted if all the terms and conditions in this article have been met.

(9) The Bank shall provide the Client with the statement of their Order from the Order Book.

(10) Should the Bank not accept the received Order, once the reasons for the inability to accept the Order have been determined, the Bank shall inform the Client in the same manner as it would inform them if the Order were accepted, and it will also state the reason for the rejection of the Order. The Client shall bear the risk of non-availability or not receiving the notification as described above.

(11) The Client is aware and accepts that the trade of financial instruments in foreign markets is carried out with the mediation of a third party, and the Bank shall forward the Order to the third party to be carried out once it has received the Order.

5.8. Amendments to the Order

(1) The Bank shall accept amendments to the Order, and other instructions, if the Order is not been carried out at the moment when it is received, or if the amendments have no impact on the operations carried out until then.

(2) The Bank shall inform the Client that it does not accept amendments to the Order or other instructions without delay.

(3) Amendments to the Order shall be considered binding for the Bank only if they have been recorded into the Order Book, save for extraordinary situations described in these General Terms and Conditions.

(4) If there are changes in the data which the valid regulations determine represent a significant change to the Order, and influence whether it is carried out, and therefore represents a new Order, the data in the previous Order, with the accepted amendments, shall be considered a new Order of the Client.

(5) The broker shall identify the Client in cases of any amendments to the Order in the manner prescribed in the General Terms and Conditions.

5.9 Expiration of Order

(1) If the Order has a defined due date, once that date has passed, the Bank shall have no more obligations under the segment of the Order which has not been executed. If the expiration of the due date has no impact on the operations carried out before then, taking into account the state of the execution of the Order, and in the segment for which the operations have been initiated, the Bank shall finish them. The maximum duration of the Order is defined by the market in which it is exposed, and it can not last longer than a year.

(2) Trading orders in foreign markets are received as daily orders, unless the Client specifies differently.

5.10 Revocation of Order by the Client

(1) The Bank shall accept the revocation of the Order in the same manner and under the same conditions as it would the amendments to the Order, as stated in these General Terms and Conditions.

(2) The Bank can prescribe a special form and procedure for the submission of the revocation.

5.11 The termination (revocation) of the Order by the Bank

(1) The Bank may at any time, unless otherwise agreed upon, terminate even an Order which has been partially executed, without having to give a reason or a special explanation. The Bank does not answer to the Client for the damages caused by its unilateral termination of the Order.

(2) The Bank can also cancel an Order which has not been executed for the following reasons:

(a) announced or initiated Corporate actions due to which the terms and conditions of the Order derogate or would derogate from the market conditions to be applied upon the Corporate activity;

(b) suspension of trading of certain financial instruments in the market;

(c) decision of the responsible regulator;

(d) unsettled receivables of the Bank towards the Client et al.

(e) the inability to obtain data on the Client which are necessary in the process of reporting towards the regulator, i.e. the trading location (e.g. Invalid LEI identifiers)

(3) Aside from the reasons noted in the previous item, the Bank can terminate the Order at any time, for the same reasons which it may give to refuse to accept it, especially if it cannot contact the Client.

(4) The Bank shall notify the client on the termination of the Order without delay primarily via telephone, and in exceptional cases (if it cannot get in contact with the Client) in writing.

(5) The cancellation of the Order is valid from the moment when it is included in the Order Book.

5.12 Order execution

(1) The Bank shall execute the Order in accordance with the instructions received, with the diligence of a prudent businessman, while remaining within its limits, and care for the Client's interests in all manners.

(2) The Bank shall also use special regulations, which govern operations related to financial instruments, the rules of institutions whose services they use, as well as general rules and business customs which apply in the market, or among its participants, when executing Orders.

(3) If the Orders can be executed in different stock exchanges, the Bank shall - unless it has been instructed differently by the client - choose a different place where the Order shall be executed in accordance with the applicable Order Execution Policy.

(4) The Bank may only withdraw from the accepted Order and instructions with the consent of the Client, and when the instruction can not be obtained due to the brief period of time given, or for any other reason, the Bank can only withdraw if it has reasons to believe that this is in the Client's best interest based on all circumstances.

(5) Once the Order has been executed, the Bank shall notify the Client on the transaction which was carried out in writing, via mail or e-mail, without delay. All complaints that the Client may have with regards to the notification in question must be submitted in writing, no later than one day after receiving the notice. Should this fail to take place, then it shall be believed that the Client accepts the notifications in question.

(6) If during the execution of the Order, the Bank assesses that there are facts and circumstances which would, had they been known earlier, caused the Bank to not accept the Order, the bank may terminate the operation and request new instructions, i.e. cancel the Order.

(7) The Client is aware and accepts that trading in financial instruments abroad is done by mediation of a third party, who authorised to carry out operations with financial instruments, and trading foreign financial instruments shall be carried out in foreign currencies, depending on the market in which the Order is carried out.

5.13 Storage of the Client's assets

(1) The Bank shall receive and store financial instruments and/or monetary assets by executing Orders in accordance with valid regulations, rules of financial institutions whose services it uses, as well as other methods agreed upon between the Bank and the Client. The bank shall register the received financial instruments into the Financial Instruments Account, and the monetary assets in the Monetary Assets Account. The monetary assets of the clients are collectively held in the Bank's commission account, and they are recorded analytically individually for each Client in the Bank's books.

(2) The assets in the accounts are the property of the Client, they are not included in the assets of the Bank, nor any liquidation or bankruptcy estate, nor can they be used for enforcement related to the claims against the Bank.

(3) The Bank shall, except where otherwise agreed, settle all its claims against the Client from the monetary assets account, and all claims in financial instruments against the client in financial instruments, recorded in the Financial instruments account, in accordance with valid regulations.

(4) The Client is aware and accepts the fact that monetary assets and financial instruments, which the Bank purchases in foreign countries, in accordance with the Client's orders, are kept in collective, i.e. collective custodial accounts which are held with the Securities Services Department in the Bank, i.e. in pooled business accounts for Clients, opened with third parties, if this has been regulated by a contractual relationship, and that collective, i.e. pooled accounts for Clients opened with third parties, if this has been determined in the contractual relationship, and that the pooled, i.e. pooled custodial accounts are separated from the assets accounts or from the Bank itself or a third party, and individual assets of each client are recorded with the Bank, and the Bank shall ensure that the records of each Client are accurate and up-to-date.

5.14 Protection of the client's assets

(1) In accordance with the requirements of the Capital Markets Act, and the secondary legislation, and for the purposes of protection of the clients' rights related to financial instruments and monetary assets which belong to the Client, the Bank keeps records and accounts in the manner which enable it to differentiate the assets held for one client from the assets of other clients at any time.

(2) The Bank makes regular and accurate updates to the Client's assets, payments, and the turnover in monetary accounts, and the balances and turnovers in financial instruments custodial accounts, and regularly makes the records in internal accounts and in its books compliant with the information of third parties who hold the assets in question.

(3) When, based on national legislation, the financial instruments of the Client held with a third party cannot be differentiated from the third party's financial instruments or potentially the Bank, the Bank

shall inform the Client on this and point out a warning on risks. The Bank shall not deposit the financial instruments held for the benefit of the Client in a third country in which keeping and storing financial instruments for another person are not regulated, unless one of the following terms and conditions have been met:

(a) type of financial instruments or investment services related to the above mentioned instruments demand that they be deposited with a third party in the above mentioned third country;

(b) when the financial instruments are held for a professional investor, that Client requests that the company deposit them with a third party in the third country in question in writing

(4) The Client is aware and accepts the fact that the Bank must have a lien or right of offset related to financial instruments and/or monetary assets of the client for all receivables due to the Bank up to the costs of management, administration, and storage of financial instruments in the account, and when the Client does not ensure financial instruments needed for settlement

(5) The Client is aware and accepts the fact that keeping monetary assets and/or financial instruments in the pooled account of the Bank with a third party in another country falls within the jurisdiction of the legislation of the other country, and the client's rights related to monetary assets and/or financial instruments can differ concerning client rights in accordance with the legislation of the Republic of Croatia.

(6) When choosing a business bank in whose accounts the monetary assets and financial instruments that the Bank holds for its clients are stored, such as when choosing third parties via which the Bank provides certain services, the Bank also pays attention on the legally prescribed conditions and practices, as well as on the reputation and expertise of business banks and third parties. At the same time, in accordance with the provisions in the applicable orders of the Croatian National Bank, if the Client of the Bank is a credit institution, it shall keep the acquired financial instruments in its ownership position, registered with an investment company, or, if it wishes to record the acquired financial instruments in a custodial account, that sort of a custodial account shall be opened in the Client's name. The separate assets of each individual Client are documented in the Bank's records, and the risk of potential mistake which can have a negative impact on the assets of an individual Client is reduced by keeping the system of controls up-to-date with the help of the IT system, and independent control by the Bank.

(7) The Bank shall remit the monetary assets of the Client into its Monetary assets account in accordance with the instruction contained in the Order, or in any other agreed upon manner. The Bank shall, unless otherwise noted, remit the funds within one business day from the day of the settlement of the transaction or the instruction given by the Client.

(8) The Bank shall transfer all other rights and claims that the Client has obtained towards the third party with whom the Bank carried out operations in its name, and on behalf of the Client, to the Client.

(9) The Bank is not obligated to remit the monetary assets, or deliver financial instruments registered in the Monetary assets account, i.e. in the financial instruments account until all initiated operations have been concluded, i.e. until all the claims of the Bank based on operations which were subject to these General Terms and Conditions have been settled.

(10) If the Client does not settle their debts towards the Bank, noted in the previous item, the Bank shall not in any way be responsible for the damage caused by the failure to deliver financial instruments, i.e. by not paying monetary assets.

(11) The interest rate on the monetary assets of the Client in the Monetary assets account shall not be calculated, since they are not part of the Bank's assets.

(12) The Bank may, in extraordinary cases, request the use of financial instruments of the Client for the transactions of financing securities or in another way (on their own behalf or on behalf of

another Client of the Bank) solely with the previously granted written consent by the Client. The consent shall contain the terms and conditions of lending (deadlines, amounts, and potential risks).

6. VALUATION OF ASSETS

(1) The financial instruments in the client's portfolio are assessed on a monthly basis, or when agreed with the Client, based on the:

- last trading price of securities traded in the Republic of Croatia on the stock exchange;
- the average trading price weighted against the amount of securities traded in the stock exchange and the reported institutional transactions and OTC transactions - for equities and debt securities traded in the Republic of Croatia (fair value);
- the last trading price that day, on the stock exchange quoting the price, and the price is officially quoted / included in the financial - information service - for equity securities traded in EU markets, and liquid markets of OECD member states;
- the last trading prices officially quoted / included in the financial - information service - for debt securities traded in EU markets and liquid markets of OECD countries;
- the last trading prices on the valuation day officially quoted / included in the financial - information service - for equity and debt securities traded in markets outside the European Union and OECD countries;
- if the price is not included in the report /certificate or if the report/ certificate on the concluded trading on the valuation day is not included, the last known trading price in previous days, officially quoted/included in the financial -information service Bloomberg is taken as the fair value of the acquired security;

(2) Source of prices for valuation of financial instruments:

- the official report of the Zagreb stock exchange is the source of prices for domestic securities.
- the source of prices for foreign financial instruments is the financial - information service Bloomberg.
- the official reports of stock exchanges where the prices are quoted are used for foreign prices which are not available in Bloomberg.

(3) The value of assets in the portfolio of domestic and foreign clients on the last day of the month, further to the above mentioned valuation, is taken as a relevant basis to calculate the storage fee.

7. FEES AND PROVISIONS

(1) The Bank shall calculate the Client's fees and costs in accordance with the defined Price List for the operations which are subject to these Terms and Conditions, and potential penalty interest rates.

(2) By signing the Agreement, the Client expressly confirmed that they are familiar with and that they accept the stipulations in the Price list, that they are an integral part of the Agreement, and they accept their subsequent amendments.

(3) The Client shall pay all costs, commissions, penalties, and otherwise incurred expenses due to the market in which trading takes place, including reasonable legal expenses and all collected

taxes unless they were incurred intentionally or as a result of gross negligence of the Bank. The Bank's claims against the client always include:

- (a) all obligations that the Bank assumed based on the execution of the Order and its obligations under the Agreement,
 - (b) all fees, costs, interest rates, and penalty interest rates incurred due to the execution of the Order and the obligations under the Agreement incurred as a result of actions for which neither the Bank nor the Client are responsible for,
 - (c) all other receivables related to carrying out obligations in the Order and under the Agreement, and
 - (d) all taxes in accordance with the valid regulations that the Bank would have to pay.
- (4) In order to uphold the requirements in the previous items, in accordance with the Civil Obligations Act and other legal regulations, the Bank has the right to retain financial instruments owned by the Client, and it also has the right to settle out of court from their value, as well as the right to offset financial assets in special accounts if the client has outstanding liabilities due towards the Bank, which arise from any agreement concluded in accordance with these General Terms and Conditions. The Bank shall inform the Client on their intention to collect from the rights of retention, or on the intention to offset.
- (5) In order to uphold the provisions in the previous paragraph, the Client irrevocably grants authority to the Bank to debit the amounts in question in their account, or any other transaction account of the Client open with the Bank.

8. RISKS AND LIMITS OF RESPONSIBILITY

8.1 Risks of investment in financial instruments

- (1) When concluding an agreement with the Bank, the Client shall confirm that they are aware of the risk of investing in financial instruments when deciding on the purchase and/or sales of financial instruments, and that the Bank shall never be held responsible for the negative consequences of the Client's financial decisions.
- (2) Risks primarily consist of unexpected changes in prices of financial instruments, the inability of the issuer of financial instruments to fulfil obligations they assumed under those instruments, imposing additional obligations, and limits for holders of financial instruments by the financial or tax authorities in the country and abroad, changes in market liquidity of certain financial instruments, etc.
- (3) The risks related to investments in financial instruments are elaborated on in Annex I of these General Terms and Conditions and make an integral segment hereof.

8.2 Limiting responsibility

- (1) The responsibility of the Bank shall be limited to real monetary damages which arose as a consequence of intent or gross negligence of the Bank. The Bank shall not be responsible for any losses of the Client caused by force majeure, wars (declared or not), political turmoil, natural disasters, government restrictions, market regulations, cancellations of trade, strikes, failures of the systems of communication, especially stock exchange systems, or any other terms and conditions outside the bank's control.
- (2) The Bank shall not carry out any legal services on behalf of the client, nor shall it have any duty or responsibility due to any advice or any statement to the Client.

(3) The Bank shall not guarantee, unless they expressly promised, to carry out the Order in accordance with its contents, nor to fulfil all or individual obligations in the Order unless:

(a) the counterparty with whom the Bank contracted the activity (needed to fulfil the Bank's obligations towards the Client) fails to fulfil their obligation towards the Bank

(b) obligations are not fulfilled due to reasons which the counterparty, issuer or institution whose services the Bank uses by is responsible for, and they are obligated to do so under valid regulations, or the general use of these services is compliant with the general rules and business customs valid in the market, and between its participants:

(c) one of the following situations takes place:

(a) changes in the initial Order which has been partially or completely executed, and, due to the current legal or technical framework, the Broker could not predict that at the moment of or immediately after the Order has been received, or the terms and conditions of the initial Order have been changed, the initial Order shall be carried out, or that it has already been carried out in part or completely under the conditions of the initial Order, in which cases the change in the Order shall be considered to be (in the section in which the initial Order has been changed):

- executed by executing the initial Order - if the change is related to a decrease in the amount of financial instruments

- the new Order - if the change refers to any other part of the Order;

(b) the cancellation of the initial Order which was executed completely, and due to the existing legal and technical framework, could not predict that at the moment of receiving the Order or once the cancellation of the Order has been received, the cancelled Order shall be executed, or has already been executed under the terms and conditions of the initial Order, in which case the "cancelled" initial Order will be considered executed;

(c) another situation, similar to the situation in the previous two items in this section.

(4) The Bank also does not guarantee that the obligations of the counterparty from any transaction involving financial instruments, carried out in accordance with the Order, shall be fulfilled.

(5) The Bank shall not be responsible when the Client has not notified the Bank on the change of name and surname, telephone numbers, e-mail addresses of authorised representatives, and all other changes of information which can have a significant impact on carrying out operations defined by these General Terms and Conditions in a timely manner.

(6) The Bank shall also not be responsible for any damage incurred if the Client lets their password be used by a third party or makes it available in any way, nor in any case of abuse by a third party who came into possession of the password in question.

(7) The Bank can provide investment services to the Client, which consisting exclusively of receiving and transfers and carrying out orders for the Client, with or without ancillary services, and without collecting data, or assessing suitability, if all legal terms and conditions have been met:

(a) the service is provided solely at the initiative of the Client or the potential Client

(b) the Client was clearly and unambiguously informed that the investment company is not obligated to assess the adequacy of the product or the service, and due to this, the Client does not enjoy the protection usually afforded by the rules of business conduct.

(c) The Bank manages conflict of interest efficiently, and

(d) the service is related to one of the following financial instruments:

- 1) the shares included in an organised market, or an equivalent market of third country or in MPT
 - 2) bonds or other form of securitised debt included in an organised market or an equivalent market in a third country or in MTP
 - 3) money market instrument, excluding the ones derivatives were built into, or, according to their structure, the Client has difficulty understanding associated risks
 - 4) other non-complex financial instruments which meet the criteria in Article 57 of the Regulation (EU) no. 2017/565.
- (8) If the Client/proxy of the Client expresses a desire to trade complex financial instruments, and, based on the completed Questionnaire on the Suitability of the Investment Service, the Bank assesses that the service of trading complex financial instruments is not appropriate for the Client/proxy of the Client, the Bank shall warn of the circumstance in question, and the Client or their proxy have the right to request and sign the Declaration of intent to use investment services at one's own responsibility.
- (9) by signing the Declaration of Intent to Use Investment Services at one's Own Responsibility, the Client/proxy of the Client releases the Bank from the responsibility of not having warned him of the risks and the potential consequences related to trading in complex financial instruments, after the assessment of the Bank of the unsuitability of their investment profile.

9. THE OBLIGATION OF KEEPING SECRETS AND DATA PROCESSING

- (1) The Bank shall keep the data on the Client, the balance and changes in the financial instruments account, and the monetary assets account, Orders and operations the Bank carries out for the Client, as well as other data and the facts which the Bank learned related to the execution of the Order, and they are authorised to announce them only to those persons and in those cases when revealing the data is prescribed by law.
- (2) Data protection is regulated by a specific document called the Data Protection Policy, available to clients on the official website: www.otpbanka.hr. The clients can personally request a copy of the Data Protection Policy in the Bank's branch offices.

10. REPORTING AND COMMUNICATION

- (1) Unless otherwise agreed, the Bank shall instruct the Client and give them all confirmations, notifications, reports, summons and carry out other types of communication related to the operations in the Order, and the Agreement, to addresses or electronic mail addresses, if they are noted by the Client, or noted in records of the Bank, or telephone and telefax numbers stated in the header of the Agreement.
- (2) The method of reporting and communicating with the Client is regulated by the Agreement, and if the Agreement that the Client has concluded with the Bank does not contain the selected method of communication, by submitting their e-mail address, the Client has confirmed that they have Internet access, and that they agree to communicate with the Bank via e-mail.
- (3) The Client shall immediately, and without delay, notify the Bank on each change in their contact address and e-mail address, as well as other personal data which are necessary to execute the Agreement, and shall bear the damage incurred due to the lack of fulfilment of this obligation.
- (4) The Bank shall inform the Client in a timely manner on all information subject to the Agreement and General Terms and Conditions via an official internet website www.otpbanka.hr,

and the Client expressly agreed to having information and notifications provided via Internet website.

(5) The communication with the Client, as well as receiving documents and other data takes place in Croatian, and at the special request of the Client, also in English. If the Client requests communication with the Bank in English, the Agreement shall be concluded in English. In the event of any different meaning of the Croatian version of the General Terms and Conditions, and the English version of the General Terms and Conditions, the interpretation resulting from the General Terms and Conditions in Croatian shall be considered legally binding.

(6) Upon the end of the business quarter, the Bank shall send a report to the address of the Client for whom they hold financial instruments or monetary assets, except in cases when the Client has a contracted OTP e-trader service in which the report in question shall be available to them at any moment.

(7) After the end of the business year, the Bank shall send a report with accumulated information on all costs and fees related to financial instruments, and with investment and ancillary services, to the client's address.

(8) Unless otherwise specified, the Client shall provide guidelines, and give all instructions, notifications, and realise all other forms of communication with the Bank related to operations in the Order and the Agreement exclusively on other addresses and/or telephone and telefax numbers:

OTP BANKA d.d.

Brokerage Team

Domovinskog rata 61

21000 Split

Telephone no.: 072/204, 622/08, 072,204,654, 072,204,655.

e-mail address: brokeri@otpbanka.hr

or in person to the above stated address.

(9) For the purposes of all operations predicted in these General Terms and conditions, notifications, and other forms of communication will be considered to have been executed on the same day that they were sent if they were sent on a business day, during working hours, except when sending registered mail, which is considered to be received on the day they were delivered, or if the mail cannot be delivered to the receiver on the day when the receiver was given the notification on the arrival of the mail by the legal entity responsible for delivering mail.

(10) The Bank and the Client shall mutually notify each other on all changes of addresses and other data relevant for notification, and until the client receives that notification, the notification shall be considered to have been properly given to the client, unless they were sent to the addresses/telephone numbers in accordance with these General Terms and Conditions.

(11) In order to open accounts under the Agreement and the General Terms and conditions, and determining the Client's identity, the Client shall submit all the necessary identifications and documents predicted by the bank's regulations and special regulations.

(12) The Client shall send any complaints against the Bank's operations noted in these General Terms and Conditions, and the Agreement, to the Bank, at the address stated in this Article of these General Terms and Conditions.

(13) The Bank shall provide a statement on the complaint within 15 days from the bday when it has been received.

(14) By signing the Agreement, the Client gives explicit consent to the Bank in any communication with the Client. The Bank may record video/sound or record the total or only certain pieces of communication in any way. The Bank does not need to inform the client that they are being recorded, and it can use the recorded conversations and transcripts of recorded conversations made by the Bank as proof in the process of verification of data and the Order, and in verification of instructions which the Client gave to the Bank before a court of law or any other governing body, or for any other purpose related to the realisation of rights and obligations in these General Terms and Conditions, the Agreement or any other contract.

(15) A copy of the recorded communication related to the transactions which were carried out will be available to the Client at their request for the period of 5 (five) years from the date the execution was carried out.

11. RESOLUTION OF DISPUTES

(1) These General Terms and Conditions are subject to Croatian law.

(2) The Client and the Bank shall strive to amicably resolve any disputes arising from the implementation of this Agreement and these General Terms and Conditions, and if they should not succeed in doing so, they may agree to be subject to a materially competent court in Split.

12. OTHER PROVISIONS

(1) If any of the provisions in these General Terms and Conditions and/or Agreement proves to be null and void, this shall have no effect on other provisions, and the Agreement and these General Terms and Conditions shall remain wholly valid, and the contracting parties shall replace the invalid provision with a valid one, which will lead to the best chance to achieve the goal which the provision that was revealed to be invalid was intended to achieve.

(2) The Client agrees to use the Order Book i.e. other business books of the Bank and the evidence which are at the Bank's disposal as proof on the amount and the maturity of any receivable under the Agreement.

(3) In all things not regulated by the Agreement and the General Terms and Conditions, the valid legal and secondary legislation regulations, and acts on the Bank's operations, with all amendments made during the period of validity of the Agreement, shall apply.

(4) If, once these General Terms and Conditions have been accepted, an aspect regulated by the Terms and Conditions is resolved in a different manner, the provisions of the regulation in question shall apply, until the Terms and Conditions are appropriately amended.

(5) The Client agrees that the Bank may amend these General Terms and Conditions in accordance with legal regulations and the business policy of the Bank at any moment, no later than 15 days before they become valid. The bank shall notify the Client on the amendments by publishing the notifications on its official website, www.otpbanka.hr, and by visibly displaying them in a location where operations with financial instruments take place. The Client is beholden to the amendments in question from the date they enter into force, and in case of disagreement with the amendments, the Client has the right to terminate the Agreement.

(6) Once these General terms and conditions enter into force, the General terms and conditions on the order to purchase/sell financial instruments of 01 December 2018 shall no longer be valid.

(7) These General Terms and Conditions shall enter into force on 15 January 2021.

APPENDIX I

RISKS IN INVESTMENT IN FINANCIAL INSTRUMENTS

The purchase and sales of financial instruments in the market has certain risks which can not be counted in their entirety, and they consist of a variety of factors which can cause a decrease in the value of the investment by changes in it. Each investment in financial instruments implies an assumption of risk by the clients, and it can include unexpected changes in prices, the inability of the issuer to fulfil the obligations which they have assumed, changes in regulations in the country and abroad, etc. When reaching a decision on investing in financial instruments, the client must pay attention on risk management. Risk management implies a series of methods and processes for the assessment, monitoring, and establishing risk which the client, or the investment company, may be exposed to in operations with financial instruments. Therefore, clients are advised to attempt, when investing into a financial instrument, to weigh the risk of the investment against their current, or future financial situation, while taking into account their investment experience, and if necessary, to seek advice from a competent person or a financial institution.

By signing the Agreement on the Order to Purchase/Sell Financial Instruments, the Client confirms that they are aware of the risks of investing in financial instruments, and that the Bank provided them with the information that they requested, and that their questions were answered in a satisfactory manner, and that any confusion related to financial instruments the Agreement refers to was clarified. The risks related to investments are typically divided into general and special risks, and we also differentiate specific risks caused by investing in a certain financial instrument, or a property class.

We differentiate between the following general risk categories:

- (a) Credit risk - represents the probability that the other party included in the transaction shall not be able to settle its liabilities.
- (b) Market risk - represents the possibility of decrease in yields due to the increase/decrease of price of financial instruments due to unexpected occurrences and influences.
- (c) Risks associated with reference assets - represents the possibility that the price of repurchase or settlement is lower than the price of issuing instruments based on reference assets due to the increased volatility and higher credit risk than the one by the issuer
- (d) Risk of suspension or termination of trading/inclusion - represents the risk of suspension of trading of financial instruments or reference assets in an organised market.
- (e) Operational risk - represents a risk of using the assets of one Client for the benefit of another Client due to the error of an employee of the Bank and/or a third party employee.
- (f) Risk of not paying dividends - although the company typically pays the dividend, there may be periods where payment will fail to take place since the payment of the dividend depends on the business result of the issuer, as well as on the decision of a shareholder's meeting on the payment of dividends.
- (g) The counterparty risk - this risk category arises if market prices of financial instruments change when the credit rating of the contracting counterparty decreases.
- (h) Country risk - represents exposure of participants in markets to political and other risks to which the country in which the markets operate is exposed. The most common risks are risks of unexpected regulatory changes and the risk of default on payments of the country's debt due.
- (i) Interest rate risk - represents the potential change in the price of the financial instrument in case the interest rates in financial markets change.

- (j) Currency risk - under the influence of various economic-political factors, and the changes in supply and demand of foreign currencies, the FX exchange rate includes frequent fluctuations leading to derogations in value of the agreed upon currency, and the currency in which the payment shall be made. The holder of a financial instrument denominated in a foreign currency, or an instrument with the reference assets denominated in a foreign currency can be exposed to negative changes in the exchange rate, and its influence on the yield of the exchange rate.
- (k) Commodity risk - refers to a risk in decrease of the value of the position of commodities due to negative changes of their prices in commodity markets.
- (l) Event risk - represents a risk of loss of value of financial instruments due to an event not related to fluctuations in financial markets, such as e.g. natural disasters.
- (m) Liquidity risk - refers to risk arising from the potential inability of the investor to sell their financial instruments at fair market values due to its decreased appeal or the inefficiency of the market. Financial instrument holders may be exposed to the market values risk during any sales of financial instruments before their maturity. Liquidity implies the ability to sell the financial instrument or close the position in a financial instrument at the market price at any moment. In case the market is not liquid, issuing the order for sales of a normal size can cause significant fluctuations in price, and the order will possibly be unable to be executed, or it will be able to be executed only at a significantly reduced price.
- (n) Conjunctural risk - risk of loss of value due to recession, or a loss of value of financial instruments caused by economic downturns.
- (o) Early repurchase risk - represents a risk of lower yields on investments if the financial instrument is repurchased before its maturity date, as defined by the terms and conditions of its issuance. If an early repurchase option of the financial instrument is included in the terms and conditions of issuance, than the instrument has a higher risk;
- (p) Inflation risk - represents the risks of drop in value of financial instruments and reduction of the investment return rate due to inflation.
- (q) Market psychology risk - represents a risk of change of value of financial instruments due to speculative activities of the investor, or corporate actions in an organised market.
- (r) Technology risk - represents a risk of a breakdown in IT systems and/or risk of interruption of communication links between the Banks and other participants in organised markets of financial instruments.
- (s) Conflict of interest risk - represents a risk that activities taken by the Issuer for the purpose of protection form risk can only influence the price of the reference assets, the value of the financial instrument itself, as well as the repurchase amount to be paid to the financial instrument holder.
- (t) Financial leverage risk - represents the risk of increased loss, or decreased yield on the investment due to financing it by loans, since there is an obligation to repay the debt if the investment is not profitable, as well as the influence of financing costs on the yield of the investment itself
- (u) Risk of change of tax and other regulations - represents the probability of change of tax or other regulations in the manner which would have a negative impact on the yield (increase in taxes, introducing new levies).
- (v) Risks associated with defining the upper limit of repurchase - represents a risk of reduced yields if the Issuer limits the price of repurchase when issuing the financial instruments
- (w) Risks related to storage of assets - represents a risk of the inability to differentiate assets of clients held with a third party from the financial instrument owned by a third party or the Bank:

In addition to the mentioned general risks, we also differentiate special types of risk associated with classes of assets:

Risks associated with investment in equity financial instruments - represents a risk of loss due to unfavourable fluctuations of prices in financial instruments. The most common risks related to the investing in this class of assets are volatility risk, currency risk, liquidity risk, risk of not paying dividends, risk of suspension of financial instrument.

Risks related to investment in debt financial instruments - represents a risk of loss due to unfavourable fluctuations of prices of the financial instrument, general level of interest rates and prices, credit rating of the issuer et al. The most common risks related to investments in this class of assets are interest rate risk, credit risk, early repurchase risk, currency risk, inflation risk, liquidity risk, country risk, event risk.

Risks of investing in complex financial instruments/derivatives - We consider financial derivatives to be financial instruments the value of which is based on the value of another, "reference" instrument. Reference instruments can be shares, bonds, funds, commodities, currencies, interest rates, stock market indexes et al. Instead of trading with the base instrument itself, the investors select the purchase or sales of the derivative while usually using a financial leverage for the purposes of protection from risk, or speculation against price fluctuations. The clients who choose to invest in this group of financial instruments need to be aware of the risks of of the considerable change in the value of the instrument, since the derivatives are always impacted by a larger group of market factors. The most common risks related to investments into this class of assets are the early maturity/repurchase risk, liquidity risk, inflation risk, currency risk, credit risk, interest rate risk, country risk, event risk, risk of change in credit rating, risk of conflict of interest, financial leverage risk, risk of suspension, termination or cancellation of trading/including, risks related to setting the upper limit og the repurchase.

The mentioned risks represent only a part of the risk that the Client is exposed to during investments into financial markets, which the Bank believes might have a more significant impact on financial instrument.