

Pursuant to Article 33, Paragraf 2 of the Statute of Banca Intesa a.d. Beograd, and in accordance with Article 155 of the Law on the Capital Market (Official Gazette of the Republic of Serbia, No. 129/2021), the Board of Directors of Banca Intesa a.d. Beograd, at the meeting held on 21<sup>st</sup> December 2022 (No. UO\_23\_22/2, 21<sup>st</sup> December 2022), adopted the following

## **BUSINESS RULES IN PROVIDING INVESTMENT SERVICES**

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### **Banca Intesa ad Beograd**

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## 1. TERMINOLOGY

- (1) **Bank** - Banca Intesa ad Beograd as a credit institution that has a license to operate from the National Bank of Serbia in accordance with the Law on Banks (Official Gazette of the Republic of Serbia, Nos. 107/2005, 91/2010 and 14/2015) with all possible subsequent amendments and the permission of the Securities Commission to provide investment and ancillary services and perform investment activities in accordance with the Law on the Capital Market (Official Gazette of the Republic of Serbia, No. 129/2021) with all possible subsequent amendments;
  - (2) **Commission** - Securities Commission of the Republic of Serbia;
  - (3) **CSD** - Central Securities Depository and Clearing House;
  - (4) **Law** - Law on the Capital Market;
  - (5) **Trading venue** - any regulated market, MTF, or OTF;
  - (6) **Client** - any legal or natural person to whom the investment company provides investment and/or ancillary services;
  - (7) **Professional investor** - a client who has sufficient experience, knowledge and expertise to independently make investment decisions and properly assess the associated risks, and who meets the requirements of the Law;
  - (8) **Designated professional investors** - investment companies, credit institutions, insurance companies, UCITS funds and their management companies, other financial institutions that are subject to the obligation to obtain a license and/or supervision in accordance with the laws of the Republic of Serbia, national governments and their offices, including public authorities dealing with public debt at the national level, central banks, and supranational organizations.
  - (9) **Retail investor** - A client who does not belong to the professional investor category;
  - (10) **Market organizer i.e., stock exchange** - persons who manage or run the operations of the regulated market, which can be the regulated market itself;
  - (11) **Multilateral system** - any system or platform within which it is possible to connect offers to buy and offers to sell financial instruments of several interested third parties;
  - (12) **Systematic internalizer** - an investment company that, without managing a multilateral system, trades in an organized manner, frequently and systematically and on a significant scale for its own account, executing client orders outside the regulated market, MTF, or OTF;
  - (13) **Regulated market** - a multilateral system that is managed, *i.e.*, whose operations are led by a market organizer who, within the system, merges or facilitates the merging of offers for the purchase and offers for the sale of financial instruments from several interested third parties in accordance with its binding rules, in a manner that leads to the conclusion of a contract in relation to with financial instruments included in trading according to its rules and/or the system, which holds a license and regularly operates in accordance with the Law;
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(14) **Multilateral trading facility, i.e., MTF** - a multilateral system managed by an investment company or a market organizer and which, within the system and in accordance with binding rules, connects offers for the purchase and offers for the sale of financial instruments from several interested third parties in a manner that leads to the conclusion of a contract in accordance with the Law;

(15) **Organized trading facility, i.e., OTF** - a multilateral system that is not a regulated market or an MTF, within which offers to buy and offers to sell bonds, structured financial products, emission units or derivative financial instruments by several interested third parties are connected, in a manner that leads to the conclusion of a contract in accordance with the Law;

(16) **Over-the-counter market, i.e., OTC** is a decentralized system of secondary trading outside the regulated market, MTF and OTF, which does not have a market organizer and which involves direct negotiation between the seller and the buyer of financial instruments in order to conclude a transaction through an investment company with permission in accordance with the Law;

(17) **Investment Services Office** - a special organizational part of the Bank intended for the performance of investment services and activities;

(18) **Over-the-counter (OTC) contract, i.e., OTC derivative financial instrument** - a derivative contract on a financial instrument that is not executed on a regulated market;

(19) **Equity securities** - shares and other transferable securities identical to the shares of companies that represent equity interest, as well as other types of transferable securities that give the right to acquire said securities as a consequence of their conversion or exercising the rights of those securities, provided that the latter securities are issued by the issuer of the underlying shares or a person belonging to the group of that issuer;

(20) **Debentures** - bonds and other transferable securitized debt instruments, excluding securities that are equivalent to shares of companies or which, if converted or if the rights arising from them are exercised, give the right to acquire shares or securities equivalent to shares;

(21) **Order** - a statement of the Client's will sent to the Bank to buy or sell financial instruments for him;

(22) **Collective order** – submitting several orders together as one, if such presentation in terms of quantity does not reduce the possibility of executing orders with the prior consent of the Client;

(23) **Dealer order** – an order issued in the name and for the account of the Bank;

(24) **Individual order** - specific order;

(25) **Execution of orders for the Client's account** - means activities related to the performance of contracts for the purchase or sale of one or more financial instruments for the account of the Client;

(26) **Tariff Regulation** - Regulation on tariff in providing investment services of the Bank;





(26) **Permanent data carrier** - a tool that enables the Client to store data that has been personally addressed to him so that it is easily accessible for future use for a period that corresponds to the purpose of storing such data and allows unaltered reproduction of such stored data.

## 2. GENERAL PROVISIONS

### Article 1

(1) These Rules of Procedure establish the Bank's general terms and conditions that apply when providing investment and ancillary services and performing investment activities from Article 3 hereof, namely:

- a) types of investment and ancillary services that the Bank provides and investment activities that it performs, as well as the conditions and method of their performance;
- b) categorization of Clients and change of category;
- c) rules of conduct when providing investment services, including protection of Clients' property, prohibition of manipulation and spreading of false information, responsibility for damage caused to Clients, handling of Clients' complaints;
- d) contents of Client contracts;
- e) method of providing brokerage services, types of client orders, manner and conditions of receiving, joining, classifying, executing, and outsourcing order execution;
- f) other investment services and activities (dealer operations, underwriter and agent services, custody, and management of financial instruments for the Client's account, lending of financial instruments, *etc.*);
- g) other matters significant to the Bank's operations in accordance with the Law.

### Article 2

(1) These Rules with annexes and the Tariff Regulation are delivered to the Client at his request, and always before the conclusion of the contract for the provision of investment services from Article 3 of these Rules.

(2) The Bank provides access to the applicable version of these Rules and annexes, as well as the Tariff Regulation, in the Bank's premises, in the business premises of a third party that receives client orders in the name and for the account of the Bank, by displaying them in a prominent and accessible place or otherwise, as well as on the website <http://www.bancaintesa.rs/>.

(3) The Client's statement that the said documents were available to him before the conclusion of the contract and that he is familiar with their content forms an integral part of the contract between the Client and the Bank.

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### **3. TYPES AND METHODS OF PERFORMING INVESTMENT SERVICES AND ACTIVITIES**

#### **3.1. Types of investment services**

##### **Article 3**

(1) Investment services and activities in the sense of these Rules mean the following investment services and activities of the Bank from Article 2 of the Law:

- a) receipt and transfer of orders related to one or more financial instruments and execution of orders for the Client's account (hereinafter: Brokerage Services);
- b) trading for own account (hereinafter: Dealer Operations);
- c) underwriting in relation to financial instruments, *i.e.*, implementation of the procedure of offering financial instruments with redemption obligation (hereinafter: Underwriter Services);
- d) implementation of the procedure of offering financial instruments without redemption obligation (hereinafter: Agent Services).

(2) Ancillary services performed by the Bank in accordance with the provisions of the Law are:

- a) custody and management of financial instruments for the Client's account (custody services) and related services, such as administration of funds and collateral, with the exception of maintaining and keeping securities accounts under the competence of the CSD;
- b) granting loans to investors for the purpose of concluding a transaction with one or more financial instruments when the Bank grants the loan and is involved in the transaction;
- c) foreign currency conversion services in relation to the provision of investment services;
- d) research and financial analysis in the investment field or other forms of general recommendations regarding transactions in financial instruments;
- e) underwriting-related services;
- f) investment services and activities, as well as ancillary services, related to the basis of derivative financial instruments from Article 2, Paragraph 1, Item 19), Sub-items (5), (6), (7) and (10) of the Law, related to the provision of investment or ancillary services.

(3) During its existence, the Bank may change the type of investment services it provides, pursuant to the Law.

(4) The Bank may entrust another legal entity with the receipt of orders for the purchase or sale of financial instruments in the name and for the account of the Bank (hereinafter: third party) under the conditions set out in Article 60 of these Rules.

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### **3.2. Conditions for performing investment services and activities**

#### **Article 4**

(1) The Bank performs investment and ancillary services and investment activities for which it has received a permission from the Commission to perform activities on the organized market, upon fulfillment of the conditions in terms of staff and organizational skills and technical equipment, as well as other conditions prescribed by the Law and the Commission's acts.

#### **Article 5**

(1) Brokerage Services, Dealer Operations, Underwriter Services, and Agent Services in the Bank are performed by employees licensed to perform brokerage operations, and these persons also meet other requirements in accordance with the Law, bylaws, and the Bank's acts.

#### **Article 6**

(1) The Bank has organized its operations in such a way as to minimize possible conflicts of interests of the Clients with the interests of the Bank, its shareholders, directors, members of the Board of Directors, members of the Executive Board, and employees.

(2) The Bank takes appropriate measures to identify conflicts of interest, including conflicts of interests of the persons referred to in paragraph 1 of this Article and all persons closely related to them, on the one hand, and the interests of its Clients, on the other hand, as well as mutual conflicts of interests of individual Clients, which may arise in connection with the provision of investment services.

(3) If the organizational and administrative measures established by the Bank to prevent conflicts of interest and causing damage to the Clients' interests are not sufficient to reasonably prevent the risk of damage to the Clients' interests, the Bank shall clearly disclose to the Client the general nature and/or sources of conflict of interest and the steps taken to mitigate those risks before commencing operations for his account.

### **3.3. Secondary trade in financial instruments**

#### **Article 7**

(1) Secondary trade in financial instruments is carried out for the account of the Client and the Bank (Brokerage Services and Dealer Operations) on the:

- a) Regulated market;
  - b) MTF;
  - c) OTF;
  - d) Systematic Internalizers, Market Organizers, or other liquidity providers;
  - e) entities that perform a similar function in a foreign country as any of the aforementioned entities; or
  - f) OTC market (over-the-counter or direct negotiation).
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(2) The Bank trades in financial instruments in accordance with the Law, the acts of the Commission, the rules of the CSD, and the rules of the market organizer.

### **3.4. Client categorization and change of category**

#### **Article 8**

(1) The Bank and third parties through which the Client's orders are received, before providing the service to the Client, classify the Client into the category of Professional or Retail Investors, based on the information available to them regarding the Client, and especially regarding his/her:

- a) investment goals;
- b) knowledge and experience; and
- c) financial position.

(2) If, in the course of business, it is determined that a Client no longer meets the requirements for classification into the initially determined category, the Bank shall inform the Client thereof.

#### **3.4.1. Professional investor**

#### **Article 9**

(1) A professional investor is a person who has sufficient experience, knowledge, and expertise to independently make investment decisions and properly assess the associated risks, and who meets other requirements prescribed by the Law, in particular:

- a) persons who are subject to the obligation to obtain a license or supervision in order to operate on the financial market, including: credit institutions, investment companies, other financial institutions that are subject to the obligation to obtain a license or supervision, insurance companies, collective investment institutions and their management companies, voluntary pension funds and their management companies, dealers of goods and commodity derivatives, other institutional investors, other investors considered as professional in accordance with EU regulations;

b) legal entities that meet at least two of the following conditions:

- a) total assets amount to at least EUR 20,000,000,
- b) annual operating income amounts to at least EUR 40,000,000,
- c) own capital amounts to at least EUR 2,000,000,

all calculated in RSD counter value at the official middle exchange rate of RSD against EUR determined by the National Bank of Serbia;

- c) the Republic of Serbia, autonomous provinces, and local government units, as well as other states or national and regional bodies, the National Bank of Serbia and central banks of other states, international and supranational institutions, such as the International Monetary Fund, the European Central Bank, the European Investment Bank and others, similar, international organizations;
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d) other institutional investors whose main activity is investing in financial instruments, including persons engaged in securitization of assets, or other financing transactions.

(2) A professional Client is obliged to timely inform the Bank of all facts that could affect the change of the client's category.

(3) The Bank is obliged to inform the Professional Investor about the possibility of changing the agreed terms in order to ensure a higher level of protection of his interests, with the fact that it is the responsibility of the Client to request a higher level of protection of his interests when he considers that he is not able to properly assess, that is, manage the risks inherent in an investment.

(4) The Professional Investor may request in writing from the Bank a higher level of protection of his interests in relation to all or an individual service, transactions, or financial instrument.

(5) In the case referred to in paragraph 4 of this Article, the Bank concludes a special contract or an annex to the contract with the Client, which defines the services, transactions, and/or financial instruments in relation to which the Client has the right to a higher level of protection of his interests.

### **3.4.2. Designated professional investor**

#### **Article 10**

(1) In dealing with Designated Professional Investors (execution of orders on behalf of the Client and/or trading for its own account), the Bank receives consent from the potential Designated Professional Investor to be treated as a Designated Professional Investor. The respective consent can be obtained in the form of a general contract or it can be given for each transaction in the form of a contract or an order.

(2) A Designated Professional Investor may request to be treated as a Retail Investor. The request must be submitted in writing and it must be stated that treatment as a Retail Investor is requested for one or more investment services or transactions, that is, one or more types of transactions or products.

(3) A Designated Professional Investor may request to be treated as a Professional Investor. The request must be submitted in writing and it must be stated that treatment as a Professional Investor is requested for one or more investment services or transactions, that is, one or more types of transactions or products.

(4) In the cases referred to in paragraphs 2 and 3 of this Article, the Bank concludes a special contract or an annex to the contract with the Client, which defines the services, transactions, and/or financial instruments in relation to which the Client has the right to a higher level of protection of his interests.

(5) In doing business with Designated Professional Investors, the Bank applies an exemption from the obligation to inform and the rules for handling orders in accordance with the Law.

(6) For the Clients from the previous paragraph, the Bank opens an account based on the Client's order, in accordance with the rules of the CSD.

### **3.4.3. Retail investor**

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## Article 11

- (1) A retail investor is any client of the Bank who is not classified as a professional investor.
- (2) The Bank treats all Clients who are natural persons as Retail Investors.
- (3) A Retail Investor has a higher degree of protection than a Professional Investor and a Designated Professional Investor, which particularly refers to the following:
  - a) The Bank assesses the appropriateness of a Retail Investor's investment in a certain financial instrument based on his knowledge and experience in the field of investment and, if necessary, warns him of the possibility that he does not understand all the risks he would take with that investment and that the financial instrument or service is not appropriate for him;
  - b) when the Bank is authorized to hold financial instruments or funds of a Client, it is obliged to provide the Retail Investor with information regarding the protection of the Clients' financial instruments and funds, which refers to the right to compensation from the Investor Protection Fund in prescribed cases;
  - c) when the Bank executes a Retail Investor's order, the achievement of the most favorable outcome is determined in relation to the total costs of the transaction taking into account the price of the financial instrument and the costs associated with the execution, including execution venue fees, clearing, and balancing costs, and all other fees paid to third parties involved in order execution;
  - d) when there are several possible order execution venues for a financial instrument, for the purpose of evaluation and achieving the best effects for the Client, which would be achieved by executing the order at each of the execution venues where the order can be executed, commissions and costs of the Bank for the execution of orders at each of those execution venues are taken into account;
  - e) The Bank does not conclude contracts with Retail Investors on the transfer of ownership of financial collateral in order to secure or cover current or future, actual, contingent, or expected Client obligations.

## Article 12

- (1) A Retail Investor may request in writing from the Bank a lower level of protection of his interests in relation to all or an individual service, transactions, or financial instrument, by changing his category to Professional Investors.
  - (2) The Bank accepts the Retail Investor's request from paragraph 1 of this Article only if it assesses that the Client has sufficient knowledge and experience to independently make decisions about investments and properly assess risks related to investments, which implies that the Client meets at least two of the following three conditions:
    - a) that in the last year he made transactions on the financial markets (markets where the financial instruments for which the Client seeks the status of a Professional Investor are traded) in the counter value of at least EUR 50,000 per quarter, with an average frequency of at least 10 transactions per quarter;
    - b) that the size of his portfolio of financial instruments exceeds the counter value of EUR 500,000, including cash;
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c) that he works or has worked for at least one year in the financial sector at jobs that require knowledge of investing in financial instruments.

(3) If it approves the request from paragraph 1 of this Article, the Bank shall:

b) in writing and unambiguously warn the Client about the reduction of the protection of his interests and the loss of the right to compensation from the Investor Protection Fund;

c) request from the Client a signed declaration that he is aware of the consequences of losing the level of protection;

d) conclude a special contract or an annex to the contract with the Client, which defines the services, transactions, and/or financial instruments in relation to which the Client is treated as a Professional Investor, provided that the Client has submitted the declaration referred to in the previous item.

(4) If the Bank refuses to recognize the Client as a Professional Investor, the Client retains the status of a Retail Investor.

## **3.4.4. Information related to Client accounts**

### **Article 13**

(1) The Bank and third parties through which the Client's orders are received, inform the Client of the following:

a) category in which he is classified;

b) level of interest protection that will be provided to him; and

c) possibilities to request classification into another category and to change the level of protection.

(2) The notice referred to in paragraph 1 of this Article shall be delivered in paper form, by electronic mail or on another Permanent Data Carrier.

### **Article 14**

(1) Once a year, the Bank publishes information related to client orders that are executed at trading venues or through Systematic Internalizers, Market Organizers, or some other liquidity insurers or entities that perform a function in a foreign country similar to the function performed by any of the aforementioned entities in the manner prescribed by Annex 1 of these Rules.

### **Article 15**

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(1) The Bank delivers notices, reports, and other data and documentation to the Client in written form to the address of the Client's headquarters, temporary or permanent residence, by e-mail, SMS, or fax message or in another appropriate way that complies with the regulations, corresponds to the content of the act or data delivered and which fully meets all the necessary conditions of providing complete and clear information, protection of confidentiality and secrecy of data and protection of personal data of Clients who are natural persons. All information, including marketing information, that the Bank provides to its Clients or potential Clients must be true, clear and not misleading, and marketing material must be clearly marked as such.

(2) The delivery from paragraph 1 of this Article is made according to the latest data submitted by the Client to the Bank. In the event that the Client does not promptly inform the Bank of the change in the data from the previous paragraph, as well as of other circumstances that may affect the orderly delivery, it will be considered that the orderly delivery has been made in accordance with the data available to the Bank.

(3) If mail sent to the Client is returned due to an incorrect address or other data provided by the Client to the Bank, the Bank may stop sending further letters and notices to the Client, until the Client informs the Bank of the change in data that is important for orderly delivery.

(4) The Bank can make a delivery to the Client through a third party with whom it has concluded a delivery contract, provided that the third party has an agreed obligation to protect and keep the secrecy of the business and personal data of the Client.

## Article 16

(1) The Bank is obliged to, after execution of the order for the Client's account, via the Permanent Data Carrier:

- a) without delay, deliver to the Client a notice with essential information about the order execution;
- b) send a confirmation of the order execution to the Client, as soon as possible, and at the latest:
  - on the first working day after the execution,
  - on the first working day after receipt of the confirmation, in the case where the confirmation of execution is received from a third party.

(2) The Bank provides the Client with information on the status of his account upon request.

(3) The Client cannot waive the right to be informed about the execution of the order, but he can order the notification to be sent in one of the ways specified by the Client's Statement of Receipt of Order Execution Confirmation, which is an integral part of the Contract between the Client and the Bank.

(4) The Client shall be deemed to have received the notification from paragraph 1, item a) of this Article, if the Bank delivers it directly (at the counter), via e-banking channel, e-mail, SMS, fax, or letter.

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(5) It shall be deemed that the Client, by signing the Statement of Receipt of Order Execution Confirmation, which is an integral part of the Contract between the Client and the Bank, has agreed to collect the order execution confirmation at the Bank, after receiving the notification from the Bank from paragraph 3 of this Article.

### **3.4.5. Data on Clients, account balances and transactions**

#### **Article 17**

(1) The Bank and its employees keep data about their Clients, balance and transactions on the accounts of financial instruments and cash accounts of the clients, information about the services they provide to the Clients, as well as other Client data that they learn in the course of their work, as a trade secret.

(2) The data referred to in paragraph 1 of this Article may not be disclosed to third parties, nor may third parties be allowed to use them, except on the basis of the Client's written approval, during the supervision by control authorities, based on a court order, an authority dealing with the prevention of money laundering or terrorist financing, or other competent state authority.

### **3.5. Contract between the Client and the Bank**

#### **Article 18**

(1) On the provision of investment services, the Client and the Bank conclude a contract in written form (hereinafter: the Contract between the Client and the Bank).

(2) The Contract between the Client and the Bank regulates the rights and obligations of the contracting parties, whereby the same can be determined by referring to other documents that are available to the client, *inter alia*:

- a) services that the Bank provides to the Client and the conditions for providing those services;
- b) manner of activating and deactivating certain services by the Client;
- c) elements of chapters 5 and/or 6 of these Rules, depending on the subject of the contract.

(3) Before concluding the contract, the Bank will deliver to the Client a draft contract containing the conditions for providing investment and ancillary services and investment activities, as well as the mutual rights and obligations of the contracting parties.

(4) The Client's statement that these Rules with annexes, the Tariff Regulation, and the draft contract were available to him before the conclusion of the contract and that he is familiar with their content, forms an integral part of the contract between the Client and the Bank.

#### **Article 19**

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(1) The Bank acts in accordance with internal acts which refer to the activities of familiarization, identification, and monitoring of clients' operations, *i.e.*, activities to prevent money laundering and financing of terrorism, made in accordance with the applicable regulations of the Republic of Serbia and the relevant regulations of the Intesa Sanpaolo Group.

(2) The client has the obligation to provide the Bank with all data, information, documentation, and evidence required in accordance with the regulations and acts from paragraph 1 of this Article.

## Article 20

(1) Before concluding the contract on investment services, the Retail Investor fills out a questionnaire about his knowledge and experience in dealing with financial instruments on the financial market.

(2) Based on the results of the assessment from the previous paragraph, the Bank assesses the appropriateness of the investment service, *i.e.*, the financial instrument for the Client.

(3) In the event that the Client does not provide enough information for the Bank to assess the appropriateness, the Bank warns him of the aforementioned circumstance.

(4) If it determines that the investment service/financial instrument is not appropriate, even when the Client himself requested it, the Bank informs the Client of this circumstance and the reasons, including providing a warning that it is unlikely that the Client can understand the risks associated with the requested service/instrument.

(5) In the case specified in paragraphs 3 and 4 of this Article, the Bank may execute the transaction if the Client expressly confirms his intention to continue with the execution despite the Bank's warning.

(6) The appropriateness assessment document is signed by the Client and the competent employees.

(7) By signing the questionnaire from paragraph 1, the Client confirms that he has been informed of the circumstances from paragraph 3 and 4 of this Article.

## Article 21

(1) Based on the concluded contract and/or order, the Bank will open a financial instrument account with the CSD for the Client directly or through another member of the CSD.

## Article 22

(1) These Rules apply to all issues that are not regulated by the contract concluded between the Bank and its Client.

(2) The provisions of the Law and bylaws and the Bank's general terms and conditions published on the website <http://www.bancaintesa.rs> under "General Terms and Conditions", apply to any issues that are not regulated by the contract referred to in paragraph 1 of this Article and these Rules.

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(3) If a certain issue is regulated differently by a mandatory regulation after the conclusion of the contract from paragraph 1 of this Article or the entry into force of these Rules, until the contract and/or these Rules are changed, the provisions of that regulation will be applied directly.

## Article 23

(1) The Bank and its Clients are obliged to adhere to the provisions of mutual contracts, these Rules, the Law, the Commission's rules, as well as the rules and other acts of the Market Organizer.

(2) The Bank's Clients are obliged to carry out their obligations under the transactions concluded by the Bank for their account duly, in accordance with good business practices and business ethics.

## Article 24

(1) Each contracting party may at any time terminate the contract governing the provision of investment services, without stating reasons, by delivering an unambiguous written notice to the other contracting party with a notice period of 30 days from the date of receipt of the notice.

(2) If the Client terminates the contract in the manner referred to in this Article, all his obligations thereunder are considered due on the date of delivery of the contract termination notice to the Bank. If the Bank terminates the contract, all the Client's obligations are considered due on the day of expiry of the notice period from the previous paragraph.

(3) In the case referred to in paragraph 1 of this Article, the Bank will transfer all the Client's funds (cash and financial instruments) to other accounts in accordance with the instructions received from the Client.

(4) In the case referred to in paragraph 2 of this Article, it will be considered that the Client has revoked all orders in accordance with Section 5.6 of Chapter 5 of these Rules.

### 3.6. Bank commission and other fees

## Article 25

(1) The Client is obliged to pay the Bank a brokerage commission or other fee for the investment services provided by the Bank, according to the Tariff Regulation, except when otherwise determined by the contract between the Client and the Bank.

(2) When agreeing on the amount of commissions and fees from paragraph 1 of this Article, the type of work, other contractual relationships between the Client and the Bank, the value of the transaction performed at the Client's order, the costs to which the Bank is exposed in performing such work, and the complexity and scope of the work are taken into account, whereby their amounts cannot be higher than the maximum rates and/or amounts determined by the Tariff Regulation.

(3) In the case of purchase and sale of financial instruments for the account of the Client, the commission amount is specified in the order receipt confirmation, in accordance with the maximum amount of the commission established by the underlying contract on mediation or representation of the Client.

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- (4) The Tariff Regulation is published in the manner referred to in Article 2 of these Rules.
- (5) It shall be considered that, by placing an order for the purchase or sale of financial instruments, the Client confirms that he has been informed of commissions and fees (individually and in total) from the currently applicable Tariff Regulation, third party costs (if any), and that he accepts them.

### **3.7. Working hours**

#### **Article 26**

- (1) The Bank's working hours are published on its website <http://www.bancaintesa.rs/> and at the entrance to its business premises.
- (2) The Bank informs its Clients about possible on-call hours during weekends, national and religious holidays through its website <http://www.bancaintesa.rs/> or in another appropriate manner.

#### **Article 27**

- (1) The Bank's trading hours are coordinated with the Market Organizer's working hours.

#### **Article 28**

- (1) Exceptionally, an authorized person of the Bank may prescribe different working hours and/or trading hours of the Bank, about which the Clients are informed via the Bank's website <http://www.bancaintesa.rs/> or in another appropriate manner.

### **3.8. Notifying the Bank**

#### **Article 29**

- (1) The Client is obliged to submit to the Bank at its request any information, data, and reports that the Bank considers essential for the protection of client and public interests.
- (2) The client is obliged to notify the Bank immediately of any change in the information and data referred to in paragraph 1 of this Article, no later than within seven days from the date of the change.

#### **Article 30**

- (1) The Bank's client issuing financial instruments is obliged to submit annual reports on its operations and audit reports to the Bank.
- (2) The client from paragraph 1 of this Article is obliged to inform the Bank in writing no later than 15 days after the event about:
- a) amendments to its articles of incorporation and/or statute;
  - b) change of managers and other persons authorized to do business with the Bank;
  - c) status changes;
  - d) acquisition or termination of client status with another investment company;
  - e) increase or decrease of core capital;
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- f) change of shareholders with interest greater than 10% of the client's shares;
- g) possibility of becoming insolvent or the occurrence of insolvency;
- h) measures taken by the competent authority;
- i) initiated bankruptcy or liquidation proceedings;
- j) other data relevant to the operations that the Bank performs for his account.

## Article 31

(1) The Client shall make submissions to the Bank:

- a) by e-mail to: [broker@bancaintesa.rs](mailto:broker@bancaintesa.rs); or
- b) by mail to:

Banca Intesa a.d. Beograd - Odeljenje za investicione usluge  
Milentija Popovića 7b  
11070 New Belgrade  
Republic of Serbia; or

- c) in accordance with the Bank's written instructions.

(2) Depending on the nature of the work, the prescribed obligations of the Bank and the contractual obligations of the Client, the Bank may require the Client to submit certain documents and notifications:

- a) in the original or photocopy, with or without certification by the competent authority that the photocopy is true to the original;
- b) with an Apostille certification or other confirmation of authenticity, depending on the country of origin of the submitted document (in the case of a foreign document).

(3) The Client's orders and the contract for the provision of investment services are drawn up in Serbian. If the Client requests that communication with the Bank be in a foreign language, the contract for the provision of investment or ancillary services as well as accompanying documents are drawn up bilingually in Serbian and English, with the Serbian version as the prevailing one.

(4) The Client is obliged to provide the Bank with a translation into Serbian, certified by a court translator, along with every document in a foreign language.

## Article 32

(1) The Bank may record telephone conversations of its employees with Clients.

(2) At the beginning of a telephone conversation, the voice machine is automatically activated, by which the Bank warns the Client that the conversation is being recorded. The warning is given in Serbian or English, depending on the language chosen by the Client for the provision of investment services.

(3) The Bank shall store the recording of the order given over the telephone in electronic format on a suitable medium that enables a clear and precise reproduction of the recording, as well as determining the exact time of receipt and acceptance of the order.

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(4) The Bank shall keep all documentation and records of all services and transactions performed on its own behalf and for its own account or on behalf of and for the account of the Client for at least 10 years after the end of the business year in which the contractual relationship with the Client ended, and exceptionally for a period longer than the above when this is necessary to complete the supervision or litigation.

## **4. RULES OF BUSINESS CONDUCT WHEN PROVIDING INVESTMENT SERVICES**

### **4.1. Safeguarding of Client interests**

#### **Article 33**

- (1) In its operations, the Bank adheres to the principle of client equality.
- (2) When providing investment services, the Bank is guided exclusively by the interests of clients, paying particular attention to the best execution of orders.
- (3) The Bank shall not place its interests before the interests of its clients.

### **4.2. Adherence to the Code of Ethics**

#### **Article 34**

- (1) When providing investment services, the Bank is guided by the provisions of the Bank's Code of Ethics, which is available on the website <http://www.bancaintesa.rs/>.

### **4.3. Prohibition of manipulation and spreading of false information**

#### **Article 35**

- (1) The Bank refrains from all actions that can be qualified as market manipulation, which include:
  - a) Executing a transaction, issuing a trading order or other procedure that:
    - gives or is likely to give false or misleading signals or information about the supply, demand, or price of a financial instrument or related spot commodity contract on the spot market,
    - is implemented by a person or persons acting jointly to maintain the price of one or more financial instruments or a related commodity contract on the spot market at an unusual or artificial level, unless the person participating in the transaction, by placing a trading order or participating in another way, proves that this transaction, order or procedure has been carried out for legal reasons and is in accordance with accepted market practices in that market,
    - affect or may affect the price of one or more financial instruments or a related commodity contract on the spot market, using fictitious procedures or other forms of deception or fraud;



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- b) spreading information through public media, including the Internet and all other means by which false or misleading signals may be given regarding the supply, demand or price of a financial instrument, or a related commodity contract on the spot market, or hold or may hold at an unusual or artificial level the price of one or more financial instruments or a related commodity contract on the spot market, including by spreading rumors, by a person who knew or should have known that the information was false or misleading, when the persons who communicated the information gain, for themselves or another person, an advantage or benefit from spreading that information;
- c) transmitting false or misleading information or providing false or misleading basic data in relation to the reference value when the person who transmitted the information or provided the basic data knew or should have known that they were false or misleading, or any other procedure that manipulates the reference value calculation.

(2) Actions and procedures that are considered market manipulations include the following in particular:

- a) activities of one or more persons acting jointly to secure a dominant position over the offer or demand of a financial instrument or related commodity contracts on the spot market that indirectly or directly affect or could affect the determination of purchase or sale prices or the creation of other unfair trading conditions;
  - b) purchase or sale of financial instruments at the beginning or near the end of the trading day, which has or could have a misleading effect on investors who make decisions based on displayed prices, including opening or closing prices;
  - c) placing an order on a trading venue, including any withdrawal or modification thereof, using any available means of trading, including electronic means such as algorithmic and high-frequency trading strategies, and which have one of the consequences from paragraph 2, items a) and b) of this Article, through:
    - disrupting or slowing down the functioning of the trading system at the trading venue or is likely to do so;
    - impeding the recognition of genuine orders in the trading system at the trading venue, or is likely to do so, including entering orders that lead to overloading or destabilization of the book of orders;
    - creating or is likely to create false or misleading signals regarding the supply or price of and demand for a financial instrument, in particular by entering an order that initiates or reinforces a trend;
    - exploiting occasional or regular access to traditional or electronic public media by expressing an opinion about a financial instrument or a related commodity contract on the spot market (or indirectly about its issuer), by that person having previously taken a position in that financial instrument or related commodity contract on the spot market and benefiting from the impact that the statement of opinion had on the price of that instrument or related commodity contract on the spot market, without at the same time disclosing the existence of a conflict of interest to the public in an appropriate and efficient manner.
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(3) The Bank establishes and maintains measures, systems, and procedures that ensure effective monitoring of received orders and transactions, in order to detect and prevent market abuse.

(4) In each case, the Bank assesses whether there are justified reasons for suspecting that the transaction represents insider trading or market manipulation, in accordance with the provisions of the Law and by-laws.

(5) The Bank shall immediately notify the Commission of any transactions and orders that it suspects could constitute insider trading or market manipulation, in the manner and form prescribed by the Commission.

(6) If the notification of suspicious transactions is submitted subsequently, the Bank submits information regarding the circumstances due to which the subsequent analysis established the existence or attempted abuses on the market.

(7) The Bank may not inform any other person of the notification from paragraphs 5 and 6 of this Article, which specifically refers to the person on whose behalf the orders were given, *i.e.*, the transactions were performed, or the persons related to that person, except for the persons to whom the notification is delivered pursuant to the Law.

(8) The notification referred to in paragraph 5 of this Article submitted in good faith does not constitute a violation of any prescribed or contractual restriction on the disclosure of information, and the Bank is not subject to any kind of liability based thereon.

## **4.4. Prohibition of insider trading and unlawful disclosure of inside information**

### **Article 36**

(1) It is prohibited for any person to:

- a) engage in or attempt to engage in insider trading;
- b) recommend to another person to engage in insider trading, encourage and assist another person to engage in insider trading; or
- c) unlawfully disclose inside information, encourage, or assist another person to unlawfully disclose inside information.

## **4.5. Protection of property of the Bank's clients**

### **Article 37**

(1) The Bank implements adequate systems for the protection of clients' property rights in order to prevent the use of the Client's financial instruments for the Bank's account or for the account of other clients, except with the express consent of the Client.

(2) The Bank shall not:

- a) pledge or dispose of financial instruments owned by the Client without his prior written authorization;





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- b) enter into contracts on securities financing transactions for financial instruments that it holds for the Client's account or otherwise use such financial instruments for its own account or for the account of any other person or Client of the Bank, unless the following conditions have been met:
  - The Client has given explicit prior consent for the use of instruments under precisely defined conditions, which he confirms with his signature or another similar mechanism,
  - the use of the client's financial instruments is limited to precisely defined conditions with which the Client agrees;
- c) enter into contracts on securities financing transactions for financial instruments held for the Client's account in a collective account kept by a third party or otherwise use financial instruments in such an account for its own account or for the account of any other person, unless, in addition to the conditions specified in paragraph 2, item b), line 1 of this Article, the Bank has established systems and controls that ensure that only financial instruments belonging to Clients who have given their express prior consent are used;
- d) execute client orders in a manner that is not in accordance with the Law and acts of the Commission, that is, acts of the Regulated Market;
- e) buy, sell or lend for the Bank's account the same financial instruments that are the subject of the Client's order before acting upon the Client's order;
- f) encourage Clients to perform frequent transactions solely for the purpose of charging a commission.

## Article 38

- (1) In order to protect the rights of its Clients, the Bank:
    - a) keeps records and accounts in a manner that allows it to distinguish the funds of one Client from the funds of another Client, as well as from its own funds, at any moment and without delay;
    - b) takes appropriate measures to prevent the unauthorized use of the Client's financial instruments for its own account or for the account of any other person;
    - c) precisely and accurately keeps records, accounts, and correspondence related to financial instruments and clients' funds in the accounts it keeps in such a manner that the records and accounts can be used for audit purposes;
    - d) especially takes into account the expertise and market reputation of the third party, as well as all the conditions prescribed by the Law relating to the holding of the said financial instruments, which could have negative effects on the rights of clients;
    - e) regularly carries out reconciliations between its internal accounts and records, as well as the accounts and records of any third parties holding such property;
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- f) undertakes the necessary measures to ensure that all financial instruments that are deposited with a third party are clearly distinguished from financial instruments that belong to the Bank and from financial instruments that belong to that third party, so that they are kept on separate accounts in the ledgers of the third party or based on other identical measures that achieve the same level of protection;
  - g) in the case of issuing orders for trading on foreign markets, the Bank may deposit financial instruments it holds for the account of clients to an account or accounts opened with third parties, and in that case it acts with the care of a prudent businessman during the selection, appointment, and periodic checks of the third party, as well as procedures for holding and custody of the said financial instruments;
  - h) shall not deposit financial instruments it holds for the account of clients with a third party in a foreign country where the holding and custody of financial instruments for the account of another person are not regulated, except if one of the following conditions is met:
    - the type of the financial instruments or investment services associated with the said instruments is such that they must be deposited with a third party in the said foreign country;
    - when the financial instruments are held for the account of a Professional Investor, and that Client requests the Bank in writing to deposit them with a third party in a foreign country;
  - i) undertakes the necessary measures to ensure that all financial instruments of clients registered in the records of the CSD can be distinguished from the Bank's financial instruments;
  - j) undertakes the necessary measures to ensure that all client funds deposited with the Bank or a third party are held in an account or accounts that are different from the accounts used to hold the Bank's funds;
  - k) applies appropriate measures to minimize the risk of loss or reduction of clients' property, or rights related to that property, which may arise as a result of abuse of such property, fraud, bad administration, inappropriate record keeping, or negligence.
- (2) The content and form of the records referred to in paragraph 1 of this Article shall be determined in accordance with the Commission's acts.

## 4.6. Liability for damages

### Article 39

(1) The Bank is liable for damages caused to the Client in the provision of investment services due to the Bank's fault. In no case shall the Bank guarantee the fulfillment of the obligation of the other contracting party in connection with any transaction of purchase and/or sale of financial instruments, carried out in accordance with the Client's order.

(2) The Bank is liable for damages caused to the Client due to:

- a) non-execution or improper or untimely order execution;
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- b) failure to enter or incorrect order entry;
- c) issuing illegal and incorrect orders for registration of rights that are the subject of registration in the CSD;
- d) breach of confidentiality of data obtained in the performance of business with that Client;
- e) if it fails to avoid the conflict of its interests with the interests of the Client in the performance of dealer operations.

## **Article 40**

- (1) The Bank is not liable for damages caused to the Client due to:
- a) non-fulfillment of a third party's obligation towards the Bank, if this is a prerequisite for the fulfillment of the Bank's obligation towards the Client (for example: CSD);
  - b) events for which the Client or the issuer of the financial instrument is responsible;
  - c) rejection of orders in the cases referred to in Article 55 of these Rules;
  - d) rejection of orders due to the existence of a conflict of interest;
  - e) rejection to provide an investment service, that is, to receive an order due to the assessment that the service or financial instrument is not suitable for the Client or due to the impossibility of assessing its appropriateness;
  - f) impossibility of execution of an amended order that has already been implemented or is in the process of implementation;
  - g) impossibility of executing the revocation of the order, that is, the withdrawal order for an order that is in the process of implementation or has already been implemented;
  - h) changes in the value of financial instruments, if the Bank acted in accordance with its prescribed obligations and these Rules;
  - i) events from Article 41 of these Rules;
  - j) acting in order to fulfill prescribed obligations of the Bank that could not be avoided or refraining from complying with prescribed prohibitions and restrictions that could not be avoided;
  - k) occurrence of any risk related to the purchase and/or sale of a financial instrument.

## **Article 41**

- (1) Clients are responsible to the Bank for damages caused by incorrect data and documentation submitted to the Bank, non-fulfillment of obligations on the settlement date for concluded transactions of purchase and sale of financial instruments, as well as in other cases stipulated by the contract concluded with the Bank or the Law.

### **4.7. Dealing with client complaints**

## **Article 42**

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- (1) Complaints to the work of the Bank can be filed by the Client in writing, specifying personal data and reasons for submitting the complaint.
- (2) A complaint can be filed in one of the following ways:
  - a) by e-mail to: [kontakt@bancaintesa.rs](mailto:kontakt@bancaintesa.rs);
  - b) by mail to:  
Banca Intesa a.d. Beograd  
Odeljenje za upravljanje zadovoljstvom i prigovorima klijenata  
Milentija Popovića 7b  
11070 Belgrade (New Belgrade)  
Republic of Serbia;
  - c) via contact form on the Bank's website (<http://www.bancaintesa.rs/>);
  - d) personal contact, when the Client submits a written complaint personally to an employee of the Bank.

## Article 43

- (1) The Bank acts on complaints in accordance with the legal provisions regarding the processing of complaints.
  - (2) Each Client has the opportunity to file a complaint with the attachment of relevant documentation to support his claims. The Bank shall process them within the legal term of 15 days. All complaints, including complaints related to the Bank's operations, are registered by the Bank's Customer Satisfaction and Complaints Management Office, and are processed by that office and/or the Investment Services Office.
  - (3) The Client is provided with a complete and comprehensible answer containing an assessment of the merits of the complaint, within 15 days from the day of receipt of the complaint. The Bank's Customer Satisfaction and Complaints Management Office submits its response to the Client and records it in the appropriate complaint processing application.
  - (4) If in the complaint processing procedure, it is determined that a period longer than 15 days is needed to resolve the complaint, for reasons beyond the Bank's discretion, that period can be extended by a maximum of 15 days, of which the Client receives a written notification, stating the reasons due to which the response deadline is extended.
  - (5) If the complaint is judged to be well-founded or partially well-founded, the Client shall be informed through the response to the complaint about the measures taken with the aim of removing the causes that led to the complaint, the deadline for their removal as well as the proposal for the resolution of the disputed relationship. If the Client's complaint is judged to be unfounded, the response shall clearly state the reasons why the complaint was rejected.
  - (6) If the Bank does not provide a response to the Client within the deadlines specified in this Article, or if the Client is not satisfied with the response and the method of resolving the disputed event, the Client can address the entity responsible for alternative dispute resolution, *i.e.*, initiate a civil lawsuit or address the Commission.
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## **5. BROKERAGE SERVICES**

### **5.1. Contract for the provision of brokerage services**

#### **Article 44**

(1) In the provision of brokerage services, the Bank mediates the purchase and sale of financial instruments and performs the purchase and sale of financial instruments on behalf of the Bank and for the account of the principal, that is, on behalf of and for the account of the principal, and charges a commission for this.

#### **Article 45**

(1) Brokerage services are provided by the Bank on the basis of the contract concluded with the Client and the Client's order for the purchase or sale of financial instruments (hereinafter: the Brokerage Services Contract).

(2) Before concluding the Brokerage Services Contract, the Bank will deliver to the Client a draft contract containing the conditions for providing brokerage services, as well as the mutual rights and obligations of the contracting parties.

(3) Client's statement that these Rules with annexes, the Tariff Regulation, and the draft contract were available to him before the conclusion of the Contract and that he is familiar with their content, forms an integral part of the contract between the Client and the Bank.

(4) Depending on the type and volume of business that the Client entrusts to the Bank, the Brokerage Services Contract can be concluded as a:

- a) contract on mediation in trade in financial instruments;
- b) contract on mediation in the process of depositing financial instruments.

#### **Article 46**

(1) For the purpose of providing brokerage services, the Bank, on behalf of and for the account of the Client, opens and maintains a proprietary account of financial instruments with the CSD, based on the contract on opening and maintaining a proprietary account of financial instruments.

#### **Article 47**

(1) When receiving an order, the Bank and the third party through which the Client's order is received, warns the Client of the following:

- a) obligation to publish a takeover bid that may arise from the implementation of the received purchase order; and/or
- b) possible loss of voting rights according to the provisions of the Law on the Takeover of Joint Stock Companies.

### **5.2. Types of Client orders**

#### **Article 48**

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(1) Clients can issue orders for the purchase and/or sale of financial instruments to the Bank and to the third party through which the Client's order is received.

(2) The content of the order is determined in accordance with the Law, other regulations and acts of the Market Organizer of the market where the financial instruments that are the subject of the order are traded.

## Article 49

(1) A Client can submit the following types of orders to the Bank for the purchase and/or sale of financial instruments:

a) by type of transaction:

- purchase order (for the purchase of financial instruments), or
- sales order (for the sale of financial instruments);

b) by duration:

- daily order (which ceases to be valid at the end of the working day in which it was issued),
- order until a certain date (which lasts no longer than 90 days), or
- order until revocation (with a term of 90 days);

c) by price:

- order with a limit or limit order (denotes a purchase or sale order for a financial instrument at a certain, limited price or at a price that is more favorable than it)
- market order.

(2) If the Client, in the order for the purchase or sale of the financial instrument, does not specify the price at which the Bank must execute the order, such an order is considered a market order and ceases to be valid after the day it was placed on the market.

(3) In addition to the order from paragraph 1 of this Article, Clients may submit to the Bank other types of orders established by the acts of the Market Organizer (special types of orders) and acts of the Commission:

- a) Passive order - an order entered in the book of orders, ensuring liquidity;
  - b) Aggressive order - an order entered in the book of orders, withdrawing liquidity;
  - c) Directed order - an order in which the Client has determined the trading venue before the order execution;
  - d) Package order - an order for which the price is formulated as a single unit for the purpose of performing a replacement for a physical asset; or for two or more financial instruments in order to execute a package transaction;
  - e) Transfer order - each participant's order to make a certain amount of funds available to the recipient by posting them to CSD's accounts or each order that leads to assuming or fulfilling payment obligations according to the rules of the settlement system. Participant's order for the transfer of financial instruments or rights to financial instruments by posting in the appropriate register.
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### 5.3. Issuing orders

#### Article 50

- (1) Clients can issue an order for the purchase or sale of financial instruments to the Bank directly or through a person authorized to issue the order.
- (2) Client orders are issued:
  - a) directly to the Investment Services Office;
  - b) to the Bank's branches authorized to receive orders, according to the list published on the website <http://www.bancaintesa.rs/>; or
  - c) in the business premises of a third party that receives client orders on behalf and for the account of the Bank.

#### Article 51

- (1) Clients can issue an order to the Bank in one of the following ways:
    - a) in writing on the order form;
    - b) by fax, in writing on the order form, if this is stipulated in the contract between the Client and the Bank;
    - c) by telephone, if this is stipulated in the contract between the Client and the Bank; or
    - d) by e-mail, if this is stipulated in the contract between the Client and the Bank.
  - (2) When a Client's order is received in an authorized branch, the Bank is obliged to inform the Client:
    - a) that the authorized branch does not have permission to execute the order;
    - b) on the deadline in which the order will arrive at the Investment Services Office;
    - c) that the order is considered received upon receipt at the Investment Services Office.
  - (3) The obligation to inform the Client from paragraph 2 of this Article also applies to the receipt of orders in the business premises of a third party that receives client orders on behalf and for the account of the Bank.
  - (4) Receipt of orders by telephone is equal in all respects to direct receipt of orders if it enables:
    - a) determination of the exact time of order receipt (date, hour, and minute);
    - b) identifying the telephone number from which the order was issued; and
    - c) accurate identification of the Client who issued the order.
  - (5) In order to submit an order electronically, the Client is obliged to provide the necessary technical support and resources (software, CD for identification, *etc.*), so as to ensure the correct formation of an electronic signature and reliable identification of the Client, protect the integrity of the document (order) and prevent subsequent denial of the Client's responsibility for the content of the order.
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(6) The authorization given by the Client to another person for issuing orders for the purchase and/or sale of financial instruments, concluding contracts or opening cash accounts can be given on the "Authorization for representation of owners of financial instruments" form received from the Bank or in another prescribed form. The Bank will accept the authorization only if it is notarized before a public notary or another certification authority in accordance with the regulations of the Republic of Serbia and paragraph 2 of Article 31 of these Rules and if the certification is not older than six months.

## Article 52

(1) The order form contains the following elements:

- a) order receipt details: order number, place, date, time (hour and minute), method of order receipt, and contract number;
- b) Client details: (full) name of the Client, address of headquarters/permanent residence/temporary residence, company registration number, number of the proprietary account of the Client's financial instruments (with a designation of the CSD member where the Client is registered) or the number of the collective custody financial instrument account (with a designation of the CSD member where the Client is registered), the number of the Client's cash account (with a designation of the CSD member where the Client is registered), name, surname, and personal identification number of the Client's representative, if any;
- c) details on the intended transaction: type of order by type of transaction, duration and price, CFI and ISIN code of financial instruments, quantity (number) of financial instruments and price expressed in currency, order status;
- d) market details: Market Organizer (name and company registration number), trading method;
- e) commission amount (of the Bank, Market Organizer, CSD);
- f) currency designation;
- g) indication that the principal is familiar with and is clear about all the elements of the order, especially the method of calculating the fees and expenses that he must pay for the execution of the order;
- h) signature of the Client/Representative and authorized person - the Bank's broker.

(2) When an order is given by telephone, the authenticity of the order is determined on the basis of the audio recording of the telephone conversation.

(3) The Bank may request that an order received by telephone and electronically be confirmed in paper form.

(4) An order may also contain:

- a) authorization for the Bank to, in order to achieve more favorable conditions, join the Client's sales order with the order of its other clients or clients of another investment company;
  - b) authorization for the Bank to outsource the execution of the order to another investment company;
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- c) consent for the Bank to represent the other party in the same transaction of buying and selling financial instruments.

## Article 53

(1) When the Client determines the price via an order, the price expressed in the purchase order represents the maximum price that the principal is willing to pay, that is, in the case of a sales order, the minimum price that the principal is willing to accept for a certain financial instrument.

(2) When the Bank transfers orders for execution to another investment company, the book of orders contains:

- a) name and surname/business name or other designation of the Client;
- b) business name or other designation of the investment company to which the order is transferred;
- c) date and exact time of order transfer or order change;
- d) order transfer conditions.

## 5.4. Records of received orders

### Article 54

(1) The Bank keeps a book of orders in which it enters orders for the purchase and sale of financial instruments in chronological order of receipt of orders.

(2) All received orders are entered in the book of orders, including those transferred to another investment company for execution, as well as order changes, order revocation, and order execution data.

(3) The Bank keeps the book of orders in electronic form, so as to:

- a) prevent subsequent modification of entered data;
- b) ensure visibility and chronology of entered data.

(4) The content of the book of orders and the manner of keeping it are regulated in accordance with the Commission's acts.

## 5.5. Reasons for rejection to execute orders

### Article 55

(1) The Bank shall reject the execution of an order for the purchase and/or sale of financial instruments and inform the Commission about this without delay, if it has reason to suspect that the execution of such an order would:

- a) violate the provisions of the Law;
  - b) violate the provisions of the Law on Prevention of Money Laundering and Terrorism Financing; or
  - c) commit a criminal offense, an economic offense, or misdemeanor.
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(2) The Bank may reject:

- a) the execution of a purchase order, if it determines that the Client's cash account does not have enough funds to settle the obligations arising from the execution of that order;
- b) the execution of a sales order, if it determines that the Client does not have enough instruments in the financial instruments account required to settle the obligations arising from the execution of the order.

(3) The Bank shall immediately, and no later than the next working day, inform the Client about the rejection to execute the order and the reasons for the rejection, unless stating the reasons is prohibited by regulations.

## **5.6. Order modification and revocation**

### **Article 56**

(1) A Client can use a special withdrawal order to modify or revoke an already issued order in any of the manners in which he can issue an order to the Bank.

(2) The Client does not have to modify or revoke the order in the same form in which the order to be modified or revoked was issued.

(3) Order modification regarding the price or quantity of financial instruments is done by withdrawing the previous order and issuing a new order. The new order is issued in accordance with Section 4.3 of this Chapter.

### **Article 57**

(1) A written withdrawal order form contains the following elements:

- a) order number, place, date, time (hour, minute), and method of receiving the revocation order;
- b) Client details: (full) name of the Client, address of headquarters/permanent residence/temporary residence, company registration number, name, surname, and personal identification number of the Client's representative, if any;
- c) details on the order that is being revoked: order number, place, date, time (hour, minute), and method of order receipt;
- d) signature of the Client/Representative and authorized person - the Bank's broker;
- e) designation of the financial instrument (issuer, type, class or series, CFI and ISIN code or other internationally recognized designation).

### **Article 58**

(1) In the event that the order to be changed/withdrawn has already been implemented or is in the process of implementation, the Bank shall be unable to act in accordance with the modification or revocation of the order, of which it shall inform the Client through the order form.

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(2) The Client can withdraw a deposit order by signing a withdrawal order no later than 11.30 AM on the last day of the deadline specified in the public takeover bid, except in the case of withdrawal due to order modification and in the case of depositing shares through another member of the CSD, when the modification can be made no later than 10 AM on the last day of the deadline specified in the public takeover bid.

## **5.7. Order receipt confirmation**

### **Article 59**

(1) The Bank shall immediately, and at the latest on the next working day after receiving the order, deliver to the Client on a Permanent Data Carrier a confirmation of the receipt and acceptance of the order or its modification or revocation, or of the receipt and rejection of the order (with the reasons for rejection of execution) in the cases referred to in Article 55 of these Rules.

(2) The confirmation contains the elements prescribed by the Commission's act.

(3) When a Client submits an order directly at the Bank's business premises or third parties through which orders are received on a paper order form, the copy of the order kept by the Client is considered a confirmation of receipt of the order.

(4) When a Client submits an order by e-mail or telephone, order receipt is confirmed immediately upon receipt by sending an electronic notification.

## **5.8. Receipt of orders through a third party**

### **Article 60**

(1) The Bank may outsource receiving orders from the Bank's clients in the name and on behalf of the Bank to a third party, if all the following conditions are met:

- a) that this party is an investment company;
  - b) that this party is not the issuer of the financial instruments for which these operations are performed;
  - c) that the conditions from the Decision of the National Bank of Serbia regulating bank risk management have been met;
  - d) that a communication channel has been established with the third party in such a way as to ensure the automatic updating of data and forwarding of received orders to the Bank;
  - e) that the work is performed in a room that is separated from other rooms of the third party and that meets the requirements for working with Clients;
  - f) that the engagement of a third party does not condition the collection of fees or other costs from the Bank's Client in an amount that is higher than the fees that the Client would have paid if the Bank had provided the services;
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- g) that by engaging a third party, the Bank does not assume unnecessary business risks, jeopardize the quality of internal control, or prevent supervision by the Commission.
- (2) The contract between the Bank and the third party on outsourcing the receipt of orders from the Bank's clients must regulate, *inter alia*:
- a) description, address, and surface area or other designation of the room where the third party will perform the tasks referred to in paragraph 1 of this Article;
  - b) obligation of the third party to use the room exclusively for the performance of work referred to in paragraph 1 of this Article and the time of its use for that purpose;
  - c) right of the Bank's clients to unhindered access to the designated room;
  - d) rights and obligations of the third party affecting the fulfillment of the Bank's obligations to issue confirmation of order receipt to the Client and respect the time sequence of order receipt;
  - e) obligation of the third party to keep the obtained data and documentation and ensure their confidentiality;
  - f) obligation of the third party to hand over the obtained data and documentation to the Bank in the manner established by the contract;
  - g) obligation of the third party to provide the Bank, its external auditor, the Commission, and the National Bank of Serbia with timely and unrestricted access to documentation and data related to outsourced affairs.
- (3) The Bank informs the Commission of the conclusion of the contract referred to in paragraph 2 of this Article, no later than seven days after its conclusion.
- (4) In the case referred to in paragraph 1 of this Article, the Bank may use the Client information forwarded to it by the third party.
- (5) The Bank is responsible for the execution of services or transactions based on the data it receives from the third party, in accordance with the Law.

## **5.9. Order execution and outsourcing of order execution**

### **5.9.1. Order execution sequence**

#### **Article 61**

- (1) The Bank executes Client orders for the purchase and/or sale of financial instruments by submitting the order to the central information base of the market organizer's trading information system specified in the order.
- (2) The Bank immediately checks whether the orders are covered in terms of Article 55 of these Rules and then executes orders for the purchase and sale of financial instruments on the organized market of financial instruments, in the sequence of receipt of orders from the book of orders, unless the organized market determines a different sequence in its rules.
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(3) The Bank immediately informs the Client about the different sequence of order execution in accordance with the rules of the Market Organizer.

(4) The Bank submits the Client's daily order to the information system of the Market Organizer on the same day, according to the sequence from paragraph 2 of this Article, immediately after checking the coverage of the order, except when the order is placed after the end of trading, when it is submitted at the beginning of trading on the next working day.

## **Article 62**

(1) Client orders take precedence over:

- a) Bank's orders when it buys or sells the same financial instruments for its own account, that is, for the account of a subsidiary;
- b) orders of founders, members of the Board of Directors and the Executive Board of the Bank and its employees, as well as persons related to them;
- c) orders of other investment companies when the Bank buys or sells financial instruments for the account of those companies and their brokers.

(2) The precedence from paragraph 1 of this Article implies that the Bank shall not execute other orders specified in paragraph 1 if this would jeopardize the execution of a previously placed Client order related to the same financial instruments or the execution of the Client's order would be possible only under conditions that are less favorable for the Client.

(3) Orders from paragraph 1 of this Article are executed after client orders, in the sequence established by these Rules for the execution of client orders.

### **5.9.2. Order execution method**

## **Article 63**

(1) The Bank executes client orders for the purchase and/or sale of financial instruments in accordance with the clients' instructions from the order and the annexes to these Rules.

(2) Execution of orders issued by the Bank for the account of its clients implies the conclusion of a transaction on the organized market or outside the organized market. An order can be implemented in whole or in part.

(3) The Bank immediately checks whether the order is covered in terms of Article 55 of these Rules and then executes the Client's order which does not specify the price for the purchase or sale of financial instruments, in the sequence from the book of orders, unless the organized market determines a different sequence in its rules.

(4) An order related to financial instruments that are traded discontinuously (at auctions) is submitted by the Bank to the first subsequent auction, unless the Client specifies otherwise in the order.

(5) The Bank informs the Client without delay about any significant difficulties related to the execution of the order.

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**Article 64**

(1) The Bank suspends the execution of orders for the purchase or sale of financial instruments:

- a) at the Client's request, *i.e.*, when the Client revokes the order within the time limits and in the manner provided by these Rules and the rules of the Market Organizer;
- b) at the request of the competent regulatory body or by order of the competent court;
- c) if one of the conditions on the basis of which the order was received is not met;
- d) if there is a well-founded suspicion that the execution of the order would violate the provisions of the Law, the Law on Prevention of Money Laundering and Terrorism Financing, or commit a criminal offense, an economic offense, or misdemeanor.

**5.9.3. Order execution outsourcing****Article 65**

(1) In accordance with Annex 1 of these Rules, the Bank may execute client orders through another member of the organized market if this:

- a) does not condition the collection of fees or other costs from the Client in an amount that is higher than the fees that the Client would have paid if the Bank had provided the services;
- b) cannot cause unnecessary business risks to the Bank;
- c) cannot jeopardize the quality of internal control;
- d) enables the Commission to supervise.

(2) Order execution through another investment company is carried out on the basis of a contract that regulates the term and manner in which the Client's order is transferred to the investment company, mutual rights, obligations, and responsibilities in the execution of the Client's order, pursuant to the Law and bylaws.

**5.10. Informing Clients of completed orders****Article 66**

(1) After the execution of the order for his account, the Bank informs the Client about the execution of the order and submits an order execution confirmation, in accordance with Article 16 of these Rules.

**6. OTHER INVESTMENT SERVICES AND ACTIVITIES****6.1. Dealer operations**

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**Article 67**

- (1) The Bank performs dealer operations when it buys and sells financial instruments in its own name and for its own account.
- (2) The Bank performs market-maker operations when it mandatorily buys and sells a certain type of financial instruments in the name and for the account of the Bank at a price it announces in advance and generates income based on the difference in the price of financial instruments.
- (3) The Bank may, in its own name and for its own account, carry out securities financing transactions (repo or reverse repo contracts or other transactions including the purchase of financial instruments and their resale, *i.e.*, buy-sell back transactions, or the sale of financial instruments and their resale, *i.e.*, sell-buy back transactions).
- (4) The Bank performs market-maker operations on the organized market, in accordance with the rules of procedure of the Market Organizer.
- (5) The Bank performs dealer and market-maker operations so as to avoid conflicts of interest in accordance with Article 6 of these Rules.
- (6) Depending on the type and scope of business, contracts for buying and selling financial instruments in the name and for the account of the Bank, *i.e.*, for financing securities, can be concluded as:
  - a) contract/order/ticket/confirmation, *i.e.*, contract note on the purchase and sale of financial instruments;
  - b) framework contract on the repurchase of securities (framework repo contract).

**6.2. Underwriter services****Article 68**

- (1) Underwriting contracts between the Client and the Bank:
    - a) Oblige the Bank to, as the underwriter, undertake to redeem the entire issue or a part of the Client's unsold financial instruments before the deadline for registration and payment expires;
    - b) stipulate the responsibilities of the contracting parties in connection with the issuance of financial instruments and the issue price, *i.e.*, the interest rate;
    - c) Oblige the Client, as the issuer, not to issue or sell financial instruments of the same type in a certain period after the start of the primary sale;
    - d) regulate the fees, commissions, and terms of payment for underwriting services and other rights and obligations between the contracting parties.
  - (2) If, in addition to the Bank, other investment companies participate on the side of the underwriter with redemption obligation, the Bank concludes a special contract with those companies to regulate mutual rights and obligations and entrust one company with the role of the main organizer of distribution, which signs an underwriting contract with the issuer.
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## 6.3. Agent services

### Article 69

- (1) Contracts for providing agent services between the Client and the Bank:
  - a) Oblige the Bank to, as the agent, perform services related to the offer and sale of the Client's financial instruments without redemption obligation;
  - b) stipulate the responsibilities of the contracting parties in connection with the issuance of financial instruments and the issue price, *i.e.*, the interest rate;
  - c) Oblige the Client, as the issuer, not to issue or sell financial instruments of the same type in a certain period after the start of the primary sale;
  - d) regulate the fees, commissions, and terms of payment for agent services and other rights and obligations between the contracting parties.

## 6.4. Custody and administration of financial instruments

### 6.4.1. Contract on custody and administration of financial instruments

#### Article 70

- (1) By contracts on custody and administration of financial instruments between the Client and the Bank:
    - a) The Bank is obliged to:
      - take over financial instruments from the Client for the purpose of custody and administration of those instruments,
      - familiarize the Client with the basics of the investor protection system in the manner and in accordance with the rules of procedure of the organizer of the Investor Protection Fund, before concluding the contract,
      - on behalf of and for the account of the Client, open and maintain a financial instrument account with the CSD (proprietary, escrow, issue);
      - on its behalf and for the account of the Client, open and maintain a financial instrument account with the CSD (collective account),
      - execute orders for the transfer of rights from financial instruments and orders for the registration of rights of third parties on financial instruments, and take care of the transfer of those rights,
      - collect due receivables under financial instruments from the issuer, and on behalf of the Client,
      - take care of exercising other rights that belong to the Client as the legal owner of financial instruments,
      - inform the Client of annual meetings of joint stock companies and represent the Client at those meetings, in accordance with Articles 71 to 74 of these Rules,
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- perform lending of financial instruments in accordance with Articles 75 and 76 of these Rules,
  - issue a certificate to the Client for the purpose of fulfilling his tax obligations related to financial instruments,
  - report to the Client without delay about all work performed on the order or instruction of the Client or on behalf and/or for the account of the Client;
- b) The Client is obliged to:
- a) pay commission and other fees to the Bank,
  - b) make sure that the financial instruments account contains only instruments where the right of ownership is not limited or encumbered,
  - c) timely submit to the Bank all necessary information and reports on circumstances that may be of importance for the performance of the Bank's obligations under the contract,
  - d) provide and deliver to the Bank in a timely manner the consents, authorizations, permits, and other documentation necessary for the performance of the Bank's obligations under the contract.

(2) Depending on the type and volume of business that the Client entrusts to the Bank, the contract on custody and administration of financial instruments can be concluded as a:

- a) contract on opening and maintaining a proprietary financial instrument account;
- b) contract on opening and maintaining an escrow financial instrument account;
- b) contract on opening and maintaining an issue account and providing services in the process of performing corporate actions.

## 6.5. Representation of shareholders at assemblies

### Article 71

(1) In accordance with the contract with the Client (joint stock company or shareholder), the Bank performs tasks of informing the Client - shareholder about the holding of the shareholders' assembly and represents the shareholders at the assembly.

### Article 72

- (1) The contract between the Bank and the Client - shareholder regulates in particular:
- a) method of informing shareholders;
  - b) method of giving instructions to shareholders for exercising voting rights;
  - c) the amount of fee for informing and representing shareholders at annual joint stock company assemblies;
  - d) and other rights and obligations of the contracting parties.

### Article 73

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- (1) When representing the Client - shareholder at the assemblies, the Bank exercises the right to vote in accordance with the Client's instructions, and if it has not received them, the power of attorney for voting gives the Bank the right to vote only in accordance with the proposal that the Bank itself has given to the Client regarding the exercise of the right to vote.
- (2) The Bank represents the Client - shareholder in accordance with the Law on Companies, other regulations, and the given power of attorney.
- (3) The Bank informs the Client - shareholder from whom it has received a power of attorney for representation, with all the restrictions for such representation arising from regulations.

## Article 74

- (1) The Client - shareholder may change or revoke the power of attorney given to the Bank at any time, on the condition that he informs the Bank and the joint stock company thereof it by the day of the assembly session.
- (2) It shall be considered that the power of attorney is revoked if the shareholder personally attends the assembly session.

## 6.6. Lending of financial instruments

### Article 75

- (1) The Bank may lend financial instruments whose legal owner is the Bank or a Client, to another Client, an investment company, or a credit institution that is a member of the CSD.
- (2) If the object of lending is financial instruments whose legal owner is the Client, for the lending of those instruments, it is necessary for the Bank and the Client to conclude a contract on keeping financial instrument accounts, as well as for the Client to, by contract or special written authorization, authorize the Bank to lend his financial instruments.
- (3) The Bank can mediate on behalf of the Client in the conclusion of the contract on lending financial instruments.
- (4) Financial instruments on which a lien is constituted, i.e., whose turnover is limited, cannot be the subject of the loan contract.

### Article 76

- (1) The contract or authorization for lending, contains the following elements in particular:
    - a) mutual rights and obligations of the contracting parties;
    - b) CFI and ISIN code or other internationally recognized designation and the amount of financial instruments that are lent or can be lent;
    - c) contract duration, which may not exceed one year;
    - d) the time for which the Client's financial instruments can be lent, *i.e.*, for which they are lent;
    - e) authorization given by the Client to the Bank to carry out the transfer of financial instruments that are the subject of the contract;
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f) provisions on fees, commissions, and terms of payment.

(2) The Bank shall inform the Client of the date of transfer, the amount, and the time for which the financial instruments are lent no later than the next working day from the date of transfer of the financial instruments from the Client's account.

## **6.7. Research and financial analysis in the field of investing**

### **Article 77**

- (1) The Bank can perform market research activities for the Clients and for the Bank.
- (2) The contract between the Client and the Bank regulates the detailed conditions for the provision of services from paragraph 1 of this Article.
- (3) When conducting market research, the Bank:
  - a) establishes and implements appropriate measures and procedures, and keeps records to ensure adequate management of market research activities and their control;
  - b) takes particular care to ensure that there is no unnecessary spreading of potentially sensitive information, and that all persons participating in market research receive the same information;
  - c) keeps records related to market research on a Permanent Data Carrier, which ensures their availability and readability for a period of at least five years, and which contains data defined by the Commission;
  - d) determines a set of standard information and procedures for the exchange of standard information for each market research before its implementation and publishes the standard information to all persons participating in the market research. Information that is binding is prescribed by the Commission; and
  - e) compiles a list of persons participating in market research with data prescribed by the Commission.

## **6.8. Investment recommendations**

### **Article 78**

- (1) The Bank does not make explicit or tacit recommendations in dealing with Clients.

## **6.9. Mediation in preparing and publishing a public takeover bid**

### **Article 79**

- (1) The Bank provides mediation services to the Client in the preparation and publication of a public takeover bid in the manner and under the conditions regulated by the contract between the Client and the Bank, and in accordance with the law regulating the takeover of joint stock companies.
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**6.10. Investment services related to financial derivatives****Article 80**

(1) The provisions of these Rules on services related to basic financial instruments are applied accordingly to the performance of investment services related to financial derivatives.

**6.11. Foreign currency conversion services in relation to the provision of investment services****Article 81**

(1) The Bank provides the Client with services in the field of foreign exchange operations, related to investment services, in the manner and under the conditions regulated by the general terms and conditions of the Bank, and within the current offer of foreign exchange services (*e.g.*, payment transactions with foreign countries, *etc.*).

**6.12. Approving loans to Clients for carrying out transactions in financial instruments when the Bank is involved in the transaction****Article 82**

(1) A Client may be granted a loan for the purpose of executing a transaction in financial instruments in which the Bank participates.

(2) The conditions of the transaction from the previous paragraph are governed by a separate contract between the Bank and the Client.

**7. INCENTIVES****Article 83**

(1) The Bank does not receive incentives in connection with the provision of investment and ancillary services in the sense of these Rules.

**8. TRANSITIONAL AND CLOSING PROVISIONS****Article 84**

(1) Integral parts of these Rules are:

- a) Appendix 1 - Order execution and order execution assignment policy;
- b) Appendix 2 - Policy of joining and classification of orders;
- c) Appendix 3 - Information for Clients.

**Article 85**

(1) The Bank shall inform its Clients and potential Clients about any changes to these Rules and the Tariff Regulation, no later than seven days before the start of their application, in the manner defined in paragraph 2 of Article 2 of these Rules.

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**BANCA INTESA**

(2) These Rules shall enter into force on the next working day from the date of approval of their content by the Commission and shall be applied seven days after publication in the manner referred to in Article 2 of these Rules.

President of the Board of Directors

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Draginja Đurić

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