

Pursuant to Article 26, paragraph 2, point 25 of the Statute of UniCredit Bank Serbia JSC, Belgrade with headquarters at 27-29, Rajiceva St.in Belgrade and Article 155 of the Law on the Capital Market ("Official Gazette RS" No. 129/2021) (hereinafter: "**LCM**"), the Management Board of UniCredit Bank Serbia JSC, Belgrade, on 21 December 2022 adopts:

BUSINESS RULES
OF THE CREDIT INSTITUTION
UNICREDIT BANK SERBIA JSC, BELGRADE

1. GENERAL PROVISIONS

1.1 Credit institution

UniCredit Bank Serbia JSC, Belgrade represents a credit institution that is authorized to perform investment services and activities laid down in Article 2, item 2) and 3) of LCM, and in connection with financial instruments referred to in Article 2, item 19) of LCM (hereinafter: "**Credit institution**").

1.2 The Subject of the Rule

These Business Rules of the Credit Institution (hereinafter: "**Business Rules**") determine the general provisions and business rules of the Credit Institution, and especially:

- 1) types of activities performed by the Credit Institution and the conditions and manner of their performance;
- 2) categorization/classification of clients and change of client category;
- 3) client order, manner, and requirements for receiving orders;
- 4) execution of order and order execution entrustment;
- 5) information specifically provided to retail clients;
- 6) a contract with a client;
- 7) mutual rights and obligations of the Credit Institution and its clients;
- 8) protection of assets of clients of the Credit Institution (of the financial instruments and client funds);
- 9) conditions for the lending of financial instruments;
- 10) code of conduct when providing investment services;
- 11) handling client complaints;
- 12) other issues of importance for the work of the Credit Institution.

1.3 Publication

After obtaining the authorization for the adoption of these Business Rules from the Securities Commission (hereinafter: "**the Commission**"), these Business Rules will be posted on the Credit Institution's website and in the Credit Institution's business premises in which the reception of clients is conducted.

2. TYPES OF ACTIVITIES PERFORMED BY A CREDIT INSTITUTION

2.1 Investment Services and Activities

Investment services and activities performed by the Credit Institution under the provisions of Article 228 of the LCM are:

- 1) reception and transmission of orders in relation to one or more financial instruments;
- 2) execution of orders on behalf of a client;
- 3) dealing on own account;
- 4) underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; and
- 5) placing of financial instruments without a firm commitment basis.

2.2 Ancillary Services

Additional services performed by the Credit Institution following the provisions of Article 228 of the LCM are:

- 1) safekeeping and administration of financial instruments for the account of clients (custody services) and related services such as cash/collateral management, excluding providing and maintaining securities accounts as referred to in Chapter XIV of the LCM;
- 2) granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- 3) advice to business entities on capital structure, industrial strategy, and related matters, and advice and services relating to mergers and the purchase of business entities;
- 4) foreign exchange conversion services concerning the provision of investment services;
- 5) investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- 6) services related to underwriting; and
- 7) investment services and activities, as well as ancillary services, pertinent to the underlying derivatives referred to in Article 2 point 19) subpoints (5), (6), (7), and (10) of the LCM, where these are related to the provision of investment or ancillary services.

Provisions on the activities of the Credit Institution pertain to the operation of all types of financial instruments. The Credit Institution has a license issued by the Commission to hold clients' financial instruments and client funds.

3. CATEGORIZATION/CLASSIFICATION OF CLIENTS AND CHANGE OF CLIENT CATEGORY

3.1 Clients

A client of the Credit Institution can be any domestic or foreign legal or natural person to whom the Credit Institution provides investment or ancillary services.

The Credit Institution shall act honestly, fairly, and professionally in the best interests of its clients and comply, especially, with the general principles and the general principles established in these Business Rules, the LCM, and by-laws adopted by the Commission.

The Credit Institution shall respect the principle of customer equality in its operations. When providing investment services to clients, the Credit Institution is to put the interests of its clients before its interests and operate fairly, honestly, and professionally, in the best interests of the clients, respecting the principles established by the LCM.

The Credit Institution, management members and employees shall keep data on clients, balances and transactions on client accounts, services provided to clients, as well as other data that they learned about in the course of dealing with the client as a business secret and may not disclose them to third parties except in the case when the Credit Institution is obliged to do so based on the law or other regulation or with the written consent of the client.

3.2 **Classification of Clients**

Prior to any provision of services, the Credit Institution classifies the client in the category of small investors, professional investors, or certain professional investors, under the Rulebook on Client Categorization and other internal rules and procedures of the Credit Institution.

For the Credit Institution to properly classify the client, each client is to submit all the data and documents that the Credit Institution needs for categorization purposes as soon as possible at the request of the Credit Institution. The Credit Institution will inform each client via a durable medium about:

- 1) client category in which the client is placed;
- 2) the level of protection of the client's interest that shall be provided to the client;
- 3) the possibility of requesting classification into another client category, as well as any changes in the level of protection resulting from such a decision.

A durable medium means any instrument that:

- 1) enables a client to store information addressed personally to that client in a way accessible for future reference and for a period of time adequate for the information;
- 2) allows the unchanged reproduction of the information stored.

3.3 **Change of Client Category/Level of Protection**

A professional client who deems that they are unable to properly assess or manage the risks involved around a certain investment may request in writing from the Credit Institution a higher level of protection of their interest regarding all or ancillary services, types of transactions, or financial instruments. In that case, the Credit Institution and the client will conclude a contract, i.e. an annex to the contract, which will specify the services, transactions, or financial instruments in connection with which the client does not want to be treated as a professional investor.

A retail client who wants to be treated as a professional investor can request in writing from the Credit Institution a lower level of protection of their interest regarding all or ancillary services, type of transaction, i.e. financial instrument, following the procedure prescribed by the Rulebook on client categorization and acts of the Commission. The client must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protection.

If a particular professional-client requests are to be treated as a retail investor or as a professional investor, the request must be submitted in writing and must state whether retail or professional investor treatment is requested for one or more investment services or transactions, i.e. one or more types of transactions or

products following the procedure prescribed by the Rulebook on client categorization and acts of the Commission.

4. CLIENT`S ORDER, MANNER, AND CONDITIONS OF RECEIVING AN ORDER

4.1 Place of receipt of clients' orders

The Credit Institution receives clients' orders at its headquarters. The client's order is considered as received under Article 4.2.

If the conditions are met, the Credit Institution will enable the reception of orders at a branch office of UniCredit Bank Serbia JSC, Belgrade and the business premises of another investment company which the Credit Institution has authorized by contract to receive client orders in their business premises on behalf of and for the account of the Credit Institution. The Credit Institution shall publish information on the identity of the place of execution of the order and the quality of order execution following Articles 48 and 49 of "the Rulebook on Rules of Conduct for Credit Institutions when providing services (Official Gazette No. 77/2022) (hereinafter: "The Rulebook on Rules of Conduct").

The Credit Institution does not structure or calculate its commissions in a way that would lead to unfair discrimination among the places of execution.

Where there is more than one competing place to execute an order for a financial instrument, to assess and compare the results for the client that would be achieved by executing the order on each of the places of execution listed in the investment firm's Order Execution Policy that is capable of executing that order (following the Article 5.1), the investment firm's commissions and the costs for executing the order on each of the eligible places of execution shall be taken into account.

The Credit Institution shall not receive any remuneration, discount, or non-monetary benefit for routing client orders to a particular place of trading or place of execution of the order that would infringe the requirements on conflicts of interest or inducements referred to in paragraph 1 of this Article and Articles 167, 176, 177, and 179 of the LCM.

After executing the transaction on behalf of the client, the Credit Institution informs the client about the place of execution of the order. Periodic reports contain data on price, costs, promptness, and probability of execution for individual financial instruments.

4.2 Manner of Receiving Client Orders

The Credit Institution receives client orders submitted (i) directly, (ii) by telephone, or (iii) electronically, if this is envisaged in the contract with the client, in which case adequate protective mechanisms are applied, such as audio and other recording devices, to provide accuracy and reliability in the records of the Credit Institution. By concluding the Contract of Services with the Credit Institution, it shall be deemed that the client has given their consent to the audio and other recording of conversations with the Credit Institution, as well as other mechanisms serving to prove the presentation of orders to the Credit Institution that may be envisaged by internal acts of the Credit Institution.

When a branch office or organizational entity of the Credit Institution, that do not have the permit to execute an order, receives a client`s order, they shall warn the client:

- 1) that they do not have a permit to execute the order,
- 2) of the period within which the order will reach the Credit Institution,
- 3) that the order is deemed as received upon receipt at the Credit Institution.

4.3 **Records of received orders**

The Credit Institution maintains a Book of Orders in electronic form, wherein orders are entered immediately after receipt, including orders transferred to some other investment company for execution, changes, and revocations.

The Book of Orders of the Authorized Bank shall especially contain the following data:

- 1) first and last name/business name or other client labels;
- 2) first and last name/business name or label of persons representing the client;
- 3) order number;
- 4) date and exact time when the order was received, changed, and revoked;
- 5) identification label of the financial instrument;
- 6) price of the financial instrument and symbol of the currency used to state the price;
- 7) quantity of the financial instrument;
- 8) label of purchase, i.e. sale;
- 9) nature of the order if it is not an order to sell or buy;
- 10) type of order;
- 11) order status; and
- 12) all other particulars, conditions, and instructions related to the execution of the order.

In case the order is delegated to another investment company for execution, the Book of Orders shall also contain:

- 1) first and last name/business name or other client labels;
- 2) business name or other label of the investment company to which the order was delegated;
- 3) date and exact time when the order was delegated, i.e. changes of the order; and
- 4) conditions of order delegation.

4.4 **Confirmation of acceptance, i.e. rejection of performed client's order**

The Credit Institution shall submit a notification via a durable medium to the client immediately, but no later than on the following working day after the day of receipt of the order about:

- 1) the time and place of receipt of the order, change or revocation of the order;
- 2) acceptance or rejection to execute the order, specifying the reason for rejecting to execute.

4.5 **Reasons to reject to execute a client's order**

The Credit Institution has the obligation and the right to reject to fulfill an order to buy, i.e. sell, and to inform the Commission of this without delay if it has a reason for a reasonable suspicion that the execution of such an order:

- 1) would breach provisions of the LCM, bylaws adopted based on the LCM, laws regulating the prevention of money laundering and financing of terrorism or other regulations; or

- 2) would mean the committing of an offense punishable by law as a criminal offense, an economic offense, or a violation.

The Credit Institution can refuse execution of:

- 1) an order to buy, if it establishes that the client's monetary account does not contain funds sufficient to settle obligations resulting based on the execution of that order; or
- 2) an order to buy, if it establishes that the client's monetary account does not contain funds sufficient to settle obligations resulting based on the execution of that order.

The Credit Institution will not refuse to execute an order if the client's order can be executed:

- 1) from realized, but unbalanced transactions;
- 2) by giving the client a loan from the Credit Institution within which the Credit Institution is operating, and based on valid regulations;
- 3) by lending financial instruments according to the rules governing the lending of financial instruments.

To avoid any doubt, the Credit Institution is not obliged to refuse the execution of the order, if the client's order can be executed in the case of short selling in *connection* with shares or debt instruments by Article 2 paragraph 1 point 121) of LCM and valid regulations.

When determining the circumstances referred to in this article, the Credit Institution may use its information, that is, information it receives from its clients or potential clients unless it knows or should know that such information is outdated, inaccurate, or incomplete.

5. ORDER EXECUTION

5.1 The most favorable order execution

When providing the service of receiving and transferring orders, the Credit Institution fulfills the obligation referred to in Article 177, paragraph 1 of the LCM to act in the best interest of its clients when transferring client orders to other entities for execution.

The Credit Institution undertakes all necessary measures to achieve the most favorable possible outcome for its clients considering the price, expenses, speed, possibility of executing, balancing, size, nature, and all other factors related to the execution of the order under Article 186 of the LCM, except that when a client issues special instructions related to a transaction, the Credit Institution shall execute the order exclusively by those instructions.

When executing a client's order, the Credit Institution takes into account the following criteria for determining the relative importance of the factors from Article 186 of the LCM:

- 1) client characteristics, including the client's categorization as a retail or professional investor;
- 2) the characteristics of the client's account, for example, when the account involves trading in securities transactions;
- 3) characteristics of financial instruments that are the subject of that order;
- 4) the characteristics of the place of execution to which the said order can be directed (the place of execution includes a regulated market, a multilateral trading facility, an organized trading facility, a systematic internalizer, a market organizer, or some other liquidity providers or an entity that performs a similar function to any of the afore named subjects in a foreign country).

When executing an order, the Credit Institution shall meet the following conditions:

- 1) ensures that orders executed on behalf of clients are promptly and correctly recorded and allocated;
- 2) executes otherwise comparable client orders by the order of acceptance of the order and without delay, unless the characteristics of the order or the prevailing market conditions prevent it, or if the interests of the client require different treatment;
- 3) without delay, reports are provided to the retail investor about all important difficulties relevant for the orderly execution of the order as soon as they are aware of them.

Order execution is regulated in more detail in the Credit Institution's Order Execution Policy adopted following Article 186 of LCM and Article 43 of the Rulebook on Rules of Conduct. The Credit Institution shall review the Order Execution Policy at least once a year, and every time a significant change occurs, which affects the ability of the Credit Institution to continue the permanent achievement of the most favorable possible outcome when executing the orders of its clients using the place of execution included in the Order Execution Policy.

The Credit Institution:

- 1) monitors efficiency of procedures for order execution envisaged in the Order Execution Policy, to identify and remove shortcomings in a timely manner;
- 2) regularly assesses if at sites for execution stated in the Order Execution Policy best results for the clients are achieved, and if changes to existing procedures are required;
- 3) informs clients about all significant changes related to the manner or procedures of order execution; and
- 4) at their request, proves to its clients that it has executed orders by the Order Execution Policy.

5.2 **Records of executed transactions**

The Credit Institution, records order execution in the Book of Orders after executing an order, i.e. after receiving a confirmation of an executed transaction, in case when the Credit Institution delegates orders to some other investment company for execution. The record must contain:

- 1) first and last name/business name or another designation of the client;
- 2) date, time, and place of the trade;
- 3) identifier of the financial instrument;
- 4) quantity of financial instruments;
- 5) unit and total price and symbol of the currency used to state the price;
- 6) notation of purchase i.e. sale;
- 7) nature of the transaction, if not a buy or sell transaction; and
- 8) authorized person having performed the transaction or being responsible for its execution.

5.3 **Provision of services via another authorized company**

A Credit Institution may conclude a contract on the performance of investment services or the providing of ancillary services with a second investment company on behalf of the client, and in that case, may use

information about the client forwarded by the first investment company. The Credit Institution that forwards the instruction pertaining to the client's order remains responsible for the completion and accuracy of the data provided. The investment company receiving the instruction to perform services on behalf of the client can also accept any recommendation related to services or transactions offered to the client by the Credit Institution. The Credit Institution forwarding the instruction remains responsible for the recommendation or advice that it has provided to the client.

The conclusion of a contract on the performance of investment services or the provision of ancillary services with another investment company on behalf of the client shall be permitted if the conditions from Article 185 of the LCM are met, i.e. it is permitted if the engagement of a second investment company:

- 1) does not result in fees or other charges to clients of the Credit Institution, which exceed the charges that would be applicable if the Credit Institution provided the services directly;
- 2) does not result in unnecessary operational risk to the Credit Institution or impair the internal control and the surveillance of the Commission of the Credit Institution's compliance with all obligations.

6. INFORMATION SPECIFICALLY PROVIDED TO RETAIL INVESTORS

Before concluding a contract, i.e. providing services to a retail investor or a potential retail investor through an internet website, i.e. a durable medium, the Credit institution shall provide information on the Credit Institution and its services, financial instruments, the protection of financial instruments and the client's monetary funds, expenses, and fees, by the LCM, the Commission Regulation and internal acts of the Credit Institution.

6.1 Information on the Credit Institution and Services

Information on the Credit Institution and services, as a rule, includes the following:

- 1) business name and headquarters of the Credit Institution, as well as all other data that ensure efficient communication with the Credit Institution;
- 2) number and date of the decision granting the operational work permit to the Credit Institution, as well as the name and contact address of the competent body that had issued the permit;
- 3) possible means and languages of communication between the Credit Institution and the client, including the manners in which the bank is issuing and receiving orders, as well as providing documents and other information by the Credit Institution;
- 4) scope, frequency, and periods of reporting to the client about services provided by the Credit Institution to the client following Article 181, paragraph 2 of the LCM;
- 5) a brief description of the manner of protection of instruments, i.e. funds, including general data about the Investor Protection Fund of which the Credit Institution is a member in case that company holds financial instruments, i.e. the client's monetary funds;
- 6) a brief description of the conflict of interest management policy according to the Unicredit Group standards, a description of guidelines for resolving conflicts of interest as well as a description of conflict of interest resolution in case of non-business activities;

Upon the client's request, the Credit Institution shall provide more detailed information on the specified conflict of interest management policy on a durable medium or via website (if it is not a

durable medium), provided that the Credit Institution guarantees that the following conditions have been met:

- the delivery of information on that durable medium is appropriate for the context in which the business is or will be conducted between the Credit Institution and the client;
- the client must expressly agree to provide information in that form;
- the client must be informed electronically about the address of the website, as well as the location on the website where the information can be accessed;
- the information must be updated;
- the information must be permanently available on that website for as long as the client may justifiably need to access it.

6.2 Information on financial instruments

Before providing investment or ancillary services to clients or potential clients, the Credit Institution promptly submits a general description of the nature of financial instruments and their risks, taking into account, in particular, the client's categorization as a retail investor, professional investor, or specific professional investor. That description explains the nature of the specific type of instrument in question, the operation and performance of the financial instrument under various market conditions, including both positive and negative conditions, and the risks specific to the particular instrument, in sufficient detail to enable the client to make informed investment decisions.

The description of the risk referred to in paragraph 1 of this article includes taking into account the individual type of financial instrument, the status, and the level of knowledge of the client, which, as a rule, contains:

- 1) risks associated with a particular type of financial instrument, including clarification of financial leverage and its effects, as well as risks of losing the entire investment including risks associated with insolvency of the issuer or related events, for example, solvency risk;
- 2) financial instrument price volatility, as well as any limitation on existing markets for such instruments;
- 3) an explanation that a transaction with such an instrument could, in addition to obtaining the instrument itself, include additional financial and other obligations, including potential obligations;
- 4) any condition originating from a loan based on which the instrument was purchased or similar obligations applicable to an individual type of instrument (all margin requirements or similar obligations applicable to instruments of the specified type).

When providing information about a financial instrument, the Credit Institution shall:

- 1) regarding the financial instrument being the subject of a public offer in progress and for which a prospectus has been issued, familiarize retail investors and potential retail investors with how the prospectus can be accessed in a timely manner before providing investment or ancillary services to clients or potential clients ;
- 2) that includes a third-party guarantee or capital protection - provide the client and potential client with sufficient information about the scope of application and the type of such guarantee or capital protection. When the guarantee is provided by a third party, the guarantee information

must include sufficient information about the guarantor and the guarantee to enable the client or potential client to make an objective assessment of the guarantee;

- 3) that consists of two or more different instruments or services - provide the client and potential client with an appropriate description of the legal nature of the financial instrument, individual components of such an instrument, and how the mutual influence of the components affects the investment risks.

6.3 Information related to the hedging instruments and client's monetary funds

In case of holding financial instruments or client's monetary funds, the Credit Institution will, as a rule, provide the following information:

- 1) that monetary funds or financial instruments can be held by a third party on behalf of the Credit Institution and the obligations of the Credit Institution related to actions or omissions of the third party, as well as the consequences for the client in case of insolvency of the third party;
- 2) when a third party maintains financial instruments on an omnibus account, as well as a warning about the risks arising from it;
- 3) that the client's financial instruments held by a third party cannot be distinguished from the financial instruments of the said third party or investment company with an indicated warning about the risks arising from it;
- 4) notification if accounts containing financial instruments or monetary funds of the client or potential client are or will be under the jurisdiction of the legislation of a foreign country, and indicate that the rights of the client or potential client related to the said financial instruments or monetary funds may differ accordingly;
- 5) notification about the existence and conditions of any repurchase rights, lien rights, or set-off rights that the Credit Institution or the depositary has or could have on the client's financial instruments or monetary funds;
- 6) before concluding transactions for financing securities, that pertain to financial instruments held by the Credit Institution on behalf of a retail investor or before such financial instruments are used in any other manner, the Credit Institution shall, in a timely manner, before using the afore named instruments, submit to the retail client in writing clear, complete and accurate data on the obligations and responsibilities of the Credit Institution relevant to the use of mentioned financial instruments, including the conditions for their return to the client as well as the risks involved.

6.4 Data on costs and fees

To provide information to clients about all costs and fees by Article 179, paragraphs 2 and 3 of the LCM, the Credit Institution fulfills the detailed requirements laid down in paragraphs 2-10 Article 19 of the Rulebook on Rules of Conduct.

For the previous and subsequent publication of information on costs and fees charged to clients, the Credit Institution shall add:

- 1) all costs and related fees charged by the Credit Institution or other parties, if the client is referred to such other parties, for the investment service or investment services and/or ancillary services provided to the client; and
- 2) all costs and fees associated with the production of financial instruments and their management.

When any part of the total costs and fees needs to be paid or when it represents an amount in a foreign currency, the Credit Institution shall provide an indication of such currency as well as the applicable exchange rates for conversion and costs. The Credit Institution also informs about payment methods or other ways of fulfilling obligations.

6.5 Information provided to professional investors

Before providing services, the Credit Institution shall provide the professional investor information on the existence and conditions of any repurchase rights, lien rights, or set-off rights that the Credit Institution or depositary has or could have on the client's financial instruments or monetary funds, as well as information before concluding transactions for financing securities, and which pertain to financial instruments held by the Credit Institution for the account of a professional investor or before such financial instruments are used in any other way, the Credit Institution is obliged to, in a timely manner, before using the said instruments, submit in writing to the professional investor clear, complete and accurate data on the obligations and responsibilities of the Credit Institution regarding the use of the specified financial instruments, including the conditions for their return to the client as well as the risks involved.

7. ENTRUSTING SERVICES AND BUSINESS PROCESSES

7.1 Entrusting significant business processes

In case of entrusting significant business processes, the credit institution remains fully responsible for fulfilling all of its obligations by the LCM and observes the following conditions:

- 1) that the entrustment of business processes does not lead to the delegation of the competence of senior management;
- 2) not to change the relationship and obligations of the Credit Institution towards its clients following the conditions prescribed by the LCM;
- 3) that the conditions the Credit Institution must comply with to obtain approval for operating following Article 148 of the LCM and to keep it - are not endangered;
- 4) not to remove or change any of the other conditions under which the Credit Institution was granted authorization to operate.

A Credit Institution acts following the principles of due diligence when entering into or terminating any contract for the entrustment or management of business processes towards the service provider's significant business processes and takes the necessary measures to ensure that the following conditions are met:

- 1) the service provider has the capability, ability, sufficient resources, and appropriate supporting organizational structure to carry out the entrusted processes and all work permits that are legally laid down for the reliable and professional execution of the entrusted processes;
- 2) the service provider provides entrusted services efficiently and under the applicable regulations and regulatory requirements, and for this purpose, the Credit Institution has established methods and procedures for assessing the level of success of the service provider and for continuous verification of the services it provides;
- 3) the service provider properly monitors the execution of entrusted processes and adequately manages the risk associated with the entrustment of business processes;

- 4) appropriate measures are taken if there is a probability that the service provider cannot perform processes efficiently and follow applicable legal and other regulations;
- 5) The Credit Institution effectively supervises entrusted processes or services and manages the risks associated with entrustment, and for this purpose, the Credit Institution retains the professional knowledge and resources needed for effective supervision of entrusted processes and management of those risks;
- 6) the service provider informs the Credit Institution of all circumstances that may have a significant impact on its ability to perform entrusted processes efficiently and under applicable legal and other regulations;
- 7) if necessary, the Credit Institution can immediately terminate the contract on the entrustment of business processes in case it is in the interest of its clients, without consequences for the continuity and quality of providing services to clients;
- 8) the service provider cooperates with the Commission in relation to entrusted processes;
- 9) The Credit Institution, its auditors, and the Commission have effective access to data related to entrusted processes as well as relevant business premises of service providers when necessary for effective supervision following this article, whereas the Commission may use that right of access;
- 10) the service provider protects all confidential information related to the Credit Institution and its clients;
- 11) The Credit Institution and the service provider establish, implement, and maintain a recovery crisis action plan and periodically check security equipment when it is necessary given the process, service, or activity that is entrusted;
- 12) The Credit Institution guarantees the maintenance of the continuity and quality of entrusted processes or services, even in the event of termination of the contract on entrustment by transferring the entrusted processes or services to another person, i.e. so that the Credit Institution performs them itself.

The rights and obligations of the Credit Institution and service providers are clearly distributed and determined in the written contract. In particular, the Credit Institution retains its right to give instructions, terminate the contract, be informed about the course of business processes, control them, and have access to the books and business premises where these processes take place.

In case the Credit Institution and the service provider are members of the same group, the Credit Institution may, to comply with this article and the acts of the Securities Commission, take into account the fact to what extent the Credit Institution controls the service provider, i.e. can influence its actions.

8. CONTRACT WITH THE CLIENT

8.1 General Provisions

When the Credit Institution provides the client with any investment service or additional service referred to in Article 2, Paragraph 1, Point 3, Subpoint (1) of the LCM, it concludes a basic written contract with the client, on paper or on some other durable medium, which establishes essential rights and obligations of the Credit Institution and the client.

The written contract establishes the essential rights and obligations of the parties and includes the following:

- 1) a description of the services and, as the case may be, the nature and scope of the investment advice provided;
- 2) the rights and obligations of the contracting parties, whereby the same can be determined by referring to other documents available to the client;
- 3) description of the main features of all services referred to in Article 2 paragraph 1 point 3) sub-point (1) of the LCM that is provided, including, if applicable, the role of the company with regard to corporate activities in connection with the client's instruments and the conditions according to which securities financing transactions that include the client's securities, acquire a repayment for the client;
- 4) other conditions under which the Credit Institution provides services to the client;
- 5) the client's statement that they are familiar with the content of the business rules and the Credit Institution's Rulebook on Fees before concluding the contract.

8.2 Operations of receiving, transferring, and executing orders related to the sale and purchase of financial instruments

With the agreement on brokerage services, the Credit Institution undertakes mediation in the purchase and sale of financial instruments for the client, i.e. to carry out the purchase and sale of securities for the client's account, based on the client's order, and the client undertakes to pay a commission.

8.3 Trading for own account

Trading for one's account, i.e. dealer business, is trading using one's capital, i.e. in one's name and for one's account, which results in the conclusion of transactions with one or more financial instruments.

In the performance of dealer operations, the Credit Institution:

- 1) cannot buy, sell, or lend for his account the same financial instruments that are the subject of the client's order before acting on the client's order;
- 2) will maintain its account of financial instruments with the Central Registry, separate from the financial instruments of its clients;
- 3) is obliged to put the interests of its clients before its interests and operate fairly, honestly, and professionally, in the best interests of the clients, respecting the principles established by the LCM.

8.4 Underwriting services

Underwriting services are provided by the Credit Institution in connection with the offer and sale of financial instruments on a firm commitment basis, under the LCM.

When the Credit Institution provides advice on the strategy of corporate financing and provides services of underwriting or placement of financial instruments, before accepting the authorization to manage the offer, it shall have mechanisms in place to inform the client of the issuer of the following:

- 1) different financing options available in the company and an indication of the amount of transaction fees associated with each option;
- 2) the schedule and procedure in connection with the consultation on corporate financing about the formation of the offer price;

- 3) the timing and procedure in relation to the advice on corporate financing with regard to the placement of the offer;
- 4) details of targeted investors to whom the Credit Institution intends to offer financial instruments;
- 5) the job titles and departments of the relevant individuals involved in providing corporate finance advice in relation to the pricing and allocation of financial instruments; and
- 6) the Credit Institution's mechanisms for preventing or managing conflicts of interest that may occur if the Credit Institution places relevant financial instruments with its investors or in its trading book.

The Credit Institution shall establish a centralized procedure for determining and recording all operations of the company related to underwriting and placement, including the date on which the company was notified of potential operations of underwriting and placement. Companies determine all potential conflicts of interest arising from other activities of the Credit Institution or group and implement appropriate management procedures. A Credit Institution shall not initiate an operation in case where it cannot manage a conflict of interest by implementing appropriate procedures.

When a Credit Institution provides execution and research services and carries out sponsorship and marketing activities, it ensures that it has appropriate controls in place to manage potential conflicts of interest between those activities and between its various clients receiving those services.

8.5 Services related to the offer and sale of financial instruments without a firm commitment basis

The services of the agent are performed by the Credit Institution in connection with the offer and sale of financial instruments without a firm commitment basis, following the LCM.

With this contract, the Credit Institution undertakes to organize the distribution of securities through a public offer, with or without a prospectus, by endeavoring to have a third party register and pay for the securities, whereas the client undertakes to pay a commission for this following the Credit Institution's tariff.

8.6 Market maker activities

A Credit Institution performs market-maker activities by buying and selling financial instruments on the financial markets in its name and for its account, using its equity capital at the prices it determines.

The Credit Institution performs the tasks of a market maker on the regulated market following the business rules of the market organizer.

9. MUTUAL RIGHTS AND OBLIGATIONS OF THE CREDIT INSTITUTION AND ITS CLIENTS

9.1 General obligations

The Credit Institution keeps records that include the contract or documents signed by the Credit Institution and the client, in which the rights and obligations of the contracting parties and other conditions under which the Credit Institution provides services to clients are determined. The rights and duties of the contracting parties may be incorporated by reference to other documents or regulations.

Clients are obliged to fulfill their obligations in the manner and under the conditions established by these Business Rules and the contract they conclude with the Credit Institution.

Clients of the Credit Institution are obliged to conscientiously, under good business practices and business ethics, carry out their obligations under the transactions concluded on their behalf by the Credit Institution.

9.2 **Obligation to collect and submit data**

If the Credit Institution provides clients with only investment services consisting only of the execution or reception and transfer of orders with or without ancillary services, except the approval of credits or loans from Article 2, paragraph 1, point 3) of the LCM that do not consist of existing credit limits of loans, current accounts, and overdrafts on clients' accounts, is not obliged to obtain from the client information about their knowledge and experience in the investment area, with regard to a specific financial instrument or service that is offered or requested, to be able to assess the extent to which the investment service is provided or a financial instrument suitable for the client if the following conditions are met:

- 1) the listed services relate to any of the following financial instruments:
 - shares admitted to trading on a regulated market or an equivalent third-country market or on an MTF, where those are shares in companies, and excluding shares in non-UCITS collective investment companies and shares that embed a derivative;
 - bonds or other forms of securitized debt admitted to trading on a regulated market or an equivalent third country market or an MTF, excluding those that embed a derivative or incorporate a structure that makes it difficult for the client to understand the risk involved;
 - money-market instruments, excluding those that embed a derivative or incorporate a structure that makes it difficult for the client to understand the risk involved;
 - shares or units in UCITS, excluding structured UCITS, under the law governing open-ended investment funds subject to a public offering;
 - structured deposits, excluding those that incorporate a structure that makes it difficult for the client to understand the risk of return or the cost of exiting the product before term;
 - other non-complex financial instruments for this paragraph.
- 2) the service is provided at the initiative of the client or potential client;
- 3) the client or potential client has been informed that in the provision of this service, the investment firm is not required to assess the appropriateness of the financial instrument or service provided or offered and that therefore the client does not benefit from the corresponding protection of the relevant conduct of business rules. Such a warning may be provided in a standardized format;
- 4) The Credit Institution complies with its obligations regarding the prevention of conflicts of interest between the investment company and its clients.

10. **PROTECTION OF FINANCIAL INSTRUMENTS AND MONETARY FUNDS OF CLIENTS**

10.1 **Records on the protection of financial instruments and clients' monetary funds**

The Credit Institution:

- 1) keeps records and accounts that enable it to distinguish at any given time and without delay the property it holds for one client from the property it holds for any other client and from its property;

- 2) maintains its records and accounts in such a manner as to ensure their accuracy, especially those related to financial instruments and monetary funds held for clients, in such a manner that the records and accounts may be used for auditor's report purposes;
- 3) regularly implements compliances between its internal accounts and records, as well as the accounts and records of any third parties holding such assets;
- 4) undertakes the required arrangements to ensure that all financial instruments of clients deposited with a third party are clearly distinguished from financial instruments belonging to the Credit Institution and from financial instruments belonging to that third party so that they are kept in separate accounts in the third party's books or based on other identical arrangements that achieve the same level of protection;
- 5) undertakes the required arrangements to ensure that the client's funds, which are deposited in a central bank, a credit institution, or a bank authorized to operate in a foreign country, are kept on an account or accounts that clearly differentiate from all the accounts on which the monetary funds belonging to the Credit Institution are kept;
- 6) maintains an appropriate organizational structure to minimize the risk of loss or decrease of the client's assets or rights related to those assets, arising as a result of misuse of assets, fraud, bad administration, inappropriate record-keeping, or negligence.

10.2 **Depositing of clients' financial instruments**

A credit institution deposits the financial instruments it holds for the account of clients to an account or accounts opened with third parties, acting with the care of a good expert during the selection, appointment, and periodic checks of the third party, as well as the procedures for holding and safekeeping of mentioned financial instruments.

The credit institution especially takes into account the expertise and market reputation of the third party, as well as all requirements prescribed by law related to the holding of the mentioned financial instruments, which may have negative effects on client rights.

A Credit Institution shall not deposit financial instruments it holds for the client's account with a third party in a foreign country, in which the holding and safekeeping of financial instruments for the account of another person are not regulated unless one of the following conditions is met:

- 1) the type of financial instruments or investment services associated with the mentioned instruments is such that they must be deposited with a third party in the mentioned foreign country;
- 2) when financial instruments are held for the account of a professional investor, that client requests in writing from the Credit Institution to deposit them with a third party in the specified foreign country.

10.3 **Use of clients' financial instruments**

A credit institution shall not enter into agreements on securities financing transactions for financial instruments that it holds for the client's account or otherwise use such financial instruments for its account or the account of any other person or client of the company unless the following conditions are met:

- 1) the client has given explicit prior consent for the use of instruments under precisely defined conditions, which he confirms with their signature or some other equivalent mechanism;

- 2) the use of the client's financial instruments is limited to precisely defined conditions with which the client agrees.

The Credit Institution shall not enter into agreements on securities financing transactions for financial instruments held for the client's account on an omnibus account maintained by a third party or otherwise use financial instruments on such an account for its account or the account of any other person, unless, in addition to the conditions specified in paragraph 1 of this article, at least one of the following conditions has been met:

- 1) each client whose financial instruments are held together on an omnibus account must give explicit prior consent;
- 2) the Credit Institution must have established systems and controls that ensure that only financial instruments belonging to clients who have given explicit prior consent shall be used.

The records of the Credit Institution include data on the client according to whose instructions the use of financial instruments was carried out, as well as the quantity of used financial instruments belonging to each client who gave consent, to enable the proper distribution of possible loss.

The Credit Institution takes appropriate measures to prevent the unauthorized use of the client's financial instruments for its account or the account of any other person, such as:

- 1) agreeing with clients on the measures that the Credit Institution will take if the client does not have enough funds on the account on the settlement date, e.g. lending the appropriate securities on behalf of the client or closing the position;
- 2) careful monitoring of its predicted ability to perform on the settlement date, as well as the establishment of corrective measures if this can not be achieved; and
- 3) close monitoring and prompt claims of undelivered securities outstanding on the settlement date and thereafter.

The Credit Institution adopts special measures for all clients to ensure that the lender of the client's financial instruments provides adequate collateral and that the company monitors the ongoing adequacy of such collateral, as well as takes the required measures for maintaining balance with the value of the client's instruments.

The Credit Institution imposes special measures and mechanisms to ensure that it does not enter into contracts that are prohibited under Article 170, paragraph 3 of the LCM.

11. LENDING TERMS FOR FINANCIAL INSTRUMENTS

A Credit Institution may lend financial instruments to some other client, some other investment company, or a credit institution member of the Central Registry:

- 1) whose legal holder is the Credit Institution;
- 2) for which the legal holder is the client with whom the Credit Institution has concluded an agreement on maintaining accounts of financial instruments, provided that it concludes an agreement on lending financial instruments or has obtained written authorization from the client.

A Credit Institution can borrow financial instruments from a client for its account if the conditions referred to in point 2 of the previous paragraph are met.

A Credit Institution can mediate on behalf of the client in concluding an agreement on lending financial instruments. Financial instruments on which the right of pledge is constituted, i.e. whose trading is limited, cannot be the subject of a loan agreement.

The profit made by lending the client's financial instruments is attributed to the client, provided that the Credit Institution can charge for lending contracting services by the Rulebook on Tariffs.

The Credit Institution shall inform the client about the date, time of the transfer, and the quantity of borrowed financial instruments no later than the next working day from the date of transfer of financial instruments from the client's account.

12. RULES OF BUSINESS CONDUCT WHEN PROVIDING INVESTMENT SERVICES

When providing investment services to clients, the Credit Institution shall place the interests of its clients above its interests and shall operate fairly, honestly, and professionally, in the best interests of clients, respecting the principles established by the provisions of LCM and UniCredit Group standards.

All information, including marketing, that the Credit Institution sends to its clients or potential clients must be true, clear, and not misleading, and the marketing material must be clearly labeled as such.

13. ACTING UPON CUSTOMERS` COMPLAINTS

Credit institutions establish, implement, and maintain effective and transparent complaints management policies and procedures for prompt resolution of complaints from clients or potential clients. The Credit Institution keeps records of received complaints and measures taken to resolve them.

The Complaints Management Policy provides clear, accurate, and up-to-date information on the complaint-handling process.

The Credit Institution allows clients and potential clients to submit complaints free of charge.

The Credit institution establishes a complaint management function that is responsible for investigating complaints.

The client has the right to object to the Credit Institution, which must be submitted in writing.

An objection can be submitted in one of the following ways:

- 1) in the Credit Institution's business premises using the Contact form available in the Credit Institution's business premises;
- 2) by sending a complaint by mail to the address:
UniCredit Bank Serbia JSC, Belgrade
Stakeholders & Service Intelligence
27-29, Rajičeva St.
11000 Belgrade
- 3) via e-mail to the address: josbolje@unicreditgroup.rs
- 4) via UniCredit Bank's website www.unicreditbank.rs, in the section Contacts - 'We are listening to you'.

Written objections that are submitted to the Credit Institution electronically or via internet presentation, outside of the established working hours of the Credit Institution, will be deemed to have been received on

the next working day, and the objector will be informed of this in the confirmation of receipt of the objection that the Credit Institution delivers to all clients who submit objections in specified manners. The objection must contain the data of the objector based on which his identification can be carried out, that is, the determination of the business relationship that the objector has with the Credit Institution, to which the object relates, as well as the reasons for its submission.

When resolving complaints, the Credit Institution communicates with clients or potential clients in clear, simple, easy-to-understand language and responds to the complaint without unnecessary delay following the Commission's regulation.

14. WORKING HOURS

The Credit Institution's working hours are on weekdays from 9:00 a.m. to 5:00 p.m.

When necessary, duty hours can be organized during weekends, and national and religious holidays, all of which clients will be informed via the website of the Credit Institution.

In exceptional cases, the director of the Credit Institution may impose different working hours, i.e. trading hours of the Credit Institution, all of which the clients will be informed of via the Credit Institution's website.

15. INFORMATION SYSTEMS

The Credit Institution's information system is reliable, efficient, and secure, and also ensures the protection of personal data, given the scope and complexity of the services that the Credit Institution performs.

The Credit Institution ensures effective control and protection of information systems, which must ensure the security, completeness, and confidentiality of data, and in particular:

- 1) hardware and software protection against unauthorized access to data via detailed surveillance (procedures for registration, analysis, and control of each activity in the system), by access control via the allocation of authorization and user authorization;
- 2) adequate employee training related to the use of the system and procedures established for its protection;
- 3) that only authorized persons, about whom the Credit Institution keeps special records, have access to the information system and the possibility of inputting, changing, and using data;
- 4) that any person with access to a workstation must have a username, password, and access exclusively to functions required to perform that person's job, provided that a username and password can be used by only one person;
- 5) that only data is approved in the manner established by regulations of the Credit Institution;
- 6) that all data with approved entries are input into the information systems;
- 7) that the accuracy of input data is checked regularly.

The Credit Institution's information systems statements must contain the date and time when they have been compiled and the signature of an authorized person.

16. CODE OF ETHICS

16.1 Principles

To ensure a fair and efficient functioning of the capital market, the Credit Institution as a part of the UniCredit Group and its employees in their operations are obliged to abide by the rules of safe and sound business regulated by law and by-laws and respect the principles of the Code of Ethics:

- 1) **The principle of legality** - to organize business in compliance with all legal and by-law regulations and acts. This principle also includes a ban on performing tasks that abuse privileged information, which is regulated by special procedures of the Credit Institution.
- 2) **The principle of due diligence** – that in their work with clients, they do business with due diligence and within the rules of the profession. This principle particularly includes doing business with clients based on full information about the clients themselves, as well as providing the client with all the information necessary for making an investment decision based on full information, while considering and respecting the level of information and knowledge of clients.
- 3) **The principle of reliability, transparency, honesty, and fairness** - to perform its business ensuring an appropriate level of reliability and integrity, and to implement contacts with the public, clients, and employees in a manner that ensures fair and honest business. This principle includes in particular the priority of the client's interests, protection of the client's property, the provision of timely and complete information, as well as the notifying of the client about all actual and possible conflicts of interest to ensure fair and objective dealings with clients. Members of the management and employees of the Credit Institution are required to avoid conflicts of interest with the client and if this is not possible to ensure fair treatment of the client. The procedures for managing conflicts of interest are governed by separate acts of the credit institution and according to the standards of UniCredit Group.
- 4) **The principle of professionalism** - is to perform operations in a professional manner that creates a positive image of the company and profession, as well as to maintain and upgrade their professional knowledge. This principle includes in particular the Operating Rules relating to the business with client's accounts, business with the accounts of members of the administration and employees and persons associated with them, as well as ongoing education of participants in the business.
- 5) **The principle of confidentiality** - to provide confidentiality of information about the client following the law and by-laws and other regulations of the Stock Exchange, of which the Credit Institution is a member.
- 6) **The principle of preventing unfair competition** - unethical procedures will not be used, which include: dumping, unethical obtaining of information about competitors, and especially spreading false information about them. The Credit Institution will not undertake improper actions or forms of cooperation on the market that are against the guidelines of good business practices, and, in particular, will not: enter into agreement about prices, market division, boycott of clients, restrict the provision of services or any form of permanent agreement to acquire a privileged market position.

16.2 **Obligations of employees following the Unicredit Group Code of Conduct**

Employees of authorized banks are required to perform their duties following good business practices and business ethics and to behave in a way that will not jeopardize their reputation and the reputation of the Credit Institution and UniCredit Group.

Employees of the Credit Institution are required to obtain written consent from the competent body of the Credit Institution to perform additional work with other parties, which is specifically regulated by regulations on the management of conflict of interest (including engagement of employees outside business activities outside of their workplace).

Secondary employment at other parties can neither be a part of the scope of work of brokers and other employees nor can it in any way be related to trading on the stock exchange or over-the-counter trading.

Employees of the Credit Institution are obliged to follow the rules prescribed in the adopted and publicly available Anti-Corruption Policy of the Credit Institution, including the rules on giving gifts and business representations.

Employees of the Credit Institution are obliged to immediately report to the competent authority of the Credit Institution if a party violates the law, other regulations, or these Business Rules.

Obligations from the previous paragraphs are specifically regulated by the regulations of the UniCredit Group according to which the Credit Institution operates.

17. **MANAGEMENT OF CONFLICT OF INTEREST**

17.1 **Personal transactions**

A personal transaction is a transaction with a financial instrument carried out by or on behalf of a relevant person acting outside the scope of activities performed as a relevant person or carried out on behalf of a relevant person, a person with whom the relevant person is related or closely related to, or a person whose relationship with the relevant person is of such nature that the relevant person has a direct or indirect material interest in the results of the transaction, which is not a commission or fee for the execution of the transaction.

The relevant person in relation to the Credit Institution is:

- 1) a person with an ownership interest in a credit institution,
- 2) a person in a managerial position in a Credit Institution (director and representative);
- 3) an employee in a credit institution;
- 4) any other natural person engaged by the Credit Institution to provide services within its jurisdiction;
- 5) a natural person who is directly involved in providing of services to an investment company or its related representative based on a contract on the entrustment of business processes, and to provide investment services or activities of the company.

A person with whom the relevant person is closely related is:

- 1) spouse or common-law partner of the relevant person;
- 2) any direct lineal descendent;
- 3) collateral relatives to the third degree of kinship, including in-laws;

- 4) adoptive parents and adoptees and descendants of the adoptees;
- 5) foster parents and foster children and foster children's descendants;
- 6) any other person who has spent at least one year in a joint household with the relevant person from the date of the personal transaction in question;

The Credit Institution implements and maintains appropriate arrangements to prevent the activities referred to in this article in the case of all relevant persons who are involved in activities that could lead to a conflict of interest or who, based on the activities they perform on behalf of the Credit Institution, have access to privileged information following the LCM or other confidential information related to customers or transactions with or for customers.

The Credit Institution ensures that relevant persons do not enter into personal transactions that meet at least one of the following criteria:

- 1) that person is prohibited from entering into such transactions in terms of the provisions of the LCM related to market abuse;
- 2) the transaction involves abuse or improper disclosure of confidential information;
- 3) the transaction conflicts or is likely to conflict with the Credit Institution's obligation based on the LCM.

The Credit Institution ensures that relevant persons outside the scope of their employment or service contracts do not advise or recommend other persons to enter into a transaction with financial instruments that could lead to a conflict of interest.

Without prejudice to the provisions of the LCM on illegal disclosure of insider information, the Credit Institution ensures that relevant persons outside the scope of their employment or service contracts do not publish information or opinions to other persons if the relevant person knows or should reasonably know that its publication will lead the other person to undertake or likely enter into a transaction in financial instruments or advise or induce another person to enter into such a transaction.

The mechanisms implemented by the Credit Institution are designed to ensure the following:

- 1) each relevant person referred to in this Article is aware of the restrictions related to personal transactions and the measures established by the Credit Institution in connection with personal transactions and disclosure following this Article;
- 2) The Credit Institution is notified without delay of any personal transaction entered into by the relevant person, using notification of such a transaction or other procedures that enable the Credit Institution to determine such transactions;
- 3) a record is kept of personal transactions of which the Credit Institution has been informed or which it has determined, including all authorizations or prohibitions in connection with such a transaction.

In the case of a contract on the entrustment of business processes, the Credit Institution ensures that the company to which the activity is entrusted keeps records of personal transactions entered into by the relevant person and delivers that information to the Credit Institution without delay upon its request.

17.2 Conflict of interest

The Credit Institution has organized its operations in such a manner as to minimize conflicts of interest, the existence of which may harm the client's interests, and which may occur during the provision of services between:

- 1) the interests of the Credit Institution, the relevant person, and all persons closely related to them, on the one hand, and the interest of the client of the Credit Institution, on the other hand;
- 2) mutual interests of the clients of Credit Institutions.

Before providing the service, the Credit Institution will familiarize the client with possible types and sources of conflicts of interest. The notification must contain, taking into account the classification of clients, sufficient information based on which the client will be able to make decisions regarding the services in which a conflict of interest appears.

Where organizational or administrative arrangements made by the investment firm following Article 167 of this Law to prevent conflicts of interest from adversely affecting the interest of its client are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the investment firm shall clearly disclose to the client the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on its behalf.

The disclosure referred to in paragraph 2 of this Article shall:

- 1) be made in a durable medium; and
- 2) include sufficient detail, taking into account the nature of the client, to enable the client to make an informed decision concerning the service in the context of which the conflict of interest arises.

To determine the types of conflicts of interest that arise during the provision of investment and ancillary services or their combination, the existence of which may damage the client's interests, the Credit Institution, using minimum criteria, takes into account whether there is a Credit Institution or a relevant person or a person who is directly or indirectly by control related to the company in any of the following situations, either as a result of providing investment or ancillary services, i.e. carrying out investment activities or for other reasons:

- 1) The Credit Institution or that person could probably gain financial profit or avoid a financial loss to the damage of the client;
- 2) The Credit Institution or that person has an interest in the outcome of the service provided to the client or the transaction performed for the client's account, which is different from the client's interest;
- 3) The Credit Institution or that person has a financial or other motive to position the interest of another client or group of clients before the interest of the client;
- 4) The Credit Institution or that person performs the same activity as the client;
- 5) The Credit Institution or that person receives or will receive from a person who is not a client, an additional incentive in connection with the service provided to the client, in the form of monetary or non-monetary benefits or services.

17.3 Conflict of interest management policy

The Credit Institution, in proportion to the nature, scope, and complexity of the activities it performs, adopts, implements, and maintains an effective conflict of interest management policy.

18. LIABILITY FOR DAMAGES

18.1 Liability of the Credit Institution

The Credit Institution is responsible for any damages incurred in providing services belonging to the scope of operations of the Credit Institution due to the culpability of the Credit Institution, and in particular for damage caused by:

- 1) breach of confidentiality of data that occurs in the performance of business with that client;
- 2) failure to execute, i.e. improper or untimely execution of orders;
- 3) not entering, i.e. incorrectly entering orders;
- 4) issuing unlawful and incorrect orders for subscription of rights which are subject to entry in the Central Registry.

Under no circumstances shall the Credit Institution be liable to the client for potential damages resulting from any risk associated with the purchase/sale of financial instruments.

The Credit Institution is liable only for direct damages (but not for indirect damages or lost profits) resulting through the fault of the Credit Institution in carrying out its activity. By concluding the contract with the client the Credit Institution can limit its liability for damages.

Under no circumstances does the Credit Institution guarantee the fulfillment of obligations of the other contracting party from any transaction of purchase/sale of financial instruments performed under an order.

18.2 Client Responsibility

Clients are liable to the Credit Institution for damages incurred due to incorrect data and documentation submitted to the Credit Institution, failure to fulfill obligations envisaged by the contract, under the Law of Obligations, and in other cases envisaged by the law.

19. TRANSITIONAL AND FINAL PROVISIONS

The Credit Institution will publish the Business Rules, as well as any further modification (before implementation but after obtaining the consent of the Commission), on its website and the bulletin board at least 7 (in words: seven) days before the implementation.

In case the Credit Institution has clients that are foreign legal or natural persons, notification about amendments to the Business Rules is given in the manner envisaged by the contract with the client, and in case the number of clients from one country exceeds 50 (in writing: fifty), notification can be by publication in a daily paper published on the territory of the client's country.

On the date of implementation of this Rule, it shall supersede the Business Rule of the Authorized UniCredit Bank Serbia JSC, Belgrade dated 28 February 2017.

These Business Rules shall enter into force on the day of the adoption of the decision on granting consent to the aforementioned Business Rules by the Commission and shall be applied 7 (letters: seven) days after the publication referred to in paragraph 1 of this Article.

The integral part of the Business Rules shall be the Rulebook on client categorization of the Credit Institution UniCredit Bank Serbia JSC, Belgrade, and the Policy for the execution of orders under the most favorable conditions of the Credit Institution UniCredit Bank Serbia JSC, Belgrade.