

General Terms & Conditions of Custody Operations

The issuer of these General Terms & Conditions is OTP banka d.d., Domovinskog rata 61, 21000 Split, registered with the Commercial Court in Split with registered office in Split. Personal Identification Number (OIB): 52508873833; website: www.otpbanka.hr; e-mail: info@otpbanka.hr.

SCOPE & CONTENT OF GENERAL TERMS & CONDITIONS

Article 1

1. The scope and content of these General Terms & Conditions is regulating mutual rights and obligations of the Bank and the Client in connection with providing ancillary investment services as set forth by the provisions of the Capital Market Act („safekeeping and administration of financial instruments for the account of clients, including custodianship and related services“) and the execution and performance of the Contract on Providing Custodian Bank Services (hereinafter referred to as: Contract).
2. The General Terms & Conditions are a constituent part of the Contract and other documents of the Bank where explicitly stated so, and the Client declares by execution of the Contract to be aware of and accept the application of provisions of the General Terms & Conditions. The General Terms & Conditions are available in written form at the Securities Services Department and on the Bank's official web site.
3. Any matters not regulated by the Contract and these General Terms & Conditions shall be subject to valid statutory and secondary regulations and acts governing the Bank's operations and the Bank's internal documents, including any amendments thereto adopted during the term of validity of the Contract and the General Terms & Conditions.
4. The Bank reserves the right to amend the General Terms & Conditions according to statutory regulations and the Bank's business policy. Any amendments to the General Terms & Conditions shall be displayed by the Bank in a visible place accessible to the Client at the Securities Services Department and the Bank's official web site at least 15 days prior to the date of implementation (effective date) of such amendments. If the Client makes no comment regarding the proposed amendment until the effective date of such amendment, all proposed amendments shall be considered agreed to and accepted by the Client. In the event that the Client does not accept the proposed amendments, it can cancel an individual Contract until the effective date of the amendments, against payment of the fee defined by the Bank's general document and with the obligation to inform the Bank in writing about the cancellation of an individual Contract one business day prior to the effective date of the proposed amendments at the latest.

DEFINITION OF TERMS

Article 2

Individual terms in these General Terms & Conditions shall have the following meaning:

AGENCY means the Croatian Financial Services Supervisory Agency

BANK is OTP banka d.d., 21000 Split, Domovinskog rata 61, Personal Identification Number (OIB) 52508873833 which has concluded the Contract with the Client.

SCHEDULE OF CHARGES is the document defining the amount and manner of calculating fees, costs and related expenditures charged by the Bank to the Client based on providing services subject to the Contract and these General Terms & Conditions.

FINANCIAL INSTRUMENTS are transferable securities, money-market instruments, units in collective investment undertakings and derivatives in terms of the Capital Market Act.

ASSETS are financial instruments and/or cash holdings that are subject to the Contract and these General Terms & Conditions.

CLIENT is a domestic or foreign legal or natural person, or another regulated form without legal personality, with which the Bank has entered into a Contract directly or by way of an Authorised Representative, pursuant to valid regulations and internal procedures, by which the Client authorises the Bank to provide to it ancillary investment services referred to by provisions of the Contract and the General Terms & Conditions.

CORPORATE ACTIONS represent the activity of issuers and legal entities with a legal interest, which ensures that the rights arising from a security, which may or may not affect the quantity and features of the security are exercised or used. According to the type and method of implementation, they are divided into: general meeting, cash distributions, securities distributions, distributions with options, mandatory reorganisation with options), mandatory reorganisations, voluntary reorganisations and other corporate actions.

INVESTOR PROTECTION FUND – financial instruments and/or cash Client's funds are protected in accordance to the Capital Market Act that regulates establishment of the Investor Protection Scheme that is under Agency's supervision and Fund is managed by the SKDD, the Fund Operator, with the Agency's approval for the fund management. The Fund is activated upon Agency's decision on the occurrence of a covered event in order to compensate Clients of the Fund Member who cannot settle the liabilities due to initiated bankruptcy procedure against the Fund Member and/or determination, by the Agency, that the Fund Member is unable to fulfil its obligations towards the investors in a way that it cannot settle its financial liability and/or return the financial instruments of the investor, and it is not likely that such circumstances will change in the foreseeable future.

MIFID II refers to Directive 2014/65/EU and Regulation (EU) No 600/2014/EU and amendments thereto, related statutory and technical standards, as well as the Capital Markets Act.

ORDER or INSTRUCTION is the Client's unilateral statement of will addressed to the Bank to take an action pursuant to provisions of the Contract and these General Terms & Conditions in its own name and for the Client's account.

SUBCUSTODIAN is a financial institution and/or clearing and depository institution with which the Bank has set up a financial instruments account and/or cash holdings account for custodian services.

RULES refers to the Rules on Organisational Requirements and Rules of Business Conduct for the Performance of Investment Services and Activities, on Remuneration Criteria and Criteria for Significant Investment Companies.

FINANCIAL INSTRUMENTS ACCOUNT is a separate account held with the Bank in the Client's name, where financial instruments held by the Bank on behalf of the Client based on the Contract are recorded.

CLIENT ACCOUNT is the Client's financial instruments account with the Central Depository and Clearing Company (SKDD) and/or the Subcustodian in the form of an electronic record showing the Client's positions registered in such account or the Client's financial instruments account where the Bank will safekeep the Client's financial instruments based on providing services subject to the Contract and these General Terms & Conditions.

CASH HOLDINGS ACCOUNT is any account of the Client held with the Bank where the Client's cash holdings are held and in which the Bank records all cash receivables and payables resulting from providing services subject to the Contract and the General Terms & Conditions.

BUSINESS DAY is any day except Saturdays, Sundays and holidays when the Bank and the Subcustodian are open for business.

AUTHORISED REPRESENTATIVE is the legal or natural person authorised, based on the law, a valid decision of the competent body or the Client's power of attorney, to give Orders and to use other ancillary investment services and activities subject to the Contract and the General Terms & Conditions, in the Client's name and for the Client's account.

CSDR stands for Regulation No 909/2014 (of the European Parliament and Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories) and for any amendments thereto, within the European Union and the European Economic Area. It provides for the operations of institutions responsible for the settlement of financial instruments, i.e. the operations of central depositories, removes obstacles to international settlement, aligns the cut-offs and method of settlement of financial instruments, and introduces rules related to the security and proper operation of depositories. The RTS i.e. regulatory technical standards on settlement discipline is also part of the CSDR.

SKDD is the Central Depository and Clearing Company Inc., Zagreb, Heinzelova 62a, Personal Identification Number OIB 64406809162, having the role of operator of the central depository of dematerialized securities issued in the Republic of Croatia and the system of reconciliation and settlement of transactions involving securities and the authorised person for the allocation of ISIN and CFI codes for securities issued in the Republic of Croatia.

SRD II relates to the Directive on shareholder's rights (2007/36/EZ, 2017/828/EU) and Commission Implementing Regulation (2018/1212/EU) and any amendments thereto that aim to encourage long-term shareholder engagement in the general meetings of companies admitted to trading on a regulated market within EEA and to establish requirements in relation to the shareholder's identification and data process and exercise of certain shareholder rights.

THIRD PARTY has the meaning according to the Rules on Organisational Requirements and Rules of Business Conduct for the Performance of Investment Services and Activities and the Policies of Receipts and Criteria for Significant Investment Companies.

CONTRACT is a legally binding document on providing custodian or, respectively, safekeeping and administration of the Client's financial instruments or another legally binding document regulating services of safekeeping and administration of financial instruments for the Client's account, including also custodian operations and related services.

COUNTERPARTIES in terms of General Terms & Conditions are the Client as the instructing party and the Bank as the instructed party.

CMA is the Capital Market Act and any later amendments thereto.

CA is the Company Act and any later amendments thereto.

FATCA stands for Foreign Account Tax Compliance Act and aims to prevent US taxpayers from using foreign accounts to avoid paying taxes. Said Act is available at www.irs.com.

CRS (Common Reporting Standard) or the global standard for automatic exchange of financial account information represents a uniform standard in the field of reporting and due diligence based on which the competent tax authorities of countries that have implemented the standard share information about clients and their financial accounts.

OPERATING LICENCE

Article 3

1. The Bank has obtained prior consent for the performance of the above services from the Croatian Financial Services Supervisory Agency, Franje Račkoga 6, Zagreb.
2. According to the above prior consent (Class: UP/I-451-04/12-03/1, Ref No: 326-111-12-7 of 26 April 2012), the Bank provides the service of safekeeping and administration of financial instruments for the Client's account, including custodian operations and associated services. In the segment of services specifically defined by the Capital Market Act, the Bank has taken necessary actions to harmonise its operations with regulations of the Capital Market Act and pieces of secondary legislation based thereon.

Based on the above consent, the Bank received from the Croatian National Bank the licence for providing banking and financial services according to Resolution Z.No. 746/2000 from February 09, 2000, Z.No 1187/2003 from February 12, 2003, Z.No. 1360/2005 from October 12, 2005, Z.No. 1688/2010 from April 14, 2010 and Z.No. 1790/2011 from June 08, 2011. .

3. When providing ancillary services as referred to in Article 5 paragraph 2 point 1 of the Capital Market Act, the Bank does not act by means of a tied agent.

DEFINITION AND CONTENT OF CUSTODY SERVICES

Article 4

1. In the sense of General Terms & Conditions and the Contract, custodian services shall imply the safekeeping and administration of financial instruments for the Client's account, including custodian operations and related services, such as the management of funds or collaterals.

Pursuant to statutory regulations, the Bank provides the following services when performing operations of financial instruments custody:

- settlement and safekeeping of financial instruments in domestic and international clearing systems / depositories;
- reporting about penalties for late matching and settlement fails
- notification about the payment of dividend, the payment of interest or of other instruments falling due for collection and their collection and execution;
- notification about assemblies of the securities issuer and rights attaching to financial instruments under custody about which the Bank was timely informed by the issuer of financial instruments or the Subcustodian or where such information has been published and the execution of orders related to the exercise of such rights;
- notification about statutory changes directly or indirectly affecting the notification about the balance of financial instruments in the custody account;
- providing proxy voting services at annual assemblies;
- performing received instructions unless such instructions are contrary to the law;
- other services in connection with financial instruments, the exercising of rights and the fulfilment of obligations attaching to financial instruments, as agreed between the Client and the Bank and unless contrary to the law.

2. Based on the Contract and General Terms & Conditions, the Client authorises the Bank to provide custodian services for the Client's account and the Bank agrees to provide and perform the above services and operations in its own name, against a consideration pursuant to provisions of the Contract, these General Terms & Conditions and the Schedule of Charges.
3. The Bank may use, in its own name and for the Client's account, services of other financial institutions for the purpose of providing custodian services.

OPENING OF A CUSTODY ACCOUNT

Article 5

1. The Bank shall, at the Client's request and based on the previously executed Client due diligence and concluded Contract, open in its books in the name and on behalf of the Client and/or in the Client's name and on behalf of the Client's clients one or several financial instruments custody accounts and cash holdings custody accounts to which it shall deposit financial instruments and cash holdings of the Client and/or the Client's clients subject to the Contract and General Terms & Conditions.
2. The Bank shall open a financial instruments custody account with the SKDD and/or other financial institutions and/or clearing and depository institutions where positions of financial instruments of the Client and/or the Client's clients are kept, based on performing operations subject to the Contract and these General Terms & Conditions.
3. The Bank shall, in its internal records, keep sub-ledger client record of each Client separately in a way that enables the assets of one Client to be distinguished at any time and forthwith from assets of other Clients and assets of the very Bank and shall regularly and accurately update such records.
4. The Bank does not charge a fee for setting up an account, and the monthly fee for the standard service, as well as the safekeeping fee, does not depend on the account type (a segregated custody account or the omnibus custody account). The Bank implements equal procedures with the aim of protecting clients' financial instruments, regardless of the type of account. The instigation of insolvency proceedings, enforcement or liquidation proceedings against the Bank, a client, SKDD or the subcustodian does not have legal effect on financial instruments recorded in an account set up in a name or the omnibus account.

PROTECTION OF CLIENT ASSETS

Article 6

1. According to requirements of the Capital Market Act and secondary regulations, and for the purpose of protecting the Client's rights attaching to financial instruments and cash holdings belonging to the Clients, the Bank keeps records and accounts in the manner that enables it to separate forthwith and at any time the assets it holds for one Client from assets of other Clients and the assets of the Bank. In the Bank's records, financial instruments owned by Clients as well as cash holdings intended for transactions involving financial instruments and transactions of payment and receipt of funds based thereon are recorded in an account that is not included in the Bank's assets or the liquidation or bankruptcy estate and cannot be subject to execution for the purpose of settling receivables from the Bank.
2. The Bank also makes regular and accurate updates of the Client's assets, payment and movements in cash holdings accounts and the movements and balances in financial instruments custody accounts and regularly reconciles records in internal accounts and its books with accounts and data of third parties holding such Client assets. Within its organisation, the Bank shall implement internal supervision and control measures to avoid the risk of inadequate administration, inadequate record keeping or negligence in operations.
3. When Clients invest in foreign financial instruments traded and settled on foreign markets, the Bank uses services of renowned foreign third parties/subcustodians for safekeeping of investments of its Clients.

4. In the selection of the foreign subcustodian, the Bank acts professionally and with due care pursuant to provisions of the CMA, other laws and secondary regulations and takes all measures to ensure that the client's assets are stored according to conditions required by the law, market practices or professional rules regarding the keeping of financial instruments, which may have a negative effect on the client's rights, especially considering the professional qualifications and market reputation of the foreign subcustodian. When selecting a third party/subcustodian, the Bank also considers the following criteria: service quality, third-party liability, financial stability, market reputation, professionalism, process automation and any other criteria required by the law, ordinances, guidelines and internal acts adopted by the Bank for the purpose of assessing the adequacy of third parties for the safekeeping of the Client's assets.
5. When the Bank intends to keep the Clients' financial instruments with third parties, it is obligated to keep the Clients' financial instruments only with third parties falling under the competence of the state where the depositing of financial instruments for the account of another person is subject to special regulation and supervision, exclusively with a third party that is subject to such special regulations and supervision, including situations where such third party delegates any of its functions regarding the depositing and safekeeping of financial instruments to another third party.
6. When depositing assets with foreign subcustodians, the Bank takes care that financial assets and cash holdings are held in a way that makes it evident that they are not part of assets of the Bank or the foreign subcustodian, not included in their bankruptcy or liquidation estate and cannot be subject to execution for the purpose of settling receivables from the Bank or the foreign subcustodian. When safekeeping client's financial instruments with the foreign subcustodian, the Bank may keep the client's financial instruments safe in an omnibus account.
7. The Client's financial instruments are, when permitted by the legislation and practice of an individual market, kept in custody accounts separately from assets of the foreign subcustodian and the Bank's assets. In cases when such method of safekeeping is not possible, the Bank shall advise the Client of the risks arising therefrom. The Bank shall take due care to ensure that the Client's assets are stored in the manner indicated with a third party, but cannot accept liability if the required level of protection cannot be achieved due to statutory requirements and the market practice. The Client will take the risks of safekeeping financial instruments and cash holdings in markets that do not provide sufficient protection and will issue written consent to depositing assets under such conditions.
8. The Bank shall be entitled to replace a third party/subcustodian without seeking the Client's consent and shall inform the Client thereof in a timely manner. The list of third parties with which the Bank has signed contracts on the delegation of custodian operations is published at the Bank's website.
9. When the Bank is not a direct member of the competent foreign depository, the Bank must advise the Client of any risks, such as degraded disposability of financial instruments and/or cash holdings due to, e.g. bankruptcy and/or liquidation of any subcustodian in the chain, depository or any other event beyond the Bank's influence. The Bank shall not provide the service of custody of foreign financial instruments issued in a country where custody operations are not recognised by legislation or regulated, except when the nature of the financial instrument requires it to be deposited with such third party and if this is agreed between the Bank and the Client.
10. The Client's financial instruments safekept with a third party are normally kept in the Bank's name and for the account of the Client(s). By way of exception, according to the Rules, financial instruments of Clients safekept with a third party may be also kept in the name of a third party or the Bank, but only in case of financial instruments subject to the national legislation of a third country, where the Bank has taken all reasonable steps to establish that such manner of registration of financial instruments is in the Client's best interest or where registration cannot be implemented otherwise due to the national legislation or accepted market practices

11. When, based on national legislation, the Client's financial instruments held by a third party cannot be differentiated from the third party's or the Bank's own financial instruments, if any, the Bank shall inform the Client thereof and issue a risk warning.
12. The Bank may hold or safekeep the Client's assets with a third party in a third country with relevant regulations that prevent the Bank from fulfilling its obligations under the Capital Markets Act only if all of the following conditions are met:
 - a. Holding or safekeeping of the Client's assets with such an entity is necessary for the performance of investment or ancillary services;
 - b. The Bank's in-house records provide a clear distinction between the Client's assets and the assets of other Clients and the Bank's assets,
 - c. The Client has been informed about the holding or safekeeping of assets with such third parties beforehand and has agreed to it, which he/she confirms by signing the Agreement;
 - d. If dealing with a small investor, the prior notification referred to in point c) hereof shall contain an explicit warning about the risks and significance of holding assets with such a third party.
13. The Bank shall not, without the Client's prior written and signed consent use its financial instruments held in custody for its own account or for the account of other Bank Clients and the use of such financial instruments shall be restricted to precisely defined conditions agreed and signed by the Client.
14. In case of default on the payment of fees defined by the Contract between the Bank and a third party, the third party shall have the right to restrict the Bank's disposal of assets held in the financial instruments account and keep such assets in the financial instruments account until such fees are settled.
15. The Bank shall, in every situation where this is possible, apply due care to ensure that the Clients' assets with a third party are not subject to lien in the manner indicated and shall duly perform its obligations towards the third party.
16. When holding the Clients' assets, the Bank undertakes to appoint one person having sufficient knowledge and expertise regarding client assets protection matters in accordance to the Rules and to assign the following powers and competencies to such person regarding the fulfilment of the company's obligations with regard to client asset protection:
 - supervision of the Bank's operational compliance,
 - reporting to the management boards of the Bank and Agency.
17. Pursuant to the Capital Market Act, the Bank is a mandatory member of the Investor Protection Fund. Fund assets are used to pay out secured claims of clients that are members of the Fund and unable to fulfil their obligations in the event that the following conditions occur:
 - bankruptcy proceedings have been initiated over a Fund member, or
 - the Agency establishes that a Fund member is unable to meet its obligations towards its clients in the sense that it is unable to perform a payment obligation and/or return financial instruments held on behalf of the client, administered or managed by it, and it is unlikely for such circumstances to change in the near future,
 - after the Agency has passed, based on the resolution of the competent court about the initiation of a bankruptcy proceeding against a Fund member, a decision on the occurrence of an insured event, the Agency shall forward it without delay to the Fund Operator and the Fund member unable to fulfil its obligations. The Agency decision shall be published in the Official Gazette and at the Agency's website.

The insured event occurs if the above conditions have been met. Pursuant to provisions of the Capital Market Act, monetary claims in kuna and currencies of Member States owed by the Bank to a client or belonging to a client, which are held by the Bank on behalf of the client and financial instruments belonging to a Bank client and held, administered or managed on behalf of the client

in connection with the investment service and the service of safekeeping and administration financial instruments for the client's account, including custody services and related services agreed with the client, shall be covered up to the maximum of EUR 20.000.00 per client of the Bank.

The definition of secured claims, establishment of the amount of secured claims and the procedure following the occurrence of the insured event are set forth by the Capital Market Act. Secured claims do not include the claims of the Bank's clients that are insured by the law regulating deposit insurance in credit institutions for the purpose of protecting depositors in case of unavailability of the depository, or the claims of the Bank's clients arising from a transaction found by a final court judgment to be related to money laundering.

The definition of a client of the Bank as a mandatory member of the Fund, whose claims are protected under the Act by the mentioned investor protection system, regardless of the country of the registered office, will not extend to:

- Individual professional investors (credit institutions, investment companies, financial institutions, insurance companies, collective investment undertakings, pension fund management companies and pension funds),
- Companies that are part of the Group of the Fund member that is unable to meet its liabilities, a legal or a natural person that participates with more than 5% of shares with voting rights in the share capital of the Fund member that is unable to meet its liabilities,
- The parent company or a controlled company of the Fund member that is unable to meet its liabilities,
- Members of the board, supervisory board or board of directors of the Fund member that is unable to meet its liabilities, if these persons are holding these positions or are employed at the Fund member on the day bankruptcy or liquidation proceedings are instigated against the Fund member or on the day the decision of the Agency on the occurrence of an insured event is published or if they were holding those positions in the course of the current or the preceding financial year
- Tied agents of the investment company that are unable to meet their liabilities, and are holding that position on the day bankruptcy or liquidation proceedings are instigated against the investment company or on the day the decision of the Agency on the occurrence of an insured event is published or if they were holding that position in the course of the current or the preceding financial year
- The persons responsible for auditing financial statements of the Fund member, and the persons responsible for preparing and safekeeping accounting documentation of the Fund member and for the preparation of financial statements,
- Members of the board, supervisory board or board of directors and persons who own 5 or more percent of shares in the parent or a controlled company of the Fund member and persons responsible for auditing the financial statements of that company, spouses or common-law partners, and relatives up to the second degree in the direct line and second degree in the collateral line of the persons referred to in points 5 to 8 of this paragraph, clients of the Fund member the failure of which to fulfil liabilities towards a Fund member contributed to the occurrence of the insured event.

RIGHTS AND OBLIGATIONS OF THE BANK

Article 7

1. The Bank undertakes to perform, both in its own name and in the Client's name and for the Client's account, operations of custody and administration of the Client's financial instruments registered in the financial instruments custody account, as well as operations of safekeeping and managing the Client's cash holdings or collaterals pursuant to provisions of the Contract and the General Terms & Conditions.

2. For the purpose of performing operations from the previous paragraph of this Article, the Bank shall receive the Client's assets, ensure holding and safekeeping of financial instruments and, according to Instructions received from the Client, exercise all rights and obligations arising from the assets thus received, and shall take all actions for the Client's account for the preservation and exercise of the Client's rights arising from the stored financial instruments.
3. The Bank undertakes to open in its records, at the Client's request, in the name and on behalf of the Client and/or in the Client's name and on behalf of the Client's clients, one or several financial instruments custody accounts and cash holdings custody accounts to which it shall receive financial instruments and cash holdings of the Client and/or the Client's clients subject to the Contract and the General Terms & Conditions and open a financial instruments custody account with the SKDD and/or other financial institutions and/or clearing and depository institutions where positions of financial instruments of the Client and/or the Client's clients will be recorded.
4. The Bank shall keep business record from which it will be evident at any time that the assets in the custodian accounts are not the property of the Bank, but of the Client and/or the Client's client.
5. The Bank is obligated to deliver to the Client periodically or at least once every three months, on a durable medium, reports about the indicated financial instruments or cash holdings. The Bank may also deliver such report more frequently at the Client's request according to the Bank's Schedule of Charges. The report on the Client's assets shall include the following information on assets:
 - all included financial instruments are under the protection of MIFID II and provisions on the protection of assets are applicable to the client;
 - no financial instrument included in the report is subject to Securities Financing Transactions or Title Transfer Collateral Agreements;
 - according to the financial instruments valuations described in the article 10, when the market value of a financial instrument is not available on a reporting date, the valuation of the financial instrument shall be based on the last known market value. The absence of a market price probably indicates lack of liquidity.

In cases where the Client's portfolio includes funds from one or several non-settled transactions, information about financial instruments is based on the date of settlement and the same basis is consistently applied to all such information in the report.

6. The Bank undertakes to inform the Client before providing custody services, about costs and fees (ex ante report) as well as to submit a report on all incurred costs and related fees once a year after the end of the calendar year. The scope and dynamics of such reporting shall be set out in relevant agreement for a specific type of clients. Regardless of the type of the provided investment service, the Bank may agree a limited application of detailed requirements on annual informing of all costs and fees with clients that are professional or qualified investors, unless the financial instrument has an embedded derivative.
7. The Bank also undertakes to exercise the Client's instructions according to provisions of the Contract and General Terms & Conditions, provided they are not contrary to applicable laws or regulations and have been undoubtedly sent by the Client through the agreed communication channel. If the Bank receives a contradictory, uncertain, unclear or incomplete Instruction from the Client, the Bank is entitled to ask the Instruction to be completed, to refuse to accept the Instruction or to postpone acting upon the delivered Instruction until it has clarified any issues with the Client, without any obligations for the Bank.
8. The Bank undertakes to inform the Client about corporate actions regarding the exercising of the Client's rights attaching to the safekept financial instruments, and take all actions necessary to preserve and exercise rights attaching to such financial instruments. If the corporate action requires any steps to be taken, the Bank shall take such steps according to the Client's Instruction. If the Bank receives no instruction from the Client regarding the forthcoming corporate action by the day on which feedback regarding such corporate action is required, the Bank shall take no action in the name of the Client and shall bear no liability for any expenses and/or loss that may be incurred by

the Client in consequence of the Client's failure to provide feedback. If the Bank receives no instruction from the Client regarding the forthcoming corporate action by the day on which feedback regarding such corporate action is required, the Bank shall take steps as required by the corporate action only if such steps are mandatory and require no approval from the Client.

9. The Bank shall notify the Client of convoking general meetings of domestic and foreign issuers whose shares are listed on a regulated market in the EEA. As regards other issuers, the Bank will inform the Client of the announced general meetings, as defined in the Agreement concluded by and between the Bank and the Client or upon written request of the client, provided that a third party offers the Bank such a service, i.e. that this information is publicly available; however, it will not be held accountable for timely delivery of information. The Bank will forward to the Client the agenda of the general meeting of the issuers whose securities are listed on the regulated EEA market.
10. In the case of mandatory corporate actions such as e.g. payment of dividends, principal, interest, which are accomplished without the consent of the Client, the Bank will pay or transfer the funds to the Client's account as soon as possible after receiving funds or other rights from corporate shares. If a third party or subcustodian incorrectly calculates the tax or the amount of income on a financial instrument and forwards it as such, and then claims it after it has been corrected, the Bank shall cancel the originally paid amounts with prior notice to the Client.
11. The Bank provides the service of participation and voting at general meetings of domestic and foreign issuers whose shares are listed on a regulated market in the EEA, or at the general meetings of other issuers where so defined by the Agreement between the Bank and the Client, provided that a third party offers such service to the Bank. The Bank shall also have no obligation to participate in general assemblies of shareholders unless it has received an Instruction from the Client demanding such participation no later than by the deadline indicated in the Bank's notification about the general assembly addressed to the Client. If the Bank has, according to the Client's instruction, applied for participation in the general assembly of shareholders, without having received any instruction from the Client how to vote in individual items of the published agenda until the Voting Instruction delivery deadline in the Bank's notification about the general assembly addressed to the Client at the latest, the Bank shall have no obligation to take part in the General Assembly.
12. The Bank undertakes to perform the settlement of receipt or delivery of financial instruments according to provisions of the Contract and the General Terms & Conditions and according to the Client's Order. In the event of settlement of receipt of financial instruments, the Bank shall perform the settlement only if the Client's cash holdings custody account has full cash credit required for the execution of the receipt/buying of the respective financial instruments at the time when the Order is given, i.e. if the Hold&Release mechanism applies in settlement (for markets where possible), or as otherwise set out in the Service Level Agreement concluded by and between the Bank and the Client.
13. Unless defined otherwise by the Service Level Agreement, if the Client's cash holdings custody account is not sufficiently credited for receipt settlement execution, the Bank shall notify the Client about the contracted date of settlement of the transaction indicated in the Client's Order and the Client shall promptly transfer the required cash holdings to its cash holdings custody account.
14. The Bank shall have no obligation to indemnify the Client for any expenses incurred in consequence of the Client's failure to timely transfer sufficient credit to its cash holdings custody account for the settlement of the buying of financial instruments according to the Client's Order.
15. The Client's Order for the settlement of receipt or delivery of financial instruments must be received by the Bank in written form and by the agreed deadline and agreed channel of communication (e-mail, SWIFT). The Order must contain at least the following information:
 - ISIN and name of the security
 - designation/number of the account to which the transaction refers
 - price (for settlement against payment)
 - quantity of financial instruments
 - manner of settlement: Against Payment (AP) or Free of Payment (FP)

- date of trading and date of settlement
 - cost of the transaction (brokerage fee)
 - place where the relevant financial instruments will be kept safe (if bought) or delivered (if sold)
 - place of trade (for markets where it is mandatory)
 - deliverer or recipient of financial instruments
 - settlement amount (for settlement against payment)
 - settlement currency (for settlement against payment)
 - for debt securities, if necessary, information about the interest rate and the total amount of associated interest.
16. The Bank undertakes to inform the Client without delay about any operation performed according to the Client's instruction or, respectively, any operation performed in the Client's name and for the Client's account.
17. In accordance with the CSDR on the EEA market the Bank will deliver to clients daily statements on cash penalties for late matching and failed settlement, provided it receives them from subcustodians and/or depositories, as per agreed delivery channels. Any complaints against collected credit or debit cash penalties must be sent in writing to the agreed e-mail address, by the 4th business day of the month, applicable to all penalties related to the preceding month. Complaints must be properly documented, with a clear reference to the penalty the client is complaining about and must contain the grounds for the complaint. Such complaints must be resolved bilaterally between the two trading parties, without the Bank having to interfere. If the client does not submit their complaints by the 4th business day of the current month, the client will be considered to agree with the substance of the penalties presented in all the daily statements from the preceding month. The Bank will forward complaints to the sub-custodian/ depository within the prescribed time windows, and inform the client about the outcome of the complaint procedure once it receives the decision from the sub-custodian/depository. The monthly statement on cash penalties for late matching and failed settlement contains the net amount of the penalty that the Client receives from the opposite party based on all the penalties in the preceding month for all transactions, i.e. the net amount of the penalty that the Client needs to pay to the subcustodian/depository i.e. the opposite party based on all the penalties in the preceding month, for all instructions in the preceding month. Where no daily penalties are received in a specific month, the Bank does not generate an empty monthly statement. Once it receives a monthly statement from the subcustodian/depository, the Bank shall create monthly statements for clients and send these to clients as per agreed communication channels. The Bank shall either debit or credit the Client's cash transaction accounts for the net amount of the penalty by the date indicated on the monthly statement, whereas the Client undertakes to ensure coverage in the transaction cash accounts in a timely fashion, i.e. otherwise, the client will be liable for the damage incurred by the Bank
18. The Bank does not provide the tax agent services for financial instruments. Clients are obligated to take care themselves of their tax obligations which may result from the ownership of financial instruments and are advised to consult, as necessary, a tax advisor regarding the settlement of any tax obligations. As required by the state authorities and the subcustodian where financial instruments are kept safe, the Bank may forward certain data to the subcustodian for the purpose of correct tax calculation and charge any such expenditure to the Client.
19. While doing business with the Client, the Bank is required to comply with laws and regulations related to the introduction and compliance with economic and financial sanctions and trade embargoes or any other financial and economic restrictive measures implemented or introduced by the European Union, the USA, the UN, their governments and competent authorities or agencies, and any other government, competent authority, body and/or agency.
20. The Bank undertakes to perform all other operations according to provisions of the Contract and the General Terms & Conditions provided they are not contrary to relevant laws and regulations.

RIGHTS AND OBLIGATIONS OF THE CLIENT

Article 8

1. The Client undertakes to deliver to the Bank completed and signed documents required by the Bank for the purpose of opening cash holdings custody accounts and financial instruments custody accounts and to notify the Bank in writing about any change of data indicated in the delivered documents as soon as such change occurs.
2. The Client undertakes to deliver to the Bank, in a timely manner, complete Instructions for all actions regarding cash holdings custody accounts and financial instruments held in such accounts, and to comply in doing so with relevant laws and regulations.
3. The Client shall be obligated and undertakes to pay to the Bank all fees, costs and related expenses for the performance of operations from the Contract and General Terms & Conditions in the manner and in the amount defined by the Schedule of Charges attached to the Contract.
4. The Client undertakes not to allow its cash holdings custody account to have negative balance. If the Client should allow a negative balance to occur in its account, the Bank shall be entitled to calculate and charge statutory default interest applicable according to valid regulations for the period since the occurrence and until the settlement of the negative balance in the Client's cash holdings custody account.
5. The Client shall be liable for the damage incurred by the Bank due to non-fulfilment, partial or untimely fulfilment of obligations by the Client towards the Bank, particularly in terms of the delivery of an incorrect or incomplete order for the receipt or delivery of a financial instrument, including the payment of the penalties arising from late matching and failed settlements, in accordance with the CSDR.
6. The Client is advised of the obligation to notify the issuer and the Agency when the voting rights in the issuer of the shares directly or indirectly reach, exceed or fall below the threshold of 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. This shall also refer to the obligation of the Client as relevant person or insider under the CMA or with regard to the obligations that may result from the Joint Stock Companies Takeover Act. The Client is also advised of the fact that similar kinds of obligations are prescribed in almost all countries with developed capital markets and it is the Client's obligation to take care of compliance with regulations of third countries where financial instruments held by the Client in the custodian account with the Bank have been issued.
7. The Client undertakes to deposit in its financial instruments custody account only transferable financial instruments, where the ownership right of such instruments is not restricted, conditional, time-limited or encumbered by any rights or encumbrances in favour of third parties.
8. Should there exist a restriction to the Client's rights as holder of financial instruments or the right of disposal of rights attaching to financial instruments, or if such restriction is subsequently established, the Client undertakes to promptly inform the Bank about the indicated facts and the Bank and the Client shall forthwith try to resolve the disputed situation. If the Client fails to promptly inform the Bank about restrictions or encumbrances in favour of third parties on financial instruments referred to in this paragraph, the Client shall be liable to the Bank for the loss caused by such wilful misconduct of the Client.
9. The Bank shall deliver to the Client information about the right to liquidate financial instruments. The above information shall include, but is not limited to details about the right to liquidate financial instruments granted by the Client in favour of third parties. The right to liquidate financial instruments includes rights of lien or set-off of the Client's indicated financial instruments enabling the third party to dispose of the Client's financial instruments. To include this information in reports on the Client's assets, the Bank must receive from the Client data about such third-party rights on the Client's financial instruments accounts.

If the Client delivers to the Bank details about the right to liquidate financial instruments, the Client must also inform the Bank of any change of status or cancellation of any right of liquidation. Unless the Bank receives such notification from the Client, the information most recently received from the Client shall be considered still correct.

If the Client provides to the Bank no information as to any right of liquidation, lien or right of set-off of the Client's financial instruments, the Bank shall consider that no such right has been granted by the Client and shall not present such information in its asset reports delivered to the Client.

10. Provisions of the three previous paragraphs shall not refer to restrictions, conditions or other encumbrances established in the Bank's favour or restrictions, conditions or other encumbrances established based on the performance of the Client's instruction in procedures of court or out-of-court collection of receivables.
11. The Client who is an intermediary (who holds the property on behalf of his clients) is obliged without delay upon receipt of the Bank's request to disclose the identity of shareholders (no later than 10.00 a.m., if the request is received after 16.00 the previous day) and send a response to the issuer/third party at the request for disclosure of information on the identity of shareholders, based on SRD II regulations.
12. In accordance with the received financial instrument beneficial owner disclosure request from the regulator, foreign subcustodian, third party and/or issuer, the Bank shall disclose the identity of shareholders.
13. If the Client learns of the existence of any circumstances related to sanctions that could result in a breach of sanctions by the Bank, the Client shall notify the Bank thereof in writing without delay. By signing the Agreement, the Client confirms that the activity he/she performs is not subject to sanctions and that he/she is not controlled or managed by one or more persons who or whose activity is subject to sanctions, that he/she was incorporated in accordance with the laws of the state or the territory that falls within the territorial scope of sanctions, that he/she shall not be represented in the Agreement by the person included in the list of sanctions, that he/she does not act, directly or indirectly, contrary to sanctions or that he/she does not take any actions that could result in violation of sanctions by the Bank, that he/she will not place orders to the Bank that could result in a breach of sanctions by the Bank, and that he/she is not the subject of a lawsuit, legal transaction or investigation related to sanctions. If the Client learns of a violation of any of the Client's circumstances resulting in a breach of sanctions by the Bank, the Bank may refuse to accept and/or act in line with the order.

ASSETS VALUATION

Article 9.

1. Financial instruments are valued every business day, and in accordance with the agreement with the Client, the statements on the balance in the custody account are submitted daily, weekly, monthly or quarterly. Financial instruments are valued on the basis of:

- the last trading price on the stock exchange and reported institutional transactions, i.e. exclusively for Clients insurance companies based on the average trading price weighted by the number of securities traded on the stock exchange and reported institutional transactions and OTC transactions – for equity securities traded in the Republic of Croatia and listed on official market;
- the average trading price weighted by the amount of securities traded on the stock exchange and reported institutional transactions and OTC transactions - for long-term and short-term debt securities traded in the Republic of Croatia; that is, exceptionally for the Clients insurance companies, the fair value of short-term debt securities issued by the Republic of Croatia is determined by using the amortised cost method with yield to maturity;

- the last trading prices achieved on that day on the issuer's stock exchange or the stock exchange defined as the primary source of the price of the respective security, and the price is officially listed on the financial information service – for equity securities traded on EU and liquid markets of OECD countries, or exceptionally for the Clients insurance companies based on the last bid price;
 - the last trading prices officially quoted/listed on the financial information service - for debt securities traded on the EU markets and liquid markets of OECD countries, or exceptionally for clients insurance companies based on the last bid price;
 - the last trading price achieved on the value date officially listed on the financial information service - for equity and debt securities traded on markets outside the European Union and OECD countries, or exceptionally for Clients insurance companies based on the average trading price achieved on the market on the value date
 - in case of absence of the last, average price or the purchase price on the value date, depending on the type of security, the fair value of the acquired security is the last known trading price of the previous days (last or average price or purchase price depending on the type securities) officially listed on the financial information service;
 - the lack of a market price is likely to indicate the lack of liquidity;
 - if the client acquires an equity security or ETF of an issuer from the Republic of Croatia before the date of delisting from official stock exchanges, and the security has not been traded for longer than 90 days, the security shall be valued at the available book value for equity security, i.e. at NAV for ETF, whereas if the client acquires the security after delisting, the security shall be valued at the book value for equity security, i.e. at NAV for ETF. If there is no information about the book value of a domestic equity security, the nominal value of the security shall apply, i.e. the amount of the share capital per share. In the absence of current data on the book value of the share capital, the previously determined or the last available book value of the share capital shall be used as the base. The book value of domestic securities shall be sourced from the SKDD website from the Registry of Securities <https://www.skdd.hr/portal/f?p=100:308:7172358554699::NO::> and shall be checked at the end of each month before sending the monthly SoH statement to clients;
 - if the client acquires a security of a foreign issuer or a debt security of a domestic issuer before the date of delisting from official stock exchanges, the security shall be valued at the last known price, whereas if the client acquires it after delisting, it shall be valued at nominal value, i.e. if the securities have no nominal value, they shall be valued as the ratio of the share capital and the total number of issued securities;
 - units in open-end investment funds are estimated at the value of net assets per unit of the corresponding fund that was announced or valid on the value date;
 - in case there was no disclosure on the value date or the value of net assets per unit was not available, the fair value of the acquired unit of the investment fund is the unit price from the previous value dates which was officially quoted on the financial information service or the price published for a particular fund by the fund management company.
2. The Zagreb Stock Exchange is a source of prices for domestic financial instruments. The source of prices for foreign financial instruments is the financial information service Bloomberg. The official reports of the parent stock exchanges are used for the prices of foreign financial instruments that are not available via Bloomberg. Bloomberg is used for the valuing of units in foreign investment funds, i.e. the price published for a specific fund by the relevant fund management company. The Internet portal HR PORTFOLIO (www.hrportfolio.hr) is used as a

source for the valuing of units in domestic investment funds, i.e. fund prices published for a specific fund by the relevant fund management company.

3. Valuation methods will be applied to the reports on the balance of assets in the custody account on a certain day, using the ECB exchange rate for the valuation of foreign financial instruments whose value is in a currency other than the euro. The value of the assets on the last day of the month in the portfolio based on the above evaluation is taken as the basis for calculating the safekeeping fee.

RISKS FOR INVESTORS IN FINANCIAL INSTRUMENTS

Article 10

1. Corresponding data and information about financial instruments, as well as all risks related to investments in financial instruments, are indicated in special documents Information to Investors in financial instruments which are delivered to the Client and available on the OTP bank website to the Client.
2. By execution of the Contract, the Client confirms to be aware of all risks it takes as indicated in the document referred to in the previous paragraph of this Article and confirms that the Bank shall be in no event liable to the Client for any loss incurred through the occurrence of any risk related to providing ancillary investment services. By execution of the Contract, the Client also confirms to have been informed by the Bank about all investment and ancillary services and investment activities the Bank is licensed to provide and perform as a credit institution and the risks of investing in financial instruments, especially considering the Client's knowledge, experience, financial situation and investment objectives, in order to be able to offer adequate services and products.
3. When contracting operations with Clients, the Bank must advise Clients, in particular retail investors, of the intention to keep assets in omnibus accounts, of the risks related to safekeeping assets in omnibus accounts and of the particular financial instrument before the client's decision to purchase or sell financial instruments.

Likewise, the Client confirms, by signing the contract, to agree with the safekeeping of assets in omnibus accounts and to be aware of the risks indicated below regarding the safekeeping of assets in omnibus accounts.

Risk management is a set of procedures and methods for establishment, measurement or assessment, confinement and monitoring of risks, including reporting on risks to which Banks are or may be exposed in their business operations.

The Bank may hold or keep the Client's assets safe in omnibus accounts subject to fulfilment of the following terms and conditions:

- a. in case of the Clients' cash holdings, the Bank has informed the Client thereof in advance and, in case of retail investors, provided the Client with additional explicit advice of the risks and significance of keeping assets in omnibus accounts.
- b. in case of the Clients' financial instruments, the Bank has obtained the client's prior express consent and, in case of retail investors, provided the Client with prior explicit advice of the risks and significance of keeping assets in omnibus accounts.

The advice and consents referred to in items a. and b. of this clause may be a constituent part of the contract and/or General Terms & Conditions.

4. Safekeeping of assets in omnibus accounts may pose the following risks:
 - Identifying beneficial owners of financial assets

Assuming that the financial assets in the omnibus accounts do not belong to a third party, any loss may lead to identification of the client whose financial assets are kept in the omnibus account. However, in most countries there is a clear and simple legislation applicable in such cases.

- **Asset protection**
Failure to segregate assets at the central securities depository level represents the risk of an intermediary in the chain, whether a central securities depository participant or another agent, being considered the beneficial owner of securities. Inappropriate identification of the beneficial owner, which is prerequisite for the beneficial owner to be considered the legal owner of the securities, may lead to the situation where the beneficial owner is at risk of dispossession if one or more intermediaries in the chain become insolvent.
- **Forced lending**
Deficiencies may be caused routinely and unintentionally by a foreign Service Agent (third party) as a result of operational errors. When a temporary imbalance occurs, the deficiency may result in forced lending of financial assets from one client to any other client who at this point wishes to dispose of its assets. Regulatory rules typically require explanation to be provided to clients that their financial assets may be also used for lending to other clients if necessary.
- **Transparency**
Omnibus accounts at the central securities depository level, together with inappropriate identification of the beneficial owner of securities, may prevent regulatory authorities, tax authorities, issuers and any other entity authorised to collect information about security holdings and movements at the central securities depository level, to identify the beneficial owners of securities.
- **Corporate actions - distance between the issuer and the client**
If omnibus accounts are used, their structure necessarily implies that financial assets are held indirectly. The issuer knows that the registered holder is not the client, but does not know who the clients are, which may in some cases make corporate communications more difficult. Some countries have put in place specific policies that facilitate relationships between the issuer and the client using an omnibus account structure. The distance between the issuer and the client may also cause process delays: when the client at the end of the agent chain receives notice of the corporate action, the deadline for any practical action may be very close or may even have passed.
- **Corporate actions – allocating shares or fractions**
If there are several holders of financial assets in the omnibus account, it may be difficult to round up the number of shares or fractions allocated for certain corporate actions to individual clients precisely corresponding to their financial holdings.
- **Corporate actions - conflicted votes**
In case the Bank has deposited securities for several clients in an omnibus account held with a foreign agent, some clients might want to vote "for" on a subject, while others might want to vote "against". In theory, there may be a risk that the relevant legal system does not allow an investor to have conflicted votes: part of votes "for" and part of votes „against“.
- **Tax Processing**
The structure of omnibus accounts, without investor or activity category, may cause significant tax processing disadvantages to tax authorities, paying agents, central depositories and intermediaries. With regard to transaction taxes, for central depositories having a role in the assessment and collection of transaction taxes, the omnibus account structure at the central depository level may not allow for differentiation between taxed transactions and tax-exempt transactions. Such structure may lead to problems at the central depository level if the central depository, the issuer or an issuer agent is responsible for the tax calculation and tax withholding process.

- **Other Risks**

If the relevant legal system does not recognize the omnibus account as a valid form of account structure, the risk of the client not having ownership rights to his positions at any time may occur in the event that a third party cannot separate the assets of the Bank from the client's assets.

Such risks of keeping assets in omnibus accounts may occur on larger scale in cases where the legal or regulatory system has not developed a clear understanding of the omnibus accounts structure.

An additional risk to be mentioned is the risk of keeping assets, i.e. financial instruments that may be listed and settled on several markets (multi listed securities) on so-called remote markets. In such cases, where financial instruments are kept at venues other than the primary safekeeping venue corresponding to the issuer venue, there is the possibility of untimely receipt of corporate actions from a third party where the financial instrument is kept, as well as shorter deadlines for the performance of voluntary corporate actions. In certain cases, the third party will not be able to perform some corporate actions because of restricted services on such markets.

CLIENT CLASSIFICATION

Article 11

1. Pursuant to provisions of the Capital Market Act and other regulations enacted based thereon, the Bank shall categorise its new and existing Clients and inform them about classification and categorisation as retail investors, professional investors or eligible counterparties and shall additionally advise the Client about the risks of investing in financial instruments according to the Client's knowledge, experience, financial situation and investment objectives.
2. The Bank shall treat all Clients as retail investors unless they meet the criteria for classification as professional investors, i.e. as qualified principals determined as such under the Capital Markets Act. After classification, the Client has the right to request reclassification, in which case the Bank will inform the Client of all the changes in the level of protection and the consequences for the Client.
3. Clients classified as retail investors shall be entitled to additional instructions and information, data regarding financial instruments, fees, expenses and related expenditures. This information shall be delivered to retail investors before the first provision of the investment service in written form as a separate document Information to Investors in financial instruments.
The Bank shall execute a written agreement with retail investors to regulate mutual rights and obligations before providing the investment service for the first time.

EVALUATION OF ELIGIBILITY AND APPROPRIATENESS

Article 12

1. By signing the Contract, the Client confirms to be informed that the Bank is not obligated to collect data and provide an evaluation of eligibility when providing investment services consisting only of receipt and transfer and/or execution of the Clients' Orders, with or without ancillary financial services, if the service is provided at the Client's initiative, which is why the Client does not enjoy the protection typically provided under the rules of business conduct, and if the Bank effectively manages conflicts of interest as prescribed by the relevant regulations where the service relates to one of the following financial instruments:
 - a) shares listed on a regulated market or an equivalent market of a third country or on the MTP, if dealing with shares of companies, excluding shares or shares in collective investment undertakings that are not UCITS funds and shares with embedded derivatives

- b) bonds or other forms of securitised debt listed on a regulated market or an equivalent market of a third country or on MTP, excluding bonds or other forms of securitised debt in which derivatives are embedded or the structure of which makes it difficult for the client to understand the associated risks
 - c) money market instrument, excluding those in which derivatives are embedded or, the structure of which makes it difficult for the client to understand the associated risks
 - d) shares or units in UCITS funds, excluding structured UCITS funds as defined in Article 36(1) of Regulation (EU) No 583/2010
 - e) structured deposits, excluding those the structure of which makes it difficult for the client to understand the return risk or exit costs before the maturity of the product or
 - f) other non-complex financial instruments that meet the criteria from Article 57 of the Delegated Regulation (EU) No 2017/565
2. The Bank shall also not assess the eligibility of the Client for custody operations, since this is required only when providing investment advice or portfolio management services.

MANAGING CONFLICT OF INTEREST

Article 13

1. The Bank manages both existing and potential conflicts of interest by avoiding abuse of conflict-of-interest situations and default on its obligations to Clients as well as breach of applicable laws and regulations. To this end, the Bank uses various procedures and techniques to manage situations where conflicts of interest may occur in order to avoid or reduce the risks and possible effects of conflicts of interest on Clients.
2. The Bank's Conflict of interest policy related to investment and ancillary services (hereinafter referred to as: Policy) regulates the rules of managing and preventing conflicts of interest in operations involving financial instruments of the Bank as a credit institution. Objectives of the Policy are:
 - to identify potential and/or actual conflicts of interest that may occur when providing investment and ancillary services and performing investment activities,
 - to define preventive measures and procedures with the objective of preventing or avoiding conflict of interest,
 - to define the process of dealing with conflict of interest in situations where preventive measures cannot be implemented,
 - to establish high standard of business behaviour and business transparency expected from relevant persons
 - to make all Bank employees and relevant persons aware of mandatory conduct regarding the management of conflict of interest in the provision of investment services and performance of investment activities.
3. Additional information on managing conflicts of interest are delivered to the Client in written form as part of the document Information to Investors in financial instruments. These documents are also available to the Client on the OTP bank's website.

SETTLEMENT OF RECEIVABLES, COSTS AND OTHER EXPENDITURES OF THE BANK

Article 14

1. The Client agrees that financial instruments and cash holdings in his financial instruments accounts and cash holdings accounts serve as security for all of the Bank's receivables based on the Contract and any other contract the Client may have signed with the Bank. The Bank shall in any case have the right to withhold the above financial instruments and cash holdings of the Client according to provisions of the Contract and the General Terms & Conditions. The Bank may use the right to apply set-off and/or lien to financial instruments in the Client's account to settle receivables up to the amount of expenses of management, administration and safekeeping of financial instruments in the account, and when the Client has failed to provide financial instruments required for settlement.
In case of failure to pay fees defined by the Bank's contracts with third parties, the third party shall be entitled to restrict the Bank's disposal of assets deposited/kept in the financial instruments accounts and keep such assets in the financial instruments account until such fees are settled. The Bank shall, in every situation where this is possible, apply due care to ensure that the Clients' assets with third parties are not subject to lien as indicated above and shall duly perform its obligations towards the third party.
2. By signing the Contract, the Client authorises the Bank, in the event that any receivable arising from the Contract and any other contracts between the Client and the Bank falls due, to settle such receivables without any further consent by or request to the Client, without any court intervention, directly from the value of cash holdings in the cash holdings accounts.
3. If the cash holdings in cash holdings accounts are insufficient for the collection of the Bank's receivables based on the Contract, as well as any other contracts the Client has signed with the Bank, the Client authorises the Bank, for the purpose of out-of-court settlement, to directly sell any financial instruments from all of the Client's financial instruments accounts at the market value in the Order Execution Venue, by way of the Bank's broker and the Client irrevocably authorises the Bank to this end to select financial instruments and deliver in the Client's name and for the Client's account the required instruction to SKDD (or another financial institution) for the purpose of reconciliation and settlement in connection with financial instruments subject to out-of-court settlement.

RESTRICTION OF LIABILITY

Article 15

1. The Bank shall not be liable for any loss or damage occurred due to:
 - untimely delivery of the order by the Client, which may result in delay or impossibility to fulfil all or any liabilities of the Bank as defined by the Contract
 - the general risk of investment or investment and holding of assets in a certain country, including but not limited to losses incurred due to political risks or other sovereign actions; regulations regarding banking and the securities system (e.g. unreliable registers), including changes in market rules; devaluation and instability; market conditions affecting the due execution of transactions involving securities or affecting the value of assets; stock exchange control restrictions, confiscation, expropriation, nationalisation, uprising, civil or armed conflicts, or
 - force majeure or other circumstances beyond the Bank's control, or
 - negligence, intentional mismanagement, failure, payment inability or bankruptcy of any of the central institutions or clearing agencies managing the central system of securities transactions beyond the Bank's control, or
 - any broker or agent appointed at the Client's request in connection with obligations of such broker, its actions, forbearances or solvency, or
 - acting according to what it considered orders by the Client and referring to communication, requests, waivers, consents, receipts, corporate actions that the Bank in good faith considers to be authentic and provided by the Client, as well as actions based on documents presented by the Client that the Bank in good faith considers to be authentic and provided by the Client, or
 - failure of third parties and subcustodians to provide information on the performance of corporate actions, lack of such information, or untimely taking of necessary steps to exercise rights from corporate actions after the Bank has delivered the Client's instruction to the third party/subcustodian, or

- insolvency of a third party or subcustodian in cases when the Bank delegates safekeeping of financial instruments to the third party or subcustodian, or
 - selection of a third party for the safekeeping of the clients' assets, where such selection is performed conscientiously and in compliance with applicable regulations.
2. The Bank shall not be obligated to perform for the Client any legal services in the Client's name and shall have no obligation or responsibility for any advice or any other statement given to the Client.
 3. The Bank's obligations based on these General Terms & Conditions and the Contract do not include any services of investment counselling or giving personal recommendations in connection with the investment of assets. The Client accepts that all communication between the Client and the Bank is of informative nature and that it represents no investment advice and/or recommendation.
 4. The Client takes full liability in connection with transactions in its cash holdings accounts and financial instruments accounts and also accepts that the Bank is neither directly nor indirectly liable for any decision on investment and disposal of assets that the client may make.
 5. When providing investment and ancillary services pursuant to General Terms & Conditions and the Contract, the Bank shall act with due care of a prudent businessman, according to professional rules and the prevailing business practice, taking account of the Client's interests and assets as if it were the Bank's own assets. The Bank shall, however, not be liable for the truthfulness, validity and accuracy of documents presented to it or assets received and shall have the right to assume that the content of the presented documentation is true. If the Bank should observe any irregularity or incorrectness of the documents presented and/or assets delivered to it, or should suspect that they are counterfeit, the Bank shall forthwith inform the Client thereon.
 6. The Bank shall not be liable in the event that the Client has failed to promptly inform the Bank about any change of the Client's personal/legal data, the contact details of the Client, and changes of any other data that may affect the performance of the Bank's obligations arising from the Contract.
 7. By signing the Agreement, the Client confirms that he/she knowingly assumes all the risks listed in the General Terms and Conditions, and that the Bank is not liable to the Client for any possible damages caused by the occurrence of any risks related to the provision of investment services.

DATA CONFIDENTIALITY

Article 16

1. The Parties agree that to keep confidential and not to disclose for its own or other purposes, without prior written consent of the counterparty, any business secrets and other confidential information to third parties, except if such information is or later becomes public otherwise than by breach of these General Terms & Conditions and the Contract.
2. To the extent required for the implementation of provisions of these General Terms & Conditions and the Contract, each Party may disclose a confidential information to its employees and/or advisors to whom such information is necessary or desirable, provided that each party, prior to disclosing such information, advises its employees and/or advisors of the secrecy and nature of the confidential information and ensures at any time that the above employees and/or advisors act in compliance with the Contract.
3. The Bank shall keep confidential all data about the Client, the balance and movements of financial instruments accounts and cash holdings accounts, orders and operations the Bank performs for the Client's account, as well as any other data and facts the Bank learns in connection with providing investment and ancillary services and the providing of investment activities regulated by these General Terms & Conditions and the Contract, and the Bank shall be authorised to disclose them only to persons and in events where the disclosure of such data is required by law.

4. No Party can give any notifications or communications to the public and/or third parties in connection with the Contract and no such communication may be given in its name without prior written consent of the counterparty, which shall not be unreasonably withheld.
5. The Bank collects and processes the Client's personal data in accordance with the applicable regulations governing the protection of personal data. Information on the rights and obligations of the Bank, related to the collection and processing of personal data, purposes and legal basis of processing, and information on the rights and obligations of Clients and other persons whose personal data are processed, security measures and protection of personal data processed as and all other information that the Bank, as the Head of Data Processing, is obliged to provide to the Client, can be found in a separate document entitled Data Protection Policy, available to Clients on the official website: www.otpbanka.hr. A copy of the Data Protection Policy can be obtained in person in paper form at the Bank's premises within Securities Services Department.
6. The Bank collects and processes data on forms W-8BEN, W-8BEN-E on name and surname, OIB, date of birth, address, place of residence of the Client, postal code, whether the Client has dual citizenship which includes American, whether a green card to work in the US, whether his country is taxed by the US and whether he has a US tax number - TIN. The purpose of data collection is to determine the status of the Client and report in accordance with the provisions of the Agreement between the Government of the Republic of Croatia and the Government of the United States on improving tax compliance at the international level and implementing FATCA and the Law on Administrative Cooperation. The collection and further processing of this data is necessary for the Bank to meet its legal obligations under this agreement and the law under which the Bank reports to third parties / subcustodians and the Department of Finance (Tax Administration) and the Department of Finance (Tax Administration) with the US administration (IRS-Internal Revenue Service) exchanges information and provides data on US citizens who hold accounts and certain financial assets in Croatian financial institutions.
7. In accordance with the legal requirements of the Bank related to risk management, the Bank may forward the data on Clients to the members of the OTP Group in order to create a common client database. The Bank shall require all persons to whom it provides confidential information in line with the preceding provisions to comply with applicable legal requirements to maintain banking secrecy and personal data protection, and not to disclose such information to third parties, unless provided by law.
8. By accepting these General Terms and Conditions and signing the Agreement, the Client gives his/her explicit consent to the Bank that all his/her data made available to the Bank during the conclusion of the Agreement as well as the data learned by the Bank in the execution of the Agreement may be forwarded to OTP Group members in the country and abroad for the purpose of creating a common customer base of the mentioned group, preventing money laundering and terrorist financing, determining tax residency and fulfilling obligations arising from FATCA and CRS regulations, and that such data can be transferred and used in accordance with regulations in order to inform the tax administrations about their taxpayers for the purpose of implementing CRS or FATCA regulations, as well as that such data can be passed on to third parties if necessary for the execution of rights and obligations under the Agreement and to other legal entities or institutions in accordance with legal regulations.
9. Subcustodians may forward the specified data on Clients, transactions and balances of financial instruments, in addition to issuers and the regulator, to their related parties for the purpose of data processing.
10. By complying and applying the provisions of the Companies Act through which the provisions of SRD II have been transferred to the domestic legal system, the Bank will send responses to the request for disclosure of shareholder identity to issuers of shares or third parties. If it is a question of the position of a share on a segregated custody account, the Bank will disclose the identity of the shareholder without the consent of the Client who is considered the ultimate shareholder, given the statutory obligations. If the shares are in an omnibus custody account or an account protected by password classified as an intermediary Client's account (positions are not the client's own assets),

the Bank will forward the Shareholder Identification Request to the Client and send a response to the issuer/third party with the name of the intermediary Client, indicating that it is not the ultimate shareholder. The intermediary Client is also obliged to send a Response to the issuer/third party at the request for disclosure of information on the identity of the shareholder without delay (no later than 10.00 am, if the request was received after 4.00 pm the previous day).

According to the Companies Act and SRD II directive, information on the identity of shareholders is all information that enables the identification of shareholders, including at least the following information:

- a) name and surname, date and place of birth and taxpayer ID number of the natural person i.e. company or name of shareholders; in the case of legal entities, their registration or personal identification number and place of registration and LEI number,
- b) contact details (including full address and, if any, e-mail address),
- c) the number of shares they hold, and
- d) the types of shares held and/or the date from which the shares are held if required in the request for the provision of shareholder identity information.

Information is collected and processed to enable the issuing company to identify its existing shareholders in order to communicate with them directly to facilitate the exercise of shareholders' rights and to facilitate the participation of shareholders in the company.

Issuers and intermediaries may not keep the personal data of shareholders submitted to them in accordance with the regulations for more than 12 months after learning that the person is no longer a shareholder of the company.

COMMUNICATION

Article 17

1. The language of communication between the Client and the Bank shall be Croatian.
2. The Client may, unless specifically agreed otherwise, send all instructions and use all other forms of communication with the Bank in connection with ancillary investment services or activities provided by the Securities Services Department, which may be contracted and regulated by the Contract, to the following address and/or contact details at the Bank:

Global Markets Division
Securities Services Department
Address: Ulica Grada Vukovara 284, 10000 Zagreb
e-mail: Securities.Services@otpbanka.hr
www.otpbanka.hr
SWIFT: OTPVHR2X

3. The Bank shall, as agreed with the Client, exchange documents regarding the performed ancillary investment services provided by the Securities Services Department as contracted by and between the Client and the Bank using the e-mail address and/or postal address and/or telephone numbers and/or durable medium selected or provided by the Client to the Bank, as indicated in the Contract and/or Service Level Agreement.
4. For the purpose of all activities provided for by this document, notifications and other forms of communication shall be considered made on the same day if sent on a business day during business hours (8:00 am – 4:00 pm), except for registered mail, which shall be considered received on the date of receipt or, if the mail is not deliverable to the recipient by courier for any reason, on the date when the legal entity authorised for mail delivery left the message about arrived mail to the recipient.
5. The Client is obligated to immediately notify the Bank about any change of address and other data relevant for notification and performance of the Bank's obligations when providing investment and ancillary services or performing investment activities.

6. Any client complaints regarding operations of the Securities Services Department shall be made in written form only, no later than 30 days since the occurrence of the event resulting in the complaint in the manner defined by the Contract and/or Service Level Agreement. The Bank/Department is obligated to provide written response to the complaint within fifteen days since it has been received.

CONTRACT CANCELLATION AND ACCOUNT CLOSING

Article 18

1. The Contract shall cease by:
 - consensual cancellation
 - unilateral cancellation by the Client
 - unilateral cancellation by the Bank
 - non-acceptance of amendments to these General Terms & Conditions by the Client
 - based on decision of the court, a competent institution and based on the law and other regulations
2. Each Party may, without indicating reasons, at any time pursuant to provisions of the Contract and these General Terms & Conditions cancel the Contract observing the term of notice indicated in the Contract. The term of notice shall commence on the date of dispatch of the cancellation notice, which shall be sent by registered mail to the Client's address of residence or contact address indicated in the preamble of the Contract or to the Bank's address indicated in the General Terms & Conditions. Every non-due liability of the Client towards the Bank arising from the Contract shall become due with the expiry of the term of notice and the Client shall be obligated to settle it without delay pursuant to provisions of the Contract and the General Terms & Conditions.
3. The Bank shall be entitled to unilaterally cancel the Contract without observing the term of notice indicated in the Contract if one or several of the following situations should occur:
 - If the Client fails to timely perform any obligation determined by the Contract and/or the General Terms & Conditions, especially in the event of failure to settle or recurrent late settlement of the Bank's receivables based on the Contract as due
 - If any representation or warranty made or considered to be made by the Client or any source of information or document presented to the Bank proves to be incorrect or false since the time it was made or presented
 - If any significant change in the Client's financial situation occurs or if a bankruptcy or liquidation proceeding is initiated against the Client or the Client becomes insolvent
 - If, according to any action of the law or changes of any laws or rules or the construction thereof or by occurrence of any other situation beyond the Client's control, the performance of obligations from the Contract and the General Terms & Conditions should become unlawful, impracticable or prevent the Client or the Bank to fulfil obligations from the Contract
 - If continued contractual relationship would be detrimental for the Bank, especially in the event of the Bank's suspicion of market abuse by the Client (as defined by the CMA and internal rules of the Bank).
4. The Client agrees that in events referred to in the previous paragraph of this Article, the date of dispatching the notice of cancellation to the Client's residence address or the contract address indicated in the preamble to the Contract shall be considered the date of cancellation of the Contract.
5. Contract cancellation shall not affect the validity of transactions and the performance of any required actions and operations concluded prior to the expiry of the term of notice, which must be completed according to provisions of the Contract and the General Terms & Conditions.
6. The Client undertakes to settle all due outstanding receivables of the Bank based on the Contract until the date of expiry of the term of notice indicated in the Contract or forthwith and without delay when the Contract was cancelled and no later than on the next consecutive business day.

7. With the expiry of the term of notice indicated in the Contract or on the day when the Contract was cancelled, the Bank shall close all financial instruments accounts and cash holdings accounts opened with the Bank.
8. The Bank shall, until the date of expiry of the term of notice indicated in the Contract, deliver all financial instruments and transfer cash holdings to accounts indicated by the Client by way of a written Instruction. If the Bank receives no written Instruction and/or the return of assets is not enabled until the expiry of the term of notice indicated in the Contract, the Bank shall continue to keep assets in the custody account without any responsibility for assets and the Client undertakes in this case to settle to the Bank any expenses related to the safekeeping of such assets for which the Bank has received no written Instruction.
9. The Bank shall not be obligated to comply with the provisions of the previous paragraph of this article as long as all operations based on the Contract and these General Terms & Conditions are not completed, i.e. until the Client has not settled all due receivables of the Bank based on the Contract, and the Bank shall in this case be in no way responsible for the loss caused by the non-delivery of financial instruments or non-payment of cash holdings. The Client agrees that the Bank shall in any event have the right to withhold financial instruments and cash holdings of the Client in the Client's financial instruments accounts and cash holdings accounts pursuant to provisions of article 15 of these General Terms & Conditions until full settlement of all of the Client's liabilities to the Bank arising from the Contract.

INTERIM PROVISIONS

Article 19

1. Open contracts

These General Terms & Conditions shall also apply to existing individual Contracts or open Contracts, regardless of how they are named and when they were executed, except where this is not excluded by an individual Contract itself or a subsequent agreement.

Where provisions of existing individual Contracts or open Contracts, regardless of how they are named and when they were executed, derogate from and/or exclude individual provisions of these General Terms & Conditions, provisions of the Contracts will prevail.

Regarding the acceptance or rejection of these General Terms & Conditions, open Contracts shall be subject to rules outlined in article 1, paragraph 4 and article 18 of these General Terms & Conditions. In the case of rejection, the respective open Contract (executed before the effective date of these General Terms & Conditions) shall be considered unilaterally terminated by the Client or the Instructing Party, unless resulting otherwise from the agreement between the counterparties.

2. Availability of General Terms & Conditions

The paper version of General Terms & Conditions is available to Clients at the Securities Services Department. General Terms & Conditions are also available at the Banks' website www.otpbanka.hr.

3. Language and addresses of communication

The Croatian language shall be used, as a rule, for any communication between the Bank and the Client and/or Instructing Party regarding the rights and obligations from the Contract/General Terms & Conditions. This shall not exclude the use of other languages according to good practices in banking operations.

4. Effective date

These General Terms & Conditions were adopted by the Management Board pursuant to articles 38. and 40. of OTP bank' Statute and article 16. of the Rules of Procedure.

The General Terms & Conditions shall enter into force and application on January 01st, 2025.