

Authorized Credit Institution Adriatic Bank AD Podgorica

## INSTRUCTION ON MANAGING CLIENTS FUNDS

According to the Law on Capital Market of Montenegro, the authorized credit institution Adriatic Bank AD Podgorica ("the Company") explains the company's policy on clients' funds.

In order for the Client to place a trading order, it is necessary to deposit the appropriate amount of money in his trading account / account in advance. All funds will be deposited in the Client Account opened by the Bank only for that purpose. Upon receipt, the investment firm, ie the Authorized Credit Institution shall be obliged to deposit the client's funds without delay in one or more accounts opened with a bank and other credit institution with its registered office in Montenegro or a Member State.

Adriatic Bank acts with the care of a good expert when selecting, appointing and checking the credit institution or bank with which it deposits funds, takes into account the expertise and market reputation of these institutions to protect clients' rights, as well as other elements related to holding clients' funds and which could have negative impacts on clients' rights.

If necessary, the funds will be used for the execution of orders or the implementation of activities related to the provision of investment services to the Client. In certain cases, the Client may be required to provide a statement of ownership of the money or to provide supporting documentation to prove ownership of the money. Adriatic Bank will not be responsible for accepting or transferring funds to the client's account if it later turns out that the supporting documentation was false, falsified or otherwise manipulated with the documentation.

The client can open an account in different currencies. All funds received that are not in the currency of the account will be converted into the desired currency, which may include commissions. Deposits made in currencies that are not in the balances of trading accounts will be calculated and reported in the currency in which the accounts will be maintained.

Adriatic Bank has the right not to accept deposited funds and / or to cancel all deposits and return them, in the following circumstances:

- a) if the Client does not submit the required documents for the purpose of identification or for any other reason, including checking the legality of the funds;
- b) if he suspects that the submitted documents are false or falsified;
- c) if it suspects that the Client is involved in illegal business;

d) if we are informed that the Client's credit or debit card (or any other method of payment) has been lost or stolen;

e) where we do so in accordance with our reasonable judgment, in order to comply with applicable laws and regulations.

In case of cancellation of the deposit, and provided that the Client's funds are not under the coercive measures of the regulator or other competent authority, it will be returned to the account from which they were originally paid.

Adriatic Bank receives the Client's funds from the bank, credit institution, payment institution, or other payment providers that may be involved in the transfer of money, depending on the method of payment that the Client chooses when transferring funds. Depending on when the Bank is notified by the payment provider of the arrival of such funds, it will endeavor to process such remittance and approve your account as soon as possible.

#### Client's money

Money held by Adriatic Bank AD Podgorica on behalf of the Client will be treated as Client's money. Issues related to the receipt of money by the Client, ie keeping / holding money on behalf of the client, are subject to applicable regulations in this area.

The funds on the client's payment account are not Adriatic Bank's funds and do not enter its assets, cannot be subject to forced collection or claims by creditors, cannot be included in the liquidation or bankruptcy estate, or used to pay the Bank's liabilities.

The Bank keeps and maintains business books and records of money on behalf of its Clients. The provisions of this Agreement relating to money are subject to the terms and conditions of operations of banks and credit institutions with which such funds are held or transferred.

The Bank does not charge for the transfer of money from our account, to the Client's account or vice versa. However, the Client must be aware of the costs of money transfer outside the Adriatic Bank system and other costs charged by correspondent banks, payment service providers and any other providers of such services used by the Client for the purpose of transferring money to us and from us.

When the Client pays or transfers money to an account linked to a user account, the time required to display that money on the account depends on the method of transferring those funds.

## Withdrawal of money

The Client may withdraw funds from the account provided that such funds are not used to cover realized but still unsettled transactions or to cover unrealized and issued purchase orders or if, on some basis, they belong to Adriatic Bank.

Withdrawal of funds is subject to leverage requirements with the Company, which is authorized to request additional information or documentation before releasing the money to the Client's account. In connection with the above, the request for withdrawal of funds will be processed on the same day if received by 3 pm, or the first following working day if the request is received after that time or on a day other than a working day.

Once the withdrawal request is approved, the withdrawal request is forwarded for execution. The money will be paid to an account in the name of the Client.

If the withdrawal of funds is made outside the system of Adriatic Bank, the costs of external transactions are borne by the client.

## Negative balance protection

We provide the client with protection against a negative balance, ie. he can never lose more than the amount of money he has deposited in his trading account with us.

## Client property protection

Adriatic Bank is obliged to, in order to protect the rights of clients, in relation to financial instruments and funds of clients:

- 1) keeps records and accounts necessary to be able to distinguish the property of one client from the property of another client, as well as from his own property at any time without delay;
- 2) maintain records and accounts in a manner that ensures their accuracy, in particular those relating to financial instruments and funds held for clients;
- 3) regularly make adjustments between its internal accounts and records with the accounts and records of third parties holding these funds;

- 4) take the necessary measures to ensure that all financial instruments of clients, which are deposited with third parties, are separated from the financial instruments of the investment firm and from the financial instruments of that third party;
- 5) take measures to ensure that the client's funds, which are deposited, are kept on the account or accounts on which the funds of the investment company are not kept;
- 6) establish an appropriate organizational structure to reduce the risk of loss or reduction of the client's property or rights related to that property, as a result of misuse of property, fraud, mismanagement, inappropriate record keeping or negligence.