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# ADRIATIC BANK

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## RULES FOR PROVIDING INVESTMENT SERVICES Adriatic Bank AD Podgorica

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## Article 1

Adriatic Bank AD Podgorica (hereinafter: the Bank), Bulevar Džordža Vašingtona no.98, registration number 03087158 is a bank established in Montenegro, registered as a joint stock company with the Central Register of Business Entities in Podgorica - registration number 40009471. The Bank's activities in accordance with the prescribed classification of activities is: Code 6419 - other monetary intermediation.

## Article 2

These Business Rules determine the general business conditions of Adriatic Bank AD Podgorica that are applied when providing investment services to clients of Adriatic Bank AD Podgorica.

## Article 3

These Rules and the Rulebook on Investment Services Tariff (hereinafter: the Tariff Rulebook) are available to the client upon his request, and always before concluding the agreement with the Bank on the provision of investment services referred to in Article 4 of these Rules.

The Bank provides insight into the latest version of these Rules and the Rulebook on Tariffs in the Bank's business premises where transactions with financial instruments are performed, by displaying them in a visible and accessible place as well as on the Bank's website ([www.adriaticbank.com](http://www.adriaticbank.com))

The Client's statement that the Rules and the Rulebook on Tariffs were available to him prior to the conclusion of the Agreement and that he is familiar with their content and that he has accepted them is an integral part of the agreement between the Client and the Bank.

The Bank provides clients with insight into amendments to the Rules and Regulations on Tariffs no later than 7 days after their entry into force by displaying them in a visible and accessible place in the Bank's business premises where financial instruments are performed, as well as on the Bank's website (<http://www.adriaticbank.com>).

## II TYPES AND MANNER OF PERFORMING INVESTMENT SERVICES

### Types of investment services

#### Article 4

The Bank, in accordance with the Law on the Capital Market (hereinafter: the Law), and in accordance with the Decision of the Commission for the Capital Market No: 03/2-1/5-21 of 12 March 2021. (hereinafter: "Decision of the Commission") can provide investment services and carry out investment activities and auxiliary activities from Article 206 paragraph 1 of the Law as follows:

- Receipt and transmission of orders related to one or more financial instruments;
- Execution of orders for the client's account;
- Trading for own account;
- Portfolio management;
- Investment consulting.

In accordance with Article 206 paragraph 2 of the Law and the Article by the Decision of the Commission, the Bank performs for clients and auxiliary investment services, as follows:

- Safekeeping and administration of financial instruments on behalf of the client, including custody services and related services, such as cash and collateral management;
- Granting loans and credits to the investor in order to enable the conclusion of a transaction with one or more financial instruments, if the transaction involves a company that provides a loan or credit;

- Foreign currency business services related to the provision of investment services.

## Conditions for performing investment services

### Article 5

The Bank performs investment services and activities for which it is licensed from the Capital Market Authority (hereinafter: the Authority) to perform activities, and after fulfilling the conditions regarding personnel and organizational skills and technical equipment, as well as other conditions prescribed by law and acts of the Authority.

### Article 6

The Bank has organized its operations in such a way as to minimize possible conflicts of interest of clients with the interests of the Bank, its shareholders, members of the Management Board, Supervisory Board and employees.

In accordance with the Conflict of Interest Management Policy of the Investment Banking Sector and the Rules of Business and Ethical Conduct - Code of Ethics, the Bank shall take appropriate measures to detect conflicts of interest, including conflicts of interest of persons referred to in paragraph 1 of this Article. on the one hand, and the interests of their clients, on the other hand, as well as conflicts of interest of individual clients, which may arise in connection with the provision of investment services.

## Client's categorization

### Article 7

Clients of the Bank in the provision of investment services can be legal entities and individuals with whom the bank concluded an Agreement.

## Article 8

Prior to concluding the Agreement and providing the service to the client, the Bank is obliged to classify the client into the category of small clients, professional investors and qualified clients.

## Article 9

The professional investor is:

1) an entity that has a work permit or a subject of supervision in financial operations markets, namely:

- credit institutions;
- investment companies;
- other financial institutions that have a license to operate or are subject to supervision;
- insurance companies;
- collective investment undertakings and their management companies;
- pension funds and their management companies;
- traders in goods and commodity derivatives;
- other institutional investors.

2) a large company that meets two of the following conditions:

- has total assets of at least EUR 20.000.000;
- has an annual net income of at least EUR 40.000.000;
- has a capital of at least EUR 2.000.000.

3) government, central bank, international organizations such as the World Bank, International Monetary Fund, European Central Bank, European Investment Bank and other similar international organizations;

4) other investors whose main activity is investing in financial instruments, including entities engaged in the securitization of assets or other financial transactions.

Qualified principal is:

- investment company;

- credit institution;
- insurance company;
- UCITS fund and UCITS fund management company;
- Voluntary Pension Fund Management Company and Voluntary Pension Fund;
- another financial institution that is subject to the obligation to apply for a work permit according to special regulations or whose operations are regulated by the legislation of the European Union;
- the national government and the public debt management body and the central bank;
- supranational organization.

A small investor is any person who is not classified in the category of professional investors and qualified clients.

The bank is obliged to inform in writing in which category it is classified, the level of protection of interests that will be provided to it and the possibility to request classification in another category.

#### Article 10

A professional investor who considers that he is not able to properly assess or manage the risks that characterize a particular investment, may request in writing from the Bank a higher level of protection of their interests in relation to all or individual service, type of transaction or financial instrument.

In case of the request referred to in paragraph 1 of this Article, the Bank and the investor shall conclude an agreement, ie an annex to the agreement which will specify services, ie transactions, ie financial instruments in connection with which the investor does not want to be treated as a professional investor.

A small investor who wants to be treated as a professional investor may request in writing from the investment firm a lower level of protection of its interests in relation to all or an individual service, type of transaction, or financial instrument. In that case, the bank will act in accordance with Article 53 of the Rules on Organizational Requirements and rules of business conduct for investment activities (hereinafter the Authority Rules).

## Article 11

Before concluding the contract, the Bank is obliged to provide the small investor with information on the terms of the contract, as well as its own data:

- name and address of the Bank and other data necessary for the client to communicate with the Bank;
- indication of the language in which the client can communicate with the Bank and receive documents and other information;
- manner of communication with the client;
- a statement that he has a license to provide investment services, as well as the name and address of the body that issued that license;
- type, deadlines and time of submission of the report on the provision of the service,
- an short description of measures to protect financial instruments, including information on investor protection or deposit security systems,
- on a permanent medium or via a website, information on how to manage a conflict of interest.

## Article 12

The Bank is obliged to provide existing and potential clients with detailed information on the characteristics and risks of financial instruments, appropriate to the categorization of the client as a small investor or professional investor, which will enable the client to make an appropriate investment decision.

Risk information in particular includes:

- risks associated with the type of financial instrument, including clarification of financial leverage and its effect, as well as the risk of loss of investment;
- price volatility of the financial instrument and possible restrictions on the existing market for those instruments;
- financial and other additional obligations of the investor in case of transaction with these financial instruments;
- margin data and other liabilities related to the financial instrument.

### Article 13

The Bank, in contact with the client, may not give advice regarding transactions with financial instruments, nor perform transactions for the client, until it determines that has all the facts that the client needs to reveal to him and other relevant facts about the client that he is aware of or that he should be aware of.

### Article 14

The bank can't:

- recommend the transaction to the client or execute the transaction for him if he does not take action to ensure that the client understands the risk that exists;
- incorrectly state to the client any advantage or disadvantage of the intended transaction, guarantee earnings, except in the case when it is contractually guaranteed.

## Agreement between the Client and the Bank

### Article 15

The Client and the Bank conclude a written Agreement on the provision of investment services. The contract with the client is signed by the Authorized Person of the Bank. The Agreement must contain all the essential elements prescribed by the Rules of the Commission and it regulates the mutual rights and obligations of the Bank and the client.

The contract with the client is signed at the headquarters or organizational part of the Bank that receives orders.

The Bank may conclude the Agreement, ie receive an order for purchase, sale and transfer without payment of financial instruments by power of attorney, if the power of attorney is given and certified in accordance with the law. In this case, the Bank must be served with a certified power of attorney proving the capacity of a proxy or legal representative or guardian.



The Bank shall ensure that the Agreement and other types of written communication or information provided or sent to the client for which it performs investment services are made comprehensively and clearly.

All documents concluded with the client and delivered to the client must be made in accordance with the regulations of the Capital Market Authority.

#### Article 16

Upon concluding the Agreement and before taking over each individual order for purchase / sale / transfer of financial instruments, the Bank is obliged to identify the client in accordance with the Law on Prevention of Money Laundering and Terrorist Financing ("Official Gazette of Montenegro", No. 033/14 and 044 / 18) and the KYC Bank Procedure.

The Investment Banking Department is obliged to regularly and carefully monitor the client's business activities, in accordance with the Procedure, Know Your Client and the Program of Measures to Prevent Money Laundering and Terrorist Financing and report on them to the authorized person of the Bank.

#### Article 17

Prior to concluding the Agreement, the Bank is obliged to meet the Client and make it available to him:

- Rules for providing investment services;
- Rulebook on the tariff for the provision of investment services.

#### Article 18

Before concluding the Agreement, the Client is obliged to open a transaction account with the Bank, in accordance with the Law on Payment Operations and the Bank's internal acts regulating this area.

The Client is obliged to confirm that other persons do not claim any rights to securities on the investment services account, and that the Client will immediately

notify the Bank in case any rights to securities are acquired that would in any way limit the client in disposal of securities on the owner's account.

#### Article 19

The Bank may not request an exclusion or restriction in the contract or other written communication:

- any obligation or responsibility towards the client which he has under any law or under the rules of the Capital Market Authority,
- any obligation to perform investment services with the care of a good expert;
- any other liability to the client for non-performance of investment services.

An exclusion or restriction made contrary to paragraph 1 of this Article shall be null and void and shall not produce legal effect.

#### Bank commission and other fees

#### Article 20

Before commencing operations with financial instruments for the client, the Bank acquaints the client with the percentage or amount of commission and the legal nature and amount of any other fee charged in addition to these operations, the stock exchange, the Central Depository and Clearing Company a.d. Podgorica, custody, bank or other persons, and in accordance with the Rulebook on Tariffs of the Investment Banking Department of Adriatic Bank AD Podgorica.

The Director of the Bank's Investment Banking Sector is authorized to correct tariffs in special cases with a written notification to the client and an explanation, as defined in the Tariff Book.

## Working hours

### Article 21

The working hours of the Bank are every working day from 8 am to 4 pm.  
Trading time is harmonized with the trading time on stock exchanges.

## III INVESTMENT SERVICES

### Article 22

Investment services - execution of orders for clients, the Bank performs in accordance with the Law on Capital Market, on stock exchanges of which it is a member or through international brokers and custodian banks with which it has concluded a cooperation agreement.

The Bank performs order reception, investment consulting and portfolio management in its business premises.

### Article 23

The bank is obliged to:

- Executes its obligations to clients in accordance with the submitted order, taking into account the interests of clients and respecting positive regulations, business rules and general and business ethical principles;
- Warn clients and other persons about the prohibition of manipulative behavior on the capital market and the prohibition of dissemination of false information, when he notices that the execution of a certain client's order would constitute actions that by law have the characteristics of manipulative behavior, ie dissemination of false information in accordance with Article 138 and Article 139 of the Law on Capital Market;
- Warn clients about legal and material deficiencies related to the trading of financial instruments that are the subject of the order, which they notice before, during or after the execution of that order.

## Article 24

Before receiving the order, and after signing the Agreement, the Bank is obliged to open a client's account.

The bank will for the Client:

- open an account of investment services in the name and within the account, open as many accounts of financial instruments and money accounts as will be necessary for the execution of the Client's order, ie as much as the client requests;
- by order of the client to receive financial instruments from third parties to the accounts with payment debited to the money account, or without payment, and by order from the account to deliver financial instruments to third parties with or without payment;
- collect all cash income related to financial instruments and custody of financial instruments under the Agreement (collection of principal, dividends and interest at maturity as well as all other cash receipts) in favor of the account;
- by order, transfer funds to another client's account;
- by orders, after acceptance, perform other services related to the property and custody of financial instruments in accordance with the Agreement.

## Article 25

The client's assets (money and financial instruments) in the financial services account do not enter the Bank's assets or liquidation or bankruptcy estate, nor can they be used for execution in the event of a claim against the Bank.

Financial instruments will be managed in a manner and in accordance with the regulations when it comes to recording and managing financial instruments on accounts, to the extent that this is legally allowed, and in accordance with the provisions of the Bank's business rules and the Agreement that the Bank concluded with the client.

## Types of Client orders, manner and conditions of receiving orders

### Article 26

Depending on the type of work, orders can be:

- Purchase order;
- Sales order;
- Receipt order without payment;
- Delivery order without payment.

According to the price of financial instruments, orders can be:

- market price order - the ordering party / client does not set restrictions regarding the price;
- limit order - the ordering party / client determines an acceptable purchase price (highest) or sale (lowest).

### Article 27

When entering orders into the trading system, certain combinations of two or more different types of orders are allowed, with additional conditions related to the manner of displaying and executing orders, the execution time of the order, after which the following types of orders are obtained:

- order without additional or special conditions;
- order with additional conditions of the manner of presentation and execution;
- order with additional conditions of execution time;
- order with special conditions of execution.

The Bank will also receive other types of orders, if the content of these orders is determined by the act of the stock exchange on which the financial instruments from the order are traded..

## Article 28

An order without additional or special conditions is an order in which, in addition to the obligatory components of the order, only the entry of the exchange rate is allowed when entering the trading system. These can be both market and limit orders.

## Article 29

An order with additional conditions for the manner of presentation and execution is an order in which, in addition to the obligatory components, data on additional conditions for concluding a transaction, ie for displaying orders on the market, are also entered. Orders with additional conditions of display and execution are:

- order with range - one entry allows to buy or sell financial instruments at different rates. The unexecuted quantity of the order remains in the trading system with the exchange rate entered on the order. An order with a range can be executed only when the market is open and if there is a counter order with a better or equal exchange rate. It is not possible to use other additional or special conditions;
- order with range and removal of unexecuted quantity - with one entry enables the purchase or sale of financial instruments at different exchange rates, whereby the unexecuted quantity of the order is deleted from the trading system. An order with a range and removal of the unexecuted quantity can be executed only if the market is open and if there is still a counter-order with a better or equal exchange rate. Other additional or special conditions may not be used;
- order with hidden quantity - is an order that does not show the entire quantity of financial instruments from the order on the market. Only the visible quantity is shown on the market, and the rest is stored in the so-called hidden amount of orders, which is not visible to the market. With "all" or "nothing" orders, it is not possible to enter a hidden quantity. In the trading system, such an order is specially marked. It is not possible to use other additional conditions of the way of display and execution.

### Article 30

An order with additional conditions of execution time is an order in which, in addition to the obligatory components of entry, the time conditions for the validity of the order are also given. Unless otherwise entered in the trading system, the order is accepted as a daily order. Additional use of hidden quantities or special execution conditions is possible. Orders with an additional condition of time validity are:

- daily order - valid only on the day of entry;
- open order - valid until execution on the market or good til cancelled by the Bank that made the entry. An open order is valid for a maximum of six (6) months from the date of entry;
- order (valid) until a certain date - valid from the moment of entry until a certain date, including that day. The order is valid for a maximum of six (6) months from the date of entry until a certain date.

### Article 31

An order with special execution conditions is an order in which, in addition to the obligatory components of entry, a restriction of the smallest possible quantity by which it is possible to match a trade.

Orders with special execution conditions are:

- all or nothing order - executed only if it is possible to execute the entire quantity entered on the order. It is possible to use the terms of the time validity of the order;
- order with a minimum quantity of all concluded transactions - is an order in which transactions are concluded only with a quantity equal to or greater than the minimum quantity specified in the order. If the remaining part of the order is less than the required minimum quantity, the order is changed so that the minimum quantity is equal to the remaining quantity of the order. It is possible to use the terms of the time validity of the order.

## Order content

### Article 32

The client's order must contain all the necessary information for smooth and clear execution, so and:

- an indication that it is order recipient;
- name and surname of the client, his ID number and address;
- the market where the order will be executed;
- date and time (hour and minute) of receipt of the order, in the case referred to in Article 21 of these Rules and the date and time of delivery of the order;
- financial instrument code, ticker and ISIN code;
- type of order (purchase, sale);
- type of order with regard to the price and validity period;
- quantity of financial instruments;
- the number of the client's bank account to which the funds will be paid to the client;
- the price of financial instruments at which the order should be executed;
- possible other conditions for order execution.

## Order issuing

### Article 33

The Client may issue an order to the Bank directly or through a person authorized by him to issue an order.

The Client may issue an order to the Bank in one of the following ways:

- - in writing on the order form;
- - by fax, in writing on the order form;
- - electronically (e-mail) and
- - by telephone, if it is possible to record a phone conversation.

### Article 34

The Client submits orders for transactions with financial instruments at the Bank's premises, in Podgorica, Bul. Džordža Vašingtona no. 98, X floor.



If the Bank receives an order outside the place of execution of the order (in its branches / sub-branches), the order will be delivered on the same day to the Bank's headquarters, ie in the organizational part that executes clients' orders. In this case, the orders will be delivered by fax, e-mail or telephone, and the original documents will be delivered to the headquarters within the next 7 (seven) days from the date of receipt of the specific order. The client will be explicitly warned of these circumstances when submitting the order.

It is considered that the order has been received when it is delivered to the Bank at its headquarters, of which the client must be explicitly warned when submitting the order.

### Article 35

Reception of an electronic or telephone order can be arranged whenever the client requests it. Submission of the order by e-mail (e-mail) is enabled by sending a message from the e-mail address of the client (specified in the Agreement) to the e-mail address of the Bank and exclusively to the address: [investments@adriaticbank.com](mailto:investments@adriaticbank.com), [custody@adriaticbank.com](mailto:custody@adriaticbank.com), specified in the Agreement, as well as to the e-mail addresses of employees in the Investment Banking Department.

If the authorized persons referred to in paragraph 3 of this Article are not present at the workplace (break, days off, annual leave, sick leave, etc.), the Bank is obliged to ensure the orderly receipt and execution of orders.

The bank is obliged to, if there is a change in its e-mail address, inform the clients about the change and the Capital Market Authority within 7 (seven) days before the change.

The client is required in the email to:

- introduce himself, stating his name and surname, the identification code of the client, and if he represents another person, the name and surname / title of that person, and
- list all the essential elements of the order, so that the order is clear and unambiguous.

The bank records when the order arrived by e-mail and when it was entered in the order book.

The bank is obliged to send a reply that the order has been received in which the original message of the sender is visible. If the client does not receive a response that the order has been received, it is considered that the order has not been successfully submitted and the client is obliged to try to submit the order again in one of the ways defined by the Rules. If the order is unclear and ambiguous, the Bank will refuse to execute the order and notify the client in the same way as it received the order.

The authorized person of the Bank is obliged to, in the confirmation of receipt of the client's order, advise clients to be careful when entering the order and to review all elements of the order entered before sending the order by e-mail, so as not to execute the order before the client notices his mistake and cancels the order.

If the client wants to change the given order, before sending a new order by e-mail, he should first contact the Bank and check whether there was trading on the previously given order. Otherwise, the Bank will consider that the new order has nothing to do with the previously given orders.

### Article 36

Receipt of the order can be done by telephone, at the client's request, with the acceptance of the procedure of recording the conversation and audio recording as a relevant document in case of dispute and any control by the competent institutions.

In the case of receiving orders by telephone, the Bank will provide mandatory identity verification via a special code that will be included in each contract that provides for the possibility of placing orders by telephone.

The Client is obliged to keep the identification code secret and must not make it available to third parties.

Issuance of orders by fax is possible by signing the order form, and according to the client's instructions. The bank records when the order arrived by fax and when it was entered in the order book. The Bank is not responsible in the event that the fax sending is not successful. If the copy of the order received by fax is not readable,

the Bank will refuse to execute the order and notify the client in the same way as it received the order.

#### Article 37

When receiving orders by fax, electronically (e-mail) and by telephone, the Bank will send the client a confirmation of receipt of the order no later than the next business day after the day of receipt of the order.

#### Article 38

The Bank accepts the order if the prescribed conditions and the conditions set out in these Rules and the Agreement are met and if all the required information necessary for the execution of the order has been submitted.

Upon receipt of the sales order, the Bank checks whether the client has in its ownership account the financial instruments that are the subject of the order. When issuing a sales order, the client gives the Bank the number of his account in the Bank and the Bank is obliged to transfer funds from the sale of financial instruments to his account in the Bank.

The Bank may disburse funds from the sale of financial instruments only to the client's transaction account opened with the Bank. Also, money for the purchase of financial instruments can only come from the account that the client has in the Bank. As a rule, when giving a purchase order to the Bank, the client is obliged to transfer the amount for the purchase of financial instruments increased by the amount of the brokerage commission to a special cash account of the client. The Bank may exceptionally, given the permanent business relationship with the client, the intensity of business with the client, his financial power and other reasons, decide to deviate from this rule at its discretion in accordance with applicable regulations.

## Confirmation of receipt of the order

### Article 39

The Bank shall immediately, and no later than the next day after the receipt of the order, submit the Confirmation of receipt of the order containing all mandatory elements of the order determined in Article 32 of these Rules.

The confirmation of receipt of the order is issued by the Bank in writing with the signature of the person authorized to receive the order. Exceptionally, if the order is submitted electronically or by fax, the Confirmation of receipt of the order is submitted in the manner in which the specific order was given and / or in another way determined by the contract between the Bank and the client.

The provisions of this Article shall apply accordingly in the event of a change or revocation of the order.

## Reasons for refusing to execute the order

### Article 40

The Bank will refuse to execute the client's order in the following cases:

- if the order does not meet the prescribed conditions and the conditions set out in these Rules and the Agreement, or if all the required information necessary for its execution has not been submitted;
- if in the case of an order for the purchase of financial instruments it determines that the client does not have sufficient funds for the financial instruments that are the subject of the order;
- if the order is not properly signed or is not signed by an authorized person;
- if there is a suspicion of money laundering and terrorist financing;
- if he considers that the execution of the order may lead to manipulation on the market;
- if the execution of the order would be in conflict with the applicable legal regulations, the rules of the Capital Market Authority and other acts.

In case that it refuses to accept the order, Adriatic Bank will, in writing or electronically, notify the client of this circumstance no later than the day following the day of receipt of the order, stating the specific reason why the order was rejected.

## Change and cancelation of the order

### Article 41

The Client can change his order only if the order is not executed to the end. The order is considered changed when the change is confirmed by the broker and the client, ie the change is entered in the order book, which creates a new order.

The client can withdraw - cancel his order. The order is considered canceled when the change is confirmed by the Bank and the Client and the cancelation is entered in the order book.

If the order is only partially executed, the remaining part of the order retains the order in the order book. In the case of partial execution of the order for each individual execution, the date and precise time of execution, the executed quantity and the price at which the transaction was executed must be entered in the order book.

Any change, rejection, cancelation and data on the execution of the order are entered in the order book.

A change in the quantity or price contained in the order is a new order, except in the case of a reduction in the quantity of financial instruments. An order in which the number of financial instruments is reduced retains the same number of orders and the order of execution.

## Order execution

### Article 42

The Bank must execute the client's order exactly, and in the order from the order book.

When the Bank pairs a client's order with another client's order, in that case it can not give preference to any client for whom it operates.

#### Article 43

At the client's request, the Bank is obliged to issue a certified statement from the order book regarding all or some transactions related to his orders. The order book must be kept in a way that prevents additional changes or additions to the entered data.

#### Article 44

The Bank executes client orders for the purchase or sale of financial instruments by entering the appropriate offer or demand in the trading system on the stock exchange, or by giving orders to its intermediaries for the international market.

When the Bank agrees or decides to execute the client's order, it arranges or executes it in the manner that is most favorable for the client and as soon as possible in accordance with the circumstances, ie. immediately upon receipt of the order and its entry in the order book.

The Bank is obliged to enter the order containing all the prescribed data into the trading system of the stock exchange or international intermediary within the deadline set by the client, and if the client has not set a deadline for entering the order, it must enter the order without delay, no later than the next business day. on the stock exchange, respecting the order of orders received.

The Bank executes client orders for the purchase or sale of financial instruments in the order of receipt of appropriate orders for such purchase or sale.

The Bank may not buy or sell a financial instrument for the account of an employee of the Bank if:

- due to such purchase or sale, he would not be able to execute the client's order at the same time, ie
- in that case, the client's order could be executed only under conditions that are less favorable for the client.

## Entering orders in the trading system

### Article 45

The following components are required when entering an order in the stock exchange trading system:

- Bank code,
- financial instrument code,
- quantity of financial instrument for purchase and / or sale,
- type of account,
- account code.

The following components are required when placing an order with an international broker:

- financial instrument code and ISIN number,
- quantity of financial instrument.

### Article 46

When entering an order in the trading system or giving an order to an international broker, the following information may or may not be entered:

- exchange rate of the financial instrument,
- time limits (conditions) that determine the time validity of an individual order,
- special display conditions,
- special conditions of execution related to the quantity of the financial instrument,
- reference.

## Orders row on the stock exchange

### Article 47

The stock exchange trading system determines the row of orders so that when executing active purchase orders, active orders with a higher price have priority, ie when executing active sales orders, active orders with a lower price.

Concluding transactions outside the row of the order from the previous paragraph is not allowed.

If the price, type and code of the account are changed, a special condition is added, changed or deleted or the total quantity of the order is increased, the order is assigned a new time code that is identical to the time of the order change.

### Free of Payment orders

#### Article 48

The order for receipt or delivery of financial instruments without payment for Montenegrin issuers is executed through the application of the Central Depository and Clearing Company.

For financial instruments with which are issued by international issuer, it is performed through international custodian banks by issuing orders for receipt or delivery without payment.

The Bank will execute orders for receipt and delivery without payment only in the event that the owner of the financial instrument does not change, for which the Client is obliged to provide confirmation from the other party to the transaction.

### Executing orders for multiple clients

#### Article 49

When the Bank simultaneously receives several orders for the purchase or sale of financial instruments with equal terms of execution, it may combine such orders into one order and execute such an order (hereinafter: joint order).

When executing a joint order, the Bank may not conclude transactions for its own account or for the account of the Bank's employee.

When one or more transactions are concluded on the basis of a joint order, the Bank must transfer the rights and obligations from such transaction / transactions to the clients according to the following rules:

- if the transaction / transactions were concluded at the same price, and the quantity of financial instruments is not sufficient for the execution of the



entire orders of all clients, the order that was first received is executed in its entirety first;

- if he has concluded transactions at different prices, at the most favorable price the order that was first received is executed in its entirety.

## Reporting on executed transactions

### Article 50

At the end of the trading day, the stock exchange or international broker prepares reports on transactions executed by the Bank on the stock exchange or international market.

No later than the end of the next business day from the day of trading, stock exchanges and international brokers and the Bank are obliged to sign and certify the reports referred to in paragraph 1 of this Article if they agree with it or put objections to it if they have them.

If the Bank does not sign and certify the report referred to in paragraph 1 of this Article or does not comment on it, it shall be deemed that it agrees with the report.

## Notification of the client about the realized orders

### Article 51

The Bank must send the client a statement of work performed with financial instruments no later than the next business day after the fulfillment of the obligation from the work concluded for the account of that client (ie no later than T + 1).

The Bank keeps records of sent Statements of work performed for the account of that client.

The calculation referred to in paragraph 1 of this Article must include the following data:

- first and last name or name of the client;
- the client's account number with CKDD;
- designation of the financial instrument;

- quantity;
- price;
- transaction type (purchase or sale),
- date and time of closing the deal,
- calculation of commission, with specification of costs and invoices to which it is paid,
- the number of the client's giro account to which the client is paid in case of sale of financial instruments, as well as the name of the bank,
- number of the order whose realization was used to make the transaction for which the invoice is issued,
- signature of the responsible person of Adriatic Bank.

#### Article 52

Transfer of financial instruments after execution of the purchase order for the client's account, the Bank must ensure that on the day of fulfillment of obligations, purchased financial instruments are transferred to the client's / buyer's account, according to the instructions signed and certified in accordance with the Law.

In case of trading on the Montenegrin market, the client instructs the Bank on whether he wants to keep the financial instruments purchased for his account in the bank account for further trading or he wants the financial instruments to be transferred to his account in the central register of the CKDD.

In case of purchase on the international market, the Bank keeps financial instruments in the client's account.

#### Article 53

The Bank is obliged to inform the international broker about the expiration of the order and to ask the client to state whether he retains or withdraws the order before the expiration of the period of 6 (six) months from the issuance of the order by the client and entry into the stock exchange system.

The Bank is obliged to inform the client in writing about the circumstances referred to in paragraph 1 of this Article and to leave the client a reasonable deadline for

declaring whether to keep the order. If he does not submit a written statement, and upon written notice, it is considered that the client has withdrawn the given order. If the client declares that he retains the order, that order retains the same time sequence and priority even after the expiration of the period of 6 (six) months from the day when it was given and is not considered a new order.

### Clearing and settlement

#### Article 54

Obligations arising from transactions with financial instruments concluded on the stock exchange are fulfilled through the CKDD and in accordance with the rules of that agency for the domestic market and through international custodians for the international market in accordance with the rules.

#### Article 55

The Bank ensures that on the day of fulfillment of obligations from the transaction, the purchased financial instruments are transferred to the account of the client / buyer, and the funds to the account of the client / seller.

### Client's assets

#### Article 56

Client's assets are assets that the Bank receives or holds for the client for the purpose of conducting business with financial instruments and is held in a financial services account in the name of the client.

The Client's assets are not part of the Bank's assets and cannot be used to pay the Bank's liabilities.

The Bank is obliged to take all necessary actions in order to fulfill financial obligations from transactions with financial instruments and transfer of financial instruments in accordance with the law and regulations of the Capital Market Authority.

The Bank is obliged to immediately after settling the transaction of sale of financial instruments in the name and for the account of the client, pay the funds received in

the name and for the account of the client from the client's cash settlement account to the account of the client.

#### Article 57

Transfers of client's money, after concluding transactions with financial instruments, are performed in accordance with the rules according to which CKDD performs clearing and settlement services for the domestic market, and with international custodians in accordance with the Rules for providing ancillary investment services for the international market.

Exceptional of paragraph 1 of this Article, the Capital Market Authority may in certain cases approve other methods of payment of funds when it deems it expedient.

#### Article 58

The Bank takes care of the client's money in an appropriate manner and continuously, providing in particular:

- that the client's money and money that is not his do not mix;
- to always know how much money each individual client has in the account;
- that money belonging to one client has not been used for another client;
- that the money is available to the client, at his request;
- informing the client about the amount of funds in his account and at his request;
- that the client's money is used only for the execution of payment obligations in the name and for the account of that client.

#### Article 59

Money can be withdrawn from the client's account only if there is also an order from the client or his representative.

The Bank collects receivables from the client's account in the name of commissions and fees for the provision of services, for purchase and sale transactions on the day of settlement, and for other services 7 (seven) days from the due date of that

receivable, ie. execution of the service on which the commission and / or fee has been calculated.

## Investment consulting and portfolio management

### Article 60

Investment consulting and portfolio management services are provided on the basis of the Investment Consulting and Portfolio Management Agreement.

In order to sign the Investment Advisory and Portfolio Management Agreement, the client must first open an account of financial instruments in the Investment Banking Department and fill out a questionnaire assessing the investment objectives and risk appetite of the client.

### Article 61

The Investment Advisory and Portfolio Management Agreement contains the client's investment objectives and a management fee that must be adjusted to the achieved portfolio performance.

### Article 62

The Bank provides investment advisory and portfolio management services to clients, which they include:

- analysis of the client, his investment goals and risk appetite;
- analysis of financial instruments in which investments are made for a client who is provided with a portfolio management consulting service;
- making investment decisions for the client;
- transaction records for the client;
- control which ensures investment in accordance with legal restrictions and investment policy;
- client reporting.

#### Article 63

When providing investment advisory and portfolio management services, the Bank implements the best banking practices, but does not guarantee the achievement of investment objectives, unless otherwise specified in the Agreement.

### IV ANCILLARY INVESTMENT SERVICES

#### Article 64

Safekeeping and administration of financial instruments for the client's account includes:

- Account management in the name and for the account of clients;
- Execution of orders for transfer of securities with and without payment;
- Registration of the rights of third parties on securities, and for the account of legal holders and taking care of the transfer of the rights of third parties;
- Collection of receivables arising from securities and other financial instruments held by the client on the account, based on maturity, interest and dividends for the account of legal holders and care for the exercise of other rights belonging to legal holders who are clients of the Bank;
- Informing shareholders about the annual general meetings of joint stock companies and representing them at those general meetings, by authorization.

#### Article 65

Trading can be approved to clients for both purchase transactions (margin trading) and sale transactions (lending of financial instruments), whereby the Bank provides the Client with the missing funds or financial instruments. The bank will individually inform the client whether he meets the conditions for providing this type of service. If the Bank does not have financial instruments to lend to a client, it may lend financial instruments to another client with his written consent.

## Article 66

The Bank shall keep appropriate records proving the performance of transactions with financial instruments, whether executed in its own name or on behalf of others, which should be such as to enable, with satisfactory accuracy, at any time, the determination of financial instruments and the Banks financial position.

## Article 67

The Bank keeps appropriate records related to the provision of investment services:

**1. Related to the client:**

1.1. Client records, which should contain in particular the following information about clients: the name of the client, the address of his registered office or residence, telephone number and personal identification number or other identification number.

1.2. Client's registry, which must be managed, maintained and stored separately and separately for each client, and in which they are stored:

- contracts with the client, which state the obligations and rights of the client and all details and important information about the services performed for him, and may not contain any provision that would require the client to waive any rights that fall within the obligations of the Bank towards him;
- client orders, whether executed or not;
- analytical records on all payments in the name and for the account of the client, and according to the client's orders;
- statements of work performed for the client;
- all written communications sent to or received by the client, whether by mail, fax or e-mail, including client complaints and responses;
- evidence of pledging financial instruments and
- all other documentation related to the client himself and to the transactions with financial instruments performed for that client.

## 2. Related to the financial instruments:

2.1. Order book, which is a record in written or electronic form in which all orders received in chronological row by date of receipt are kept and in which the following data are entered:

- Serial number;
- Name, surname, address, registration number of the identification document for natural persons, ie, for legal entities, seat, name and surname of the authorized person, if the representative of the legal entity;
- Date, time (hour and minute) of receipt of the order;
- Method of receiving orders;
- Type of order (purchase or sale);
- Type and designation of financial instruments to which the order refers;
- Quantity of shares or units of financial instruments that are the subject of the transaction;
- The price at which the client placed the order;
- Client account number;
- Deadline by which the order is valid;
- Date, time (hour and minute) of entering the order in the stock exchange system;
- Name of the stock exchange;
- Date of making the conclusion on the stock exchange;
- Transaction reference number of the stock exchange;
- Quantity and price of financial instruments according to the dynamics of order execution - if the order is partially executed in several transactions,
- Total value;
- Settlement date;
- Date of sending the confirmation of receipt of the order;
- Date of sending the invoice;
- Information on the change of the order: date and time, method of change, number of the new order if the quantity of financial instruments or prices has changed;
- Order cancelation information: date, time and method of cancelation;
- Order type designation: market order, limit order, order without additional or special conditions, order with additional conditions of the manner of



presentation and execution, order with additional conditions of execution time, order with special conditions of execution.

This information is entered in such a way that all transactions can be easily identified at any time, as well as in a way that the transaction can be easily traced from the time of entering the initial order to the final execution of the transaction.

### 3. Relate to clearing and settlement:

3.1. Daily records of amounts paid to the client's account held by Adriatic Bank, specifying the persons who paid those amounts and the dates when they were paid into the accounts, as well as daily records of withdrawals from the client's account, dates of these withdrawals and names of persons on whose behalf withdrawal completed;

3.2. Daily record of the balance on the client's cash account and daily balance with each individual client, stating the name of each client and the amount kept or received for that client on that day;

3.3. Daily records of all performed transfers of financial instruments from the account of one to the account of another client.

### 4. Related to financial business:

4.1. Records of the Bank's assets and liabilities including any regular and extraordinary liabilities;

4.2. Daily income records based on commissions and fees for transactions with financial instruments.

## Article 68

The bank is obliged to:

- 1) securely keep or ensure the safe keeping of any ownership documents or documents recording ownership in this regard;
- 2) ensure that any financial instruments purchased or held for a client are duly registered in his name or, in agreement with the client, in the name of a person authorized by that person to hold them on his behalf.

#### Article 69

The Bank continuously keeps and updates the records referred to in Article 67 of these Rules.

The Bank shall keep the records referred to in paragraph 1 of this Article for at least five years, and if the contracted relationship with the client lasts longer than five years, the Bank shall keep the records until the expiration of the contractual period.

The bank is obliged to keep all or part of the records for a period longer than the period referred to in paragraph 2 of this Article by order of the Authority.

#### Article 70

The bank is obliged to keep the records it keeps in accordance with the provisions of the law on a permanent medium that enables it:

- Authority quick access to information and reconstruction of key stages of processing each transaction;
- simple identification of corrections or other changes, as well as the content of records before corrections or changes;
- preventing manipulation or alteration of data from records in another way.

#### Article 71

The documentation, which the Bank keeps in accordance with these Rules and orders of the Capital Market Authority, must be available to the Authority for the control procedure.

#### Article 72

At the request of the stock exchange of which is a member of, the Bank is obliged to fulfill its obligations regarding the verification of orders and information on principals without delay.



### Taking care of the client's interests

#### Article 73

In its operations, the Bank respects the principle of equality of clients.

In providing investment services, the Bank is guided exclusively by the interests of clients, taking special care of the best execution of orders.

The bank cannot put its interests before the interests of its clients.

The Bank is obliged to inform the client about the possible conflict of interest between the Bank and the client and the conflict of interest of two or more clients, as well as to take measures to prevent conflicts of interest when performing activities related to investment analysis and consulting, own trading, portfolio management, with a material interest in dealing with financial instruments and all other transactions with financial instruments, including issuing or selling financial instruments in accordance with the Rules on the conduct of business of authorized participants in the Financial Instruments market and other positive regulations of Montenegro, as well as internal Conflict Management Policy interests of Adriatic Bank AD Podgorica.

### Respect to the code of ethics

#### Article 74

In order to ensure the fair and efficient functioning of the market of financial instruments, the Bank and its employees in their operations are obliged to comply with the rules of safe and sound business prescribed by law and by-laws and respect the principles of the Code of Ethics of Adriatic banka a.d. Podgorica.

#### Article 75

The Bank ensures that none of its employees offers or gives, seeks or accepts any incentive that could influence them to act contrary to their obligations to the client.

The Bank has defined this through the adopted Anti-Corruption Policy.

The Bank establishes and implements the procedure of supervision over the work of each of its authorized employees:

- that the said persons do not give advice or provide services for which they are not authorized to give or provide them;
- appropriate education of authorized workers and employees and other training necessary for their operation in a responsible and competent manner in contacting potential clients.

### Illegal actions

#### Article 76

The Bank refrains from any actions that may be qualified as illegal in the provision of investment services. Illegal actions are considered to be actions defined in the Law on Capital Market, which in particular include:

- use of insider information, in accordance with Articles 127,128,131,132,134 and 142 of the Law on Capital Market and the Rules of the Investment Banking Department of Adriatic Bank AD Podgorica;
- market manipulations, in accordance with Articles 138 and 139 of the Law on Capital Market;
- price forgery;
- use of inaccurate and misleading information and
- incorrect and misleading statements that affect transactions in financial instruments.

### Business secret

#### Article 77

Members of the Management Board and employees of the Bank are obliged to keep, as a business secret, data on the balance and turnover on securities accounts of the Bank's clients and may not disclose them to third parties and enable their use, except with the client's consent.

Notwithstanding paragraph 1 of this Article, customer data may be communicated and made available:

- with the written consent of the client;

- during the Commission's supervision,
- on the basis of a court order;
- on the basis of an order of the body responsible for the prevention of money laundering and terrorist financing, ie another competent state body.

## Use of clients financial instruments

### Article 78

The Bank applies adequate systems of protection of clients' property rights in order to prevent the use of the client's financial instruments on behalf of the Bank or on behalf of other clients, except with the explicit consent of the client.

The Bank:

- a) does not pledge or alienate financial instruments owned by the client without his prior written authorization;
- b) does not execute client orders in a manner that is not in accordance with the Law, acts of the Authority, or acts of the regulated market;
- c) does not buy, sell or lend for its own account the same financial instruments that are the subject of the client's order before acting on the client's order;
- d) does not encourage clients to perform transactions frequently solely for the purpose of charging a commission.

## Responsibility for damage

### Article 79

The Bank is responsible for the damage caused to the client in the provision of investment services, in accordance with the Law on Obligations.

The bank is responsible for the damage caused to the client:

- by non-execution, ie incorrect or untimely execution of the order;
- by failure to enter or incorrect entry of the order;
- by violation of the confidentiality of data obtained in the course of doing business with that client;
- by market manipulations;
- in other cases provided by law.

## Article 80

The Bank is not responsible for any damage caused to the client as a result:

- non-fulfillment of the third party's obligation to the Bank, if that is a precondition for the fulfillment of the Bank's obligation to the client;
- events for which the client or issuer of the financial instrument is responsible; which may arise through no fault of her, in connection with the holding of financial instruments with depository and / or clearing organizations in the country and abroad. In cases where the client's financial instruments or funds are held with a third party domiciled abroad, the client is aware of and accepts that the accounts holding his financial instruments or funds are or will be under the jurisdiction of third country law, client in relation to these financial instruments or funds may differ from the rights that would belong to him under Montenegrin regulations;
- refusal of orders in cases referred to in Article 80 of these Rules
- refusal of orders due to the existence of a conflict of interest;
- impossibility to execute the amended order which has already been realized or is in the process of realization;
- impossibility of cancellation the order (ie withdrawal order) for an order that is in the process of realization or has already been realized;
- changes in the value of financial instruments, if the Bank has acted in accordance with its prescribed obligations and these Rules; events referred to in Article 48 of these Rules;
- actions to fulfill the prescribed obligations of the Bank that could not be avoided or maintenance to comply with the prescribed prohibitions and restrictions that could not be avoided.

## Article 81

Clients are responsible to the Bank for damage caused by inaccurate data and documentation submitted to the Bank, non-performance of obligations on the day of settlement on concluded transactions of purchase and sale of financial instruments and in other cases provided by law, in accordance with the Law on Obligations.

## Complaint handling

### Article 82

Complaints from clients regarding the provision of investment services, as well as ancillary services related to the performance of operations with financial instruments, are submitted and resolved in accordance with the provisions of the current Procedure for the centralized management of complaints.

## Dispute resolution

### Article 83

Disputes arising from the provision of investment services in the Investment Banking Sector are resolved by the Bank in Agreement with the Client. In case of impossibility of amicable settlement of the dispute between the Bank and the Client, the jurisdiction of the court according to the seat of the Bank is agreed.

## VII TERMINATION OF INVESTMENT SERVICES

### Article 84

The Bank may stop performing the provision of investment services on the basis of the decision of the Capital Market Authority on the revocation of the license for the provision of investment services. On the intention to stop providing investment services, the Bank is obliged to:

- inform the Capital Market Authority and its clients in advance of such a decision;
- ensure, in a manner deemed satisfactory by the Authority, that any transaction with financial instruments that it has performed is properly completed or transferred to another authorized participant.

### Article 85

In case of liquidation or termination of the Bank for other reasons, or termination of investment services, the founders of the Company and / or other legal successors

of the Bank are obliged to keep all records relating to the client and payments to the client for a period of 5 (five) years from the day when the liquidation procedure and / or termination of the Bank's operation on another basis or termination of investment services is completed.

## VIII TRANSITIONAL AND FINAL PROVISIONS

### Entering into force

#### Article 86

These Rules enter into force on the day of their adoption, and upon their adoption, the Rules from March 2023 cease to be valid.

MANAGEMENT BOARD

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