

GENERAL TERMS AND CONDITIONS OF RAIFFEISEN BROKERS D.O.O. SARAJEVO

I GENERAL PROVISIONS

Article 1

General Operating Conditions regulate mutual relations and represent the basis for conclusion of Brokerage Contract between Securities Business Company of Raiffeisen BROKERS d.o.o. Sarajevo (further referred to as: RBR) and ordering parties for brokerage business (further referred to as: the Customers).

1. DESCRIPTION OF SERVICES OFFERED TO CUSTOMERS BY RBR

Article 2

RBR offers the following services in connection to brokerage:

1. Accepting orders for purchase or sale of securities (further referred to as: Securities)
2. Executing orders in stock market or other ordered market on behalf of RBR, and on account of Customer,
3. Maintenance of accounts of dematerialised securities,
4. Ensuring securities issues,
5. Companies acquisitions,
6. Introducing securities in public trading,
7. Transferring ownership over securities.

2. MODE OF EXECUTING BROKERAGE SERVICES

Article 3

Customer of RBR may issue an order for purchase or sale of securities in the following places:

- in RBR premises,
- in the premises of other legal entities with whom RBR signed a contract on accepting orders outside the RBR premises.

Article 4

To be able to issue an order for purchase or sale to RBR, the Customer needs to sign Brokerage Contract with RBR based on General Operating Conditions, which is approved by Securities Commission of the FB&H.

Article 5

General Operating Conditions and Price List are submitted to customer for consideration before conclusion of Brokerage Contract, and are available to customer in all premises in

which RBR deals with customers, and at any moment during the term of the Brokerage Contract.

Article 6

Upon conclusion of Brokerage Contract, and before issuing the first order by the Customer, RBR opens an account with Securities Register of FB&H for managing balance of securities on behalf and on account of Customer. Signing Brokerage Contract, the Customer authorises RBR to open the aforementioned account with Securities Register in FB&H.

Article 7

The Customer who would like to issue an order for purchase of securities should make 100% advance payment for intended purchase of securities increased by transaction costs on RBR account with Depository Bank: Raiffeisen Bank Bosna i Hercegovina dd Sarajevo, Account Number for payments from B&H: 161000000000011, Reference Number: 532911000-0000203 with note “for purchase of shares”, and payments from abroad should be made on account of Raiffeisen Bank Bosna i Hercegovina, with correspondent banks reference number is the same as with payments from B&H. Possible difference in price may be settled after execution of an order. Taking in account constant business relations with Customer, intensity of business relations with customer, its financial power and other reasons, RBR may decide upon lower advances.

Article 8

The Customer who wishes to issue an order for sale of securities has to insure the securities which are subject of order are on his account opened with RBR with Securities Register.

Article 9

RBR shall accept the order from the Customer if it is issued in accordance with laws and regulations.

Customer's order is accepted when RBR receives from the customer all information necessary for execution of order and when the conditions in Articles 7 and 8 of General Operating Conditions are fulfilled.

Article 10

RBR may refuse to accept the order from the Customer in the following cases:

1. If in case of order for purchase the Customer does not fulfil the condition in Article 7 of General Operating Conditions within agreed deadline;
 2. If in case of order for sale the Customer does not fulfil the condition in Article 8 of General Operating Conditions within agreed deadline;
 3. If acceptance of order would lead to conflict of interests between the Customer and RBR.
- If an individual authorised for accepting orders has enough reasons to refuse to accept customer's order, it shall immediately inform the customer, stating the reasons for this.

Article 11

Order acceptances, changes and cancellations are registered in book of orders by the time of their arrival and executed in the same order.

On customer's request, RBR shall submit for consideration the printouts from its records which relate to customer's business operations.

Article 12

Upon acceptance of an order, RBR shall issue an order acknowledgement to the Customer.

Article 13

In case of changes or cancellations of orders, RBR shall send the certificate on change or cancellation of an order to the customer the next day. If the Customer does not intervene upon receiving the order acknowledgement, it shall be considered that he confirmed the accuracy of information stated in order acknowledgement.

3. BASIS FOR EXECUTION OF JOBS

Article 14

Basis for realisation of securities dealings by RBR are customer's orders for purchase or sale of securities recorded in book of orders.

Orders may relate to brokerage on stock market or other ordered public market.

Accepted orders, changes and cancellations of orders are recorded in book of orders by the time of their arrival and executed in the same manner.

In case of accepting the orders outside RBR premises, time of order acceptance shall be the time of receiving the copy of an order by fax in RBR premises.

3.1. Types of orders

Article 15

The main types of orders which can be given to RBR by the customer are as follows:

1. market order (with auction trading)
2. limit order (in respect to price and time of execution)
3. "prudence" order

3.2. Description of orders

Article 16

- In case of market order, the Customer does not set the price limit for purchase or sale of securities, but the order is executed at best price achieved on date of trading, with auction trading.
- In case of limit order, the Customer sets the limit for purchase or sale of securities through the lowest or the highest price, i.e. its execution is limited in time,
- In case of prudence order, the Customer does not determine the price for purchase or sale of securities, but authorises RBR to execute the order when they, acting as good brokers, estimate that it is in the best interest of the Customer in respect to market conditions.

Article 17

Orders may have additional conditions:

- orders everything or nothing – order is executed only if total amount of order is executed
- open orders – order is valid until its execution in the market, and not later than 6 months after the date of input or cancellation from the market.
- daily orders – order is valid only on the day of input.
- other orders – combining the above-mentioned orders and conditions is also possible.

Article 18

Order for sale of securities is at the same time order for transferring the securities from Customer account to RBR account due to fulfilling sales conditions.

3.3. Contents of orders

Article 19

Mandatory elements of purchase and sale of securities are as follows:

1. Company and headquarters of the Brokerage House;
2. Surname and name, address and ID number, in case the customer is physical entity, i.e. surname and name, address and ID number of an individual authorised for signing order for purchase or sale of securities if the customer is legal entity;
3. Customer code assigned to customer by the Brokerage House while signing the Brokerage Contract;
4. Date and time of accepting the order, register number of order in the records;
5. Customer account number with Securities Register if the customer already opened the account;
6. name of stock-market or any other ordered public market for trading with type of securities which is subject of order;
7. identification mark of the security which is valid in stock-market for trading with the above type of securities;
8. number of securities bought;
9. conditions for execution of orders in respect to dynamics of execution and quantity and price limits;
10. amount and percentage of commission to brokerage house, as well as total costs of order execution;
11. risk in dealings with securities, as well as inability to guarantee that securities bought by the Customer shall bring any profit;
12. Signature of customer, individual authorised by the brokerage house for accepting the orders, as well as individual authorised for control of orders in the brokerage house;

3.4. Possibility of delivering brokerage orders

Article 20

The Customer may deliver the order for purchase or sale of securities in the following ways:

- personally (signing the form of orders),

- by post (sending signed order form by post),
- by fax,
- by electronic mail
- by phone (phone orders are being recorded),

Article 21

In case the customer does not issue an order personally or by post, the order has to be confirmed delivering signed order form not later than 3 days upon issuing an order.

When the Customer is legal entity, RBR may accept an order only from an individual authorised in the Brokerage Contract for signing the orders for purchase or sale of securities.

Article 22

In case of accepting the orders outside RBR premises, an individual authorised for accepting the orders in the company which concluded the contract with RBR on order acceptance shall send the photocopy of an order by fax in RBR premises immediately upon accepting the order, and not later than 3 days from the date of order acceptance.

3.5. Way of executing particular orders

Article 23

RBR executes Customer's order for purchase or sale of securities by inputting the order in trading information system, i.e. publishing the offer or demand by the Customer in stock market or other ordered market.

RBR executes Customer's order immediately upon fulfilling the conditions for order execution.

RBR executes Customer's orders for purchase or sale of securities in accordance with order of accepting respecting orders for purchase, i.e. sale.

RBR shall execute the order with prudence when, acting carefully and scrupulously as a good broker, it estimates the execution of an order is in the best interest of the Customer in respect to market conditions.

When it receives a number of orders for purchase or sale under the same conditions, RBR may execute the orders at the same time, through orders on joint account.

3.6. Market conditions

Article 24

In respect to dynamics of execution, quantity and price limits, orders for purchase or sale of securities shall be executed in accordance with the requirements of owner of securities and prescribed rules of stock-market or any other ordered market.

4. BOOK OF ORDERS

Article 25

RBR shall keep the book of orders, i.e. the records of orders and securities dealings in accordance with valid rules for securities dealings. On Customer's request, RBR shall submit to his consideration the printouts from the records which relate to his dealings. Book of orders shall have the following mandatory elements:

1. Date, exact time (hour, minutes) and way of accepting the order,
2. Name and seat of ordering party, with surname and name of authorised individual who gave the order, or surname and name and Personal Identification Number of the physical entity as ordering party,
3. Mark of securities which the order relates to
4. Instructions for execution of an order: price, price limit, and date of validity of an order
5. Note on reserved right on order cancellation and deadline for cancellation,
6. Date, time and way of executing the order,
7. Minimum, maximum or exact number of securities to be bought or sold,
8. Instructions on way of executing the orders for each individual order, in respect to dynamics of execution and limits in quantity.

No corrections in book of orders are allowed.

Securities Commission of the FB&H may prescribe other mandatory elements in book of orders.

5. PRICES OF BROKERAGE SERVICES

Article 26

RBR shall calculate the commission to the Customer in accordance with the Price List of the company, which is an integral part of General Operating Conditions. RBR shall submit the Price List and General Operating conditions for consideration in all premises for relations with customers.

6. INFORMATION REQUIRED FOR CONCLUSION OF BROKERAGE CONTRACT

Article 27

The Customer is required to give the supply RBR with the following information for the purpose of concluding Brokerage Contract:

1. Surname and name, address, ID number for physical entities, i.e. company name, seat, register number, surname and name of an individual authorised for representing legal entity
2. Phone number, Fax number or email address, both for physical and legal entities
3. Name of the bank, giro account number on which RBR shall pay in cash funds of the Customer both for physical and legal entities.

7. RESPONSIBILITY OF ORDERING PARTY FOR COMPLETENESS AND PRECISENESS OF INFORMATION

Article 28

The Customer guarantees the information mentioned in previous Article are complete and precise. In case the Customer refuses to provide any of the above information, RBR may refuse to conclude General Brokerage Contract. If, despite the incomplete information, RBR

concludes the Brokerage Contract, the Customer shall bear full responsibility for any consequences arising from the above.

8. DESCRIPTION OF THE SYSTEM FOR DATA CAPTURE

Article 29

Information in Brokerage Contract and records on issued and executed orders are kept in computer database, and originals are permanently archived in RBR premises together with originals of Order Acknowledgement and Calculation of Executed Order. Information on the customers, their property and records on securities dealings represent business secret for RBR. Access to data which are considered confidential shall be allowed only to authorised individuals in RBR.

9. POSSIBILITY OF HAVING INSIGHT IN INFORMATION ON SECURITIES

Article 30

The Broker undertakes to provide insight and all available information about securities to the Customer, as well as information on general trends in securities market. RBR brokers, nor the personnel in any other companies which accept RBR orders, may not advise the customers on purchase or sale of securities, nor in any other way influence on their decision on purchase or sale of securities.

10. INVESTMENT RISK

Article 31

Investing in securities brings appropriate risk with it. Signing the Brokerage Contract, as well as issuing the order for purchase or sale of securities, the Customer expresses its agreement with previous paragraph and readiness to achieve lower price of securities than the price it paid due to market trends. RBR and the brokers do not assume any responsibility for the Customer's decisions.

11. WAY OF CHANGING ORDERS

Article 32

The Customer may change its order only if the order is not executed, i.e. in case it is possible to prevent its execution. If the Customer changes the price or quantity of securities in order issued by RBR, this new quantity or price shall be considered new order. Order shall be considered changed in case when the change is confirmed by the Broker, i.e. when the change is registered in book of orders by the broker.

12. CANCELLATION OF ORDERS

Article 33

The Customer may cancel the order only in case the order is not executed yet, i.e. its execution can be prevented.

Order shall be considered cancelled when its change is confirmed by the Broker and when the cancellation is recorded in book of orders.

13. WAY OF EXECUTING OBLIGATIONS RESULTING FROM EXECUTION OF ORDERS

Article 34

1. RBR shall ensure the securities bought by RBR on the basis of purchase order for account of customer in organised market are transferred on customer account with Securities Register seven days upon execution of an order (T+7),
2. RBR shall collect the transaction costs arising from purchase of securities for the Customer from advance payment on the date of execution of order (T),
3. RBR shall service its cash liabilities toward the Customer which are result of sale of securities four days upon execution of order (T+4). On the basis of sale of securities, RBR shall pay out the funds from sale to the Customer, reduced by the transaction costs.
4. RBR shall send the calculation of executed job to the Customer the next day upon completion of obligations arising from the job concluded for account of customer,
5. On request of legal customer, Brokerage Contract may specify settling the transaction costs through Customer's invoices after completion of a transaction, where the customer undertakes to settle its liabilities not later than 3 days on account of Raiffeisen BROKERS, account number 1610000037790047 or through cash deposits in RBR's vault in the company's headquarters.

14. POSSIBILITY OF CHANGING THE CONTENTS OF GENERAL OPERATING CONDITIONS

Article 35

General Operating Conditions, together with amendments to them are valid upon obtaining the consent by Securities Commission of the FB&H. The customers shall be informed on changes in General Operating Conditions in the same way as on General Operating Conditions.

15. POSSIBILITY OF HAVING INSIGHT IN GENERAL OPERATING CONDITIONS AT ANY TIME DURING THEIR VALIDITY

Article 36

The Customer is entitled to have insight in General Operating Conditions at any time during their validity in all premises for relations with customers.

16. FINAL PROVISIONS

Article 37

Any cases which are not described in these conditions shall be subject to agreement between the Customer and RBR, stock-market business customs and valid laws.

Any disputes which cannot be resolved between the Customer and RBR in amicable manner, shall be under jurisdiction of competent court in Sarajevo.

Article 38

The General Operating Conditions of RBR herein are approved by Securities Commission of the FB&H, Ruling No:

Article 39

General Operating Conditions of RBR are produced in Bosnian, which shall be considered as competent language in case of any disputes arising in connection with the aforementioned.

Sarajevo, April 30th, 2003

No: 21/03

MANAGER
Jasmin Gabela