

## GENERAL TERMS AND CONDITIONS

For Brokerage, Custody services and Investment research services



### DEFINITIONS

**Applicable Law** means any legislation and any requirement of a governmental, regulatory, tax or other authority of any jurisdiction, including court decisions and orders, that are applicable to InterCapital and/or the Client in respect of the services provided to the Client.

**Act** Capital Market Act (Official Gazette no. 65/18, 17/20, 83/21, 151/22, 85/24) as may be amended from time to time

**Assets** means Financial Instruments or money belonging to Clients

**Authorized Person** - person authorized to represent the Client or InterCapital by law or by power of attorney

**Brokerage Services** - include any purchase or sale of Financial Instruments in the name of the Investment Company on behalf of the Client and for the account of the Client, acting as its agent, in accordance with the Act

**Brokerage Account or Basic Account** - special account administered by the Company comprising of:

- (i) Cash account opened with the credit institution in charge of holding Client's funds used for payment of Financial Instruments or funds obtained by selling Financial Instruments (**Cash Account**),
- (ii) recording of any Financial Instruments deposited with CDCC of the Client on the basic account and registered with the Company (**Financial Instruments Account**)

**Business Day** any day on which the relevant Execution venue on which the Order is executed is open for trading

**CDCC OR SKDD** Central Depository & Clearing Company Inc.

**CFSSA** Croatian Financial Services Supervisory Agency

**CSD** Central Securities Depository, other than CDCC as defined by the Act

**Client, You** means any physical or legal person that entered a business relationship with InterCapital for provision of investment and ancillary services defined under MiFID II

**Company, InterCapital, We** mean the investment company INTERCAPITAL securities Ltd.

**Custody Account or Transactional Custody Account, exclusively for Financial Instruments of Croatian issuers** - special account administered by the Company comprising of:

- (i) Cash account opened with the credit institution in charge of holding Client's funds used for payment of Financial Instruments or funds obtained by selling Financial Instruments (**Cash Account**),
- (ii) recording of any Financial Instruments deposited with CDCC or CSD of the Client and registered with the Company (**Financial instruments Account**)

**Custody Services** means safekeeping and custody of Financial Instruments, settling obligations resulting from the holding of Financial Instruments, transfer of Financial Instruments and all other actions as agreed with the Client all in accordance with written Instructions given by the Client

**Eligible Counterparties** are investment firms; credit institutions; insurance companies; UCITS fund and their management companies; pension funds and their management companies; other financial institutions authorized or regulated under the European Union; national governments and their corresponding public bodies that deal with public debt; central banks; and supranational organizations.

**Execution Venue** means any Regulated Market, MTF, OTF, SI, Market Maker or other liquidity providers or any third country subject that performs similar functions as defined under MiFID II.

**Electronic System** - Web trader, IC trader and other software solution of InterCapital that enables Clients to place orders via the web interface

**Financial Instrument** - Instruments set out in Section C of Annex I to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II)

**Instruction** - order for transfer of Financial Instruments of money

**Individual account SKDD CPP** positions and collateral account opened on behalf of InterCapital for the account of a specific client for the purposes of clearing through SKDD CCP

**Losses** - losses, damages, liabilities, penalties, actions, claims, costs, fees and expenses of any kind whatsoever suffered or incurred by the Client

**MIFID II** - Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

**Multilateral Trading Facility (MTF)** means a multilateral system, operated by an Investment Firm or a Market Operator, which brings together multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract.

**Omnibus account SKDD CCP** positions and collateral account opened on behalf of InterCapital for the account of its clients for the purposes of clearing through SKDD CCP

**Order** means Client's order for the purchase or sale of a Financial Instrument received by the Investment Company

**Organized Trading Facility (OTF)** means a multilateral system which is not a Regulated Market or an MTF, and in which multiple third party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract.

**Professional Client** means a client who possesses the experience, knowledge, and expertise to be able to make its own investment decisions

**Retail Client** means a client who is not a Professional Client.

**Regulated Market** means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly and in accordance with Title III of MiFID II

**SKDD CCP** - SKDD CCP Smart Clear d.d.

**Systematic Internalizer (SI)** means an Investment Firm which, on an organized, frequent systematic and substantial basis, deals in principal capacity when executing Client Orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.

**Trading Venue** means any Regulated Market, MTF, OTF.

**Transaction** - execution of Orders regarding Financial Instruments on different Trading Venues or Execution Venue

**Transactional Investor Account** - special account administered by the Company comprising of:

- (i) Cash account opened with the credit institution in charge of holding Client's funds used for payment of Financial Instruments of Croatian issuers or funds obtained by selling Financial Instruments of Croatian issuers (**Cash Account**),
- (ii) Financial Instruments Account of Croatian issuers recording of any Financial Instruments of Croatian issuers deposited with CDCC of the Client and registered with the Company (**Financial Instruments Account**)

Transactional Investor Account Management Services include administration, storage and safekeeping, and reporting on corporate actions of Financial Instruments of Croatian issuers, settlement of obligations arising from holding Financial Instruments of Croatian issuers, transfer of Financial Instruments of Croatian issuers, clearing and settlement, and all other actions as agreed with the Client, all in accordance with the Client's instructions.

**Web Site** is the Company's official web site [inter.capital](http://inter.capital)

**InterCapital** is registered to provide investment services and to perform investment activities listed in Annex I Section A (point 1 to 7) and B (point 1 to 7) in relation to Financial instruments listed in Section C of the MIFID II.

Depending on Your requirements and our established business relationship, We will provide You with the following services:

- Brokerage Services – Financial Instruments of Croatian issuers (Basic or Transactional Investor Account) and Financial Instruments of foreign issuers
- Transactional Investor Account Management Services
- Custody Services
- Investment research Services (together: "Services")

InterCapital may amend this terms and conditions at any time, including without limitation by posting revised terms on the Web Site, which amended terms and conditions shall be binding upon You. Any amendments to this General Terms and Conditions ("General Terms") shall enter into force 30 (thirty) days after the date of its publication.

## **BROKERAGE SERVICES**

Providing Brokerage Services to You consists of reception and transmission of Orders in relation to one or more Financial Instruments and execution of Orders on Your behalf. Brokerage Services provided to You will be on an execution-only basis. Execution only means that You have requested to buy or sell a specific Financial Instrument based on Your decision alone, without asking for or receiving InterCapital's advice in relation to that specific Transaction and/or Financial Instrument. InterCapital will not assess the suitability of any Transaction in Financial Instrument initiated by You nor will it conduct a target market assessment except in case of offering of Financial Instruments or services. It is Your sole responsibility to ensure that the Transactions You initiate are suitable for You and remain so continuously.

Based on the information about Your previous experience and education, we will assess the appropriateness of the Transactions for certain types of Financial Instruments, and We will inform You about what We consider appropriate for You. It is Your sole responsibility to ensure that the Transactions You initiate are appropriate to Your financial situation and risk appetite and that they remain so on an ongoing basis. If You do not provide us information or have not provided sufficient information about Your knowledge or experience, InterCapital will not be able to assess the appropriateness of a particular Financial Instrument for You. If You choose to place an Order with InterCapital to buy / sell Financial Instruments other than those We have determined to be appropriate for You or for which We did not have sufficient information about Your knowledge or experience, We will consider such an Order an explicit request to continue the service and will not warn You again that the Financial Instrument in relation to which You have placed the Order is not suitable for You or that We are not able to determine its appropriateness. The risks of trading in Financial Instruments and the risks arising from the Financial Instruments are set out in a document entitled General Information about the Company published on Our Website. The Client assumes all risks described in that document.

## **ORDER**

Your intention to buy or sell a Financial Instrument is expressed by giving us Order for the purchase or sale of a

Financial Instrument ("Order"). Any Order must be given by an Authorised Person. InterCapital will act on Orders received by Authorised Person. InterCapital will not be liable for any Losses or for any consequences that the Client may suffer as a result of any unauthorised persons transmitting Orders or initiating any Services provided by us.

The Client must transmit any Order to InterCapital by way of telephone or electronic means (e-mail, Bloomberg SEE LINK etc.) and in a format as InterCapital may require from time to time. If the Order is given by e-mail or telephone, the Client must identify himself with the password specified in the agreements for providing Brokerage Services. The Client may submit the Orders electronically only from the e-mail address specified in the agreements for providing Brokerage Services and will be considered the Client's own e-mail address, and InterCapital will accept all Orders from this address, considering them the Clients.

Oral Orders can be given by telephone directly to a InterCapital's Authorized Person with password identification as specified by the Client in the agreement for providing Brokerage Services.

The Order can be issued in person at the InterCapital premises where the Client must identify himself with an identification document (identity card, passport) and, if necessary, a power of attorney or an excerpt from the court register.

Orders are processed in the order of receipt and may be revoked / amended only if, at the time of receipt of the Client's notice, the Company has not executed the Order.

The Client will be responsible for depositing a sufficient amount of funds and a sufficient amount and type of Financial Instruments required to execute the Order. InterCapital may instruct the Client to deposit the required amount of funds and / or Financial Instruments required for the execution of the Order but shall not be liable for any failure to execute any Instruction due to lack of funds and / or Financial Instruments for the purpose of executing Orders, InterCapital will debit Client's funds deposited on Client's Cash Account and transfer Client's Financial Instruments registered with InterCapital. InterCapital may call Clients to deposit required amount of cash and/or Financial Instrument needed for execution of the Order, but it will not be liable if any Order that fails to be executed because of insufficient funds and/or Financial Instruments. InterCapital may credit its Clients subject to a separate agreement. InterCapital may debit the Cash Account in respect of amounts which the Client may have instructed or has accepted or any expenses and fees for any other commissions which the Company may have undertaken for the Client.

InterCapital shall be under no obligation to accept and act in accordance with any Order. If InterCapital for whatever reason (including but not limited to large Orders that may expose InterCapital to settlement risk or Orders that may constitute market abuse) declines an Order it will make all reasonable efforts to notify the Client promptly of such refusal, but shall not be liable to the Client for any Losses arising out of or in connection with InterCapital not accepting or not acting upon the Client's Order, whether or not InterCapital has notified the Client of such action or inaction.

The Client will determine all the Order details, such as price and size. The Client may determine other conditions of the Order, such as its duration, etc. If the Client has not determined the duration, the Order will be considered valid until the end of the Business Day. The Client may determine other conditions of the Order, such as its duration, etc. If the Client has not determined the duration, the Order will be considered valid until the end of the Business Day. The Client is responsible for renewing an expired Order. The total duration of the Order may not exceed the timeframe determined by the Applicable Law of the Execution Venue.

InterCapital will provide the Client with a written confirmation of executed Orders, as soon as possible and no later than the first Business Day following execution or were executing Orders by third party brokers, no later than the first Business Day following receipt of the confirmation from the third party brokers, unless otherwise stipulated or permitted by Applicable Law.

InterCapital will send the confirmation of executed Order by electronic means to the e-mail address specified by the Client.

The Client shall have one Business Day from the date the Client is deemed to receive the confirmation to object to its content. Any objections must be made in writing and reasons must be given. Subject to the foregoing and except in case of manifest error, the Client agrees that the confirmation shall be conclusive.

## **PAYMENTS TO AND FROM THIRD PARTIES**

InterCapital may refuse to accept payments and will refuse payments for the purpose of performing Services from and to the bank accounts of any third party other than the Client. This does not apply to payments made to persons authorized by the Client to receive payments or in case of court or other authorized bodies' decisions.

## **RECORDING OF TELEPHONE CONVERSATIONS OR ELECTRONIC COMMUNICATIONS**

Conversations and communications relating to the reception, transmission and execution of Orders are being recorded, and a copy of the recording of such conversations with the Client and communications with the Client will be available on request for a period of five years and, where requested by the competent authority, for a period of up to seven years. The Client agrees that InterCapital may use voice recorders in connection with any communication with the Client or any communication with the Client's employees and may do so without the use of a warning tone. The Client acknowledges the probative value of such recordings and their potential use in the event of any dispute.

## **BEST EXECUTION AND TOP FIVE EXECUTION VENUES**

In order to fulfil its duty of best execution, InterCapital takes steps to obtain, when executing Orders, the best possible result for You. Specific Instructions from You may prevent InterCapital from taking the steps designed in its Order execution policy to obtain the best possible result for the execution of Client's Orders in respect of the elements covered by those Instructions.

InterCapital executes Client's Orders either directly at the Execution Venue or by transmitting them other entities

(third party brokers). When selecting Execution Venues and third-party brokers to whom Orders are transmitted, InterCapital chooses those that ensure that the best possible results are obtained for Clients in a consistent manner. For more detail, please refer to our Order execution policy published on Our Web Site InterCapital will publish yearly the top five Execution Venues in terms of trading volumes where it executed Client Orders in the preceding year in respect of each class of Financial Instruments.

## **CLIENT CATEGORIZATION**

Based on the information provided by You about Your risk InterCapital categorizes its Clients into one of the following three categories: - Retail Clients, which afforded the highest level of protection, Professional Clients, and Eligible Counterparties, who receive the minimal required level of protection. Such differences in regulatory protection cover a broad range of topics including, among others, Client disclosure requirements, rules for executing Client Orders etc.

For more information, including the specified level of protection and how to change the Client category please refer to our Client categorization policy published on our Web Site.

## **COMPLAINTS HANDLING**

Any Client or potential Client may express dissatisfaction about the Service or action provided by InterCapital by filing a complaint either by post, or by e-mail. If sent by post, the complaint should be addressed to InterCapital's official business address: Masarykova 1, 10 000 Zagreb to the attention of the Compliance officer. Complaints sent by e-mail should be addressed to: [prituzbe@InterCapital.hr](mailto:prituzbe@InterCapital.hr). Complaints are acknowledged and responded to fairly, reasonably and in a timely manner. In case the Client is considered a consumer, the complaint will be answered within the time period specified in the consumer protection laws. Detailed Information on how InterCapital processes complaints and other important information about the complaints process can be found on our Web Site.

## **ELECTRONIC SYSTEM BROKERAGE SERVICES**

InterCapital may provide Brokerage Services by means of an Electronic System. The Client acknowledges and agrees that InterCapital has no liability to it in respect regarding the Electronic System and that it does not give any warranty to the Client in respect of the Electronic System or its access, capacity, absence of viruses, quality and performance. The Client accepts the System "as is", without warranties, express or implied. While InterCapital will use its best effort to ensure the proper functioning of the Electronic System the Client will use the Electronic System at its own risk.

InterCapital shall not be liable for any Loss in respect of:

- any interruption in the operation of the Electronic System, including failure in transmission or late transmission of Orders;  
Therefore, any liability on the part of InterCapital is excluded for damages and/or lost profit suffered by a Client as a result of transfer and program errors, technical defects, line interruptions, delays, omissions, interruptions to operations, disturbances of any kind, intervention in telecommunications installations, overloading of the network or willful blocking of electronic access by third parties or as a result of the shortcomings of network operators;
- any distortion, completeness, or other inaccuracies in the exchange of data through the Electronic System;
  - any Order passed by a person other than the Authorized Person(s) identified by the Client.

The Client is responsible for establishing and maintaining any required equipment or interface in order for the Client to connect to the Electronic System. If the Client uses any service or network of a third party provider to access the Electronic System, then all installation, use and maintenance of any delivery components are the sole responsibility of the third party provider. The Client acknowledges the risk of communicating to the Electronic System over third party provider services and that InterCapital is not responsible for such risk. InterCapital may maintain a record of the data in its systems relating to the Client use of the Electronic System for such period as InterCapital may determine. Such record will be conclusive evidence in the event of dispute.

The Client acknowledges that InterCapital may at any time, at its absolute discretion and without notice modify any aspect of the Electronic System or alter, restrict, or suspend the Client's use of the Electronic System. The Client represents and warrants that it has and continuously will have in place sufficient procedures to prevent the entry of erroneous or unauthorized Orders into the Electronic System and that it will comply with all Applicable Law.

The Client shall be responsible for any accidental, fraudulent, or unauthorized Instruction or communication transmitted to the Electronic System by using the Client's identification data or password. Upon notice or suspicion of any accidental, fraudulent, or unauthorized transmission of Instruction or communication, the Client shall immediately notify InterCapital.

## TRANSACTIONAL INVESTOR ACCOUNT

### Transition to TARGET2-Securities (T2S)

As part of the process of integrating the financial system of the Republic of Croatia into the financial markets of the Eurozone, CDCC is connected to the European payment system TARGET and the securities settlement system TARGET2-Securities (T2S).

By transitioning CDCC to T2S platform, through the phased approach of transitioning to the new account structure model, the investors, who have open accounts directly in CDCC and who do not transfer their assets (securities) to the investment companies or credit institutions but leave them in accounts opened directly at CDCC, will be charged a fee for maintaining securities positions on investor accounts in the event that the total value of the assets on the accounts in CDCC exceeds the prescribed amount, while in the following stages this asset census will be reduced to lower values. By opening Transactional Investor Account with InterCapital and transferring assets, The Client will not be obliged to pay fees to CDCC in relation to their Basic Account.

For the purpose of performing investment services in T2S, InterCapital can open and manage a Transactional Investor Account, in which the positions of securities are kept, the owner of which is the Client whose identity is individually determined. Assets on the Transactional Investor Account do not form part of the InterCapital's assets and are kept separately from the InterCapital's assets. The registration of the Transactional Investor Account with CDCC for the Client is performed by InterCapital.

When concluding the Investment Services Agreement, the Client agrees to the application of the valid CDCC Rules published on the official website: <https://www.skdd.hr/> as may be amended from time to time.

Existing Clients who already have a Brokerage Account opened and would like to open a Transactional Investor Account instead or replace the Brokerage Account with a Transactional Investor Account, may give InterCapital an order to open a Transactional Investor Account. The Transactional Investor Account opened for the Client will be marked as the Client's selected account for Brokerage Services in CDCC. The Cash account remains unchanged, while the Financial Instruments are transferred to the Financial Instruments Account within the Transactional Investor Account. The Client can change the type of account used for Brokerage services at any time by giving an order to InterCapital, which may include opening of the selected account. The Client undertakes to perform all additional actions in accordance with InterCapital's instructions required for the execution of such Client's order. In the case of changing the account type, the Client's password, e-mail address and other data of the Client remain unchanged, except in the case that the Client expressly requests the change of previously submitted data.

## SAFEKEEPING OF ASSETS AND CUSTODY SERVICES

### Croatian financial instruments – applicable to Transactional Investor Account Management Services as well

Where dealing with Croatian Financial Instruments, InterCapital shall maintain for its Client an account with CSD opened in the name of the Client or a joint Custody Account. In case the Client does not choose the type of account, InterCapital will keep the Client's Financial Instruments on a joint account.

The Client's Financial Instruments deposited with the CDCC may be kept on the Transactional Custody Account of Financial Instruments of Croatian issuers in the CDCC, which may be:

- Individual account (on name) or
- Omnibus account (joint).

InterCapital undertakes to:

- depending on the type of account chosen, open and maintain in its books the Client's account comprised of Financial Instruments account and Cash Account and open with CDCC a Client's account (in case other than joint account)
- accept cash and Financial Instruments
- safekeep Financial Instruments and cash held on Financial Instruments Account and Cash Accounts
- notify on corporate actions (please see further in Corporate actions section) in respect of Financial Instruments held on Financial Instruments Account and act upon Client's Instructions
- execute Instructions in relation to Financial Instruments Account and Cash Account
- other services related to Financial Instruments, realization of rights and fulfillment of obligations in respect of the Financial Instruments, as agreed between the Client and InterCapital
- Reporting on the balance and Transactions on Cash Accounts and Financial Instruments Account

Upon Client's Instruction, InterCapital will transfer Client's cash and Financial Instruments after deduction of any expenses and charges due by the Client.

In case the Client has not selected the type of CDCC Transactional Custody account, InterCapital will open for the Client a Transactional omnibus custody account.

The Client's cash will be held on an joint cash account. Accordingly, the Client's cash may be held together with other InterCapital's clients. Please see further on Omnibus (joint) account risks in Our General information about the Company published on our Web Site. The Company may enable the Client to hold funds in a fiduciary account opened by InterCapital for its Clients and held in the Client's name.

### **SKDD CCP clearing system - also applicable to Brokerage services**

The migration of clearing activities from the SKDD to the SKDD CCP Smart Clear d.d. was carried out in 2021. (hereinafter: "SKDD- CCP"). SKDD CCP assumed obligations arising out of transaction of its members trading on the regulated market of Zagreb stock exchange with certain Financial Instruments suitable for clearing by SKDD CCP.

Financial instruments/transactions not suitable for clearing will be cleared according to the existing CDCC model.

The SKDD CCP system distinguishes two types of accounts for its members clients: Omnibus account SKDD CCP (for member's clients), Individual account SKDD CCP (for member's client).

In case the Client has not selected the type of account, it will be considered that he has chosen the Omnibus account SKDD CCP.

The Client may at any time choose to use the Individual account SKDD CCP with the obligation to pay a fee as specified in the Price List valid at the time of selecting the type of account. Different account risks are described in Our General information about the Company published on our Web Site.

The Client accepts the Rules of SKDD CCP valid at any time, published on the official web site: <https://www.skdd-ccp.hr/>

### **Transition to the TARGET2-Securities system**

By transitioning to TARGET2-Securities, on the day of entry into force of the amendments to the Rules of CDCC, the CDCC, transformed all Custody named accounts into Transactional named custody accounts, password protected custody accounts and omnibus custody accounts into Transactional omnibus custody accounts.

### **Foreign Financial Instruments**

Foreign Financial Instruments are held on omnibus account with the Sub-custodian chosen by InterCapital. InterCapital shall keep foreign Financial Instruments on omnibus custody accounts held with a third party (Sub- custodian), or on segregated custody accounts only to the extent that this is required by law or if, for some reason, certain Foreign Financial Instruments require special treatment. InterCapital undertakes to:

- open and maintain in its books the Financial Instruments Account opened with a foreign Sub-custodian if applicable,
- accept cash and Financial Instruments
- safekeep Financial Instruments and cash held on Financial Instruments Account and Cash Account
- notify on corporate actions (please see further in Corporate actions section) in respect of Financial Instruments held on Financial Instruments Account and act upon Client's Instructions
- execute Instructions in relation to Financial Instruments Account and Cash Account
- other Services related to Financial Instruments, realization of rights and fulfillment of obligations in respect of the Financial Instruments, as agreed between the Client and InterCapital
- Reporting on the balance and Transactions on Cash Accounts and Financial Instruments Account

InterCapital carefully selects Sub-custodians ensuring that they have implemented all necessary organizational requirements, have adequate regulatory licenses, necessary expertise, and market reputation InterCapital undertakes appropriate and continuous estimates of the risk of keeping the Client cash and Financial Instruments with the Sub-custodian and reviews its selection at least once a year. The Sub-custodian List is listed in General Information about the Company published on Our Web Site.

Client's cash will be kept on omnibus account. Accordingly, the Client's cash can be held together with the cash of other InterCapital's Clients. More about omnibus holding of assets in our General Information about the Company published on the website.

The Client's Financial Instruments/Cash which are subject to the national legislation of a third country, and which are held in Custody Accounts with the Sub-custodian, are kept in the Sub-Custodian's records in the InterCapital's name and for the Client's account, or in the Client's name and account, and they can be distinguished at any time from the Financial Instruments of the Sub-custodian and/or InterCapital.

Accounts on which the Financial Instruments and cash are held for safekeeping, and which are maintained with the Sub-custodian, are governed by applicable national laws of the third country. In this respect the Customer's rights from the Financial Instruments and Cash may vary regarding the tax treatment and the investor's protection scheme.

## INSTRUCTIONS

The Company may only dispose of Financial Instrument/cash in the Custody and Transactional Investor Account only upon Instruction received by the Client or its Authorized Person. The Client is obligated to submit to the Company a list of Authorized Persons who may submit the Instructions because the Company will act solely on Client's Instruction signed by an Authorized Person. InterCapital will not be liable for any Losses or for any consequences that the Client may suffer as a result of any unauthorised persons transmitting Instructions.

The Instruction provided by the Client to InterCapital must comply with the mandatory content required by InterCapital from time to time, be clear and unambiguous and contain all the information to enable the Company to proceed according to the Instruction and if it is sent in writing and signed by the Client or the Client's Authorized Person. InterCapital is not liable for non-compliance with the incomplete and / or vague and / or ambiguous Instruction received.

The Client guarantees the accuracy and completeness of the information contained in the Instruction and is responsible for all consequences incurred in the case of delivery of incorrect or incomplete information. InterCapital will consider only Client's Instruction that is in one of the following ways:

- in writing by registered mail
- electronically;
- orally by telephone;
- personally, at the Company premises

In written form, the Instruction is given by registered mail to InterCapital's business address as specified in the Notices section.

By electronic means, the Client may provide the Instructions exclusively to the e-mail address specified in the agreement for providing Custody Services. The mentioned e-mail address is considered to be the personal address of the Client, and the Company will receive all Instructions from this address as Client Instructions.

Oral Instruction can be delivered by telephone directly to InterCapital's Authorized Person.

Personally, on InterCapital's premises where the Client must identify with identification document (identity card, passport, extract from court register).

The Instructions are processed in the order of receiving and may be revoked / modified only if, at the moment of receipt of the Client's notice, InterCapital did not execute the Instruction, its execution can be prevented, and such changes will cause damages or expense to InterCapital. The Company has the right to reject any unclear Instruction or Instruction that does not contain the elements needed for execution.

If InterCapital receives an Instruction that does not contain the prescribed information, has not been submitted in a timely manner, it will notify the Client as soon as possible and request a new Instruction. In the event that

InterCapital requests amendment / clarification of the vague, contradictory, indefinite and / or incomplete Instruction, the time of receipt of the Client's explanation and / or amendment shall be deemed a new Instruction in relation to its Order of processing.

The Client will be responsible to deposit sufficient amount of funds and sufficient quantity and type of Financial Instrument needed for execution of the Instruction. InterCapital may call Clients to deposit required amount of cash

and/or Financial Instrument needed for execution of the Instruction, but it will not be liable for any failure in execution of any Instruction due to insufficient funds and/or Financial Instruments.

## **TAXES**

### **DIVIDEND TAX**

#### **▪ FINANCIAL INSTRUMENTS OF CROATIAN ISSUERS**

Dividend tax on Financial Instruments of Croatian issuers is calculated and withheld by the CDCC or the issuer. InterCapital will not specifically notify You of dividend taxes collected, unless in case of Custody Services and unless payments from corporate actions are made to the account of the CDCC member, i.e. the Company.

#### **▪ FINANCIAL INSTRUMENTS OF SLOVENIAN ISSUERS**

InterCapital is obliged to calculate and pay the dividend tax incurred in connection with the Financial Instruments of Slovenian issuers and to pay the appropriate tax authorities in the Republic of Slovenia.

#### **▪ FINANCIAL INSTRUMENTS OF OTHER ISSUERS**

InterCapital informs the Client about the received dividend calculated and withheld tax abroad.

We hereby inform You that InterCapital does not calculate or pay taxes / surcharges in the Republic of Croatia upon receipt of income, and that the total amount of income paid to You has been credited on Your InterCapital account. Taxation of domestic and foreign legal and natural persons, based on income generated by investing in Financial Instruments, is regulated by legal acts in the field of personal income and corporate income. Each Client should consult with a tax advisor on the tax consequences that may arise out of ownership or disposal of Financial Instruments with respect to applicable domestic and foreign tax regulations or international tax treaties.

### **CAPITAL GAINS TAX**

In relation to Financial Instruments where there is a realized capital gain / loss, InterCapital provides You with the information needed to calculate the tax and assists in filing capital gains tax for Croatian and Slovenian tax residents.

We do not guarantee the completeness of the information provided as certain specific circumstances may be decisive for specific tax events (kinship, date of acquisition, etc.).

You agree that We may make any statements on Your behalf that the tax authorities, CSD, CDCC, issuer or custodian require and that You will complete all documents We need to do so such as citizenship, residence for tax or other legal purposes and other information about Your tax or other status that We may reasonably request. You acknowledge that such information is true and correct and that it remains true and accurate until You notify Us otherwise.

If We pay any of these taxes for You, You agree that We may deduct the appropriate amount from any account where Your funds are available to Us.

## **INTEREST**

No interest earned on the money deposited in the Brokerage, Transactional or Custody account shall be paid by the Company to any Client.

### **COMPENSATION SCHEME**

The Client may be entitled to compensation if InterCapital cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Generally, a Professional Client will not be eligible for compensation (i.e., investment companies, credit institutions, UCITS management companies).

Cash and Financial Instruments of the Client are not owned by us, do not form a part of our property, liquidation or bankruptcy estate and may not be subject to enforcement in relation to any claims towards us. We are a member of the Investor Compensation Fund operated by the Central Clearing Depository Clearing Company Inc. Client's cash funds held on the account of a credit institution in Croatia and Slovenia do not form a part of its property, liquidation or bankruptcy estate.

The Company's Clients' claims are protected up to a maximum of 20.000,00 EUR EUR and shall be calculated as the total amount of Client's claims, regardless of whether We hold them on one or more accounts or one or more contractual basis or in relation to one or more investment services. Rules governing the compensation scheme in foreign institutions in which the Client's Assets are being held may vary as those institutions are subject to foreign laws. In this regard, it is possible that, when the Client's Assets are held with a third party outside the Republic of Croatia, the rights of Clients regarding such Assets differ from the rights of Clients whose Assets are kept in accordance with the Croatian legislation,

since national legislation may prescribe a different level of Client protection (i.e., scope of Client rights, scope of third party obligations and degree of Client protection).

For more information please see our General Information about the Company published on Our Website.

## **CORPORATE ACTIONS**

Corporate Actions refers to events initiated by the issuer of securities (equity or debt) that brings change to the securities and its holders. Corporate actions may be divided as voluntary, where holders have the right to participate and mandatory. There are several types of voluntary corporate actions i.e.: rights issues that allows the existing holders of securities to subscribe for additional shares in the proportion of their shareholding, buy back that enables the shareholders to sell back their shares to the company, company option that gives the holders opportunity to buy shares at a predetermined date and. Mandatory corporate actions do not require the holders of securities affected by the action to act to exercise its corporate action right, as in voluntary corporate actions, and are initiated by the issuer's management board. For example, mandatory corporate actions may include dividend payments in cash or in shares, stock split, mergers. Some corporate actions take place without involving the stakeholders, such as, payment of dividend or interest – while some require stakeholders to submit a response, such as, subscription rights and purchase offers. InterCapital provides the Client with written information about a corporate action event associated with the Financial Instruments held by InterCapital on behalf of the Client.

Notifications are provided via e-mail or post, if the Client did not agree to receive information via e-mail. InterCapital will transmit notifications on corporate action received from third parties such as CSD's, CDCC, Subcustodians, or stock exchanges. InterCapital is at all times dependent on third party notifications, thus sometimes it and will not be able to notify the Client before the corporate action event takes place and about corporate actions about which it was not timely informed. InterCapital may not notify the Client if the Financial Instrument subject to corporate action was received after the corporate action was announced.

Notifications provide merely information and relevant Instructions relating to corporate actions and do not constitute recommendations or offer to buy or sell any Financial Instrument.

In the event that a corporate action requires the Client to submit a response to InterCapital the notification will state a time limit. InterCapital will carry out the Client's Instruction, if any, and if received within the time limit stated in the notification and given in accordance with the notification on the corporate action in question.

If the corporate action requires transfer of funds, InterCapital will not be obliged to execute the Client's Instruction if the Client has not placed sufficient funds to cover the execution of such Instruction.

InterCapital will not exercise any of the Client's rights in relation to voluntary corporate actions in the absence of adequate Client's Instruction, i.e. exercise of right to attend and vote on general meetings of the issuer of the Financial Instrument subject to corporate action.

In the case of corporate actions of issuers of securities that are kept the Client's Transactional Investor Account, the Clients are required to choose the option to make payments on Client's cash account submitted to CDCC or on the special purposes account registered with InterCapital for its clients. In case the Client has not selected the type of account, the payment will be made to the cash account which the Client submitted to CDCC.

## **RESEARCH SERVICES**

InterCapital may provide the Client with investment research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning prospective and existing Financial Instrument, including but not limited to shares, bonds and other debt instruments, or the issuers of such Financial Instruments and any opinion as to the present or future value or price of Financial Instruments ("Research"). InterCapital distributes Research to a wide number of persons and when providing this service does not assess particular circumstances of the Client and will not be filtered or tailored for the Client. As such, the content of any Research does not constitute any investment, legal, tax or other advice. Where trading recommendations are provided to the Client, those recommendations are provided solely to enable the Client to make their own investment decision.

InterCapital complies with regulatory requirements in relation to the content of information on investments or markets which We may provide to You. Research contains a variety of regulatory disclosures and disclaimers which should be considered carefully but otherwise InterCapital does not give any representation, warranty, or guarantee as to the accuracy, completeness, suitability, or appropriateness of such information.

InterCapital has in place effective policies and procedures with respect to use of material, non-public information, and management of actual and potential conflicts of interest. For more information about the management of conflict of interest, please contact us and We will provide You with our Policy for the Management of Conflict of Interest.

The information provided in Research is for the Client's use only and must not be distributed to third parties or used to provide any investment or other advice to any third party. InterCapital retains all rights, title, interests, intellectual property rights and all other rights in all Research provided to the Client and grants the Client a nonexclusive license to use research for the purpose for which it is provided but not otherwise.

InterCapital shall not be liable to the Client or any third party for any consequential, incidental, special, or indirect damages (including, but not limited to, lost profits, trading Losses, and damages that may result from the use of the information or the research reports or from inconvenience, delay or loss of use of information or research reports or for omissions or inaccuracies in the information or the research reports) even if advised of the possibility of such damages and, as a condition to accessing such information or research reports, You expressly waive any claim You may have against InterCapital.

InterCapital reserves the right to change the format, level of information and frequency of Research provided to the Client in its sole discretion and without prior notice.

## **PERSONAL DATA**

When establishing and conducting a business relationship or conducting Transactions, InterCapital is obliged to apply the appropriate Client identification procedure in accordance with the provisions of the applicable Law on the Prevention of Money Laundering and Terrorist Financing and implementing regulations.

The information collected in the questionnaires submitted to the Client is collected by the Company on the basis of the Capital Market Act and its amendments, Law on the Prevention of Money Laundering and Terrorist Financing and related regulations of the CFSSA.

We process and collect Your personal data because You are a user of investment services and activities and ancillary services provided by the Company related to Financial Instruments or You are interested in the Company providing them to You, so that We can fulfill our obligations as an investment company to You as a Client. In addition, We process Your personal data so that We can inform You about our interesting products and services, unless you choose otherwise. We also process Your personal data when We have another legitimate interest in doing so.

We pass on Your personal data only to those persons who help us in fulfilling our duties as an investment company as well as to those persons to whom We are obliged in accordance with our legal obligations. In addition, We pass on Your personal information to our affiliates, if You have agreed to this.

Additionally, the Company is obliged to collect and process Your data according to the Law on Administrative Cooperation in the Field of Taxes, the Ordinance on Automatic Exchange of Information in the Field of Taxes and the Law on Accounting. We are requesting data on tax residency due to the fulfillment of obligations in accordance with the assumed obligations under the FATCA and CRS regulations. "FATCA" is a regulation of the United States called the Foreign Account Tax Compliance Act. In accordance with the interstate agreement between the Republic of Croatia and the United States of America, in order to improve the fulfillment of tax obligations on an international basis, the Company is obliged to establish the Client's connection with the United States. "CRS or Common Reporting Standard" is a standard of mandatory automatic exchange of information in the field of taxation defined within the European Union by the provisions of Council Directive (EU) 2014/107 / EU of 9 December 2014 and amending Directive 2011/16 / EU with regard to mandatory automatic exchange of information in the field of taxation. The scope of obligations is defined by the Law on Administrative Cooperation in the Field of Taxation and the accompanying Ordinance on Automatic Exchange of Information in the Field of Taxation governing administrative cooperation in the field of taxation between the Republic of Croatia and EU Member States and automatic exchange of financial account information between the Republic of Croatia and other jurisdictions.

Both the Client and InterCapital are bound by the general terms and conditions of CSDs and Sub-custodians. Hence, the Client authorizes InterCapital to disclose the Client's name, address and other information, including details about the Client's holding of Financial Instruments, to (i) a Sub-custodian, (ii) a CSD, (iii) the issuer of a Financial Instrument; or (iv) any other relevant third person or governing body, etc. to the extent that such information is required according to applicable legislation in the relevant country; in order for InterCapital to provide the Service in each case provided that such disclosure is not in itself prohibited by applicable law.

The Client shall observe and comply with Applicable Law concerning prior information or consent from its personnel before disclosing to InterCapital any personal data or sensitive data in relation to the Services provided according to the General Terms (Data). For the purpose of providing the Services, InterCapital may process the Data of the Client and of any relevant individual within the Client entity and shall retain such Data for the duration of provision of Services to the Client under the terms and conditions provided herein and during the period of applicable legal prescription and / or preservation and archiving imposed by Applicable Laws. Such Data shall be for the sole use of

InterCapital for the purpose of providing the Services and will not be disclosed to third parties unless required by Applicable Law or with the consent of the Client.

For more information about how InterCapital deals with personal data please refer to our Privacy policy published on our Web Site.

## **LEGAL ENTITY IDENTIFIER (LEI)**

Legal Entity Identifier (LEI) A Legal Entity Identifier (LEI) is a global identification code for companies and other organizations. Under current EU regulations, a legal entity must have an LEI code to execute a securities Transaction. Without such a code, the institution is not permitted to carry out Transactions with the Client. InterCapital therefore requires that companies, associations, foundations and in some cases sole proprietorships have an LEI before a securities Transaction can be executed. A Client who requires an LEI can obtain one from any of the suppliers in the market listed on the global LEI system <https://www.gleif.org>.

## **REPORTING**

InterCapital will, unless information is otherwise provided, furnish the Client with a statement of the Assets held by InterCapital on behalf of the Client at least once every trimester in case InterCapital hold only Client's cash or both cash and Financial Instrument, unless such information is included in other periodical statements. Statement of Assets comprising on Financial instruments only is furnished once a year.

## **FEES**

Our fees for providing Services to You are set out in our Price list, as amended from time to time. You will be noticed about any amendment to the Price List, 8 (eight) days prior to entry into force of such amendments. InterCapital will inform its Clients about the costs and fees arising from the Financial Instruments and Services and the case and within the deadlines prescribed by the Applicable Law.

## **RIGHT OF SET-OFF AND LIEN**

Any charges or payment due to us from You may be set off against payments or sums due from Us to You. You will not create any security interest in favor of any third party or otherwise assign, transfer or deal with such Assets without Our prior consent.

You hereby grants us a general lien upon, and right of set-off against, all monies, Financial Instruments and other property or rights now or hereafter in the possession of or under the control of or on deposit with InterCapital, whether held in Brokerage, Transactional or Custody Account ), or for safekeeping, Custody or otherwise; and every such lien and right of set-off may be exercised without demand upon, or notice to the Client until the obligations of the Client hereunder are paid in full.

The Client expressly agrees that InterCapital to settle any claim out of court against the Client from the value of the collateral without further questioning and approval, i.e. to keep the appropriate amount of money or sell the Financial Instruments.

InterCapital may accordingly, without notice to You, sell or otherwise dispose of any Financial Instruments owned by the Client whatever price and in whatever manner it, acting in good faith, InterCapital sees fit. If Financial Instruments have a market or stock price, they will be sold at such price.

## **LIMITATION OF LIABILITY**

InterCapital shall not be liable to the Client for delays or non-performance of services under this General terms, including but not limited to transmission of Orders or the execution of Orders or Instructions relating to Custody and safekeeping Services, Transactional Investor Account Management Services or for the non-performance of any of its obligations under the General Terms by virtue of any cause beyond its control including (but not limited to) any breakdown, failure or slowdown of transmission or computer facilities or the failure of any relevant Execution Venues, clearing house, third party broker, and any Force Majeure event (event beyond the control of InterCapital, such as: fire, explosions, earthquakes, riot, war, terrorism, commotion, strikes, , lock outs, epidemics etc.).

InterCapital shall not be liable for non-execution or partial execution of any Order that is not in accordance with the Applicable Law of the relevant Execution Venue.

InterCapital shall use reasonable care in its selection of third parties in which it deposits Client's cash or Financial Instruments and will conduct regular analysis of those third parties in order to make sure they fulfill all prescribed obligations. InterCapital shall not be held accountable or liable for any Sub-custodian's or credit institution insolvency,

bankruptcy or similar proceeding and shall not be held accountable or liable for any Sub-custodian's or credit institution performance of its obligations.

InterCapital does not advise on a particular Transaction or its taxation consequences and make no representation, warranty or guarantee as to the accuracy or completeness of any market or other information furnished to You or as to the legal, tax or accountancy consequences of Your Transaction.

By issuing the Order, the Client assumes any risks associated with Transaction in Financial Instrument, waives all liability for any loss incurred through manifestation of any of the stated risks of Financial Instruments trading, except for any loss resulting from gross negligence, fraud or willful misconduct of the InterCapital, its employees or representatives.

InterCapital limits its liability solely to the actual pecuniary loss incurred through incurred through gross negligence, fraud or willful misconduct of the InterCapital, its employees or representatives on behalf of InterCapital and its employees.

Furthermore, InterCapital waives liability for any damage or loss suffered by the Client if latter failed to inform InterCapital in timely manner of a change in the Authorised Person details.

InterCapital makes no warranties with respect to an electronic order facility, express or implied, in particular that the Electronic System fact will be uninterrupted or error free or with respect to the fitness for a particular purpose. InterCapital shall not be liable to the Client for any Losses suffered or incurred by the Client arising from or relating to the provision of investment services and ancillary services subject to these General terms, unless such Losses are suffered or incurred by the Client as a result of the gross negligence, fraud or willful misconduct of the InterCapital or its directors, officers, managers, employees, agents or consultants.

InterCapital shall not be liable for any Losses suffered or incurred by the Client arising from or relating to provision of services subject to these General terms and resulting from (i) failure of transmission, communication, Electronic System or telecommunication lines; (ii) error, negligence or misconduct of an exchange or CSD or CDCC or (iii) any other cause or causes beyond InterCapital's control.

## **TERM, CANCELLATION AND TERMINATION**

The agreement for providing Services is concluded for indefinite period of time and is subject to cancellation of either the Client or InterCapital at any time by giving a 30 day (thirty) notice. Each party may cancel the agreement in relation to Services by giving a 15-day notice in case that the other party violates any provision of any of such agreement and fails to correct the violation within 15 day period upon receipt of the information on damage inflicted. Exceptionally, both InterCapital and the Client may unilaterally terminate any agreement in relation to Services without notice in any of the following cases;

- if the Client should fail to fulfil its financial obligations in a timely manner towards InterCapital;
- if bankruptcy or liquidation proceedings should be instigated against either InterCapital or the Client or special administration appointed by a decree of the supervisory body or if the either InterCapital or the Client should become insolvent,

The notice period starts from the day such notification is delivered or attempted to be delivered by the post office or courier service or via registered email or its equivalent or if sent by e-mail, on the day it is recorded on the server for receiving such messages, and if it is not a Business Day in relation to the recipient or if the message is delivered after 16 hours CET on the first following Business Day for the recipient by e-mail -mail. The Day such notification is delivered or attempted to be delivered will be deemed to be the cancellation notification date. The Client undertakes to pay any mature uncollected liabilities by the expiry of the notice period.

## **NOTICES**

Any notice or other communication in respect of Services may be given in any manner described below to the address or number or in accordance with the electronic messaging system or e-mail and will be deemed effective as indicated:

- if in writing and delivered in person or by courier, on the date it is delivered;
- if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date it is delivered or its delivery is attempted;
- if sent by electronic messaging system, on the date it is recorded on the server receiving such messages;
- if sent by e-mail, on the date it is recorded on the server receiving such messages unless the date of that delivery is not a Business Day with respect to the receiving party or that communication is delivered as applicable, after 4 pm CET time on a Business Day with respect to the receiving party, in which case that

communication will be deemed given and effective on the first following Day that is a Business Day with respect to the receiving party.

Expressions of intent may be requested and received by InterCapital from the Client via Our Web Site, whereby the password used by the Client in accordance with the Agreement in relation to Services and / or his email address may be required to identify the Client.

Any notice or notification in any form to be given hereunder may be delivered in person or sent by letter or email addressed to:

Name: InterCapital securities Ltd.  
Address: Masarykova 1, 10000 Zagreb, Croatia  
Attention: head of brokerage, head of custody or head of research  
E-mail for Brokerage Services: [brokeri@InterCapital.hr](mailto:brokeri@InterCapital.hr)  
E-mail for Custody Services and Transactional Investor Account Management Services [custody@InterCapital.hr](mailto:custody@InterCapital.hr)  
E-mail for Research Services: [research@InterCapital.hr](mailto:research@InterCapital.hr)

The Client agrees that any notice or other communication in respect of Services may be given to the Client's e-mail address specified in the Agreement in relation to Services.

Both the Client and InterCapital may by written notice to the other change the address or electronic messaging system or e-mail details at which notices, or other communications are to be given to it.

## **GOVERNING LAW AND JURISDICTION**

The agreements for providing Services and any obligations arising out of or in relation to it and Services is governed by and construed in accordance with Croatian law, and both We and You agree that all disputes under or in respect of the agreements for providing Services shall exclusively be dealt with by the courts of Croatia.