

# CONTRACT ON THE PROVISION OF THE BROKERAGE SERVICES



Stipulated among

**HITA-VRIJEDNOSNICE** d.d (Inc) registered company seat address in Zagreb, Kumičićeva 10, Croatia, MB 3962172, OIB 32998446701, (hereinafter referred to as the 'Company')

And

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
(Surname and Name) (Address, Postal Code, City of Residence, Country of Residence) (Registry No. – OIB-Personal identification number)

@ \_\_\_\_\_ (e-mail address)

(Hereinafter referred to as the 'Client'), (The Client and the Company hereinafter referred to as "Parties")

## SUBJECT MATTER OF THE CONTRACT

### Article 1

This contract on the provision of brokerage services (hereinafter referred to as „The Contract“) regulates mutual rights and obligations stipulated between The Company and The Client related to provision of investment services as well as any other additional services related to such.

The Client hereby authorizes The Company that on behalf of The Client buys and/or sells financial instruments in full compliance with the Orders provided by The Client as well as based on the provisions set forth within the terms and conditions of this Contract – The General Terms and Conditions (hereinafter referred to as „General Terms and Conditions“) and based on the provisions of the Order Execution Policy (hereinafter referred to as „Policy“), both documents and any and all amendments, changes and/or annexes constitute an essential part of this Contract.

In case of discrepancy between regulations of this Contract and General Terms and Conditions, regulations of this Contract shall prevail. Terms and conditions defined within General Terms and Conditions have the same meaning as in this Contract.

## COMPANY'S RESPONSIBILITIES

### Article 2

Upon the signing of this Contract, The Company hereby agree to keep full record of The Client's Invoices, such records shall be held under the name the Client and as such shall remain unaltered until the Contract expiry or termination.

The Client's invoice records are stored within an electronic database. All Clients signed up for the HITA internet brokerage service have full access to their Accounts. For those Clients who had not registered their financial instruments account at the SKDD, an account shall be opened before signage of this Contract and before first order for purchase of financial instruments.

Based on the provisions of this Contract, the Company agrees to provide for the Client the following services:

- a) Receive and carry out the Client's orders in accordance with the provisions of the Capital Market Act as well as all other legislative decrees, guidelines or rules of the country within which the orders are being processed and in regards to the provisions of this Contract, of the Terms and Conditions and of the Policy.
- b) Keep full record on any and all transaction on the Client's Account and in regards to the instruments deposited at the SKDD/custodian within the country and abroad if the financial instruments are of foreign origin, but registered within the Company, furthermore the Company shall keep record of all the financial assets that shall be deposited on a separate account according to regulations.
- c) Settlement of the financial instruments and financial assets within the SKDD//custodian system within the country and abroad if the financial instruments are of foreign origin for the purposes of fulfillment of Orders – liabilities in accordance with the Client's orders.
- d) Settlement of the Financial instruments and financial assets within the SKDD/custodian system within the country and abroad if the financial instruments are of foreign origin for the purposes of fulfillment of Orders liabilities in accordance with the Client's orders, in favor of and on the account of the custodian's bank account of the Client at his custodian without any prior directives by the Client based on the explicit approval granted by the Client to the Company within the provisions of this Contract.
- e) Register the financial instruments at the Company, that is based on the request of the Client, and upon the settlement of any and all financial obligations due to the Company, register all the financial instruments at the free positions (deregister with the Company).
- f) Based on a request of the Client, and upon the settlement of any and all financial assets from the Account of the Client on an account as directed by the Client, under the condition that this bank account is owned by the Client.
- g) Notify the Client on the tasks performed in accordance with the provisions of this Contract and in accordance with what set forth within the provisions of the Capital Market Act or any and all regulatory documents.
- h) Perform any other tasks and works based on the provisions of this Contract and the General Terms and Conditions of service provision.

## INVESTMENT SERVICES FEE

### Article 3

The Client hereby agrees to pay the fee and all the expenses related to the services provided by the Company's as set forth within this Contract, and all in accordance with the Company's service pricelist (further in the text referred to as the Pricelist). The Client hereby agrees that the Company is entitled to change the Pricelist unilaterally. The Company hereby agrees that if the Pricelist is changed the Client shall be notified 8 days prior to the enforcement of the new Price list.

In case that the previous mentioned fees are subject to the payment of any tax burdens and/or other levies, such payments or fees are to be charged to the Client. If the Company is forced to undertake the payment of any such tax burdens and/or levies for the Client as the final holder of financial instruments, the Client hereby agrees to indemnify all the related cost.

## LIABILITIES OF THE CLIENT

### Article 4

The Client hereby agrees that if any changes were to occur in regards to his personal data as stated within this Contract, as well as any changes/amendments of the bank used by the Client for transactions related to the current/savings account of the Client, and all other personal data, the Company shall be notified without any delay by written notice, also the Client shall provide the Company all the relevant document photocopies as a proof of such changes. In contrary the Company shall consider as valid the last available data received by the Client, and it shall not be considered liable for any damages arising from the fact the Client did not comply with the provisions of this article.

The Client has to attach all the documents listed within the Terms and Condition and these shall be considered as an essential part of this Contract. The Contract and the documents provided by the Client have to be clear and readable and nothing can be overwritten, corrected, added nor erased.

The Client hereby agrees to fulfill the obligations stated within the Terms and Conditions regarding the delivery of other documents and/or declarations and similar which the Company requires, which includes the signing of the telephone request, reports on the burdens on the financial instruments that the Client owns, the confidentiality of its personal data, password, not ordering transactions when aware that no funds are available on his accounts to undertake such transaction, as well as not placing any orders contrary to the provisions of the Capital Market Act, the law regulative of the country of order placement, or the provisions of the settlement regulative.

In case the Client fails to respect the provision set forth in the previous paragraph, it shall be considered liable for the indemnification of damages together with all the related interests, expenses, penalties and fees.

Any failure to act in compliance with these provisions shall be considered as breach of contractual obligations and therefore the Company shall be entitled to a unilateral termination of this Contract in accordance to the termination clause described within this Contract.

## MODE OF SERVICE PROVISION

### Article 5

The Client shall place his orders (circle the way of order placement):

A) PERSONALLY    B) BY TELEPHONE    C) through the HITA INTERNET TRADE SERVICE (via internet)

The Client explicitly confirms that at the moment of order placement by phone or orally, shall use only the following password: **XXXX** (the password can contain 5 (five) numeral characters that shall use to identify the Client at the moment of oral order placement by telephone). The Client confirms that this password shall be kept as secret and agrees to take the risk and the relevant responsibility for any and all consequences that might arise as a result of unauthorized use of such password in course of trading with financial instruments on behalf of the Client. The Company can subsequently ask from the Client to sign the order/s personally or to send such signed orders by fax.

The Client can place orders at the Company to buy and sell financial instruments through the HITA INTERNET TRADE SERVICE. In case the Client wishes to use this service it is his responsibility to get acquainted with the instruction for use that are available on the official internet site of the Company, and within the General Terms and Conditions for the provision of services which regulate the procedures done within such service.

The Client hereby agrees that the password for order placement by phone and/or PIN for the authorization (approval) or cancelling of orders is used to also for the purposes of confirmation of acceptance/changes of the internal acts of the Company.

The Client shall at its own responsibility, and based on its own business, legal and financial assessment place the Orders at the times and prices that he shall determine. The Client hereby confirms to be aware and agrees that all phone conversations during which the Client places his orders shall be taped, and that such recordings and transcripts of telephone conversation can be used in proceeding with HANFA, courts and other competent state bodies.

The Company can accept the Orders placed by the Client only within the limitations of the assets available on the account of the Client.

The Client is not entitled to any interest while the assets are placed on the Client's Account.

## INVESTMENT RISKS WHILE INVESTING IN FINANCIAL INSTRUMENTS AND THE COMPANY LIABILITIES

### Article 6

By signing this Contract the Client confirms his awareness of the risks involved within the transactions as described in the Terms and Conditions, furthermore the Client confirms he was notified on the risks of investment in financial instruments and states that he is fully aware on all the possible risks of investments in financial instruments, as he was also warned on the constant need for assessment of such risks while deciding on the purchase and/or sale of financial instruments.

By placing his Orders the Client automatically assumes all the risks stated within the Terms and Conditions, the Company by no means is liable to the Client for any damages based on the risks that might have occurred within the conducting of business related to financial instruments.

The Company limits its liability exclusively on the actual financial damages occurred to the Client due to intentional and/or negligent actions by the Company or its Employees. The Company is not liable to the Client for any damages or losses, if the Client failed to notify the Company on the alterations of his contact details, powers of representation, or withdrawal and/or change in Client's representatives.

Furthermore, the Company is not liable for any actions undertaken by the Client's representative, and any decisions on purchases and/or sales of financial instruments on behalf of the Client.

The Client is hereby warned that other expenses may occur, which include tax burdens or other burdens related to the transactions of financial instruments. The Company does not act in capacity of taxation agent, nor is it responsible to keep track on any tax burdens or other fees or expenses of the Client in any country in which the Client is active within the market of financial instruments. The Client hereby confirms that he shall cater on his tax burdens and other liabilities, furthermore he confirms to indemnify any damages or losses to the Company which are related to the Client's tax burdens or other liabilities the Company may be exposed to instead of the Client, acting in capacity of the financial instruments holder.

## DECLARATIONS AND GUARANTEES OF THE COMPANY

### Article 7

The Company is a member of the Stock Market of Zagreb and the Central clearing depositary agency.

The Company hereby states that it is duly founded in accordance with the regulatory dispositions of the Republic of Croatia, as well as that all the employees have all the relevant certifications granted by the competent supervising bodies in order to perform all the actions as described within this Contract and in accordance with the Capital Market Act and any and all other regulative and law dispositions. The Company also states that it shall in full respect of the regulative regarding the conflict of interests between the Client and the Company and that it has taken all the necessary precaution measures in order to avoid any conflict of interest between the Company and/or relevant persons from one side and the Client and other clients from the other side.

The Company shall notify the Client on his orders in accordance with the provisions of the Capital Market Act and all other relevant law dispositions.

## DECLARATIONS AND GUARANTEES OF THE CLIENT

### Article 8

The Client hereby states and guarantees for the following:

- a) that as a physical entity is declares to be fully capacitated to perform the subject matter activities and that no other relevant facts exist that would in any form limit his rights and obligations arising from this Contract, or that the Client is a legal entity duly founded and registered in compliance with all the relevant law disposition of the country of his registered seat.
- b) by the stipulation of this Contract and by placing the purchase Orders, that is for the sales of financial instruments the Client is not stipulating business that are contrary to the law or other regulatory requirements or its liabilities.
- c) That is in possession of all the relevant permits and approvals granted by relevant bodies, which are indispensable for the stipulation of this Contract and for the placement of Orders in accordance with the dispositions of this Contract and the Terms and Conditions.
- d) That the Financial instruments that the Client registered or intends to register with the Company are free for transfer, that he is the sole owner and that for the disposal of such instruments he has been granted with all the relevant powers of representation in accordance with the law provisions. Also he states hereby that his right to dispose of such financial instruments is not limited, conditioned or burdened by any other rights of third parties.
- e) That the assets deposited on the Client's Account is not nor shall be in the future in any connection with illegal activities in accordance with the law dispositions or regulations that regulate such assets.
- f) That for the purposes of taxation the Client has the status of residence in the county of his address (if the Client is a physical entity), or registered seat (if the Client is a legal entity),
- g) That from the Client's side no circumstances exist that could lead to a conflict of interest between the Client and the Company or other relevant individuals, and that the Client is fully aware of the rules of conduct applied by the Company in case of conflict of interest.
- h) That shall consistently follow the balance on his Client's Account, and that if any mistakes occur (regardless of whether the mistake is deductible to the Client or to the Company) on the account for financial assets and on the account for financial instruments the Client shall without delay notify the Company.
- i) That is fully aware and expressly agrees to what set forth within the Terms and Conditions, the Policy and the Pricelist.
- j) That is fully aware with the Special terms of business regulation as defined within the Terms and Conditions.
- k) That is fully aware of the rules, regulatory and legal acts of the country of Contract execution and Orders placement.
- l) That he shall not place orders contrary to the dispositions of the Capital Market Act and the regulatory dispositions of the country of order placement (including but not limited to the dispositions on market manipulation, misuse of privileged information, etc.)
- m) That he shall not cede the password for phone order placement to any third parties.
- n) that he shall not cede to any third parties his user name, password for the internet site access of the Company and the authorization (approval) PIN for placement/cancellation of Orders.

The Company is entitled to require additional documents from the Client, as well as any data necessary to perform the authentication of the information stated within this article, the Client hereby agrees that he shall deliver to the Company the afore mentioned proof without any delay.

## DURATION, EXPIRY AND TERMINATION OF THIS CONTRACT

### Article 9

Both contractual parties agree to stipulate this Contract for an indeterminate time.

Each Party to this Contract can terminate the Contract without any further explanations within a termination period for cancellation in the total duration of 15 (fifteenth) days. The termination period begins starting from the date of delivery of the termination notice submitted through the HITA internet trade service or from the date of the sending of such termination notice by registered mail at the Client's address of residence as stated within this Contract.

On an exceptional basis, the Company has the right to terminate this Contract unilaterally without respecting the termination period, this can occur in the following circumstances:

- a) if the Client is late with payments which were accorded and due to the Company,
- b) if the Client commits a breach of contractual rights regarding the Guarantees as described within this Contract,
- c) if the Client is in liquidation, or if any sort of mandatory forced management is appointed by resolution adopted by supervisory bodies, that is also if the Client becomes insolvent, and in any case if substantial negative alterations occur in regards to the financial state of the Client,
- d) if due to possible regulative moderations or its interpretation by the competent bodies a situation occurs in which the proper respect of the stipulated obligations is inhibited or it becomes illegal and/or impossible to accomplish or if its carrying through would mean breaching another law regulative or disposition.

The Client hereby agrees that if cases as described within the previous article were to come about that the day of termination of the Contract shall be the day of the termination notice receipt if submitted through the HITA internet trade service that is the day of the sending of such termination notice by registered mail at the Client's address of residence as stated within this Contract. As far as the delivery of the termination notice is concerned the dispositions as set forth within the previous article shall apply.

IN case this Contract is terminated, all Orders, that the Company has received prior to the delivery of the termination notice, shall be carried out in accordance with the provisions of this Contract and the Terms and Conditions. In extreme cases when this Contract is unilaterally terminated by the Company, the Client agrees that the Company can cancel all the received and open Orders.

The Client hereby agrees that all due payments shall be paid upon termination period expiry. Upon the cancellation of this Contract it shall be considered that all the fees are due for payment, as well as any and all unpaid expenses, that the Client owes to the Company. If the Client fails to cover his obligations, the Company shall not be considered liable for any damages that may occur if financial instruments or financial assets are not delivered to the Client.

The Client hereby agrees that the financial instruments and assets on the Client's Account shall serve as a warranty deposit for all credits of the Company in accordance with this Contract, and that in any case the Company is entitled to maintain all such financial instruments, as well as settle the account by selling such financial instruments and assets from the Client's Account and/or by keeping the financial assets deposited on the Client's Account.

If the assets available on the Client's Account are not sufficient to cover the Company's claims as described within this Contract, the Client hereby give the power to the Company to take the assets of the Client's Account and initiate a process of direct sale of such assets – which shall be of the Company's choice, in order to cover the claims in an out of court procedure, the sale price shall be the market price of the place of order execution. The Client hereby grants to the Company the power to act in his behalf and for his account and as such to make a selection of the financial instruments in order to deliver all the required instructions to the SKDD to settle the accounts regarding the financial instruments that are subject to the out of court settlement.

## PROTECTION OF PERSONAL DATA

### Article 10

The Client hereby agrees that his personal data (including the Personal Registry Number (MB) and the VAT number (OIB)) in accordance with the provisions of the regulative regarding protection of personal data and personal identification number protection such details can be gathered and fatherly processed for the purposes as set forth within this Contract. The Company agrees to manage any and all such data received from the Client in absolute compliance with the law; furthermore the Company agrees that any such data is considered a trade secret.

## COPYRIGHT OF THE COMPANY TO THE HITA INTERNET TRADE SYSTEM

### Article 11

The Client shall be enabled to use the HITA Internet trade system for personal, non – commercial use. The Client can use the information provided within the HITA internet system and the hardcopies of it, but the copyright mark cannot be removed of it. The Client cannot reproduce, multiply or distribute the information received through the HITA Internet trade system for commercial purposes without a prior written approval granted by the Company.

## NOTICES TO CLIENT

### Article 12

The Client agrees that the Company shall be sending notices on the order receipt, order processing, alterations of the Terms and Conditions and other internally acts at one of the following ways:

- a) Electronically, through the system developed for internet trade; b) through e-mail; c) through a written notice addressed to the Company on its standard template; d) by telephone but through identification and the authorization procedure as previously described.

## FINAL CLAUSES

### Article 13

By signing this Contract the Client certifies to be fully aware and agrees to the dispositions of the Terms and Conditions, to the risks of trading with financial instruments as described, to the Pricelist, to the procedures for Client classification, to the procedure manual for the HITA internet trade system, and the procedures for avoidance of conflict of interest.

By signing this Contract the Client confirms to be fully aware and conscious of the Policy as its contents were explicitly made available. The Client also agrees that the Company can change the Policy at any time if such changes are compliant with the law, such changes shall be considered fully accepted by the Client upon his first order placement upon such change has occurred. The Client agrees that the Company is by no means liable to expose the limited order outside the organized market or MTP, if the Client's limited Order for the specific ordered market in accordance to the prevailing conditions of such market cannot be forwarded without delay, and in regards to the conditions set forth within the order.

The Client agrees that the orders for purchase/sales of financial instruments, the Company can perform outside of the organized market or the MTP, Terms and Conditions, Pricelist, instructions manual, forms necessary to process and place the orders and services, and all its relevant modifications and amendments, all the previous mentioned documents are available at the business premises of the Company as well as within the internet site of the Company: [www.hita.hr](http://www.hita.hr).

By signing this Contract the Client confirms to accept that the Company shall deliver all the notices in accordance with the Capital Market Act and all other relevant rulings at the e-mail address as stated within this Contract, and/or through the internet site of the Company. Both contractual parties agree that the Client shall be considered duly informed at the moment of sending the notice by mail/electronic mail /internet site of the Company.

By signing this Contract the Client explicitly agrees that all the previously mentioned documents shall be applied to these contractual arrangement, as well as any subsequently adopted modifications and/or amendments inserted in course of its duration, furthermore the Client agrees that this Contract shall be governed by all the positive regulative which regulate the financial market of the Republic of Croatia.

Article 14

Croatian laws shall govern this Contract. Both contractual Parties shall be engaged to solve any disputes by amicable agreement, if such agreement fails to be reached the competent court shall be the Court of Zagreb.

This Contract has been made in 2 (two) identical copies, (1) one of which shall go to the Client, and (1) one to the Company.

Both contractual Parties agree that any and all modifications and amendments to this Contract have to be executed in written, except for the ones specifically described as different in the previous paragraphs of this Contract and within the Terms and Conditions.

In witness whereof, the parties hereunto set their hands to sign this Contract.

CLIENT

COMPANY:

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_