

General Conditions for operating with securities of Sparkasse Bank Makedonija AD Skopje

I. INTRODUCTION

General provisions

Article 1

The General Conditions of operations with securities of Sparkasse Bank Makedonija AD Skopje (hereinafter: Bank) shall regulate the mutual rights and obligations of the Bank and the client, and other issues related to the provision of services with securities by the Bank:

- buying and selling of securities by order of and on behalf of the client - brokerage;
- portfolio management of securities by order of and on behalf of an individual client;
- transactions and activities on behalf of the issuer of the securities required for successful public offering of securities without mandatory buyout of unsold securities;
- transactions and activities on behalf of the issuer of the securities required for successful public offering of securities with mandatory buyout of unsold securities;
- acting as listing sponsor;
- Investment Consulting;
- transactions and activities on behalf of third parties necessary for the acquisition of a shareholding company in accordance with the Law on takeover of joint stock companies
- custody of securities including opening and keeping accounts of securities on its own name and on behalf of clients in depository, opening and maintaining accounts of securities and their clients who are owners of those securities value, and on behalf of their clients and other services in securities by order of of the client (payment of past due receivables from issuers based on due securities, interests and dividends for the owners of these securities, notice of meetings of shareholders and representing those meetings, payment of tax obligations of the client based on securities which are in his possession, etc.);
- reception and transmission of orders to buy and sell securities on foreign securities markets;
- perform additional services for issuers of securities.

Definitions:

- BROKERAGE is purchase or sale of securities by order and for the account of the client.
- ORDER is an clients order for purchase or sale of securities given to the Bank in a manner and under conditions of these General Conditions and Brokerage Agreement.
- RECEIPT OF AN ORDER is receipt of the clients order by the Bank and its enter in the order book.
- EXECUTION OF THE ORDER or TRANSACTION is concluding the buying or selling legal dealings / transactions in securities on the basis of orders of the client.
- SETTLEMENT OF OBLIGATIONS is the fulfillment of cash liabilities and obligations of the transfer of securities from the executed order in the manner and under conditions as determined by appropriate regulations.
- SECURITIES ACCOUNT is account owned by the client, which is in electronic form kept in the Central Securities Depository.
- INVESTMENT CONSULTING is advising clients regarding the purchase or sale of securities.
- PORTFOLIO MANAGEMENT is the management of a portfolio of securities on behalf of the client, in accordance with the investment policy.
- CUSTODY is a service that includes opening and maintaining accounts of securities for clients in depository and other services with securities by order of the client.
- TRADING SECURITIES is the conclusion of legal transactions of purchase or sale of securities.

- BROKERAGE AGREEMENT is an agreement that Bank for certain fee undertakes to execute orders on behalf of clients, hereinafter Agreement.
- STOCK EXCHANGE is securities market, accessible to the public directly or indirectly, where trading takes place regularly and which is regulated and supervised by the competent authorities.
- CENTRAL SECURITIES DEPOSITORY is a joint stock company, which in RM, based on a license from the Commission for Securities, provides services of registration of securities, settlement of trade transactions, non-commercial transfers and other services in accordance with the relevant regulations.
- APPROPRIATE REGULATIONS are laws and regulations, rules or procedures which are always valid on the territory of the Republic of Macedonia.
- WORKING DAY is a day (except Saturdays, Sundays and holidays), in which the Bank provides securities services.
- BANK TARIFF is always valid tariff of the Bank.

Before concluding a special agreement for performing certain services with securities, the Bank provides the Client with the General Conditions for operating with securities.

II. BROKERAGE

Orders for buying and selling securities

Article 2

The Bank receives orders from customers within its working time, in workdays.

Article 3

Time of acceptance of the order shall be considered the moment of entering the order in the order book. The order book is in electronic form and in it all orders and transactions are recorded.

Article 4

The Bank may receive trading orders from its clients directly in their offices, by mail or fax. The Bank may receive an order from a client if the client has concluded a separate brokerage agreement. Agreement in particular contain the following elements:

- General Conditions of operations with securities of the Bank;
- Statement that the client is familiar with the General Conditions before signing the Agreement and had the opportunity to get acquainted with the content of the Agreement.

Content of an order

Article 5

Client with the order submitted to the Bank in the manner and form specified in the Agreement, are determined primarily:

- date, hour and minute of submitting the order
- buying or selling order,
- type of securities,
- the issuer of the security,
- the amount of securities,
- the type of order,
- validity of the order,
- other components, which allow differentiation of securities with the same characteristics of the preceding paragraphs of this article.

Change, withdrawal and rejection of the order

Article 6

If the client, after receipt of the order by the Bank, changes the price, quantity or any other element of the order shall be deemed to have withdrawn initial order and gave a new order. The client has the right to withdraw the order. Transactions concluded before the withdrawal of the order in BEST system are valid. The withdrawal is carried out on one of the ways in which the order is given. The Bank shall immediately, following a request for withdrawal of the order from the client, withdraw the order of BEST system, and then record the withdrawal in the order book. The Bank is entitled to charge handling fees for the unfulfilled order. The Bank has the right not to accept the receipt and execution of the order in case, according to its opinion, the order or its enforcement is contrary to the relevant regulations or business policy of the Bank.

Types of orders

Article 7

Types of orders which the client can give to the Bank:

1. Market order

Market order is a daily order without a fixed price. The client does not set price limits on the purchase or sale of securities and accept the best price on the market.

2. Limited order

The client determines the price limit (define acceptable price for purchase - the highest price or selling - the lowest price). The Bank accepts the following types of limited trading orders:

- Orders without additional or special conditions
- Orders with additional conditions for implementation:
 - Fill or kill order - used only for securities that are traded on auction mode trading, in the phase of further trading. It fills only at auction price and unrealized amounts are automatically removed from the BEST system.
 - Order with hidden quantity – on the market only the visible quantity is showed / part of the order and the rest of the order is entered into the system as a hidden quantity.
- Orders with additional conditions for the validity period:
 - Daily order - valid only on the date of entry of the order in BEST system.
 - Order valid until a specified date - valid until they are realized or not more than 90 (ninety) calendar days.
- Orders with special conditions for realization of the amount – all or nothing - order all or nothing is a daily order which must be executed completely through one or more concurrent transactions. The order can only be used for securities that are traded in the continuous trading regime, in the main trading stage, and can be traded only at prices determined within the dynamic limits.

3. Best price order

The client does not determine the price at which certain securities are bought / sold, gives the broker the discretion to decide when and at what price will process the order in BEST system.

Execution of customer orders

Article 8

Bank records all clients orders and performs them in accordance with the relevant valid legal regulations. According to the Rules of trading on the Macedonian Stock Exchange, orders for buying or selling must be made through the BEST system, except the administrator block transactions. The Bank shall execute the clients order as soon as market conditions allow its execution. Bank executes orders in accordance with the priority in the order book. The Bank is obliged to maintain the following order of execution of received trading orders:

1. Clients' orders,
2. Employee orders,
3. Principal orders.

Fees and costs

Article 9

For the services of trading with securities, Client pay a fee determined by the applicable rate of the Bank, if in the Agreement or any other act is otherwise stipulated.

As costs that arise and are related to trading with securities are calculated also the fees of the Stock Exchange, the Depository and all other fees and expenses that may arise in the performance of the services.

Payment and withdrawal of funds to the Client for buying and selling securities

Article 10

Client before the order for purchase, to the Bank's special account deposit the required amount which should allow coverage of the total value of potential transactions, according to the order, and all related fees and expenses described in Article 9.

If because effectuation of operational risks, in exceptional cases, the funds deposited to the special account are not sufficient for the settlement of the transaction, the client is obliged to make payment immediately, but no later than one day prior to the settlement of the transaction. If the payment is not made, the Bank is entitled to sell part of the purchased securities as one of the ways for reimbursement of unpaid funds.

Article 11

Client funds given to the Bank for purchase of securities or the funds from the sale of Client's securities, are kept by the Bank in a special account opened for this purpose. The Bank, in case of revocation of the purchase order, in connection with which the Client has deposited funds, unused funds will be transferred to the Client's account, according to the Agreement, the next day after the revocation of the order, if in the Agreement is not defined otherwise, or if the Client decides otherwise.

In the case of unrealized order, for reasons other than revocation of the order or in case of a surplus of funds deposited for settlement of liabilities arising from the purchase order (hereinafter: unused funds), the Bank acts in accordance with the Client's request.

Unused funds are not considered deposit and for them there is no interest. The funds on the special account can only be used in accordance with the instructions of the Client. The Bank can not make payments related to transactions with securities on its own behalf and for its account from Client's funds and can not use the ones client's funds on behalf of any other client. Client's funds are not included in the Bank's property in case of bankruptcy or liquidation and can not be used to settle the liabilities of the Bank.

Article 12

The Bank undertakes after the settlement of obligations to pay the amount of funds received from the executed sale order, net after deductions stipulated in these General conditions and the Agreement, on the client's account, specified in the Agreement or order, the next working day after receipt of funds, unless the Client and the Bank agree otherwise.

Reporting

Article 13

The Bank shall provide the Client a report on the conclusion and settlement of a transaction with securities within two days after the settlement. The Bank shall submit a report on the conclusion and settlement of the transaction with the securities to the Client in a manner specified in the Agreement.

Conflict of interests

Article 14

The Bank shall inform the Client about possible conflicts between the interests of the Client and the interests of the Bank, ie the interests of other clients of the Bank. The Bank shall operate in a manner that will minimize the possibility of conflicts of interest among clients, the Bank and / or persons employed in the Bank.

Risks

Article 15

The Bank is obliged to try to obtain all necessary information from clients, about their experience in investing in securities and their financial capabilities and objectives relevant to the protection of their interests, by completing the form "Application for a new customer" . Investments in securities is tied with risk. Client with signing the Agreement confirms that is aware and takes the risk due to market trends and other factors affecting the securities market, on which the Bank has no influence.

III. INVESTMENT ADVISORY

Article 16

The Client, in order to better realize the orders for trading with securities, may require investment advisory by the Bank, which must in accordance with the prescribed rules and regulations to mediate with all the information available, ie data for the individual securities or general situation in the market of securities. The Client takes the risk and deciding on operations with securities.

To perform this type of service the Bank and the Client sign a separate agreement, which outlines the fee and method of payment for the service according to the current Tariff of the Bank.

IV. PORTFOLIO MANAGEMENT FOR INDIVIDUAL CLIENT

Article 17

Portfolio management is managing the securities and cash funds of the Client and their investment in securities based on the agreement concluded between the Bank and the Client.

Article 18

Agreement for portfolio management is an agreement that the Bank, in accordance with its investment policy, in the name and on behalf of the Client invests its funds in securities, in order to distribute risk and the Client agrees to pay compensation.

Agreement on portfolio management shall be concluded in writing and it must determine amount of cash that the Clients trusted to the Bank, investment policy, a statement of taking the risk of trading with financial instruments, type, content and frequency of reporting on the activities conducted by the Bank to the Client, fee and method of its calculation and termination of the agreement.

V. CUSTODY OPERATIONS

Article 19

Custody is a special service that the Bank provides the on the basis of a special agreement concluded between the Bank and the Client, which details the rights and obligations between the Bank and the Client.

Custody involves opening and keeping accounts of securities on its own name and on behalf of the client in depositary, opening and keeping an account of securities for clients who are not owners of these securities, and on behalf of their clients and other services ordered by

the Client, such as payment of past due receivables from the issuer based on due securities, interests and dividends for the owners of securities, reporting on meetings of shareholders and representation on these meetings, payment of tax obligations based on securities that are in client's possession etc.

Article 20

Before performing this service Bank and the Client must sign a written contract in which detail the mutual rights and obligations when providing this type of service by the Bank. For the service of custody, the Bank shall charge the Client a fee determined in the agreement concluded between the Bank and the Client.

VI. COMMON PROVISIONS

Keeping and storage of documents

Article 21

Bank must always comply with applicable regulations to collect, keep, process and store data related to these General Conditions.

The Bank is obliged to keep records and keep all documents at any time that provide confirmation that a transaction is carried out in its name and on its own behalf or on behalf of the client.

Care

Article 22

In carrying out the work under these General conditions, the Bank will apply the care of a good manager and expert in accordance with the relevant valid legal regulations.

Article 23

The Client agrees that for continuous delivery of services by the Bank, at its request, will submit appropriate documentation or make available appropriate necessary information and data. The customer is obliged to notify the Bank of all circumstances which are important for the performance of services by the Bank in accordance with these General Conditions and the Agreement.

Responsibility

Article 24

Notwithstanding other provisions of these General Conditions:

(I) Bank before the client or third parties is not responsible for possible direct or indirect damage, liabilities and / or loss incurred as a result of meeting the obligations of the Bank in accordance with these General Conditions and the Agreement, except in the case of an action of intentional or major negligence, the contents of which are evaluated in accordance with standards of good caring member of the Macedonian stock exchange.

(II) The client ensures that all documents, data and information submitted to the Bank at the conclusion of the Agreement are true, complete and correct. The Client agrees that will pay the Bank all damages, costs and will free the Bank of all liabilities incurred, which result from the performance of services under these General Conditions and the Agreement except in the case of conduct with intent or major negligence by the Bank, whose content is assessed according to standards of care and diligence of a good member of the Macedonian stock exchange.

Delay in payment

Article 25

The Client, in case of late payment of any due and not settled obligation under these or related to these General Conditions, Agreement or order, is obliged to pay statutory default interest to the Bank.

Changes to the General Conditions

Article 26

In case of change of the relevant regulations and / or decisions affecting the fulfillment of obligations to the Bank under these or related to these General Conditions, the Agreement and the order (hereinafter: change the regulations), the Bank according to its own assessment and decision has the right to modify or supplement these General Conditions in accordance with this change of regulations.

Article 27

Notwithstanding the provisions of the preceding Article of these General Conditions, the Bank has the right to change or supplement these General Conditions, unless such changes or additions, essentially interfere with the rights and obligations of the Client (in addition, substantial changes), according to these and related to these General Conditions.

In case of substantial changes Bank has the right to deviate from the stated contract, if the Client does not agree with them. It is assumed that the Client agrees with changes in General Conditions, if within 7 working days from the notification from the Bank of changes, will not inform the Bank that does not agree with such changes in written form.

Failure to comply with obligations

Article 28

In the event of non-compliance with these obligations in connection with these General Conditions, the Agreement and the order (hereinafter: breach of contractual obligations), any party may waive the contract and claim damages from the other party.

Duration of the contractual relationship

Article 29

Duration of the contract and conditions of deviation from it in cases not listed in the General Conditions, the parties agree in the Agreement.

In case of cancellation of the Agreement, for reasons listed in these General Conditions and the Agreement, stated Agreement continues until the final settlement of all obligations of the Client and the Bank under the Agreement or the transactions concluded before the cancellation.

Business secret

Article 30

In order to protect the interests of the Client, the Bank undertakes that all data and information that we learned in the execution of the Agreement or in connection with the execution of the Agreement will be treated as confidential.

The data and information referred to in paragraph 1 of this Article may be disclosed in the following cases:

- if the party gave written consent for disclosure;
- a written request or order of a competent court;
- at the request of the SEC for supervising the operations of the Bank;
- a written request of the National Bank of RM for supervision;
- to the Office for Prevention of Money Laundering and Terrorist Financing;
- a written request of any other body authorized by law.

Data and information that the Bank is required to submit to the authorities and institutions in accordance with the law and which are business secret of the Bank are considered an official secret.

Jurisdiction and a selection of law

Article 31

Any disputes arising from contractual relationships that are based on these General Conditions, the Client and the Bank shall resolve through agreement, and in case of litigation the jurisdiction of the court in Skopje is agreed.

Macedonian law is referenced for assessment of all contractual relationships, which are based on these General Conditions.

Nullity of provisions**Article 32**

Invalidity or unenforceability of certain provision of these General Conditions and the Agreement does not affect the validity or enforceability of the other provisions.

In the event any provision of these General Conditions is invalid or unenforceable, that provision will be reimbursed by the Bank with new which is closest to the invalid, or provision that can not be fulfilled.

Deviation of the Agreement and rights**Article 33**

If between the Client and the Bank is not agreed otherwise, the Client shall not, without the prior written consent of the Bank, cede the Agreement or its rights under or in connection with this Agreement, in whole or in part, to a third party.

Membership in self-regulatory organization**Article 34**

The Bank is a member of the Macedonian Stock Exchange AD Skopje and the Central Securities Depository AD Skopje.

VII. TRANSITIONAL AND FINAL PROVISIONS**Article 35**

For all that is not specified in these General Conditions apply existing valid regulation in the area of securities.

SPARKASSE BANK Makedonija AD Skopje
