

GENERAL BUSINESS CONDITIONS

General business conditions of broker house »HOLDER BROKER« - corporation –Podgorica

No : 87/02

1. Job description

• **Authorized participant on stock market , HOLDER BROKER, corporation, Podgorica (in further text : BROKER), offers to principals for buying and selling valuable papers (in further text : CLIENTS) following favours connect with valuable papers :**

-receiving clients' warrants for buying or selling valuable papers and carrying out that orders on stock market for client's account, with appropriate brokerage payment.

-consulting jobs connect with stock market (client's informing about advantages of selling/buying valuable papers or taking over or other investment in valuable papers).

2.Performing way of brokers' favours

2.1. BROKER'S client can issue order about valuable papers' buying/selling in the following places :

- in BROKER'S main office
- in all branch offices that belong to Post Montenegro – corporation – Podgorica, situated in Republic of Montenegro
- in all Montenegrobanka – corporation – Podgorica, branch offices
- in all business offices that belong to juristic persons, who have signed Contract on Cooperation with BROKER and they accept orders in its name and for its account, if client come to that business office.

2.2. In order that CLIENT could issue order about selling/buying valuable papers to BROKER, he have to sign General Contract of Agency about stock market transactions with BROKER. This Contract has to be in conformity with Rules of stock market authorized participants' way of job managing, which is proscribed by Valuable Papers Committee. If CLIENT is physical person, before concluding Contract with BROKER, he has to deliver 2 (two) identity card photocopies (or other personal document with photograph). On the occasion of concluding contract, clients pay initial consumption – 3 euro – to BROKER.

2.3. It's possible for CLIENT to see general business conditions before concluding General Contract of Agency for stock market jobs and CLIENTS can see it in any business office that belongs to BROKER.

All changes connect with general business conditions will be accessible to CLIENT, meaning BROKER will previously inform CLIENT.

2.4. After concluding General Contract of Agency about stock market transactions, and before the first issue of CLIENT'S order, BROKER open valuable paper account in depositary at Central Deposit Agency – corporation - (in further text : CDA) in CLIENT'S name and make suppositions for stock market trade.

- When CLIENT issue order for buying valuable paper, he has to pay BROKER 100 % advance to BROKER'S balancing stock-exchange transactions account : 55100-762-0-16109, according to number of Expenses Specification, that BROKER give him, with indication - »stock buying«. Advance payment from abroad are performed by BROKER'S instruction, to BROKER'S account in commercial bank. Taking long term business cooperation, intensive dealing with CLIENT and its financial power, into consideration, BROKER can determine lower advance amount.
- When CLIENT issue order about selling valuable papers, he has to be sure that THOSE valuable papers are on an account in valuable papers register at CDA.
- CLIENT order is received when it is delivered to BROKER'S main office, when he gets all informations necessary for order executing and when all requirements according to general business rules, from paragraphs 2.5. and 2.6. , are satisfied.
- BROKER can refuse to accept CLIENT'S order in next cases :
 - if CLIENT , in case – order about selling – doesn't satisfy requirements from paragraph 2.5. of general business rules, in contract date.
 - if CLIENT , in case –order about buying – doesn't satisfy requirements from paragraph 2.6. of general business rules, in contract date.
- if there would be clash of interests between CLIENT and BROKER, after receipt CLIENT'S ORDER
- Received orders, changes and rescindings of orders are being registered in Order book by temporal sequence and they are being issued in the same way

BROKER has to show informations from file, according to CLIENT'S business, if CLIENT requests that.

- After order receipt, BROKER has to issue a certificate about order receipt to CLIENT.
- If there are changes or rescinding of order, next working day BROKER will issue certificate about changes or rescinding of order to CLIENT.

If CLIENT doesn't intervene next working day, after certificate receipt, it will be considered that certificate informations are exact.

3. Base for business realisation

3.1. Base for realisation of valuable papers' transaction , done by BROKER, are CLIENT'S orders about valuable papers selling/buying orders, that are registered in Order book.

Orders are according to stock-exchange transactions in agency and representing.

Received orders, changes and rescindings of orders are being registered in Order book by temporal sequence and they are being executed in the same way.

3.2. Order types

Order types that can be issued by BROKER to CLIENT are next :

- stock-exchange order
- order with limitations
- order with span

If BROKER refuse to receive CLIENT'S order, CLIENT will be immediately informed and BROKER has to say reasons for order refusing.

Some other order types : orders all or nothing, time limited orders, open orders.

3.3. An Order description

-stock-exchange order – in this case, CLIENT has no specific limitations about buying/selling valuable papers, and order is carried out on stock market conditions.

-order with limitations - in this case, CLIENT has limitations that are according to his decision to determine the lowest or the highest prices.

-order with span – it is possible to buy or sell valuable papers to different courses with one deposit. An Order quantity that is not carried out stays in trade system with course added to an order. It's possible to execute an order with span only if exchange is opened and if exists oposite order with better or equal course.

3.4. An Order content

Any order about valuable papers' buying/selling must contain next informations :

- the name and surname of principal (CLIENT)
- JMBG OF CLIENT
- CLIENT'S address
- phone
- valuable paper exchange symbol
- order's receipt ordinal number
- date of order reception
- time of order reception
- place of order reception
- price per valuable paper
- valuable papers' quantity
- informations about order type from paragraph 3.2.

3.5. How to deliver order for broker's business?

CLIENT can deliver order about buying/selling valuable papers on the following ways :

- personal
- by mail, or by fax
- at Post Montenegro window

If CLIENT is juristic person, BROKER can receive an order only from CLIENT'S generally authorized agent

3.6. Ways of order execution

BROKER execute CLIENT'S order about valuable papers buying/selling, just the way it's worded.

BROKER execute CLIENT'S order about valuable papers buying/selling on the market.

BROKER execute CLIENT'S order about valuable papers buying/selling by temporal sequence for such a buying/selling.

No matter regulations from previous paragraph, BROKER execute an order only when he finds out it's the most optimal for CLIENT'S interest.

3.7. Stock-exchange conditions

An order about valuable papers buying/selling will be executed according to their owners' requests and stock-exchange rules.

4. An order book

4.1. BROKER keep an Order book – an evidence about orders and valuable papers transactions, according to rules about valuable papers transactions. If CLIENT request, BROKER present for inspection informations from evidence according to CLIENT'S business.

4.2. It is compulsory for an Order book to contain :

- date, time, minut and the way of order execution
- principal name and main office with name and surname of authorized person that gave an order, or the name and surname and JMBG in case that principal is physical person.
- a mark of valuable paper that order is according to
- instruction for an order execution : price, price limitation and an order valid term ;
- indication of retaining the right to cancel an order and cancellation term
- date, time and the way of an order execution
- minimal, maximal or exact number of valuable papers that are being sold or bought
- instructions about the way of an order execution, for each order, execution dynamics and quantity limitations.

5. Prices of broker favours

5.1. For its favours, BROKER calculate brokerage according to the price-list of corporation, what is integral part of general business conditions. BROKER made it possible for CLIENT to see price-list and general business conditions in their offices.

6. Necessary informations about brokerage contract signing

If CLIENT want to conclude brokerage contract with BROKER, he is obligate to give next informations :

- the name and surname, or company name, if CLIENT is juristic person
- address – main office
- JMBG if CLIENT is physical person and maticni broj if CLIENT is juristic person
- bank account, where BROKER'll pay cash assets

7. Principal responsibility about true and correct informations

7.1. CLIENT guarantee for true and correct informations from previous paragraph.

If CLIENT refuse to give one of needed informations, BROKER can refuse to sign brokerage contract. If BROKER sign brokerage contract no matter fact that he has not complete informations, CLIENT is responsible for all consequences that will appear because of uncomplete informations.

8. Description of a system of information evidence

8.1. Before the first order reception, informations about CLIENT are being added in computer data base. Informations about clients are business secrecy.

9. Possibility of insign in informations about valuable papers

9.1. BROKER deliver all available informations about valuable papers and general stock-exchange situation to CLIENT, on his request. CLIENT can form an order by himself, thanks to that informations.

10. Investment risk

10.1 Investment in valuable papers take risk along.

When CLIENT sign brokerage contract and also when he issue order about valuable paper buying/selling, he express agreement with previous posture and preparation that when he sell v.p., he achieves lower prices then price that he paid for the same.

BROKER and brokers aren't responsible for any consequence of CLIENT'S decision.

11. The way of order change

11.1. CLIENT can change an order only in case that order isn't executed. If CLIENT change the price or quantity of valuable papers from an order he has issued to BROKER, that new price and quantity will be considered as new order. An order is changed when BROKER confirm that change and registre it to an Order book.

12. Rescinding of an order

12.1. It is possible for CLIENT to cancell his order only in case that order isn't executed.

An order is considered cancelled when BROKER confirm that change and that cancellation write in an Order book.

13. The way to perform an obligation that began by an order execution

13.1. BROKER is making safe that valuable papers transfer will be executed to CLIENT'S account in valuable papers register at CDA, after balancing that stock-exchange transaction.

13.2. CLIENT fills up all financial obligations to BROKER, on the basis of selling valuable papers, on a day of an order execution. (T)

13.3. BROKER fills up all financial obligations to CLIENT, on the basis of buying valuable papers, three days after order execution. (T + 3)

13.4 CLIENTS will fill up their financial obligations to BROKER if they perform payment to BROKER'S stock-exchange transactions balancing account :

55105-762-0-16109 ,Central bank Montenegro,ZOP branch Podgorica.

13.5. Next working day,after BROKER fill in obligations from business that he organized for CLIENT,he send calculation to CLIENT about finished job.

14. Possibility to change content of general business conditions

14.1. General business conditions and its changes and all that is add are valid since the day they have been brought. CLIENTS are informed about general business conditions' changes in the same way as they were informed about general business conditions.

15. Possibility of insign in general business conditions in every moment of their validity

15.1. It's possible for CLIENT to insign general business conditions in every moment of its validity in BROKER'S main office or any other place for order reception.

16. Final regulations

16.1. For all cases that aren't desribed in these conditions are applied regulations from the Law about valuable papers, Rules about how to lead valuable papers on stock market, CDA rules, stock-exchange rules and BROKER rules.

All disputes which CLIENT and BROKER can't solve agreeing are in jurisdiction of competent court in Podgorica.

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