

Pursuant to the Law on Capital Market ("Official Gazette of Montenegro" No 01/18) the Board of Directors of the Investment Company "LIMIT PRIME SECURITIES" AD Podgorica (hereinafter: Company) with its registered address at Vuka Karadžića bb, Podgorica, at the session held on July 1<sup>st</sup> 2020, passed the following

## **TERMS AND CONDITIONS**

### **APPLIED WHILE PROVIDING SERVICES AND ACTIVITIES OF THE INVESTMENTS COMPANY**

#### **"LIMIT PRIME SECURITIES" AD PODGORICA**

##### **BASIC TERMS**

**Client** - any natural or legal person to whom the Company provides or intends to provide services related to trading with financial instruments and other investment services;

**Credit Institution** - a legal entity that performs activities in accordance with the provisions of the law regulating banks' activities.

**Authorized Investment Company** - a company that, pursuant to a contract concluded with the Company is authorized to receive client orders in its premises on behalf of the Company and for the Company's account.

**Other person/partner** - a person to whom the Company forwards the received trading orders for execution on the domestic or foreign capital market, on which those financial instrument is being traded, in the case when the Company is not a member of that capital market, that is, when other person/partner has direct or indirect access to those markets.

**Small investor** – an investor of the Company that is not categorized as a professional client.

**Brokerage** - the activities of receiving the orders for trading financial instruments and orders for transferring the financial instruments and executing these orders on behalf of and for the account of the client.

**Dealer businesses** - purchase and sale of financial instruments on behalf of and for the account of the Company in order to make a difference in price.

**Portfolio management** – managing individual portfolio by the investment company in accordance with the concluded contract.

**Durable medium** - paper or a mean that enables the storage of data in digital format (CD, Internet banking, e-mail if the client has authorized it, the Company's web site, etc.) in such a manner that the access, processing and completeness of the data are provided at least up to deadline stipulated by the relevant regulations.

**Regulated market (in the country or abroad)** – a unique information system for trading financial instruments managed by a market organizer, that has the work permit of the competent body, and that enables the matching of interests of the third parties, the

#### **INVESTICIONO DRUŠTVO LIMIT PRIME SECURITIES AD PODGORICA**

Address: Vuka Karadžića bb, Podgorica; Phone number: +382 68 036 998; E-mail: [info@limitprime.me](mailto:info@limitprime.me)

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conclusion of a contract on the purchase and sale of financial instruments, in accordance with predefined terms and conditions.

**Multilateral trading platform (MTP)** - a unique information system managed by an investment company or another organizer, which allows the matching of supply and demand with the financial instruments of more interested third parties. Pairing of supply and demand takes place according to predefined regulations and as a result the contract between the contracting parties, in accordance with the provisions of the corresponding Law, is concluded.

**Unregulated (OTC) market (in the country or abroad)** - any other market on which financial instruments are traded, which does not have to have a market organizer and where the trading system involves negotiating between the seller and the buyer of financial instruments in order to conclude a transaction.

**Relevant person** - a person who is employed or has equity share in the Company, or who is at the managerial position in the Company, as well as any other natural person that is engaged by the Company for the provision of services under its jurisdiction.

**Persons who are in close relations with the relevant person are:**

- spouse, i.e. persons living in a common law marriage;
- direct lineal descendants and lineal ascendants indefinitely;
- collateral relatives by blood up to the third degree of kinship, in lateral line, including in-laws;
- adopter and adoptees and descendants of adoptees;
- foster parent and foster children and foster children's descendants; and
- every person living in the same household with the relevant person for at least one year from the date of the private transaction subject matter.

**Inside information** is the information about precisely specified facts which have not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if they were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of derived financial instruments;

**Personal transaction** is a financial instrument transaction conducted by the relevant person acting outside the scope of the activities he/she carries out in that capacity, or which is carried out for the account of the relevant person, or with whom the relevant person has close kinship links, or is in close relations in terms of the Law, or a person whose relationship with the relevant person is such that the relevant person has a direct or indirect material interest from the outcome of the transaction, other than a commission or fee for the execution of the transaction.

## GENERAL PROVISIONS

### Article 1

These Terms and Conditions shall define the activities of the Investment Company "LIMIT PRIME SECURITIES" AD Podgorica (hereinafter: Company), the general conditions and modus operandi of the Company, as well as other issues on the Company's activities, particularly:

- the type of investment activity that the Company performs;
- the type of financial instruments on which the Company operates;
- the code of conduct while providing business activities;
- the information provided to the clients;
- the content of the contract the Company concludes with the clients;
- the order and Order Execution Policy;
- the clients' informing;
- the registration and archiving of the business documentation;
- acting upon the client's complaints;
- the protection of the clients' assets;
- unauthorized activities;
- code of ethics;
- internal control;
- other issues relevant to the Company's activities.

### Article 2

Terms and Conditions, along with the Price List can be found on the Company's website [www.limitprime.com](http://www.limitprime.com), as well as in the business premises of the Company in which the clients' reception is carried out, or in the premises of the other authorized investment company, which, based on the contract concluded with the Company, receives the clients' orders on behalf and for the account of the Company.

The insight into the Terms and Conditions and Price List is enabled to all clients of the Company and other interested persons in an equal manner, with the possibility of downloading and printing them.

### Article 3

In the event of an amendment to the Terms and Conditions, the Company shall, after obtaining the approval from the Capital Market Commission (hereinafter: the Commission), provide clients with an insight into the amended act, within seven days prior to the beginning of its application, by publishing it on its website.

For the clients, foreign legal entities and natural persons, the Company shall publish these Terms and Conditions in the same manner as drafted for residents, translated into English.

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## **I TYPES OF THE INVESTMENT ACTIVITY THAT THE COMPANY PERFORMS, CONDITIONS AND METHOD OF THEIR PERFORMANCE**

### **1.1. Types of the Investment Services and Company's Activities**

#### Article 4

The Company shall, in accordance with Article 206 of the Law on Capital Market, perform the following investments services and activities:

1. receiving and transferring orders related to one or more financial instruments;
2. executing orders for the client's account;
3. trading for its own account;
4. portfolio management
5. investment consulting;

#### Article 5

The Company shall also perform other ancillary services referred to in Article 206, paragraph 2 of the Law on Capital Market once it receives the approval of the Capital Market Commission.

### **1.2. Types of Financial Instruments the Company Operates with**

#### Article 6

The subject of the investment activities are financial instruments itemized in Article 3 of the Law on Capital Market, such as:

1. transferable securities;
2. money-market instruments;
3. investment units, in terms of the Law regulating the foundation and operation of the investment funds and companies for managing the investments funds;
4. derivatives, i.e. commodity derivatives, including:
  - a. options, futures, swaps, forward interest rates and other derived financial instruments relating to securities, currencies, interest rates or yields, greenhouse gas emission units, as well as other derived financial instruments, financial indexes or financial units which may be balanced in cash or in exchange;
  - b. options, futures, swaps, forward interest rates and other derived financial instruments relating to commodities that must be balanced in cash or may be balanced in cash at the request of one of the contracting parties for reasons not related to the failure to perform obligations or termination of the contract;
  - c. options, futures, swaps, and any other derivative financial contracts relating to commodities that can be physically balanced, provided that they are traded on a regulated market and/or MTF and/or OTP, except for wholesale energy products traded on an OTP that must be balanced by exchange;
  - d. options, futures, swaps, forwards and other derived financial contracts relating to commodities, that can be physically balanced, in the manner that is not defined in sub-item c. of this item, which are not envisaged for trading, and which have the characteristics of other derivative financial instruments;

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- e. derivative instruments for the credit risk transfer;
- f. financial contracts on differences;
- g. options, futures, swaps, forward interest rates and other derivative financial instruments relating to climate changes, transportation costs, greenhouse gas emission units or inflation rates or other official economic statistics that must be balanced in cash or may be balanced in cash at the request of one of the contracting parties for reasons not related to the failure to meet the obligations or termination of the contract, as well as other derivative financial contracts relating to assets, rights, obligations, indexes and other measure units which have the characteristics of other derivative financial instruments, which are traded on a regulated market, OTP, or an MTP; and
- h. greenhouse gas emission units.

### **1.3. Terms and Method of Performing the Company's Activities**

#### **Article 7**

The aforementioned investment activities are performed by the Company on the basis of their performance by the Commission.

The Company intends to perform other ancillary investment activities once it receives the Commission's approval.

The Company entirely meets all conditions regarding human resources, organizational, technical equipment and other conditions in accordance with the Law and Terms and Conditions necessary for the performance of the activities of the investment company.

The Company always employs at least two full-time employees with a license from the Commission to perform the Company's activities.

The Company meets all other requirements regarding business premises, organization and functioning of the information system, accounting procedures, as well as measures for ensuring the continuity of operations

#### **Article 8**

The Company may perform investment activities on the regulated market, or multilateral platform (hereinafter: MTP) and outside the regulated market (OTC) in Montenegro and abroad, in accordance with the provisions of the Law and relevant regulations of Montenegro and relevant regulations of the foreign capital market organizer's.

While providing the investment services the Company shall be obliged to perform activities in accordance with:

1. the principle of solvency, i.e. that it is permanently able to fulfill all its monetary obligations,
2. the principle of liquidity, i.e. to timely meet due financial obligations, at any moment.

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#### **1.4. Entrusting Services and Business Procedures to Another Person**

##### Article 9

The Company may entrust another person with activities related to:

1. the marketing services;
2. the receipt of an order;
3. the orders execution on the markets, of which the Company is not a member.

In order for the Company to entrust some of the above listed activities to another person, it is necessary for it to meet the following conditions:

1. to take into account knowledge, capabilities, means and necessary approvals for the professional performance of entrusted activities of another person,
2. to conclude with the service provider a contract regulating mutual rights and obligations
3. to predetermine methods for assessing the efficiency of the performance of entrusted activities;
4. to ensure that possible termination of the contract does not negatively affect the continuity and quality of services;
5. to undertake other measures in order to avoid risks, ensure the quality of internal control and the supervision implementation;

The Company is obliged to take into consideration that entrusting the activities to another investment company must not have the consequence of:

1. changing the conditions under which the work permit is given to the Company;
2. transferring the responsibilities of the investment company's manager to other persons;
3. changing the relations and obligations of the investment Company towards the clients;
4. creating unnecessary additional business risks;
5. violating the internal control quality;
6. violating the possibility of supervision implementation over the company's activities in accordance with the relevant regulations.

The Company is obliged to notify the Commission on entrusting the activities within seven days from the day of the contract conclusion.

#### **II TERMS AND CONDITIONS OF THE INVESTMENT SERVICE PROVISIONS**

While providing investment services, the Company is obliged to put the interests of its clients before its own interests and operate justly, fairly and professionally, in accordance with the best interests of the client and the principles set forth by the Law.

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## **2. Collecting Data and Client Categorization**

### **2.1. Client's Information**

#### Article 10

Prior to concluding a contract, the Company is obliged to collect information on knowledge and experience of the client in the investment field, that is significant for the financial instrument or the offered service.

Information on the knowledge and experience of the client or the potential client, is given in writing.

Information from the previous paragraph can be given in the standardized form.

#### Article 11

Information regarding the client's knowledge and experience, suitable to the type of client, type and scope of the service, type of transaction, including complexities and risks, include:

- the type of services, transactions and financial instruments known to the client,
- type, quantity and frequency of client's financial instruments transactions and the period in which they are executed;
- the level of education (vocational qualification), profession or occupation and the title of the client.

If the Company considers that, based on the information provided by the client, the product or service is not suitable for the client, it is obliged to warn the client in writing.

The Company can rely on the information obtained from the client as true and complete and it is not held liable for the damage that arised because the obtained data is untrue or incomplete, except when it was known or should have been known that the data given by the client was outdated, untrue or incomplete.

#### Article 12

Notwithstanding the previous Article, in accordance with Article 267 of the Law, the Company that provides investment services related only to execution, or receipt and transfer of the clients' orders without providing additional services, can provide services to its clients without obtaining data, provided that the following conditions are met:

1. the services refer to stocks included in trading on a regulated market or on the market of the third countries, money market instruments, collective investment institutions in transferable securities and other simple financial instruments, bonds and other forms of securitized debt, excluding bonds and instruments of securitized debt containing derivative financial instruments;
2. the service is provided at the request of the client or potential client;

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3. the client or potential client was clearly informed that, while providing a particular service, the Company has no obligation to assess the suitability of the offered financial instrument or service;
4. the Company meets the obligations under Article 301 of the Law on Capital Market regulating the prevention of the conflict of interests between the Company and its clients

#### Article 13

When investment services are provided to professional investors, the Company may consider that the client has sufficient knowledge and experience in the fields of investing and understanding the risks related to a financial instrument or transaction.

The Company has no obligation to provide the following services to a professional client:

1. to provide suitable information in order to understand the nature and risks of the investment services and the type of financial instruments with a view to making an adequate investment decision. Prior to this, it includes trading with derivative/complex financial instruments
2. to notify in writing that a financial instrument or service is not suitable for the client
3. to obtain from a professional client a written consent to the Order Execution Policy;

## 2.2. Client Categorization

#### Article 14

Prior to providing the service, the Company categorizes its clients, taking into consideration their knowledge, experience and financial situation, into:

1. small investors,
2. professional investors
3. qualified principals.

#### Article 15

The Company is obliged to inform each client, through a durable medium, about:

1. the client's category into which it is categorized;
2. the level of interest protection that will be provided to him/her;
3. the ability to request the categorization into another client's category, as well as any changes in the level of protection arising from such a decision.

Once the client's categorization is done it may be changed afterwards.



### **2.2.1. Small Investors**

#### Article 16

A small investor is any client, that is, an investor who is not treated as a professional investor i.e. a client.

The Company provides small investors with the highest possible level of security and other rights, which are provided to small investors by the Law and by-laws on the Investment Company's acting in the best interest of the client.

Protection provided by the Company to the clients categorized in the category of small investors primarily refers to the execution of orders under the most favourable conditions for the client in accordance with the Order Execution Policy and protection of interests and assets of the client.

The company is obliged to provide complete information to the small investor before and after the provision of investment services.

#### Article 17

In dealing with small investors, the Company is obliged, in addition to the obligations stipulated by the provisions of the Terms and Conditions, to comply with all other obligations comprised in the provisions of Article 263 paragraph 1 and 2, Articles 264-267, Article 269, Article 270 paragraph 1,2,8, 9 and 10 and Article 273 paragraph 2 of the Law.

### **2.2.2. Professional Investor**

#### Article 18

A professional investor is any client who has sufficient experience, knowledge and expertise for making investment decisions independently and suitable assessment of the related risks. In any case, and in accordance with the provision of Article 53 of the Law, a professional investor shall be considered:

1. an entity having a work permit or a supervisory entity in operating on financial markets, such as:
  - a) credit institutions;
  - b) investment companies
  - c) other financial institutions having a work permit or being the supervisory entities;
  - d) insurance companies;
  - e) entities for mutual investments and their management companies;
  - f) pension funds and their management companies;
  - g) commodity and commodity derivatives traders;

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- h) other institutional investors.
- 2. Large company meeting two out of the following conditions:
  - a) has a total asset of at least €20.000.000;
  - b) has an annual net income of at least €40.000.000;
  - c) has a capital of at least €2.000000.
- 3. the government, the Central Bank, international organizations such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations;
- 4. other investors whose principal activity is investing in the financial instruments, including entities that deal with securitization of assets or other financial transactions.

#### Article 19

If the company from the previous article is a client of the Company, it shall also inform the client, in writing, that according to these Terms and Conditions, based on the available data, it may be considered a professional investor, and that it will be treated as such investor with a lower level of protection, as well as to inform it on the possibility to require the small investor treatment.

#### Article 20

A professional investor is obliged to notify the Company on any changes that affect or could affect the current and valid category into which it is categorized under the terms of these Terms and Conditions.

### 2.2.3. Qualified Principal

#### Article 21

Qualified principals are investment companies, investment funds and their management companies, authorized credit institutions, insurance companies, pension funds and their management companies, other financial institutions, public authorities, including public debt management authorities, central banks, international organizations and other authorized bodies with which the Company enters into transactions while executing, receiving and sending orders on behalf of the clients, or trading for their own account.

Once the Company enters into transactions with qualified principals, on these transactions and additional services the Company's Terms and Conditions of the Law do not apply, apart from Articles 309, 317, 269, 273 and part VI of Articles 150, 151 and 156 of the Law.

#### Article 22

The Company may, in the course of a transaction with another contracting party with its headquarters in a third state, acknowledge the status of a qualified principal to that contracting party if it is stipulated by the legislation or measures of the third State.

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In the case referred to in the previous paragraph of this Article, the Company shall require the explicit confirmation of the other contracting party that it agrees to the status of a qualified principal. Consent can be given in general or for each individual transaction.

### **2.3. Status Change**

#### **2.3.1. Professional Client's Request**

##### Article 23

If a professional client considers that he is not in a position to properly assess and manage the risks of his/her investment, he may request a category change.

The change of the category into which the client is categorized will be made based on a written request of the client and by concluding a specific contract, or an annex to the contract with the Company, which will specify the investment services, transactions and financial instruments in relation to which the client does not want to be treated as a professional client.

#### **2.3.2. Small Clients' Request for Categorization into Professional Clients Category**

##### Article 24

A client categorized into a small client category may provide the Company with a written request to change the category into a professional client's category in relation to all or individual investment service, type of transaction, or financial instrument.

Upon the receipt of the written request from the previous paragraph, the Company shall:

1. unambiguously and in writing warn the client about the decrease of the protection of his interests and the loss of the right to compensation from the Client Protection Fund;
2. assess whether the client has sufficient knowledge and experience for making investment decisions independently and the suitable risk assessment of investments;
3. with the client, either conclude a written contract, or an annex to the contract, which will specify services or transactions, or financial instruments in relation to which the client wants to be treated as a professional client or refuses to acknowledge the status of a professional client to the client;

The assessment from the previous paragraph implies that the client meets at least two conditions out of the following:

1. the client performed on average 10 significant transactions per quarter, on the relevant market during the four previous quarters,
2. the size of the client's portfolio of the financial instruments, which by definition contains cash deposits and financial instruments, exceeds €500 000,
3. the client works or worked in the financial sector for at least a year in a professional role, requiring knowledge on planned transactions or services

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The Company will change the category of a small client into a professional client category if the client meets the requirements set forth in the previous provision.

The client is obliged to, in a specific document, which is separate from the contract, declare that he/she is aware of the consequences of the protection level loss.

## **2.4. Information Provided to the Clients and Potential Clients**

### Article 25

All information, including promotional materials, sent by the Company to its clients or potential clients must be true, clear and must not be misleading.

Marketing information should also meet the following additional requirements:

- the marketing material must be clearly marked as such,
- it must be in compliance with all other information the Company sends to clients during the provision of investment services.

### Article 26

The provision of information comparing the services, the persons providing them or financial instruments is permitted only if:

1. the comparison is designed and presented in an impartial and balanced way,
2. all the key facts and assumptions used for comparison are listed,
3. the sources of information used for comparison are listed.

Provision of the information that:

1. contain indicators of earlier results of a financial instrument, financial index or service,
2. include or relate to simulated results from an earlier period, and must be linked to a financial instrument or financial index,
3. about the result to be achieved,
4. refer to a special tax treatment

is allowed only if it contains elements and meets the requirements stipulated by the Law and relevant regulations.

### **2.4.1. Information that the Company Provides to its Clients Prior to the Contract Conclusion**

#### Article 27

The Company is obliged to provide the client or potential client with an insight into the Terms and Conditions and the Price List, as well as the insight into the amendments to these acts in one of the following ways:

1. in the business premises in which the work with clients is performed,
2. by publishing on the Company's website.

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The Company is obliged to provide an insight into the amendments of the Terms and Conditions and Price List within 8 days before the beginning of the application of these changes.

#### **2.4.2. Small Investors Information**

##### Article 28

Prior to providing investment services, that is, prior to the contract conclusion, the Company shall provide the small clients and potential small clients with the information on:

1. the Company and the services the Company provides;
2. the financial instruments with general presentation of the nature and risks characteristic for them,
3. the financial instruments' protection,
4. the costs and related expenses;

The Company is obliged to inform the client and the potential client about any significant change of information.

Information is provided through the Company's website or other durable medium in a standardized form.

##### Article 29

All information the Company provides the client or potential client with must be:

1. true, clear and easily understood by the average client group to which they are addressed,
2. it must not emphasize the potential benefits of a service or financial instrument without simultaneous impartial warning about the risks related to them
3. they must not conceal, reduce or make important details, allegations or warnings, incomprehensible.
4. they must not contain the name of a competent authority in a way that would indicate or suggest the approval of the instrument or service of the Company by that authority,
5. information must not be misleading,
6. provided in a comprehensive form so that the client can understand the nature and risks of the investment services and the type of the financial instrument based on which they would make an investment decision.

##### Article 30

A detailed list of information specifically provided to a small client is contained in the Small Investor Information Policy, which makes an integral part of this Policy.

### **2.4.3. Information Provided by the Company Prior to the Order Execution**

#### Article 31

When there is a possibility for a client's order to be executed outside the regulated market, or, MTP, the Company is obliged to notify the client about this possibility, prior to executing the client's order, once it previously obtains an explicit written consent from the client, except in the case of professional clients, when this consent is not necessary.

Client's consent may be part of a contract or a special statement, and may be made for all transactions or for each individual transaction.

#### Article 32

The Company is obliged to

1. prior to the order execution, get from the client a written consent to the Order Execution Policy, if it is not given at the time of signing the contract, whereby the professional clients are not required to give this consent,
2. monitor the efficiency of the adopted policies and procedures for executing orders, or monitor whether the execution of the order achieves the best results for the client, in order to spot and eliminate deficiencies in time,
3. inform its clients about the methods and procedures for the order execution,
4. inform its clients about significant changes in the way the order is executed or changes in the procedures of the order execution,
5. prove, at the client's request, that he/she has executed orders in accordance with the adopted Order Execution Policy.

### **2.4.4. Information on Financial Instruments**

#### Article 33

Information on financial instruments contains a general presentation of the nature and risks characteristic for the financial instruments.

The risk description, taking into account the individual type of financial instrument, as a rule, contains:

1. the risks related to a particular type of financial instrument, including the clarification of the financial leverage and its effects, as well as the risk of loss of the entire investment;
2. the volatility of the financial instrument price, as well as any restrictions on existing markets for such instruments;
3. the explanation that a transaction with such an instrument, apart from the costs of acquiring the instrument itself, could include additional financial and other obligations, including potential obligations;

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4. any condition arising from a loan on the basis of which the instrument is purchased or similar obligation applicable to a particular type of instrument.

The Company is obliged, while providing information on a financial instrument:

1. which is the subject of a public supply that is in progress and for which the prospectus is issued – to get the client and the potential client familiar with the way in which the prospectus is available;
2. which involves the third party's guarantee - to provide the client and the potential client with sufficient details on the guarantor and the guarantee, on the basis of which he/she can make a correct assessment of the security;
3. consisting of two or more different instruments or services and for which it is apparent that the risk related to that instrument will be greater than the risks related to each individual component of that instrument – to provide the client and the potential client with a suitable description of the individual components of such an instrument and the manner in which the mutual impact increases the risk.

#### **2.4.5. Communication Method**

##### Article 34

The language of communication is Montenegrin. The Company can communicate with foreign legal or natural persons in English or another foreign language stipulated by the contract, provided that the contract, orders and other necessary documents exchanged between the client and the Company are bilingual.

##### Article 35

Communication between the Company and the client is carried out in the most favourable manner for the client in accordance with the relevant regulations. The client can communicate with the Company by phone (in this case, conversations are recorded and records are kept according to the prescribed rules), e-mail, through the application, system, fax and in person. The most suitable method of communication is determined by the contract.

##### Article 36

The Company may provide the information to customers through electronic means, if the following conditions are met:

1. the client has provided the Company with a valid electronic address,
2. the client has chosen this way of delivering the information,
3. the client is informed via electronic means about the website and the place where he can access the relevant data,
4. the Company regularly updates the information,
5. information is constantly available.

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The client can give orders directly, via fax, phone and through electronic means, if this is stipulated by the contract concluded with the Client. Documents and other information for the Client.

### **III CONTRACTS THAT THE COMPANY CONCLUDES WITH ITS CLIENTS**

#### **Article 36**

A client of the Company may be any domestic or foreign legal or natural person.

The person from the previous paragraph becomes the client of the Company by concluding the contract on the provision of services in relation to the financial instruments in written form.

#### **3.1. Contract Conclusion and Client Identification**

#### **Article 37**

The Company is obliged to conclude with a client a written contract regulating mutual rights and obligations and other conditions under which the Company provides the investment services.

#### **Article 38**

The Company is obliged to identify the client in accordance with the Law on Capital Market, as well as in accordance with the regulations coping with the prevention from money laundering prior to concluding the contract, as well as during the receipt of each individual order. The Company is obliged to prepare all necessary questionnaires and forms that the clients should fill in accordance with these regulations.

Identification of a client-natural person shall be performed based on a personal document containing a photo (ID card, passport or driver's license).

The identification of a client-legal entity shall be performed based on the identification of a representative or proxy who encloses the identification document from the previous paragraph and a certified copy from the Registry and/or a decision of the competent authority authorizing legal actions in relation to the purchase or sale of the financial instruments.

If the client is represented by a proxy, the authority must be certified in accordance with the law.

A copy of the above-mentioned documents, the original of the authority or documentation, proving the status of legal representative or guardian, shall remain in the file of the Company.

The Company in contact with the client must not neither give advice on activities on the financial instruments, nor conduct transactions for the client, until it determines that it has

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all the facts that the client should disclose to him and other relevant facts about the client he/she is aware of, or about which should have knowledge.

#### Article 39

The contract particularly comprises the following elements:

1. information on the authorized participant: name and headquarters of the Company, name and surname of the person authorized to sign the Contract;
2. Client information:
  - a. name, surname, address and number of identity card for a natural person, or name, headquarters, registration number and name of the person authorized to represent it for a legal entity;
  - b. phone, fax and e-mail;
  - c. bank name and account number;
  - d. name, surname, address and number of the identity card of the person authorized to sign an order for the purchase or sale of financial instruments;
  - e. name, surname, address and passport number if the principal is a natural person from abroad;
3. a statement on the acceptance of the Terms and Conditions and the Price List;
4. unambiguous description of the subject of the Contract;
5. identification code or other identification instrument which serves for the purpose of verifying each order, and which may be known only to the Company and the client, or to the authorized persons of the client;
6. the method of the order delivery and method of identification, or method of verifying the identification code;
7. the method and the deadline for informing the client by the Company about the entry of the order into the trading system of the stock exchange, as well as the execution of the order;
8. the method and the deadline for submitting a commission calculation to the client by the authorized participant, as well as the elements of the calculation,
9. the method and the deadline for paying the commission for the services of the authorized participant,
10. the method of the contract termination,
11. the method of resolving possible disputes, or determining the court in charge of possible disputes,
12. date of the contract conclusion and signature of the contracting parties.

#### Article 40

The Client shall also enclose the following documents with the contract on the activities performance with financial instruments:

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1. a copy of a valid identity document with a photo (e.g. identity card, passport, driver's license),
2. data on the residence;

#### Article 41

Client that is a legal entity, in addition to the contract on the activities performance with financial instruments, encloses:

1. decision on entry into the court register in original or certified copy, with the name and basic identification data of the person authorized to represent and the person authorized to sign the order for the purchase and sale of the financial instruments;
2. copy of the identification document of the person authorized to represent;
3. the name of the bank where the bank account is kept and the number of the bank account;

Foreign legal entities must submit the documentation from the previous paragraph, certified by the competent authority.

#### Article 42

In the event that the client communicates everything with the Company through electronic means, it is necessary to submit a statement that he/she accepts the defined email address as a mean of communication with the Company.

#### Article 43

Other statements and consents of the client may be an integral part of the contract.

Other statements, notices and consents may be given in a specific document with the contract, or with each individual transaction in accordance with the Law and relevant regulations.

#### Article 44

Based on the signed contract, the Company is obliged to, carry out the necessary legal actions with the Central Depository Clearing Department, if they are the subject of the investment services, or financial instruments that are included in the domestic organized market.

The Company may open financial instrument accounts directly or through another member or other person abroad, when the trading order is delivered to the foreign capital market.

#### Article 45

The Company has no obligation to conclude a contract with a professional client to whom it provides services of receiving and transferring, or executing orders or additional services related to them, if the client corresponds to the persons referred to in Article 53 of the Law.

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For professional clients, for which the contract is not compulsory, the Company opens the financial instrument account based on the orders of such persons in accordance with the rules of CDKD, or authorized foreign company.

### **3.2. Contracts that the Company Concludes with the Clients**

#### **3.2.1. Contract on the Provision of the Investment Services and Activities Related to the Financial Instruments**

##### Article 46

The Company is obliged, under this contract, to provide the client with the services of receiving and transferring orders for trading financial instruments, as well as executing orders for the account of the client within the domestic and/or foreign capital market, and other additional services in accordance with the Law and relevant regulations, and the client is obliged to pay a commission according to the Price List.

#### **3.2.2. Contract on Performing Activities Concerning the Portfolio Management**

##### Article 47

The Company is obliged, under this contract, to manage the financial instruments portfolio and cash equity owned by the client with the aim of increasing it, and the client is obliged to pay a commission according to the Price List.

#### **3.2.3. Contract on the Investment Consulting**

##### Article 48

The Investment Consultant is obliged, under this contract, to notify the client about the situation on the financial instruments market, providing advice on the purchase/sale of certain financial instruments, making technical, fundamental and other analyzes, providing the investment consulting regarding one or more transactions with financial instruments and providing other services in accordance with the Law and relevant regulations, and the client is obliged to pay a commission for this in accordance with the Price List.

#### **3.2.4. Other Contracts**

##### Article 49

The Company may also conclude with client other types of investment services contracts and activities and ancillary services upon obtaining approval from the Commission for the provision of such services.

## IV ORDER AND POLICY OF THE BEST ORDER EXECUTION

### 4.1. Types, Venues and Manner of the Client's Order Receipt

#### Article 50

The Company executes clients' orders as well as dealer orders.

The types of orders that the client can deliver and the essential elements of the orders are determined by the market organizer.

#### Article 51

The Company can receive orders:

1. in the headquarters,
2. in the business premises of the authorized investment company.

#### Article 52

The company can receive client orders:

1. directly, in writing, at the premises of the Company in Podgorica, every working day in the period from 08.00 – 16.00h
2. by post, phone, fax or via electronic means, if agreed so with the client.

#### Article 53

A phone order, as well as entire phone communication between the client and the Company is recorded, and the audio record is used as proof of the order content.

The following conditions need to be met for client's phone delivery of the orders:

1. the client must have a signed Contract and Annex to the Contract with the Company, which regulates in detail the rights and obligations during the phone delivery of the order,
2. signed Statement in which the client indicates:
  - a code/password to identify (use) when delivering a phone order. The client is obliged to keep the code/password secret and must not communicate it or make it available to third parties,
  - the phone number from which the order is to be delivered

The Company identifies the client solely based on the registered code and phone number.

The Company is obliged to, at the beginning of the conversation, inform the client that the conversation is being recorded.

The Company holds no liability for the damage that the client may have suffered due to unauthorized use of the code/password by a third party.

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**The order received by fax** is deemed to be received on the day and at the time (hour and minute) when the Company has received a signed order, if such method of receiving orders is agreed with the client.

**The order received by e-mail** is delivered via the client's Internet service. The order can only be delivered by the Client, or the person authorized to deliver orders, from predefined e-mail addresses. The e-mail address from which the order is delivered, and the name of the person authorized to deliver an order, are defined by the client's signing a special annex to the contract.

An order on behalf of and for the account of the Client can also be delivered by a third party based on the original and court-certified Authorization for the disposal of financial instruments.

#### Article 54

The Company is obliged to ensure that the employee or contractor cannot realize, instruct or receive phone conversations and electronic communication with private-owned equipment, which the Company cannot record or copy.

The violation of the obligations from the previous paragraph is a serious violation of a work obligation.

#### **4.2. Accepting and Rejecting Orders**

#### Article 55

The client can deliver an order through the Company for a financial instrument that is included on the regulated market or MTP, as well as on the other OTC market where the Company provides the financial intermediation service.

The client can deliver an order through the Company and for financial instruments that are the subject of trading on foreign capital markets, of which the Company is not a member. The Company will receive and forward these orders to third parties - partners with whom a Contract of Cooperation has been signed, which have direct or indirect access to these markets, acting in accordance with the Order Execution Policy.

#### Article 56

**Necessary conditions for accepting a sales order**—Prior to accepting or executing a sales order of the client, the Company shall verify if the client has sufficient financial instruments on the financial instruments account that are the subject of the sale. The Company is obliged to ensure that on the balance day there are sufficient financial instruments to balance the transaction on the suitable client's account.

## Article 57

**Necessary conditions for accepting a purchase order** -Prior to accepting or executing a client's purchase order, the Company shall verify if the client cash account has sufficient funds to settle the obligations arising from the order execution for the purchase of the financial instruments. The Company is obliged to ensure that on the balance day there is enough money to balance transaction on the client's dedicated cash account for the purchase of financial instruments.

If the client does not have sufficient financial instruments that are the subject of purchase on the financial instruments account, or if the client's cash account does not have sufficient funds to settle the obligations arising from the execution of the purchase order, the Company may reject the order execution. The Company shall immediately upon the order rejection and no later than the next working day from the day of rejection notify the client in writing about the reasons for the rejection, i.e. failure to accept the order.

Exceptionally, the Company will not refuse to execute the order if the client's order can be executed in whole or in part:

1. from realized, but unbalanced transactions;
2. granting loans with the consent of the client, in accordance with the law;
3. borrowing financial instruments in accordance with the rules governing the lending of the financial instruments.

The Company is obliged to reject:

1. the receipt of the purchase or sale order if it determines that a criminal offense or violation would be committed by the order execution;
2. the receipt of an order for purchase or sale that must be executed on a particular trading day, when the deadline for submission of that order for its execution expired in accordance with the regulations of the regulated market on which those financial instruments are included in trading;
3. the order execution, if the order does not meet the conditions stipulated by the Law and the contract, or if all required data are not provided for their execution;
4. the execution of an order, if there is a suspicion of money laundering and financing of the terrorism;
5. the order execution, if the Company considers that the execution of the order can lead to manipulation on the regulated market.

In case of rejection of the order receipt, the Company is obliged to, in writing or through electronic means, in the manner in which it received an order, no later than the next working day from the day of the order receipt, inform the client about the rejection, stating the reasons why the order was rejected.

#### **4.3. Confirmation on Acceptance/Rejection of the Client's Order Execution**

##### Article 58

The Company shall confirm to the client the receipt of the order, as well as the change and withdrawal of the received order, by submitting a notice on:

1. time and venue of the receipt, changes and withdrawal of the orders,
2. acceptance or rejection of the order execution, stating the reasons for rejecting the order, immediately upon the receipt of the order, and no later than the next working day from the day of the order receipt, as follows:
  - a. for orders received directly in the headquarters, the client shall deliver the certificate immediately upon the receipt of the order,
  - b. for orders received by phone, the client shall be informed immediately, during the phone conversation in which the phone order is being delivered by the client, orally announcing that the order has been accepted or forwarded to a particular market,
  - c. for orders received by fax or via electronic means, the certificate on the receipt is delivered to the client through the same medium through which the order was received, or through another durable medium in accordance with the client's contract.

The Client may, by submitting a special written notice to a broker employed in the Company, determine another method for receiving a certificate of acceptance/rejection or execution of an order (to a specific e-mail address, such as sending a written notice to the address of another person authorized by the Client).

##### Article 59

Before delivering the order the Client of the Company is obliged to:

1. have an adequate account of the financial instruments from which the Company will be authorized to transfer rights from the financial instruments based on the purchase and sale of these financial instruments and the registration of the third parties' rights
2. have a cash account at a credit institution, from which the Company will be authorized to make payments of funds based on the concluded transactions
3. authorize the Company to transfer and register the rights and to make payments on the above-mentioned accounts.

Authorization may be contained in a contract on the management of the financial instruments accounts and given based on another legal activity.

#### **4.4. Order Content**

##### Article 60

One order may require the purchase/sale of only one type of the financial instrument and at one price both on the regulated market and the MTP, or OTC capital market.

Regardless of the method of delivery, the order must contain the following elements:

1. type of the activity (purchase/sale)
2. date and time of the order delivery
3. the name and headquarters of the client
4. the label of a financial instrument (name, type, class, series, CFI code or ISIN number, or some other internationally recognized label)
5. quantity
6. price

In the case of an order with a limit price, the price at which the Company is obliged to execute an order is determined as:

- a. maximum price (for purchase)
- b. minimum price (for sale)

When it comes to an order with a market price, the client agrees that the order is executed according to the most favourable conditions that can be achieved on the market, that is, it is ready to accept the realization of the order at any price, defined by the Terms and Conditions of the market organizer on the trading day.

In the case of a primary purchase of the government securities, the client can deliver the purchase order as a:

- a. competitive
- b. non-competitive order

Competitive orders are purchase orders containing information on the amount and price at which the client wants to buy government securities.

Non-competitive orders are purchase orders that contain solely information on the amount of securities the client wants to buy, without quoting the price. The price at which the securities are purchased in this case is equal to the determined price in the auction phase.

#### **4.5. Duration and Venue of the Order Execution**

##### Article 61

The order shall cease to be valid after the complete realization, withdrawal or upon the expiration of the deadline it is delivered to.

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- a. daily order - an order is valid only for that trading day
- b. order up to date - the order is valid until a specific day in the future
- c. order to revoke - the order is valid until withdrawn by the client

After the expiration of the validity period, if the order has not been executed, the order cannot be extended or automatically renewed. It is necessary for the client to submit a new order.

A market order is always a daily order.

#### Article 62

While providing the service of the execution and/or receipt and transfer of the orders, on behalf and for the account of the client, the Company will select the venue of execution that allows execution under the most favourable conditions.

The Company executes orders of the client for the purchase or sale of financial instruments, traded on the domestic market at the following venues:

- a. regulated market (Montenegro Stock Exchange PLC)
- b. Multilateral Trading Platform (MTP),
- c. outside the regulated market or MTP (unregulated or OTC market)

The Company shall execute client orders for the purchase or sale of financial instruments that are not traded on the domestic markets, in accordance with the abilities, on foreign markets that perform a function similar to the above-listed:

1. regulated market – foreign stock exchanges
2. Multilateral Trading Platform (MTP)
3. Outside the regulated market or MTP (unregulated or OTC market)

#### **4.6. Time and Method of the Order Execution**

#### Article 63

The Company shall execute an order in accordance with its content and according to the time priority with which the order was received. The Company will forward the order to the regulated market, or MTP or OTC market immediately upon the receipt, in accordance with the provisions of the investment company's Terms and Conditions regarding the provision of services.

While executing the client orders, the Company shall take all necessary measures for a fair and efficient execution of the client's orders in relation to the orders of other clients or the Company itself.

While executing an order for the client's account, the Company will take into consideration the following:

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1. information from the order shall immediately and accurately enter into the Order Book,
2. immediately execute similar client orders in accordance with the time of receipt of the order, except:
  - a. if the conditions prevailing in the market do not allow this,
  - b. if this is not possible given the characteristics of the order,
  - c. if the interests of the client require different treatment,
3. immediately and accurately categorize the orders executed for the client's account,
4. undertake all necessary activities enabling the financial instruments, or funds to be timely and promptly transferred to the corresponding account of the client after balancing obligations.
5. inform the Client on all significant difficulties related to the execution of the order, as soon as they are found out.

While executing the order, the Company will take all reasonable measures to obtain the most favourable outcome for the client and take into account the elements relevant to the execution of the order as follows:

1. the price of the financial instrument;
2. costs, speed, ability to execute;
3. costs, speed, ability to charge,
4. the size and type of orders
5. any other circumstances relevant for the order execution.

When the Company receives an order with the explicit client instruction, which, for example, refers to the execution of orders in a particular market, that is, on a regulated market or multilateral trading platform (MTP) or outside the regulated market or MTP and/or in a particular manner of the order execution, it is bind by such client's instruction in the part to which the instruction relates, which means that it is not able to act in accordance with the regulations of the most favourable outcome defined by this Policy.

#### **4.7. Registration of the Accepted Orders/ Order Book**

##### Article 64

The Company is obliged to keep an Order Book in written or electronic form, to which all the orders receipt, changes and withdrawal of these orders are entered immediately upon the receipt of the order.

The Order Book is kept in such way that immediately upon receipt of the order, the time of the order receipt is recorded in a manner that prevents later changes to the entered data.

The Order Book contains:

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1. name, surname/ business name or other label of the client;
2. name, surname/ business name or other label of the person representing the client;
3. ordinary number of the order;
4. date and exact time of the receipt, changes and withdrawal of the orders;
5. identification label of a financial instrument;
6. price of a financial instrument;
7. quantity of the financial instrument;
8. purchase/ sales label;
9. nature of the order if it is not a purchase or sales order;
10. order type;
11. status of the order;
12. other details, conditions and instructions received from the client regarding the method of the order execution.

#### Article 65

If the Company transfers the execution order to another person or vice versa, the Order Book contains the additional information:

1. name, surname and address/ name and headquarters of the client;
2. the name of the investment company to which the order has been forwarded;
3. date and exact time of the order transfer;
4. conditions of the order transferring;

#### **4.8. Policies and Procedures for Order Execution Under the most Favourable Conditions for the Client**

#### Article 66

The Order Execution Policy defines the procedures and measures that the Company applies while executing or receiving and transferring clients' orders for the purchase and sale of the financial instruments in order to achieve the most favourable outcome for the client.

The policy defines more closely the elements that the Company takes into account while executing or receiving and transferring orders to another authorized company, the places where the orders and factors affect the selection of the certain order execution venues, and the aggregation and allocation of the client orders.

Clients are warned that the Policy does not represent a guarantee that the most favourable outcome will be achieved while performing each individual order, but rather defines the criteria according to which the most favourable outcome should be achieved in the largest possible number of cases.

#### Article 67

The company is obliged, prior to receiving the order, to provide consent, i.e. written consent of the client to this Policy, and therefore it is advisable for clients to determine whether it is acceptable to them or not.

The consent is given in one of the manners that provide a durable record, i.e.:

1. in writing;
2. via e-mail;
3. by phone, along the implementation of valid identification.

#### Article 68

This Policy applies to all clients of the Company, except to qualified principals, as defined by the Law on Capital Market.

#### Article 69

The Company is obliged to:

1. monitor the efficiency of the adopted Order Execution Policies in order to timely identify and eliminate deficiencies,
2. evaluate at least once a year whether the systems and measures determined by the Order Execution Policies achieve the best possible effects for clients at the order execution venues and, if necessary, make changes in existing policies,
3. inform the clients about all significant amendments to the Order Execution Policies and the method of the order execution,
4. at the client's request, prove that the client's orders were executed in accordance with the Order Execution Policies.
5. after conducting a transaction for the client's account, the client informs about the order execution venue.

#### **4.8.1. The most Favourable Conditions for the Order Execution**

#### Article 70

The Company is obliged to:

1. enter the information immediately and accurately in the Order Book,
2. immediately execute similar client orders in accordance with the time of the order receipt, except:
  - a. if the conditions prevailing in the market do not allow this,
  - b. if this is not possible given the characteristics of the order,
  - c. if the interests of the client require different treatment,
3. immediately and accurately categorize orders executed for the client's account,

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4. undertake all necessary activities for the financial instruments, or funds to be timely and promptly transferred to the corresponding client's account after balancing the obligations upon the executed order,
5. inform the client on every significant difficulty regarding the order execution as soon as they are found.

#### Article 71

While executing the order, the Company shall take all reasonable steps to obtain the most favourable outcome for the client and take into account the elements relevant for the order execution, as follows:

1. the price of a financial instrument;
2. costs, speed, possibility of execution;
3. costs, speed, possibility of collection,
4. the size and type of order
5. any other circumstances relevant for the order execution.

While executing the clients' orders, the following criteria shall be taken into account, in particular:

1. the characteristics of the client, including their categorization as a small or professional investor;
2. the characteristics of the client's order;
3. the characteristics of the financial instrument to which the order relates;
4. characteristics of the trading venue where the order can be executed.

#### **4.8.2. Small Client Order Execution**

#### Article 72

Achieving the most favourable outcome while executing small clients' orders is ascertained in relation to the total transaction costs.

Total transaction costs include:

1. the price of a financial instrument,
2. all costs directly related to the order execution, which are borne by the client:
  - commissions and fees for the trading venues,
  - commissions and fees for clearing and balance transactions,
  - commissions and fees of the Company,
  - commissions and fees paid to the third parties involved in the order execution.

The Company is obliged to, prior to providing the service of the order execution, inform the small investor, through durable medium or by publishing on its website, about:

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1. the assessment of the significance of the procedures referred to in Article 269 and criteria referred to in Article 277 of the Law on Capital Market;
2. the list of execution venues for which the Company considers that it will achieve the most favourable outcome for a small investor;
3. the warning that special instructions from the client can prevent the Company from achieving the most favourable outcome.

#### **4.8.3. Professional Client Order Execution**

##### Article 73

For professional investors the most favorable outcome is conditioned by the size of the order, the speed and the possibility of execution and collection, while the other elements are less important.

Unless the Company, considering the size and nature of the orders, the characteristics of the financial instrument and the characteristics of the venue of execution, estimates that, taking into account other elements other than the above-listed, the client will achieve more favourable outcome, it keeps the right to take into account in the first place another element (for example, if a financial instrument is listed on two different markets, the Company may give preference to collecting options).

#### **4.8.4. Explicit Client's Instruction**

##### Article 74

When the Company receives an order with the explicit client instructions, which, for example, refer to the orders execution on a particular market, that is, on a regulated market or multilateral trading platform (MTP) or outside the regulated market or MTP and/or in a specific manner of the order execution, it is bound to such a client's instruction in the part to which the instruction relates, which means that it is not able to act in accordance with the rules of the most favourable outcome defined by this Policy.

If the Company acts according to the explicit client's instructions it will be considered that it has met the obligation to achieve the most favourable outcome.

An order delivered through an Internet trading application shall be deemed to be delivered with an explicit client instruction regarding the manner and venue of execution. On the official website of the Company there is a list of execution venues for orders delivered via the Internet. Orders for trading financial instruments on the foreign markets are received exclusively as orders with explicit instruction regarding the execution venue.

#### **4.8.5. Limited Orders**

##### Article 75

A limited order is an order for purchasing or selling a certain quantity of a financial instrument at the price specified in the order or at more favourable price. If the limited order for the purchase or sale of the financial instruments listed on the regulated market cannot be executed immediately, the Company will place such an order on the trading system of a regulated market or MTP without delay, unless the client has given an explicitly different instruction.

#### **4.8.6. Order Execution Outside the Regulated Market or MTP**

##### Article 76

The Company may execute the order outside the regulated market or MTP with the prior consent of the client, whereby the client's order can be executed by merging the client's order with the order of the other client, the Company order or the third party's order.

***Note:** The Client in the Personal Data Form can confirm that he/she agrees with the order execution outside the regulated market or MTP. Such consent is valid for all future client transactions and the Company will not require special consent for individual orders.*

#### **4.8.7. Aggregating and Allocating the Orders**

##### Article 77

Accepted client orders and dealer orders can be executed by aggregation provided that:

1. the aggregation of the orders and transactions does not harm the client to whose account it is aggregating;
2. the Company informs the client whose order is aggregated that the effect of the aggregation can be harmful in relation to the individual order;
3. the Company establishes and effectively implements the procedures for allocating orders that provide the conditions for the proper allocation of the aggregated orders and transactions, including the manner in which the quantity and price specified in the order determine the allocation and the handling with partial orders execution.

The company is obliged, in case of aggregating an order to one or more client's orders, to allocate transactions in accordance with the procedures of the orders allocation.

If the orders are jointly exposed at the same price, and the quantity of the financial instruments is insufficient to execute all orders, the order of the client that was received earlier is executed first.

Within the framework of the financial instruments portfolio management, the Company allocates partially executed orders in proportion to the size of the client's portfolio and the average trading price.

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#### **4.8.8. Order Execution through Third Parties**

##### Article 78

The Company in certain cases, when the order is to be executed on a regulated market or MTP, of which the Company is not a member, forwards the order for execution to third parties that are defined by the same regulations, and are obliged to execute the clients' orders under the most favorable conditions.

For trading in non-EU countries that have not implemented the same regulations, the Company shall, according to its own assessment, select the authorized third parties through which the orders are executed. The Company shall review this Policy once a year and determine whether third parties to whom these orders are forwarded for execution are acting in a manner that is the most favourable for the clients.

The list of authorized companies to which the Company forwards the orders for execution is in the Appendix to this Policy and is an integral part thereof. The Order Execution Policy applies to all financial instruments to which the licence of the Company relates. The list of the financial instruments is contained in the Appendix to this Policy and is an integral part thereof. The Order Execution Policy and the Appendix to this Policy, as well as all their amendments, are available in the Company's business premises, as well as on the official website.

#### **4.9. Record of the Executed Transactions**

##### Article 79

After executing a client's order or transferring an order through another investment company for the execution and receipt of the transaction confirmation, the Company shall record:

1. name, surname and address/ name and headquarters of the client;
2. date, time and place of trading,
3. purchase or sales label,
4. the identification label of a financial instrument,
5. the individual and the total price and the currency symbol in which the price is expressed;
6. quantity of the financial instrument;
7. the type of transaction, if it is not a sales or purchase transaction;
8. the natural person who made the transaction or who is responsible for its realization.



## V INFORMING THE CLIENT

### 5.1. Informing the Client about the Order Execution

#### Article 80

The Company is obliged, immediately upon the order execution, to:

1. provide important information on the order execution to the client;
2. send an information to the small client confirming the execution of the order, as soon as possible, and not later than:
  - a. the first working day after the execution;
  - b. the first working day after the receipt of the certificate, if the Company received a certificate of the order execution from the third party.
3. deliver information on the order status at the request of the client

The Company delivers the information/ notification about the order execution through a durable medium.

The notice that relates to a small client, in accordance with the type of the order contains in particular:

1. name of the investment company that submits the order report;
2. name and surname, or name of the client;
3. trading date;
4. time of trading;
5. type of order;
6. label of trading venue;
7. label of a financial instrument;
8. purchase/sale label;
9. type of order, if it is not a purchase/sale order;
10. quantity;
11. price per unit of the financial instrument;
12. total value of the order;
13. total amount of the calculated commissions and costs;
14. responsibility of the client related to the balance of the transaction, including the deadline for the payment of delivery, as well as the relevant information about the account, if the client has not previously been informed thereof;
15. statement saying that the other party in the transaction with the client is an investment company, a person from the investment company group or another client of the investment company, unless the order is executed through a trading system that allows anonymous trading.

## Article 81

The provision from the previous Article shall not apply if the certificate of the order execution contains the same information that is contained in the certificate delivered to the small investor without delay by a third party.

If an order is made in tranches, the investment company may provide the client with the information on the price of each tranche or the average price.

The client cannot be denied the right to be informed about the order execution. The client may order the sending of a notice to the person he authorizes.

## 5.2. Informing the Client about the Portfolio Management

### Article 82

When the Company provides a portfolio management service, it is obliged to provide a client on a durable medium with a periodic report on portfolio management services performed for that client's account, unless the report is delivered by another person under the authority of the Company.

If it is a small client, the report from the previous paragraph of the order contains:

1. the name and headquarters of the Company;
2. the name or other label of the small investor's account;
3. the information on the content and the assessment of portfolio, including information on each financial instrument, its market value or fair value, if the market value is inaccessible, the cash balance at the beginning and at the end of the reporting period, and the yields of the portfolio during the reporting period;
4. the total amount and specification of fees and expenses incurred during the reporting period;
5. the comparison of yields during the reporting period with reference value of the yields on investment (if any), agreed between the Company and the client;
6. the total amount of dividends, interest and other payments received in the reporting period in relation to the client's portfolio;
7. the information on stocks that give rights in relation to the financial instruments in the portfolio;
8. for each transaction conducted during the reporting period, the information referred to in Article 317, paragraph 3, item 3 to 12 of the Law.

The investment company referred to in paragraph 1 of this Article must submit the periodic report every six months to a small investor, unless otherwise agreed.

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### **5.3. Reports on the Client Financial Instruments or Funds**

#### Article 83

The Company is obliged to, through a durable medium, submit to each individual client a report on the assets of the client, that is, the financial instruments held for the client.

The Company is obliged to submit the Report on the client's asset at least once a year. A different reporting period may be agreed by concluding the contract with the client.

The report on the client's assets contains:

1. details about all financial instruments and/or funds that the Company holds for the client at the end of the reporting period,
2. the scope of transactions with financial instruments and/or funds in order to finance trading;
3. benefits/yields generated from such use/disposal.

The information specified in the report is based on the balance date. In the report, the Company is obliged to specify the transactions which at the end of the reporting period have not been balanced yet.

## **VI KEEPING AND RECORDING THE BUSINESS DOCUMENTATION**

#### Article 84

The Company is obliged to keep proper documentation and electronic records of all performed investment services and transactions in a manner that enables the implementation of supervision over the Company's activities.

#### Article 85

The Company is obliged to enable:

1. availability of records;
2. the possibility of checking the flow of individual work at any time;
3. separate business documentation for each individual client, as well as the separate documentation on the Company's activities;
4. protection against unauthorized access and possible losses;
5. that records on transactions conducted on behalf of the client contain all data and details regarding the identity of the client, as well as the data stipulated by the Law on the prevention of money laundering and terrorist financing.

#### Article 86

The Company undertakes the following activities concerning the business relation with the client:

1. organizes the keeping of records and documents on all services and transactions executed, and, in particular, on the execution of obligations towards the clients or potential clients;
2. records phone conversations or electronic communications of transactions conducted by trading for their own account, as well as receiving, transferring and executing the client orders, regardless of whether the transaction is completed or not;
3. provides recording of the phone conversations and electronic communications with the equipment it has given for the use to an employee or contractor or the use of which by the employee or contractor the Company has allowed;
4. prior to providing investment and ancillary services, informs the client that phone communication or conversations between the Company and its clients will be recorded.

#### Article 87

Clients can also deliver the orders through mail, fax, e-mail, documented client order drafted personally at a meeting, a record, or a note.

#### Article 88

The Company is obliged to keep all documentation on the activities with a particular client separate from the documentation on activities with other clients and documentation on its own activities.

The business documentation protects the Company from an unauthorized access and possible loss in the record and is kept in a manner that ensures the sustainability of records.

#### **6.1. Record of the Received and Executed Orders**

#### Article 89

The Company shall keep a record of the received and executed orders (Order Book) in accordance with the provisions of these Terms and Conditions.

#### **6.2. Record of the Phone and Electronic Communication**

#### Article 90

In accordance with the Terms and Conditions and the Law, the Company is obliged to inform all new and existing clients that phone communication or conversation between the Company and its clients that have led or could lead to transactions are being recorded. This information

may be provided once, prior to the provision of the investment services to a new or existing client.

The Company is obliged to keep a special register of the clients who deliver orders by phone, containing:

1. list of all clients who signed the Annex to the Contract for the delivery of orders by phone,
2. their codes/passwords and the phone number from which the client will constantly deliver trading orders.

The client's registry is kept electronically. Data from this registry is considered a business secret and is protected by a special password, which prevents unauthorized persons from accessing these data.

#### Article 91

The Company keeps all records in accordance with the Law on Capital Market on a durable medium that enables:

1. the Commission to promptly access information and revise the key stages of the processing of each transaction;
2. to easily determine the modifications or other changes, as well as the contents of the records before the modifications or changes;
3. to prevent manipulation or data changes from the registry in another manner.

### **6.3. Period on which the Record is Kept**

#### Article 92

The Company shall, at least five years after the end of the year in which the particular business was concluded, or five years after the end of the business year in which the contractual relation with the client was terminated, keep all the documentation and data on all activities with financial instruments that it performed both for its account and for the client's account.

If the contract between the Company and the client lasts more than five years, the Company will keep all records until the expiration of the contractual relation with the client.

The Company may, exceptionally, when necessary in order to ensure the rights or to protect the interests of the interested parties or the rights and interests of the Company or third parties, extend the deadlines for keeping records.

If the Commission instructs the Company to keep the whole or part of the records for the period of more than five years, the Company will keep all records until the Commission's

request is terminated. The Company will provide or make available data from the records upon the request to the client and the Commission.

## **VII ACTING UPON THE CLIENT'S COMPLAINTS**

### **Article 93**

With the provisions of the separate heading, the Company determines activities related to the efficient, transparent and up-to-date treatment of the Company in relation to complaints of the clients or potential clients in accordance with Article 257 of the Law on Capital Market and Article 9 of the Organizational Requirements Policy and Terms and Conditions for performing investment services and activities.

### **Article 94**

In its organization, the Company has established a position for managing the complaints of the clients and potential clients that is responsible for investigating the complaints.

### **Article 95**

The procedure for receiving, reviewing and handling the client's complaints is carried out taking into account the following principles:

1. protection of confidentiality of data and persons;
2. consideration and decision-making on complaints following the criteria of urgency and the receipt order;
3. consideration and decision-making on complaints within reasonable deadlines;
4. deciding in accordance with the positive legal regulations regulated the matter.

### **7.1. Complaint Submission**

#### **Article 96**

The complaint may be submitted by the Company's clients, or potential clients of the Company.

The complaints are submitted in one of the following manners:

1. directly submitting the written complaint in the headquarters of the Company,
2. sending it by post;
3. sending the scanned complaint via e-mail: [info@limitprime.me](mailto:info@limitprime.me)
4. Filling a complaint request electronically on the Client's profile

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The Company shall solely consider the complaints that are within the scope of the Company's obligations and activities, which have been properly received in the Company in one of the aforementioned manners, containing reasonable and substantiated allegations and evidence.

The Company is not liable if it does not receive the complaint by the client due to unforeseen circumstances (an error in the mail's receipt), and accordingly, it is the responsibility of the client to check whether the Company has received a complaint or has not.

#### Article 97

Complaints shall be submitted in writing and must contain at least the following information:

1. personal data of the person submitting the complaint, namely: name and surname, or name of the legal entity, Unique Personal Registration Number (RN), address, contact e-mail and contact phone number
2. date of filing the complaint
3. description of the subject matter of the complaint and evidence
4. signature of the complainant in case it is not submitted electronically (via the Client's portal).

The client can also submit a proposal for the solution of the situation that is the subject of the complaint, if it wishes.

The complainant is obliged to sign the complaint personally, and in case when the complainant is a legal person, then the complaint is signed by the person authorized to represent, and the complaint must contain the stamp of the legal entity and the official document number.

Anonymous and incomplete complaints will not be considered by the Company.

## 7.2. Complaint Review

#### Article 98

The person authorized to receive complaints shall immediately forward the complaint, no later than the next working day from the day of the receipt of the complaint, to the person performing the activity of managing the complaints referred to in Article 4 of these Terms and Conditions (hereinafter: Authorized person).

The authorized person shall, within a period of five working days from the day of the receipt of complaints, determine the possible disputable facts, prepare a report on the complaint and submit it to the Executive Director of the Company.

The Executive Director to whom the complaint is submitted with the report of the internal controller is obliged to make a decision on the complaint immediately and deliver it to the authorized person for further action within 3 working days from the day of the receipt.

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Not later than the next working day from the day of receiving the decision of the Executive Director, the authorized person sends a response to the complaint in writing.

#### Article 99

The Company shall respond to the complaint in a manner that the complainant stated in the complaint form. If the complainant does not indicate the manner of receiving the response to the complaint, the Company will send the reply to the indicated e-mail address or by post to the address stated in the complaint form.

### 7.3. Records

#### Article 100

The Company keeps record of the complaints and measures taken based on them, and every complaint file must have the following information:

1. the official document number of the Company under which the complaint is registered;
2. the name and surname of the complainant;
3. the sector of the Company to which the complaint relates;
4. the subject of the complaint;
5. the date of the complaint receipt;
6. the date of the response to the complaint;
7. the official document number of the Company under which the complaint is registered.

## VIII CLIENT ASSETS PROTECTION

#### Article 101

In carrying out the activities of keeping and administering financial instruments, i.e. funds of the clients, the Company ensures that:

1. the records and accounts are kept in such a way that at any moment, without delay, the assets of an individual client can be distinguished from the assets of another client, as well as from its assets;
2. the records and accounts are kept in a manner that ensures their accuracy, and, in particular, those relating to the financial instruments and funds held for clients;
3. its internal accounts, accounts records and records of the third parties holding such assets are adjusted on regular basis;
4. the necessary measures are taken to ensure that all financial instruments of the clients, which are deposited with third parties in accordance with Article 297 of this Law, are separated from the financial instruments of the Company and from the financial instruments of that third party;

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5. the measures taken to ensure that the client's funds, which are deposited in accordance with Article 298 of this Law, are held on the account or accounts in which the Company's funds are not held;
6. the corresponding organizational structure is established in order to reduce the risk of loss or reduction of the client's assets or rights in relation with those assets as a result of assets abuse, fraud, mismanagement, inappropriate record keeping or negligence.

#### Article 102

When managing clients' money, the Company is obliged to, at the credit institution, create a cash account of clients that is separated from the Company's cash account.

The Company is obliged to ensure that the funds from the client's cash account:

1. are used only for payment of obligations related to the services it performs for the client;
2. are not used for payment of another client's obligations;
3. are not used for payment of the Company's obligations

#### Article 103

In order to protect investors, when the Company performs the services of holding and administering financial instruments and administering funds and collateral, it is obliged to secure its membership in the investor protection fund.

### **8.1. Management System Concerning the Client's Assets**

#### Article 104

The Company is obliged to appoint a person who has sufficient knowledge and expertise in matters related to the protection of the client's assets and to assign to that person the following powers and competencies for issues related to respecting the Company's obligations regarding the protection of the client's assets:

1. carrying out the supervision over the operational compliance of the investment company with the provisions of Art. 296-299 of the Law and these Terms and Conditions in the area of client assets protection;
2. reporting of the managing bodies of the investment company and the Commission regarding the supervision referred to in item 1 of this paragraph.

## **8.2. Using the Financial Instruments of the Client**

### Article 105

The Company may enter transactions in relation to financial instruments, which it holds for the client's account or otherwise use financial instruments for its own account or for the account of another client of the Company, only if the client's financial instruments are used in accordance with the conditions that the client has agreed upon, whereby the client must give written consent.

### Article 106

The Company is obliged to take appropriate measures to prevent the unauthorized use of the client's financial instruments for its own account or for the account of the client, as follows:

1. to conclude a contract with the clients on the measures that the investment company shall undertake in case the client does not have sufficient funds on the account on the balance day, borrowing the appropriate financial instruments on behalf of the client or closing the position;
2. to carefully monitor the execution possibilities on the balance day, and establish corrective measures if this cannot be accomplished;
3. to carefully monitor and promptly respond requiring undelivered financial instruments that are unsettled on the balance day and thereafter.

### Article 107

The Company may use the financial instruments of other clients held by the Company on a client's account, in transactions that finance financial instruments or for other purposes, only if there is an established control system ensuring that only the financial instruments of the clients that have explicitly given prior consent are used.

The Company keeps record on:

1. the details about the client according to whose instructions the use of financial instruments was performed;
2. the quantity of the financial instruments used, categorized by the clients who have given prior consent for the use of their financial instruments.

## **8.3. Depositing the Client's Financial Instruments**

### Article 108

While choosing a depository on whose accounts the financial instruments of its clients will be held, the Company is obliged to take into account:

1. the expertise and market reputation of the depository;

2. that the depository is subject to the regulations, which in that state, regulate the holding of financial instruments for the account of the other person;
3. to periodically review the choice of depository and agreed arrangements for holding and keeping financial instruments of the client.

#### Article 109

Notwithstanding the provision of the previous Article, the Company may deposit the client's financial instruments with the depository in a country in which holding and keeping financial instruments for the account of another person are not specifically regulated, provided that one of the following conditions is met:

1. the nature of the financial instrument or the investment services related to the listed instrument require depositing with the depository in that State;
2. a professional client, in writing, requests from the Company to deposit its financial instruments with the depository in that country.

#### **8.4. Depositing Client Funds**

#### Article 110

The Company is obliged to, upon the receipt of the client funds, deposit those funds without delay on one or more accounts opened with any of the entities referred to in Article 298 paragraph 1 of the Law.

When the Company does not deposit the client's money with the Central Bank, it shall be obliged to act with the attention of a good expert during the selection, appointment and regular reviews of the credit institution, bank and/or funds referred to in Article 298 paragraph 1 item 2), 3) and 4) of the Law, in which the client's funds are deposited as well as the procedures for holding such funds, and that the need for diversification of the client's funds is deemed part of its attention as a good expert.

The Company is obliged to ensure that clients give their explicit consent for investing their funds in a qualified cash fund in accordance with Article 298 paragraph 6 of the Law.

The amount of cash funds of the clients deposited with one or more entities referred to in Article 298 of the Law, which is a part of the same group as the Company, may not exceed 20% of the total funds of the clients held by the investment company.

Notwithstanding the provision, the Company shall not be obliged to comply with the limitations referred to in paragraph 4 of this Article if it can prove that, given the nature, scope and complexity of the investment company's activities, the safety of the entities where the funds are held and the size of the cash balance of the clients held by the Company, the request referred to in paragraph 4 of this Article, they are not proportional.

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The Company is obliged to periodically, and at least once a year, review the selection of the institutions referred to in Article 298, paragraph 1 of the Law and agreed arrangements related to the holding of the client's funds, which may harm the interests of the clients.

## **8.5. Daily Calculation**

### Article 111

The Company is obliged to ensure, on a daily basis, that the amount of the client funds held by the institutions referred to in Article 298 paragraph 1 of the Law, to be minimally equal to the amount of the client's funds, which is recorded in the Company's internal records.

The listed amounts are adjusted through the daily calculations that must be completed by the end of the next working day in relation to the day for which the calculation is done.

In the event that the daily calculation determines that the amount of the client funds held by the institutions referred to in Article 298, paragraph 1 of the Law is less than the amount of the client's funds, which is recorded in the Company's internal records, and it is obvious that the determined difference is the result of incorrect or incomplete records of the Company, the investment company must, within the deadline referred to in paragraph 1 of this Article, provide additional monetary funds and deposit it with the institutions referred to in Article 298 paragraph 1 of the Law.

The Company is obliged to inform the Commission about the inability to carry out daily adjustments of the records referred to in paragraph 1 of this Article or the inability to provide the funds referred to in paragraph 2 of this Article no later than the next working day from the day of emerging of the circumstances referred to in this paragraph.

The Company may hold additional (own) funds on the accounts where the client's funds are deposited when it deems it necessary in order to protect the assets of the clients.

## **IX UNAUTHORIZED ACTIVITIES**

### Article 112

While determining and preventing prohibited activities (conflict of interest, unauthorized own transaction, misuse of privileged information, disclosure of business secrets) which may arise during the provision of services from the Company's activities, the Company shall comply with the measures and procedures stipulated by the Conflict of Interest Managing Policy and The Business Secret Policy that form an integral part of these Terms and Conditions.

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## **XXII CODE OF ETHICS**

### Article 113

Employees of the Company are obliged to perform their duties in accordance with good business practices and business morality and to behave in a manner that will not endanger the reputation and interest of the Company.

The Company keeps records of data, such as qualifications, success in work, fraud, misdemeanors, financial losses, sale of business information and similar, for all its employees.

### Article 114

Authorized persons in the Company and other employees are obliged to communicate with the public in accordance with the usual standards. These persons must not give:

1. information in which material facts are omitted;
2. false and incomplete statements that may lead to confusion regarding the performance of trading financial instruments activities;
3. anticipations on the movement of the trading financial instruments, if they do not state that they are nothing but anticipations.

## **X INTERNAL CONTROL**

### Article 115

The internal control system in the Company is defined by these Terms and Conditions, which further define the basic principles of the organization and activities of the internal control for efficient and successful operation, reliable financial reporting of business compliance with applicable legal regulations, and protection of the assets of the Company's and its clients.

The internal control system has several components:

1. administrative control procedures;
2. accounting control procedures;
3. risk assessment procedures;
4. supervising and monitoring procedures;

### Article 116

Internal control is organized in the Company as a system of procedures that ensure:

1. continuous monitoring, checking and improving the safety and efficiency of the business activities;
2. identifying the risks to which the Company is exposed, or can be expected to be exposed in the future, in order to control and prevent all excessive exposure of the Company to risks,

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3. monitoring the compliance of the Company's activities
4. identifying and preventing the unauthorized activities
5. the accuracy and completeness of accounting records,
6. integrating the Company's control system with daily business activities and business policies of the Company.

#### Article 117

The internal control activity is implemented through:

1. the control maintained by the Board of Directors;
2. the control maintained by the Audit Committee;
3. the control maintained by the internal auditor;
4. the control maintained by the Executive Director;
5. the control maintained by the Compliance Sector referred to in Article 253 of the Law / Assistant;
6. the control by a person related to the prevention of conflict of interest;
7. the control by a person maintaining the control and risk management;

#### Article 118

The Board of Directors in the internal control system is responsible for the implementation of the following procedures:

1. establishment and development of an adequate and efficient system of internal control of the Company, as well as the control of the implementation of this system,
2. establishment and development of an adequate organizational structure of the Company, which enables full and effective involvement of all employees in the implementation and development of the internal control system,
3. preparation and periodic control of the implementation of the Company's acts,
4. control of the work of the Executive Director of the Company and persons with special powers and responsibilities in the Company, who, together with the internal audit, participate in the process of proposing new and updating the existing procedures from the domain of the internal audit work,
5. determination of the frequency and scope of the control to be carried out within all organizational units,
6. promotion and dissemination of the culture of continuous supervision of internal control procedures,
7. establishment of high ethical and professional standards in performing all activities in the Company.

Supervision over the work of the Board of Directors is performed by the Shareholders Assembly of the Company.

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#### Article 119

Audit Committee in the internal control system is responsible for the implementation of the following procedures:

1. follows the financial reporting procedure;
2. monitors the effectiveness of internal control of a legal entity and internal audit;
3. monitors the statutory audit of annual and consolidated financial statements;
4. monitors the independence of the engaged authorized auditors or audit companies that perform the audit, as well as contracts on the use of additional services in accordance with Article 20 of the Law on Auditing
5. makes recommendations to the Shareholders Assembly of the Company, or to the founders on the selection of the audit company or the authorized auditor;
6. reviews plans and annual reports of the internal control, as well as other issues related to financial reporting and auditing.

Supervision over the work of the Audit Committee is performed by the Shareholders Assembly of the Company.

#### Article 120

The internal auditor in the internal control system is responsible for the implementation of the following procedures:

1. controls the work of the Compliance Sector, i.e. the Assistant
2. establishes and implements an audit plan for assessing the suitability and cost-effectiveness of the systems, mechanisms and measures of the internal control of the investment Company
3. reports on internal audit issues
4. manages the risks of the Company

The internal auditor is responsible for the work of the Board of Directors and the Audit Committee.

#### Article 121

The Executive Director of the Company in the internal control system is responsible for:

1. implementing the established acts of the Company's Business Policy,
2. proposing the organizational structure, business policy and internal control system of the Company,
3. monitoring, analyzing and determining the acceptable risk limits that the Company assumes as well as the method of the risk management,
4. taking care of the efficient performance of the activities and duties of the Company's employees,

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5. controlling the efficiency of the use of the engaged resources,
6. supervising that enables a timely assessment of the existing and new risks that occur in daily activities of the Company, and such risk control that will minimally decrease the negative impact on the Company's activities,
7. determining the procedures and monitoring their adequacy and efficiency in removing the identified deficiencies,
8. timely modifying all policies, procedures, instructions and actions deemed not to be adequate and purposeful, and adapting them to the changes in the organization of the Company and the business environment, the implementation of changes in business books in accordance with the opinion of the auditor accepted by the competent body of the Company.

Supervision over the work of the Executive Director is performed by the Board of Directors of the Company.

#### Article 122

The Assistant or the Compliance Sector in the internal control system is responsible for the implementation of the following activities:

1. maintains control of the Company's compliance with the Law on Capital Market and other relevant regulations,
2. acts upon client complaints,
3. maintains the control of the formal and substantive validity of the contract on the brokerage performance,
4. maintains account control (review and approval), such as:
  - opening and checking the account of a client of an investment company with the Central Clearing Company,
  - checking the transfer of the financial instruments from the register account to the client's account,
  - checking the transfer of financial instruments from the client account to the register account,
  - checking the transfer of financial instruments from a client's account with one investment company to the client's account with another investment company,
  - correcting the errors in the account with complete documentation,
  - closing a client account.
5. maintains the control of the formal and substantive validity of the order, such as:
  - using the stipulated order form,
  - the method of receiving the order
  - adjusting the content of the recorded audio order with the contents of the order, in the case of orders delivered by phone,

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- the order elements,
  - the signature of the principal,
  - the signature of the authorized broker and the verification of the order,
  - issuing a certificate on the order receipt,
  - paying in advance in the case of a purchase order
6. maintains control of the order execution, such as:
- reviewing and approving the correspondence related to finding or conducting a transaction,
  - introducing the order into the trading system,
  - order execution,
  - approving the transaction,
  - reporting on the executed order,
  - reviewing and approving the brokerage business activities,
  - reviewing the client's account with the bank,
  - reviewing and approving the instructions to the depository bank,
  - responsibility for maintaining and settling accounts,
  - archiving an order.
7. at the end of the working day, maintains the control of the Order Book and determines whether all received orders are entered in the Order Book by a person authorized to keep the Order Book in accordance with the law and regulations of the Commission.
8. maintains control of the correspondence from the office, as follows:
- reviewing and verifying the entire mail sent to clients before it is dispatched,
  - viewing and approving outgoing e-mail before it is sent,
  - granting approval for each copy of the correspondence that comes out of the office,
  - reviewing the distribution of the correspondence,
  - reviewing the marketing and promotional materials and granting approval for it.

The supervision over the work of the internal controller is maintained

\ by the Internal Auditor and the Board of Directors.

#### Article 123

A person performing the prevention of the conflict of interest is required to take actions and measures in order to prevent conflict of interest and misuse of the confidential information.

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## **XI TRANSITIONAL AND FINAL PROVISIONS**

### Article 124

The Company's Terms and Conditions must be accessible for insight to all the Company's clients.

The relation between the Company and the client, as well as in the authorized participant's performance of the activities, and in a part that is not defined by this Terms and Conditions is defined by Law and the relevant bylaws of the Commission.

### Article 125

The Board of Directors and the Executive Director may initiate amendments to these Terms and Conditions.

The initiative is submitted to the Board of Directors who evaluates the justification and establishes a proposal for amendments to the Company's Terms and Conditions.

### Article 126

These Terms and Conditions, as well as their amendments, shall enter into force on the day of their adoption and shall apply after the Commission's positive opinion on compliance with the Law on Capital Market.