

Pursuant to Article 163, paragraph 1 and Article 300 of the Law on Capital Market ("Official Gazette" of RS, No. 31/2011), Article 15 and Article 22 of the Rulebook on Giving Consent to the General Acts of Market Organizer, Investment Company and Central Registry, Depository and Clearing House ("Official Gazette" of RS, No. 89/2011 and 44/2012) Board of Directors of Broker-Dealer Company "M&V Investment" a.d. Beograd, at the meeting held on **21.05.2014.** adopted the following:

OPERATING RULES

BROKER-DEALER COMPANY "M&V Investments" a.d. Beograd

GENERAL PROVISIONS

Article 1

These Rules shall regulate the general operating terms of Broker-Dealer Company "M&V Investments" a.d. Beograd (hereinafter: the Company) and particularly:

- types of operations;
- procedure for clients categorization/classification and clients category change;
- information submitted to the clients and potential clients;
- assessment of suitability of financial instruments for the client;
- contract with the client;
- receipt of client's order;
- order execution;
- reporting to clients;
- protection of clients' property;
- entrusting services and business processes;
- code of business conduct when providing investment services;
- acting on clients' complaints;
- conflict of interest;
- inside information and prevention of manipulation;
- personal transactions;
- keeping of business secret;
- other issues significant for the Company's business operations.

TYPES OF OPERATIONS

Article 2

In accordance with the provisions of the Law on Classification of Activities ("Official Gazette" of RS No. 104/09) and Decree on Classification of Activities, the Company's prevailing activity is: 6612- Brokerage operations with securities and stock exchange goods.

Article 3

Pursuant to Article 2, point 8 and in connection with Article 149 of the Law on Capital Market (hereinafter: the Law), the Company may perform the following investment services and activities:

- 1) receipt and transfer of orders relating to the sale and purchase of financial instruments;
- 2) execution of orders for the client's account (brokerage operations);
- 3) trading for its own account (dealer operations);
- 4) portfolio management;

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- 5) underwriting services related to the offer and sale of financial instruments with redemption obligation (underwriter of issuance operations);
- 6) services related to the offer and sale of financial instruments without redemption obligation (issuance agent operations)

The Company may perform the investment services and activities stated in paragraph 1 if in possession of a licence for performing investment company activities issued by the Commission.

Pursuant to Article 2, point 9 of the Law, the Company shall also perform the additional services and activities as follows:

- 1) storage and administering of financial instruments for the client's account, including storage of instruments and related services, such as the administering of the funds and collateral;
- 2) granting credits or loans to the investors enabling them to execute transactions with one or several financial instruments when the Company lender is included in the transaction;
- 3) advising clients regarding the structure of capital, business strategy, merging and purchase of the companies and similar issues;
- 4) research and financial analysis in the field of investment or other forms of general recommendations related to the financial instruments transactions;
- 5) services related to underwriting;
- 6) investment services and activities, as well as additional services relating to the basis of a derived financial instrument stated in Article 2, point 1, subpoints 5,6,7 and 10 of the Law, in connection with providing investment services and activities, as well as additional services;

Article 4

Certain terms mentioned in these Rules and other Company deeds, shall have the following meaning:

- 1) *client* means a legal or natural person being provided with an investment, i.e., additional service by the Company;
- 2) *investment recommendation* means a research or other information intended for the public according to the Law which explicitly or tacitly recommends or suggests the investment strategy in connection with one or several financial instruments, i.e., issuers;
- 3) *trading for one's own account, i.e., dealer operations* means trading by using one's own property, i.e., in one's own name and for one's own account with the result being the conclusion of transactions with one or several financial instruments;
- 4) *market maker* means an investment company constantly present in financial markets and trading for its own account by purchasing and selling the financial instruments using its own property at the prices set by the investment company itself;
- 5) *underwriter* means an investment company carrying out underwriting services related to the offer and sale of financial instruments with the obligation of redemption;
- 6) *agent* means an investment company carrying out services related to the offer and sale of financial instruments without the obligation of redemption;
- 7) *portfolio management* means management of individual portfolios based on the authorization given in the special contract made with the client, and portfolios refer to one or several financial instruments;
- 8) *regulated market* means a multilateral system managed by the market organizer, enabling and facilitating merger of third parties' interests for purchase and sale of financial instruments in accordance with its binding rules, in possession of the licence and operating regularly in accordance with the Law;
- 9) *multilateral trading platform (MTP)* means a multilateral system managed by the market organizer or an investment company, enabling and facilitating merger of third parties' interests for purchase and sale of financial instruments in accordance with the Law;

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- 10) *OTC market* means a secondary market for financial instruments trading, not necessarily having a market organizer, whose trading system implies negotiation between the seller and the buyer of financial instruments with the aim of concluding the transaction;
- 11) *order execution for the client's account* implies activities related to the conclusion of contract for purchase or sale of one or several financial instruments for the client's account;
- 12) *permanent media* represents paper or means enabling storage of data in digital form (CD, Internet banking, e-mail under certain conditions etc.) in such a manner that data access, processing and completeness are provided at least until the period prescribed by the relevant regulations.
- 13) *investors' protection fund* performs its activity with the aim of protecting the investors whose funds or financial instruments are exposed to risk in the event of bankruptcy of the investment company, credit institution or management company performing the services or activities in accordance with the Law. The fund is not a legal person and it is organized and managed by a legal person in possession of the licence issued by the Commission.
- 14) *order execution for the client's account* implies activities related to the conclusion of contract for purchase or sale of one or several financial instruments for the client's account;
- 15) *clearing* means a procedure of determining mutual obligations of the buyer and the seller of financial instruments with the purpose of exchanging financial instruments and money.
- 16) *balancing* means the fulfilment of a transaction through the final transfer of financial instruments and money between the buyer and the seller;
- 17) *authorized investment company* means a company authorized by contract to receive client's orders on its business premises in the name and for the account of another investment company;
- 18) *equity securities* means shares and other transferable securities equivalent to companies shares representing the participation in capital, as well as other types of transferable securities giving the rights to acquire the aforementioned securities as the consequence of their conversion or exercise of the rights they bear, provided that the latter securities are issued by the underlying shares issuer or a person belonging to the group of such issuer;
- 19) *debt securities* means bonds and other transferable securitized debt instruments, excluding the securities which are equivalent to companies shares or which, if converted or if the rights resulting from them are exercised, give the right to acquire shares or securities equivalent to shares;
- 20) *public offering of securities* means any notification, given in any form and by any means, providing enough information about the terms of offering and about securities from the offer so as to enable the investor to decide on purchase or subscription of these securities, and offering and sale of securities through financial mediators, i.e. underwriter and agent is also regarded as public offering;
- 21) *issuer* means a domestic or foreign legal person issuing or proposing the issuance of securities and other financial instruments, and in the case of depository receipts, the issuer is the person issuing the securities representing such depository receipts. The issuers are also:
- the Republic, autonomous provinces, local self-government units, legal persons which are budget beneficiaries and organizations of compulsory social insurance in the Republic;
 - the National Bank of Serbia;
 - foreign countries, government bodies, central banks, international and supranational institutions such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations;
- 22) *inside information* means the information on precisely determined facts, not announced publicly, directly or indirectly relating to one or several financial instruments issuers or to one or several financial instruments, which, if announced publicly, would probably significantly influence the price of those financial instruments or the price of derived financial instruments;
- 23) *market manipulation* means transactions and trading orders which provide or will probably provide untrue or deceiving signals about the supply of, demand for or price of the financial instruments or by which a person, i.e., persons acting together keep the price of one or several financial instruments at an unreal or artificial level, transactions or trading orders employing fictitious procedures or any other form of delusion or deceit, as well as spreading of information through the

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media, including the Internet, or by any other means which transfers, and/or could transfer untrue news or potentially misleading news regarding financial instruments, including spreading of rumours and untrue news and misleading news, by the person who knew or must have known that such information was untrue or misleading;

24) *member of management* means a director or a member of Board of Directors or Executive Board;

25) *personal transaction* means a transaction with a financial instrument carried out by a relevant person acting beyond relevant person's scope of activities or transaction carried out for the account of the relevant person, a person with family relations with the relevant person or closely connected to the relevant person according to the Law or a person whose relationship with the relevant person is of such nature that the relevant person has direct or indirect material interest from the transaction result, which is neither the fee nor transaction execution fee;

26) *relevant person in relation to the investment company* is:

- person with ownership interest in the investment company,
- person at the managing position in the investment company (director, members of the Board of Directors, members of Supervisory Board),
- person employed in the investment company,
- any other person engaged by the investment company for providing services from the person's field of competence;

27) *person closely connected to the relevant person* is a marital, i.e., extra-marital partner of the relevant person, descendants and predecessors in the first line of kinship indefinitely, a collateral relative up to the third degree of kinship, including relation by marriage, an adoptive parent and adopted child and descendants of the adopted child, a guardian and a ward and descendants of the ward, any other person who has shared the same household with the relevant person for at least a year from the date of the personal transaction concerned;

28) *internal control operations* means the operations of coordination of investment company's business dealings with the relevant regulations;

29) *manager* means a member of the management who has been given the Commission's consent;

30) *commission* means the Securities Commission;

31) *relevant regulations* means the Law on Capital Market («Official Gazette of the Republic of Serbia», No. 31/2011), Rulebooks adopted based on the Law and other regulations the Company is obliged to implement.

CLIENTS CATEGORIZATION – CLASSIFICATION

Article 5

Client is a legal or natural person provided with the investment, i.e. additional service by the Company.

In accordance with the relevant regulations, the Company shall be obliged, before providing the services, to classify the client into a certain category for the individual or all services that will be provided, considering the client's knowledge, experience, financial position and investment goals.

When making a contract with a new client, the Company's employee shall be obliged to inform the client about the category the client has been classified into, the level of interests protection that will be provided to the client, possibility to require classification into another client category, as well as about all the changes in the protection level resulting from such a decision, i.e., the Company shall be obliged to also inform thereof, through permanent media, the clients with whom the Company had made contracts before these Rules came into force prior to providing a new service after these Rules come into force.

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Article 6

The Company shall be obliged to classify its clients according to the relevant regulations and its Rulebook into:

1) Professional clients – clients who have enough experience, knowledge and competence for independent decision making regarding investments and appropriate risk estimate in relation to the investments and who meet the requirements prescribed by the relevant regulations and Company's internal procedures.

2) Small clients – Company's clients not classified into the professional client category.

By the Rulebook on Client Classification, the Company shall regulate, in more details, the terms of client classification into client categories, the manner of providing services to certain client categories, the level of protection for each client category, notification of clients, the procedure for category changing and other issues in accordance with the relevant regulations.

INFORMATION DELIVERED TO THE CLIENTS AND POTENTIAL CLIENTS

Article 7

Any information, including marketing information, sent to the clients and potential clients by the Company has to be true, clear and not misleading and marketing material has to be clearly marked as such.

Information sent to the third parties by the Company has to be in accordance with the relevant regulations.

Information provided prior to conclusion of the contract, i.e. provision of services

Article 8

The Company shall be obliged to provide the clients and potential clients with access to the Operating rules, Rulebook on Tariffs and their amendments:

- in the business premises where it deals with the clients;
- by publishing on the Company's web site.

The Company shall be obliged to provide the clients with access to the amendments of documents stated in paragraph 1 of this Article within seven days before the day of beginning implementation of such amendments.

Article 9

Prior to conclusion of the contract, i.e. provision of services, the Company shall provide the small client through web site, i.e. permanent media with the information about:

- 1) the Company and the services it provides;
- 2) financial instruments;
- 3) protection of client's financial instruments and funds;
- 4) costs and charges.

The information stated in this Article shall be a constituent part of the Information for Clients available on the Company's web site, as well as on the Company's business premises.

EVALUATION OF SUITABILITY OF SERVICES, I.E. FINANCIAL INSTRUMENTS
Gathering information when providing services of investment consulting or portfolio management

Article 10

Prior to beginning and during the provision of portfolio management services, the client, i.e. the potential client shall provide the Company with the information, in writing, based on which the Company could recommend the transaction or financial instrument suitable for the client and the information shall refer to the client's investment goals, knowledge and experience in the field of investing into certain types of financial instruments or services, i.e. the knowledge and experience necessary for understanding the risks in connection with the transaction or managing the client's portfolio and to the client's financial situation to bear the investment risks resulting from the transaction that is in accordance with the client's investment goals.

The Company has prescribed the standard form for gathering information from the clients being provided portfolio management services in accordance with the Law and by-laws.

The Company may rely on the information received from the client or potential client, unless it has knowledge about the information being obsolete, incorrect or incomplete.

Should the Company not gather enough information, it shall be obliged to warn the client on the permanent media of its inability to provide the portfolio management service.

The Company may deliver the warning in a standardized form.

Gathering information when providing other investment services

Article 11

Prior to beginning and during provision of other services, except portfolio management services, the client, i.e. potential client shall provide the Company with the information, in writing, about the client's knowledge and experience in the investment field significant for the financial instrument or service being offered by the Company or required by the client himself.

The Company has prescribed the standard form for gathering information from the clients being provided other investment services in accordance with the relevant regulations.

The Company may rely on the information received from the client or potential client in writing, except in the cases when it knows or must know that the information is obsolete, incorrect or incomplete.

Article 12

When the Company provides the clients only with the services of receipt and transfer of orders, i.e., execution of orders for the account of the client, it shall not be obliged to require submission of information from the client as when providing other services, as long as the conditions laid down by the relevant regulations have been met.

Particular provisions related to the professional clients

Article 13

When providing services to a professional client, the Company can regard that client as:

- having enough knowledge and experience in the field of investing into certain types of financial instruments or services, i.e., knowledge and experience necessary for understanding the risks related to the transaction or management of the client's portfolio,

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i.e., to those services, transactions, types of transactions or instruments for which the client has been classified as a professional client;

- being able, within the service provided by the Company, to financially bear all the investment risks in accordance with the client's investment goals, therefore the Company shall have no obligation to evaluate the suitability of the services i.e. financial instruments.

CONTRACT WITH THE CLIENT

Article 14

The Company shall be obliged to make a contract with the client in writing containing as follows:

- rights and obligations of contractual parties and they can be determined by referring to other documents available to the client;
- other conditions under which the Company provides services to the client;
- the client's statement about having been informed about the content of Company's Operating Rules and Rulebook on Tariffs prior to conclusion of the contract.

When an authorized investment company receives the clients' orders, the contractual parties shall be the client and the Company.

Article 15

The Company shall not be obliged to conclude the contract with the following professional clients, if, for them, it executes the services of receipt and transfer of orders, i.e., execution of orders, i.e., additional services related to them: the persons who, for their business dealings in the financial market, are subject to the obligation of approval, i.e., supervision by a competent body, such as: credit institutions, investment companies, other financial institutions whose business dealings have been approved or are supervised by a relevant supervisory body, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, commodity exchange dealers, as well as other persons supervised by a competent body. Also, the Republic, autonomous provinces and local self-government units, as well as other countries or national and regional bodies, the National Bank of Serbia and other countries' central banks, international and supranational institutions, such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.

For the clients stated in paragraph 1 of this Article, the Company shall not be obliged to implement the provisions of these rules which regulate in more details the obligations of the Company prescribed by the Articles 164, 165, 169, 176 of the Law, i.e., by the amendments of the Law and other relevant regulations.

Depending on the type of service being provided to the client, the Company and the client may conclude several specific contracts (for example the contract on portfolio management, the contract on underwriting etc.) which have to contain the compulsory elements if they are prescribed by the relevant regulations.

CLIENTS' ORDERS RECEIPT

Place of clients' orders receipt

Article 16

The Company may receive client's orders at its head office or in the business premises of the authorized investment company, i.e., other company in accordance with the relevant regulations.

The client's order shall be deemed received when it is received in the Company's head office, i.e., in accordance with the relevant regulations.

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Contract with an authorized investment company

Article 17

Conclusion of contract between the Company and an authorized investment company shall be possible only provided that such contract:

1. shall not condition the collection of fees or other costs from the client in the amount higher than the fees the client would have paid if the Company had provided the services;
2. cannot cause unnecessary business risks for the Company;
3. cannot significantly endanger the internal control quality;
4. shall enable the supervision to the Commission.

The Contract stated in paragraph 1 of this Article must regulate:

1. the period and the manner in which the client's order shall be transferred to the Company;
2. that the authorized investment company:
 - shall be obliged to warn the client about the period and receipt of orders
 - shall be responsible for the completeness and correctness of the submitted data,
 - shall be obliged to keep, as a business secret, the data about the investment company's client and the client's orders;
3. that the Company as the investment company the order is being transferred to:
 - shall not be obliged to investigate the correctness and completeness of the data received from the authorized investment company,
 - shall use the information about the client,
 - shall bear the responsibility for the transaction execution based on the order;
4. procedure in case of complaint and claim by the potential and current clients.

In the case when the Company forwards the orders for the execution to another investment company, the provisions of this Article shall be implemented accordingly.

The manner of clients' orders receipt

Article 18

The Company may receive the clients' orders given directly, by phone, by telefax or electronically, i.e., in accordance with the relevant regulations, if that is stipulated by the contract with the client.

If the order receipt is not made directly, the Company shall be obliged to use the appropriate protection mechanisms, such as recording devices, in order to secure the correctness and reliability of the orders in the Company's records.

Received orders records

Article 19

The Company shall be obliged to keep the Book of Orders in electronic form, wherein the orders shall be entered immediately after the receipt, including the orders transferred for execution to another investment company, alterations and revocations of the orders.

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Article 20

The Company's Book of Orders shall contain data prescribed by the relevant regulations and Company's deeds.

Confirmation of acceptance, i.e. refusal of the client's order execution

Article 21

The Company shall immediately, and not later than the following working day from the day of the order receipt, deliver, through a permanent media, the following notifications to the client:

1. about the time and place of order receipt, alteration or revocation;
2. about acceptance or refusal of order execution stating the reasons for execution refusal.

Reasons for refusal of the client's order execution

Article 22

The Company shall be obliged to refuse the execution of order for purchase, i. e., sale and to inform the Commission about that without delay, if there are grounds for reasonable doubt the execution of such an order:

1. would violate the provisions of the Law or the laws governing prevention of money laundering and terrorism financing;
2. would represent an act punishable by law as criminal act, corporate offence or offence.

In determining the circumstances stated in paragraph 1 of this Article, the Company may use its own information, i.e., the information received from its clients or potential clients, unless it has knowledge or should have knowledge of such information being obviously obsolete, incorrect or incomplete.

Article 23

The Company can refuse execution of:

- a purchase order, if it determines that there are not enough funds in the client's cash account necessary for fulfilment of obligations made based on the execution of such an order;
- a sale order, if it determines that the client does not have enough instruments on the financial instruments account necessary for fulfilment of obligations made based on the order execution.

The Company shall not be obliged to refuse order execution if the client's order can be executed:

- from realized but not balanced transactions;
- by giving a loan to the client by the Company based on the valid regulations;
- by lending financial instruments in accordance with the rules regulating the financial instruments lending.

ORDER EXECUTION

Article 24

The Company shall execute the orders in accordance with the Order Execution Policy.

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The procedure of order execution and the procedures of joining and classification of clients' and dealers' orders represent a constituent part of the Order Execution Policy and the client shall be acquainted with its content in the manner prescribed by the relevant regulations.

Executed transactions records

Article 25

The Company shall be obliged to record the order execution in the Book of Orders after executing the order, i.e., after receiving the confirmation of the performed transaction, in the case when the Company transfers the orders for execution to the other investment company.

The records stated in paragraph 1 of this Article shall contain the information in accordance with the relevant regulations.

REPORTING TO THE CLIENTS

Reporting to the clients related to the order execution

Article 26

The Company shall be obliged, after execution of the order for the account of the client, excluding the portfolio management services, and through a permanent media, to:

1. immediately deliver the important information to the client in connection with the order execution;
2. send the confirmation of order execution to the small client, as soon as possible and not later than:
 - the first working day after the execution,
 - the first working day after receiving the confirmation, in the case when the Company has received the confirmation of the execution from the third party.

The client cannot renounce the right to be notified about the order execution but may order sending notification to another person authorized by the client.

The confirmation of order execution shall contain the elements prescribed by the relevant regulations.

The Company may send the confirmation of order execution by fax, mail, e-mail, directly or in some other way in accordance with the relevant regulations, in the manner and form defined by the contract or a special client's statement in writing.

Article 27

The Company shall not be responsible for the security and confidentiality of information in the notification stated in the previous Article delivered by fax, e-mail and mail. The client shall be obliged to immediately inform the Company about any change of address, telephone or fax number and e-mail address.

Should the client request an extraordinary delivery of notification from the Company, or possible making and delivery of special reports, the Company shall charge the client with the remuneration in accordance with the valid Company's Tariffs.

Reporting to clients related to portfolio management

Article 28

The Company shall be obliged to deliver periodical reports to the clients being provided with portfolio management service on the activities of managing their portfolio.

The periodical reports stated in paragraph 1 of this Article have to be delivered to a small client on permanent media at least quarterly, except in the following cases:

1. when the client chooses to receive the information about the performed transactions after execution of each individual transaction and in that case the periodical report has to be delivered at least once in 12 months for the transactions with:

- companies shares or other securities equivalent to shares representing the participation in capital or in voting rights as well as with depository receipts relating to shares,
- bonds and other forms of securitized debt including depository receipts relating to the stated securities,
- money market instruments,
- units of collective investment institutions.

2. when the portfolio with the financial leverage has been agreed by the contract on portfolio management, in which case the periodical report has to be delivered at least once a month, i.e., in accordance with the relevant regulations.

In the case stated in paragraph 2, point 1 of this Article, the Company shall also be obliged to deliver the confirmation of order execution to the small client immediately after performing the transaction.

The periodical report on the activities of portfolio management, delivered to the small client, shall contain the information prescribed by the relevant regulations.

Additional obligations of reporting on portfolio management or transactions with potential obligations

Article 29

When providing portfolio management service to the small client which includes uncovered open item in transaction with the potential obligations, the Company shall be obliged to inform such a client about any loss exceeding the predetermined threshold, agreed between the investment company and the client, not later than by the end of the working day when the threshold has been exceeded.

Should the threshold stated in paragraph 1 of this Article be exceeded on a non-working day, the Company shall be obliged to inform the client not later than by the end of the following working day.

The Company shall deliver the reports on financial instruments and client's funds in accordance with the relevant regulations.

CLIENTS' PROPERTY PROTECTION

Protection of clients' financial instruments and funds

Article 30

When holding the clients' financial instruments, in order to protect their rights, the Company shall ensure that:

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1. records, accounts and correspondence related to them:
 - are maintained precisely and accurately,
 - are regularly harmonized with the records and accounts of third parties holding the clients' property
 - are maintained in such a way that one client's property can at any time and immediately be distinguished from the other clients' property and Company's property;
2. measures are taken to secure that:
 - the Company's financial instruments account with the Central Registry is maintained separately from the financial instruments of its clients,
 - all clients' funds deposited with the credit institution that is a member of the Central Registry are held on the account or accounts different from the accounts used for holding the Company's funds;
3. measures are introduced to reduce the operational risk of loss or reduction of clients' property, i.e., the rights related to that property, to the least possible extent.

Paragraph 1 of this Article shall also be applied in the cases when the Company holds the clients' funds on the summary account.

In order to protect the investors, the Company, when performing the services of portfolio management and storage and administering of financial instruments and administering of funds and collateral, shall be obliged to secure its membership in the Investors' Protection Fund.

The Company shall be obliged to act and use financial instruments and funds for the account of the client in the country and abroad in accordance with the relevant regulations.

ENTRUSTING SERVICES AND BUSINESS PROCESSES

Article 31

The Company may entrust the other person with the operations relating to:

1. promotion of its services;
2. giving investment recommendations;
3. receipt and transfer of orders.

In entrusting administrative operations necessary for its continual and regular business dealings, the Company shall implement the provisions of the Commission's Rulebook which prescribe entrusting of services and business processes.

CODE OF BUSINESS CONDUCT WHEN PROVIDING INVESTMENT SERVICES

Article 32

When the Company provides only the services of receipt and transfer of orders, i.e., execution of orders for the account of the client, it shall not be obliged to gather information and evaluate the client, provided that the following conditions have been met:

1. the services refer to:
 - shares included in trading in the regulated market, i.e., MTP or in the equivalent market of third countries,
 - money market instruments, bonds and other forms of securitized debt, excluding those bonds and other forms of securitized debt containing a derived financial instrument
 - other similar financial instruments.
2. the service has been provided at the client's or potential client's initiative

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3. the client has been clearly warned that the Company shall not be obliged to assess the suitability of the provided or offered financial instrument or service
4. the Company meets legal obligations regarding prevention of conflict of interest.

Article 33

When providing portfolio management services, the Company shall be obliged to gather the information about the client's or potential client's knowledge and experience in the field of investing into certain types of instruments and services, i.e., about the knowledge and experience necessary for understanding the risks related to the transaction or management of the client's portfolio, the client's financial situation and investment goals, i.e., the capability to bear the investment risks resulting from the transaction which is in accordance with their investment goals, in order for the Company to be able to recommend to the Client or the potential Client adequate financial instruments and investment services. Should the client not provide the Company with enough information, the Company will warn the client of its inability to provide the client with the portfolio management service.

Article 34

Codes of business conduct when providing services are defined in more details by the Company's Rulebook on Client Classification available on the Company's premises and on its web site.

CONFLICT OF INTERESTS

Article 35

The Company shall be obliged to organize its business dealings in the way that reduces, to the least possible extent, conflicts of interest whose existence can be harmful for the client's interests and which can occur, while providing the services, between:

1. interests of the Company, relevant person and all persons closely connected to them, on the one hand and interests of the Company's client, on the other;
2. among the Company's clients' interests.

Article 36

When determining the conflict of interests which can be harmful for the clients' interests, the Company shall be obliged to assess whether the Company, relevant persons or persons closely connected to them, due to providing services or for other reasons:

1. can achieve financial profit or avoid financial loss to the disadvantage of the client;
2. have the interest or benefit from the results of the service provided to the client or the transaction executed for the account of the client which differ from the client's interests;
3. have a financial or some other motif corresponding with the interests of another client or a group of clients to the disadvantage of the client's interests.
4. perform the same activity as the client.

Conflict of Interests Management Policy

Article 37

The Company shall be obliged, proportionately to the nature, extent and the complexity of the operations it performs, to adopt, implement and regularly update an efficient Conflict of

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Interests Management Policy defined by the Rulebook on the Conflict of Interests Management Policy available on the Company's official premises and published on its web site.

INSIDE INFORMATION AND MANIPULATION PREVENTION

Article 38

The Company shall prescribe the Rulebook on Procedures and Measures for Prevention and Discovery of Market Misuse and in accordance with it, implement the procedures and measures whose aim is discovery and prevention of manipulation in the market.

PERSONAL TRANSACTIONS

Article 39

The Company shall prescribe, implement and regularly update the appropriate measures preventing performing prohibited activities by the relevant person, in accordance with the relevant regulations.

BUSINESS SECRET

Article 40

Members of the management and Company employees shall be obliged to keep the following as a business secret:

1. information about the clients;
2. information about the balance and the turnover on their clients' accounts;
3. information about the services provided to the clients;
4. other information and facts they learn while providing services.

The information stated in paragraph 1 of this Article may be allowed access to and communicated to third parties only:

1. with the client's consent in writing;
2. during supervision performed by the Commission, Central Registry or the market organizer;
3. based on the court's order;
4. based on the order given by the body dealing with prevention of money laundering or terrorism financing;
5. based on the order given by the other competent government body.

ACTING ON CLIENTS' COMPLAINTS

Article 41

The Company shall act on the small clients' complaints in accordance with the Procedures of Acting on Clients' Complaints published on the Company's web site.

The Company shall consider the clients' complaints received by regular mail or in person at the Company's address.

Anonymous and incomplete complaints of the clients shall not be considered by the Company.

OTHER ISSUES

Article 42

The Company shall establish and implement risk systems in accordance with the relevant regulations and the Rulebook on Risk Identification, Measuring, Evaluation and Management available at the Company's main office and on its web site.

The Company shall establish, implement and regularly update the appropriate internal control system ensuring the compliance with the internal decisions and procedures at all levels of the Company management.

The Company shall adopt, implement and regularly update the measures ensuring the continuity of the information system operation, in ordinary and extraordinary circumstances.

The Company shall keep and store business documentation in accordance with the relevant regulations.

FINAL AND TRANSITIONAL PROVISIONS

Article 43

The procedure for alteration, i.e., amendment of the Company's Operating Rules may be initiated by:

- shareholders in possession of at least 10% of the Company's voting shares
- members of the Board of Directors.

The Board of Directors shall declare on the initiative for the alteration, i.e., amendment of the Operating Rules.

Company's Board of Directors shall reach a Decision on alteration, i.e., amendment of Operating Rules in the manner and according to the procedure laid down for their adoption.

Article 44

Issues not regulated by these Rules shall be regulated by special rulebooks and procedures in accordance with the relevant procedures.

Article 45

The following are the constituent parts of the Operating Rules:

- Rulebook on Risk Identification, Measurement, Evaluation and Management,
- Rulebook on Conflict of Interests Management Policy,
- Order Execution Policy,
- Rulebook on Procedures and Measures for Prevention and Discovery of Market Misuse,
- Procedure for Acting on Clients' Complaints,
- Rulebook on Clients' Classification.

Article 46

The Operating Rules of Broker-Dealer Company "M&V Investments" a.d. as of 09.12.2010 shall become invalid on the day of implementation of these rules.

The translation of the Operating Rules into English language is drawn up for informative purposes only. The version in Serbian language is a valid one.

Article 47

The Operating Rules shall be published, after receiving consent by the Securities Commission, on the Company's web site and shall be implemented after 7 (seven) days from the day of publishing.

Chairman of the Board of Directors
Jasmina Bjelić
