

NOVA KBM d.d.'s RULES

GOVERNING TRANSACTIONS IN FINANCIAL INSTRUMENTS

Version: 17

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In accordance with paragraph 2 of Article 257 of the Market in Financial Instruments Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended and supplements, hereinafter: the ZTFI-1), the Management Board of Nova KBM d.d., Ulica Vita Kraigherja 4, 2000 Maribor (hereinafter referred to as the Bank) adopts the following

GENERAL TERMS AND CONDITIONS OF TRADING IN FINANCIAL INSTRUMENTS

1. GENERAL PROVISIONS

Article 1

(Investment and Other Services Related to Financial Instruments)

General Terms and Conditions) shall lay down the terms and conditions as well as mutual rights and obligations of the client and the Bank in the provision of the following investment services and activities as well as ancillary services can provided by the Bank in accordance with the Financial Instruments Market Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended, hereinafter: the ZTFI-1) and the Banking Act (Official Gazette of the Republic of Slovenia, No. 92/2021, as amended, hereinafter: the ZBan) and for which bank has obtained the appropriate permission. The bank can provide the following services:

A. Investment services and activities related to financial instruments:

- Reception and transmission of orders in relation to one or more financial instruments (brokerage),
- Execution of orders on behalf of clients,
- Dealing on own account,
- Investment advice,
- Initial or subsequent underwriting and/or placing of financial instruments on a firm commitment basis,
- Initial or subsequent placing of financial instruments without a firm commitment basis,

B. Ancillary investment services:

- Safekeeping of financial instruments,
- Services of keeping book-entry financial instruments,
- Advice companies with regard to capital structure, business strategy and related matters and consulting and services relating to mergers and acquisitions of companies,
- Investment research and financial analysis,
- Services related to with the first or subsequent sale of financial instruments with an obligation to buy.

As a rule, before providing investment services or activities, the Bank and the client shall enter into an Investment Services Agreement, which include: brokerage agreements and agreements on keeping accounts of financial instruments, investment advice agreements, advice and services relating to undertaking mergers and acquisitions, underwriting of financial instruments and/or placing of financial instruments on a firm/without a firm commitment basis agreements, agreements on provision of other ancillary investment services, framework agreements in derivatives trading, framework agreements on temporary sale of securities, framework agreements on deposit transactions, agreements on framework conditions of dealing in futures and others. By signing an agreement on the provision of investment services clients shall confirm that they have made themselves a decision on the conclusion of such an agreement and on any aspects impacting its conclusion.

Article 2

(Agreement and General Terms and Conditions)

By signing the agreement on the provision of investment services, the clients confirm and warrant that:

- They are eligible and capable of concluding the agreement and transactions in connection with each agreement,
- They have obtained any consents and permits for the conclusion of each agreement and transactions related to that agreement or in the event of any restrictions applying to them, that they will operate in compliance with restrictions, and
- The conclusion of transactions in relation to each agreement and each agreement is not in contradiction with any of their instruments of incorporation or statutes or contractual acts concluded with third parties.

Nova KBM d.d.'s General Terms and Conditions of Trading in Financial Instruments (hereinafter referred to as: General Terms and Conditions) shall regulate mutual rights and obligations of the Bank and the client in providing investment services. The General Terms and Conditions shall form an integral part of the agreement on the provision of investment

services, where provided for by the agreement. If the provisions of the General Terms and Conditions are inconsistent with the provisions of the agreement, the latter shall prevail.

The Bank shall not be obliged to present the General Terms and Conditions to the clients regarded as eligible counterparties in accordance with the legislation.

Article 3 (Legislative Provisions)

The Bank shall provide the services related to financial instruments in the Republic of Slovenia in accordance with the provisions of the ZTFI-1 and the regulations issued on its basis, as well as in accordance with other applicable legislation and internal regulations governing the provision of services related to financial instruments.

In accordance with the Rules on Organisation, the services related to financial instruments shall be provided by the, to a limited extent in branches of the Bank and in the relevant sections in the Treasury and Investment Banking Department.

Article 4 (System of Guarantees)

The Bank draws the client's attention to the fact that financial instruments are not bank deposits and shall not be regarded as cash deposits at the Bank and that for any claims of the client arising from the relationships concerning the client's cash deposits at the Bank a deposit guarantee scheme has been put in place. Any claims arising from relationships concerning financial instruments and provision of investment services shall fall under the system of guarantees with regard to investors' claims as provided for by the applicable ZTFI-1. In accordance with the system of guarantees with regard to investors' claims, any non-professional client shall be paid a guaranteed claim in the event of bankruptcy of the Bank, as provided for by the rule governing the financial instruments market. Notwithstanding the existence of the system of guarantees for the investors' claims, the Bank shall not guarantee to the client the reimbursement of the investment, subject to the agreement on the provision of investment services, thereby creating the risk that the client might generate a loss from trading in financial instruments.

Article 5 (Client Information Submission)

The Bank and the client shall include in the agreements and the annexes thereof the information required by the Bank for the provision of investment and ancillary investment services and for keeping the prescribed records, as well as the data needed for the fulfilment of contractual obligations.

In order to ensure prompt execution of services related to financial instruments as stipulated in Article 1 of these General Terms and Conditions, the client undertakes to deliver or submit to the Bank upon its request the required documentation or information and data and to keep the Bank informed of any changes to the data needed by the Bank to perform the services for the client.

A client who is not a private individual, is obligated to inform the Bank with valid LEI code. In case valid LEI code will not be available at the time of conclusion of the trade, Bank will refuse the order. The same is applicable also for entrepreneurs.

In cases where it is necessary for the provision of services related to financial instruments referred to in Article 1 of these General Terms and Conditions, the client shall allow the Bank to submit data and information to any third party and to make inquiries with third parties, whereby the client shall allow the latter to provide such data and information to the Bank, all this exclusively with a view to providing the services referred to in Article 1 of these General Terms and Conditions. The Bank undertakes to handle the submitted information in accordance with the applicable legislation.

Prior to the conclusion of an agreement on the provision of investment services, the Bank shall verify the client's identity in a reliable manner in accordance with relevant regulations.

Article 6 (Responsibility of the Client and the Bank for the Submitted Information)

The client shall be responsible for accuracy and veracity of the information and documents submitted and shall be held responsible for any damage resulting from inaccurate or incorrect information. If the client refuses to submit the information referred to in the previous article, the Bank shall refuse to conclude the agreement.

The client shall be allowed to change the personal data submitted only after personal identity verification or another agreed manner. The client shall be obliged to immediately notify the Bank of any change in the relevant data, otherwise the client shall be held fully responsible for any damage resulting from any late notification of the changes in data.

The Bank's notifications submitted to the clients shall be deemed to have been received by the client if the Bank has sent them to the client by using the contact information from the Bank's records. The Bank shall protect the data regarding balances and transactions on the client's financial instruments accounts and other data, facts and circumstances in relation to the provision of investment services, of which the Bank has become aware, in accordance with applicable regulations.

The client and the Bank undertake to consider all data and information arising from agreements concluded on the basis of these General Terms and Conditions or in relation with them as business secret. To prevent any offences or criminal acts and to meet other legal requirements, the Bank shall be allowed to submit any data and information about the client to any local or foreign government and other relevant supervisory and judicial authorities with no prior consent of the client.

Telephone conversations through the telephone lines of the workplaces at the head office of the Investment Banking and the Treasury and Investment Banking Department shall be digitally recorded and appropriately stored for the purposes of the Bank's operations. By signing the agreement on the provision of investment services, the client shall expressly consent to the recording of telephone conversations through the telephone lines at the workplaces providing services related to financial instruments, their subsequent archiving and storage as set out by the Bank's internal regulations. The Bank and the client shall recognise the property of credible evidence supporting the alleged facts to such digital audio recordings. Recording of telephone conversations, the method of archiving, and access to recordings of telephone conversations shall be regulated by the Bank's internal regulations.

The Bank manages personal data in accordance with the Regulation on the Protection of Individuals with regard to the Processing of Personal Data and on the Free Movement of such Data (GDPR, EU No 2016/679) and in accordance with the applicable Personal Data Protection Act (hereinafter: the ZVOP), which is further specified in the General Information on Protection personal data in Nova KBM, available on the website www.nkbm.si and its branches.

Article 7 (Client Classification)

For the purpose of providing investment services and activities, the Bank shall classify the clients in accordance with the Client Classification Policy and Procedures as professional, non-professional and/or eligible counterparties, and shall assure them a level of protection appropriate to such classification. The clients shall be informed of the contents of the Client Classification Policy and Procedures when provided with the General Terms and Conditions, and the respective applicable contents shall also be available on the www.nkbm.si website.

The claims of professional clients shall not be guaranteed; likewise, the claims of professional clients who have demanded to be treated as non-professional clients in accordance with the Client Classification Policy and Procedures shall not be guaranteed. The Bank shall not be obliged to submit any information about the Bank, its investment services, and financial instruments to professional clients.

Article 8 (Appropriateness /Suitability Assessment)

Prior to concluding an agreement on the provision of investment services, the Bank shall obtain from a non-professional client the information on client's knowledge, experience relevant to the product or service type, financial situation, ability to cover any losses, investment objectives, the level of acceptable risk, sustainability preferences and shall classify the client, in accordance with the information obtained and internal instructions, into a specific segment of investors for whom specific services or financial instruments are appropriate (appropriateness assessment). The Bank shall check the information indicated above periodically or on annual basis with the pre-prepared relevant questionnaires for the clients.

Prior to concluding an agreement on the provision of other investment services (other than the services referred to in the preceding paragraph), the Bank shall obtain from a non-professional client the information on client's knowledge and experience in the field of financial instruments or investment services ordered (suitability assessment). If a client, when providing services referred to in the second paragraph of this Article, refuses to provide the requested information or this information is incomplete, the Bank shall warn the client that due to such a client's decision, the Bank shall not be capable of assessing whether a specific type of investment services or products offered to the client or intended to be ordered by the client is suitable for such a client. Furthermore, the Bank shall warn a non-professional client that a specific investment service or product is not suitable for the client if this is evident from the information obtained on the client.

When dealing with professional clients, the Bank shall not be obliged to assess the appropriateness of financial instruments or services nor shall the Bank be obliged to demand from professional clients the information on their knowledge and experience; however, the Bank shall seek information anyway. Furthermore, the Bank shall not be obliged to warn professional clients that a specific service or product is not appropriate for them. The same shall apply when the Bank accepts, executes or transmits any order of a non-professional client at the client's initiative and the order refers to the following financial instruments:

- Shares admitted to trading on a regulated market or on an equivalent market in a third country or an MTF in case of shares in companies, other than alternative investment funds units (hereinafter referred to as: AIS units) or shares containing derivative financial instruments,
- Money-market instruments, other than those containing derivative financial instruments or other elements that make it difficult for clients to understand the risks of these instruments,
- Bonds and other forms of debt instruments admitted to trading on a regulated market or on an equivalent market in a third country or MTF, other than those containing derivative financial instruments or other elements that make it difficult for clients to understand the risks of those instruments,

- Units of the Undertaking for Collective Investment in Transferable Securities (UCITS), with the exception of structured UCITS,
- Structured deposits, other than those containing elements that make it difficult for clients to understand the risk of return or the cost of early termination of an agreement,
- Other simple financial instruments.

The Bank shall reserve the right to obtain all information for suitability and appropriateness assessment from all the clients in relation to all of services. The bank collects information on sustainability preferences of client only in the case of investment advisory services. The Bank shall have the right to refuse to enter into the business relationship or execution of each transaction if considered to be unsuitable/inappropriate for the client.

Article 9

(Conflict of Interest Management Policy)

The Bank shall manage conflicts of interests in accordance with relevant regulations and the Bank's measures complying with the Conflict of Interest Management Policy, which is attached to these General Terms and Conditions and available to the clients on the www.nkbm.si website.

In the event of conflict of interests between the client and the Bank, the Bank shall have the right to refuse the conclusion of an agreement or acceptance of the client's order.

The Bank's measures aimed at preventing the occurrence of conflicts of interest include, inter alia:

- To ensure organisational separation of the Bank's units carrying out the transactions where conflicts of interest may occur, and avoid any improper influence between its organisational units,
- To ensure confidence of all information in performing such transactions,
- To prevent personal benefits of employees of the Bank and their related parties on account of the Bank's clients,
- Bank's employees required to act in favour of the clients of the Bank,
- Other measures of the Bank.

Article 10

(Client Order Execution Policy)

The Bank shall execute client's orders in accordance with the Client Order Execution Policy attached to these General Terms and Conditions and available to the clients on the www.nkbm.si website.

Article 11

(Risks and Liabilities of the Bank)

Investments in financial instruments involve risks, and the clients, therefore, acknowledge that they are aware of and accept the risks of unexpected change in the value of financial instruments due to adverse market conditions. The market circumstances include those on money- and foreign currency markets, circumstances concerning interest rate movements, conditions on global capital markets and other factors such as business performance and credit rating of the issuer of financial instruments outside the control of the Bank.

A holder of a financial instrument is exposed to numerous risks as set out in further detail in the Information About the Bank, Investment Services and Financial Instruments attached to these General Terms and Conditions and available on the www.nkbm.si website.

The Bank shall not guarantee to the client any profitability of financial instruments and shall not be held responsible to the client or to any third party for any direct or indirect damage, liabilities and/or loss, incurred as a result of the implementation of these General Terms and Conditions and the agreement on the provision of investment services, except in the cases specified in these General Terms and Conditions or the aforementioned agreements. Moreover, the Bank shall not undertake any responsibility for consequences of the client's decisions regarding the aforementioned agreements or for any damage, costs or other liabilities incurred by the client due to the provision of investment services by the Bank under the investment services agreements as a result of incorrect or incomplete data and/or information provided to the Bank, on the basis of which the Bank has treated the client in accordance with the adopted Client Classification Policy and Procedures or the Client Order Execution Policy or has provided one or more investment services or transactions for the client on the basis of the information provided in accordance with these General Terms and Conditions, unless the Bank acted intentionally or with gross negligence.

When providing services regarding financial instruments, the Bank shall, in all aspects, observe the client's interests. The Bank shall provide the client with the information on the financial instrument, if available, on the issuer, the situation on the financial instruments market and other circumstances known to the Bank which are relevant for the client's decision regarding the financial instruments. The Bank shall provide the services related to financial instruments with due professional care and diligence.

By concluding the agreement on the provision of investment services, the client shall expressly accept all aforementioned risks, and shall declare that any services performed by the Bank to the client are a result of their free will and decision, thereby accepting any consequences resulting from such decisions and orders placed with the Bank.

The Bank shall not be held responsible for any actions, omissions and consequences of actions and omissions, due in full or in part to the events or circumstances outside its control, including telecommunications infrastructure failure, failure of electronic media, system deficiencies on markets in financial instruments, conduct of third parties such as the Central Clearing and Depository House - KDD, central depositories, sub-depositaries, executing partners, stock exchange, etc. The Bank shall not be held responsible for any of its actions, omissions and consequences of such actions and omissions, as well as for any damage, costs and other liabilities incurred to the client, if the client or the Bank has no access to the internet and/or if the client fails to check incoming emails and/or if there is a failure in the hardware or software of the Bank or the client for any reason whatsoever that may, in particular (but not exclusively), result in the Bank or the client not receiving any message whatsoever or any other document of the Bank or the client, delivered via the internet by the Bank or the client to each other.

The Bank shall be held responsible for the clients' cash funds on the Bank's account in the central depository or any other intermediate sub-depository through which the Bank keeps the clients' cash funds.

Article 12

(Bank's Measures Aimed to Protect Client's Financial Instruments and Assets)

In order to protect the financial instruments and assets of its clients, the Bank has taken the following measures:

- Financial instruments and assets of clients shall be kept separately from financial instruments and assets of the Bank,
- The Bank shall keep financial instruments for the account of a client in compliance with the legislation in force at the relevant times, governing the administration of financial instruments in the Republic of Slovenia or abroad; the Bank shall manage cash funds of a client paid by the latter for the purchase of financial instruments, on the appropriate client's account,
- The Bank shall maintain and update the records of financial instruments and cash funds of the client,
- The Bank shall report to the supervisory bodies in accordance with the legislation in force at the relevant times and to the clients at their request,
- The Bank shall keep financial instruments of foreign issuers for the clients' account with each sub-depository,
- The Bank may request a password from the client or use any other secure way to identify the client, if the client's order is placed by telephone or use another appropriate method of customer identification,
- The Bank shall keep separate analytical records of balances and changes in balances of financial instruments and cash funds on accounts kept in accordance with the agreement in the provision of investment services,
- The Bank shall carry out regular checks and adjustments of balances of financial instruments and cash funds of the clients with the central depository and selected foreign sub-depositaries,
- The Bank has put in place and maintains a system of internal controls,
- The Bank shall ensure access to appropriate applications on the basis of authorisations regulated by the Bank's internal rules.

Article 13

(Fees, Charges and Taxes)

In respect of the provision of investment services in accordance with these General Terms and Conditions, the client shall pay fees, charges and taxes (hereinafter collectively referred to as: payments), agreed upon in the agreement on the provision of investment services, such as:

- Payments in the amount and under the conditions set out in the respective applicable fee schedule, if the amount of charges is not specified in the fee schedule at the level of charges actually incurred, unless otherwise provided in these General Terms and Conditions or in an agreement on the provision of investment services,
- Payments arising from or related to the transactions concluded for the account of the clients (in particular, but not exclusively) fees for trading in financial instruments, direct execution costs of clients' orders through executing partners or persons to whom the Bank, in accordance with the Nova KBM d.d.'s Client Order Execution Policy, contracts the client's order for execution, direct settlement costs of transactions in financial instruments, fees for KDD's services or services of another central depository, any tax, charge, and other public burdens),
- Payments arising from or related to transfers of assets from accounts of financial instruments at the KDD or transfers of assets from accounts abroad, which do not result from the sale of client's financial instruments,
- Payments arising from or related to the creation or deletion of a lien on financial instruments and to the rights of third parties,
- Payments arising from or related to the filing of applications for the refund of excess taxes abroad,

- Payments of other costs, taxes, fees, charges related to trading in financial instruments in the context of providing services in accordance with these General Terms and Conditions,
- Payments of other costs, taxes, fees, charges related to trading in financial instruments in the context of providing services in accordance with these General Terms and Conditions, not payable through the Bank and settled by the clients themselves.

The Bank shall have the right to charge the accounts of clients, holding a personal or a transaction account with the Bank, for any amounts arising from a contractual relationship regarding the provision of investment services and shall notify the client thereof in writing. By concluding an agreement on the provision of investment services, the client shall be deemed to authorise the Bank expressly and irrevocably for such charging of their personal or transaction account.

The Bank shall undertake to inform the client of the estimated costs arising from each transaction. When doing so, the Bank cannot influence price lists of third parties, such as each clearing and depository company or each stock exchange, and settlement and executing partners in Slovenia or abroad. Likewise, the Bank cannot ensure the value of each financial instrument. When the Bank performs an order execution service for the client on the basis of a brokerage agreement and keeping accounts of financial instruments, the Bank shall be obliged to disclose the cost already before executing the transaction. In case where the client and the Bank have a management agreement concluded, the Bank can notify the client of the costs associated with the execution of a transaction in financial instruments after the transaction is executed, within regular reporting to the client.

When dealing with professional counterparties, the Bank and the client may agree on disclosing costs in another manner.

Article 14 (Order and Transaction Records)

The transactions in financial instruments concluded by the Bank on its own behalf and for the account of the client shall be based on the clients' orders for the purchase or sale of financial instruments registered in the order and transaction records. The orders may refer to submission of orders. The orders received, changes and cancellations of the clients' orders shall be recorded in the order and transaction records in the chronological order of their receipt and shall be executed in the same manner.

The provisions referred to in the preceding paragraph concerning the order and transaction records shall also apply to foreign financial instruments, whereby the records shall include the information on a foreign market where the order will be executed, the method of the execution, and an indication as to whether the Bank executes the order for the client's account directly or indirectly through a foreign executing partner.

The Bank shall keep the record of orders and financial instrument transactions in accordance with the provisions of the applicable ZTFI-1 and the regulations issued on its basis. At the client's request, the Bank shall provide the client with the extracts from the records related to the client's transactions.

Article 15 (Lien of the Bank)

The Bank shall have a lien on all financial instruments and cash amounts obtained from the provision of investment services for the client, which is used to cover its claims on the client arising from the agreement on the provision of such services for the client. The lien referred to in the first sentence of this paragraph shall be based on an assumption of the existence of an agreement on out-of-court settlement under the law regulating property relationships. If the client fails to settle their financial obligations to the Bank at maturity, the client shall explicitly permit the Bank to register a lien on the client's financial instruments.

Furthermore, the Bank shall also be entitled to compensate any claim the Bank holds against the client with any client's claim against the Bank. However, the client shall not be entitled to compensate any claim the client holds against the Bank with any claim the Bank holds against the client.

Article 16 (Client's Authorisation)

The client may appear in person at the head office of the Investment Banking or a branch of the Bank providing services in financial instruments and authorise a person to give instructions and place orders on behalf of and for the account of the client concerning the brokerage, to place orders for transfers of financial instruments, and to carry out all other activities as specified in the agreement on the provision of investment services.

Article 17 (Definitions)

The terms used in these General Terms and Conditions shall have the same meaning as defined in the ZTFI-1, except where otherwise required in the context of these General Terms and Conditions.

AUTHORISED PERSON – means a person specified in agreements on the provision of investment services entitled to receive and submit or give notifications and orders.

LEI CODE - (Legal Entity Identifier) is an international, 20-digit alphanumeric code based on the ISO 17442 standard, with which an individual legal entity or fund identifies itself when doing business in Slovenia and abroad. With the registration of LEI, data such as legal name, address, legal form, origin, business data, and status codes are covered as on a "business card".

FEE SCHEDULE – means the price list of fees and commissions concerning the trading in financial instruments, forming an integral part of the respective applicable Bank's tariff of fees and commissions.

APPLICABLE REGULATIONS – means respective legislation and regulations, rules, policies or procedures regulating trading in financial instruments, which are applicable in the territory of the Republic of Slovenia and/or in the venue (or at the institution) of the execution of transactions in financial instruments.

FOREIGN CURRENCY – means any currency, other than euro, acceptable to the Bank.

BUSINESS DAY – means any day (except Saturdays, Sundays and holidays) on which the Bank is open for business, except if determined otherwise by these General Terms and Conditions or an agreement on the provision of investment services.

REGULATED MARKET – means a stock market or any other regulated market in the Republic of Slovenia or another EU member state or a third country, managed or operated by a certain entity and having the following characteristics:

1. This system combines or facilitates the combination of the interests concerning the sale or purchase of financial instruments of many third persons, in accordance with the predefined rules, by concluding legal transactions concerning the financial instrument admitted to trading according to the existing rules or the systems of this market,
2. It has a licence of the competent supervisory authority,
3. It operates regularly in accordance with the conditions of ZTFI-1 set out for the stock market.

MULTILATERAL TRADING FACILITY (MTF) – means a multilateral facility managed or operated by an investment firm or a regulated market operator (hereinafter: MTF operator), which combines the interests concerning the sale and purchase of financial instruments of many third persons in accordance with the predefined rules, by concluding legal transactions concerning the financial instrument in accordance with applicable legislation.

OTHER TRADING FACILITY (OTF) – means an organised multilateral trading facility, other than a regulated market or a MTF, in which purchasing and selling interests of several third parties may interact in relation to bonds, structured finance products, the rights to emission, or derivatives, where an agreement shall be concluded in accordance with applicable laws.

CENTRAL REGISTER – a central register of book-entry securities is a central electronic database serving for the purpose of recording the rights arising from book-entry securities, respective holders of such rights, and any rights of third parties on such securities. The central registry has the function of a central depository.

CENTRAL DEPOSITORY – means a central register or other record of holders of book-entry financial instruments:

1. That is managed by an individual person (hereinafter: central depository) in line with the provisions of the state in which the depository is established; and
2. The entries into which have legal effects directly related to the issuer of such financial instruments and to third persons, in such way that the holder of the account in which these financial instruments are entered in is considered a legal holder of these financial instruments.

KDD – means the Central Securities Clearing Corporation (plc.) keeping the central register in the Republic of Slovenia.

SUB-DEPOSITORY – means a record of book-entry financial instruments holders:

- Other than the central depository,
- That is managed by a brokerage company, bank, investment undertaking or another person (hereinafter: sub-depository) in line with the provisions of the state in which the sub-depository is established,
- The entries into which have no legal effects directly related to the issuer of such financial instruments and the central depository, and
- The entries into which have legal effects in relation to the sub-depository, in such a way that in this relation, an entry in the sub-depository results in the right of the client to demand from the sub-depository to exercise the rights arising from these financial instruments on behalf of the client, and to dispose of these financial instruments upon the client's order and the client's account.

Financial instruments of clients for the account of clients are kept in the central depository through the sub-depository or the Bank's account.

OFFICES OF THE INVESTMENT BANKING – is the organisational unit of the Bank receiving and executing orders with financial instruments. Its address is Vita Kraigherja 4, 2000 Maribor and Slovenska 50, 1000 Ljubljana. The Investment Banking Department is organizationally located in the Treasury and Investment Banking Department, Telephone number +386 2 229 2081.

TREASURY AND INVESTMENT BANKING DEPARTMENT – is the organisational unit of the Bank providing services related to financial instruments. It is located at Ulica Vita Kraigherja 4, 2000 Maribor and Slovenska 58, 1000 Ljubljana. Telephone number +386 2 229 2209.

BANK BRANCH – is any outlet of the Bank providing services related to financial instruments; it does not execute orders. A list of the Bank branches is available on the www.nkbm.si website. **ORDER PLACEMENT VIA WEB OR MOBILE**

BANK – means placement of client's orders for purchase or sale of financial instruments via Bank@Net and/or mBank@Net.

E-MAIL – is for the purposes of the Nova KBM Rules and the Brokerage Agreement and Agreement on Financial Instruments Account Management, any electronic message (in the sense of a set of data sent or received electronically) between the parties, in particular all electronic mail received by the client via his online (m)Banka@net mailbox in the form of e-documents and/or e-notices and/or to the client's e-mail address provided by the client in accordance with the Brokerage Agreement and Agreement on Financial Instruments Account Management, and in accordance with point 3 of the Information on the Bank, Investment Services and Financial Instruments, which is a part of this Nova KBM Rules.

E-NOTICES and E-DOCUMENTS – are notices / documents in an electronic form, issued in accordance with the legal regulations for markets in financial instruments. The e-document equally replaces the paper-based document that the bank sends to the client for the provided service. The e-documents the bank sends are the following: invoice, annual brokerage fee, invoice for general compensation, reminder, balance sheet for cost, acknowledgment of receipt of the order, which the client receives in electronic form.

BANK@NET – is an online bank platform that enables users to utilize banking services online, the user can check the balance on a personal account, make payments, order payment of liabilities, transfer funds between bank accounts and receive various bank notifications in electronic form. Online bank platform is also available for the use via a mobile phone, as a mobile application mBanka@Net.

mBank@Net Invest – is an additional software solution that provides a better user experience of trading through a mobile bank, so we recommend that you install the mBank@Net Invest application on your mobile phone before trading financial instruments for the first time. The app can be downloaded for free from Google Play or the App Store.

LEGAL ENTITY AUTHORIZED PERSON - is a natural person authorized by the legal entity to perform acts of view and submission of orders through personal access to the Bank@Net and/or mBank@Net of the authorized person.

INVESTOR PROFILE - is the category of the client, determined on the basis of the collected information that the bank obtains from the client as part of the Questionnaire for the assessment of suitability and appropriateness.

ONLINE NOTIFICATION BOX – is a Bank@Net and mBank@Net online mailbox, which is directly used for the exchange of confidential data, providing information on software upgrades, password change requests, and for sending various electronic bank notifications.

MEMBER STATE - Member State means a country of the European Union.

CSDR - means Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving the securities settlement arrangements in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 182/2011 236/2012 (hereinafter: "EU Regulation 909/2014"). To ensure full compliance, the relevant provisions of Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 182/2011 shall also apply accordingly. 909/2014 of the European Parliament and of the Council on regulatory technical standards on settlement discipline (hereinafter referred to as "EU Delegated Regulation 2018/1229").

ESG - short for Environmental, Social, Governance - is an acronym that denotes key environmental, social and corporate criteria. In Nova KBM, we have adopted a comprehensive ESG strategy, which is the management framework for managing all activities in this area. More about ESG activities in Nova KBM d.d. can be read on the bank's website under the tab <https://www.nkbm.si/esg>.

BANK ACCOUNT – is a bank current account of a legal or natural person, through which the bank makes cash deposits and withdrawals of the account user's funds and non-cash payment transactions in the domestic and international payment system on behalf of the account user and for his account.

NON-RESIDENT – is a natural person who does not have a permanent residence in the Republic of Slovenia or does not have a valid permit (for work or residence in Slovenia) valid for at least 6 months, regardless of citizenship, or a foreign citizen who temporarily resides in Slovenia as an employee at diplomatic and consular missions, and his family members, regardless of the duration of their stay in Slovenia.

ISIN CODE – International Securities Identification Number is an alpha numeric designation of a financial instrument assigned in accordance with the international standard ISO 6166.

EURIBOR – is the reference interest rate in the euro zone.

MARKET MAKING - means ensuring the demand and supply of financial instruments on the stock exchange in accordance with the market conditions prescribed by the stock exchange with rules. Market making improves the liquidity of financial instruments and helps to provide investors with the liquidity of individual financial instruments.

PASSWORD – password means the password set by the bank, which is used to identify the customer. The bank informs the customer about the assigned password in an appropriate way.

FACTORS OF SUSTAINABILITY – environmental and social matters and matters related to employees, respect for human rights, the fight against corruption and bribery.

SUSTAINABILITY PREFERENCES – means the choice of a customer or potential customer as to whether and to what extent one or more of the following financial instruments should be included in their investment: (a) a financial instrument for which the customer or potential customer specifies that a minimum share be invested in environmentally sustainable investments, as defined in point 1 of article 2 of Regulation (EU) 2020/852 of the European Parliament and of the Council;

(b) a financial instrument for which the customer or potential customer determines that the minimum share is invested in sustainable investments, as defined in point 17 of Article 2 of Regulation (EU) 2019/2088 of the European Parliament and of the Council; (c) a financial instrument that takes into account the main adverse impacts on sustainability factors, if the qualitative or quantitative elements demonstrating this consideration are determined by the client or potential client. SUSTAINABILITY RISK – means an environmental, social or management event or circumstance that, if it occurs, may have an actual or potential significant negative impact on the value of the investment.

CUSTOMER PROFILE FOR INVESTMENT ADVISORY PURPOSES – based on questionnaires to assess suitability, appropriateness, the client's investment profile, investment goals and sustainability preferences, an assessment of the investor's profile is made, on the basis of which the bank prepares a personal recommendation and advisory.

Article 18 (Client Complaint Resolution Procedure)

The client complaints and disputes between the Bank and its clients arising from the provision of services shall be handled by the Bank in accordance with the Rules on Client Complaint Resolution Procedure and Out-of-Court Dispute Settlement Scheme, which is attached to these General Terms and Conditions and available to the clients on the www.nkbm.si website.

Article 19 (Duration of Contractual Relationship)

Duration of the contractual relationship shall be determined by a brokerage agreement concluded between the Bank and the client.

Article 20 (Presentation and Use of the General Terms and Conditions)

The Bank shall provide investment services in accordance with the applicable ZTFI-1, ZBan-23, and other relevant regulations governing operations in financial instruments at the level of the Republic of Slovenia and the European Union, General Terms and Conditions, as well as special terms and conditions agreed upon by an agreement on the provision of investment services.

The General Terms and Conditions shall apply to the provision of any investment service, for which the Bank and the client have concluded an appropriate agreement, unless a specific provision of the General Terms and Conditions expressly regulates only a specific service. Other provisions of the General Terms and Conditions shall apply to the investment service specified in the title of a specific chapter of the General Terms and Conditions or in a specific provision, for which the Bank and the client have entered into an appropriate agreement.

The Bank's legal and other documents (rules, guidelines, policies, etc.) indicated in any documents of the Bank shall be used in accordance with their respective wording.

Prior to the conclusion of an agreement, the Bank shall make the client aware of the contents of these General Terms and Conditions. At the same time, the client shall be presented for their information: the Client Order Execution Policy, the Conflict of Interest Management Policy, the Client Classification Policy and Procedures, the Rules on Client Complaint Resolution Procedure and Out-of-Court Dispute Settlement Scheme, the Information about the Bank, Investment Services and Financial Instruments, the Information about the System of Guarantees for Investors' Claims at Brokerage Companies and Banks, and the Rules on Sub-depository Management.

By signing the agreement on the provision of services, the client shall confirm the receipt of the aforementioned documents. Furthermore, the client shall confirm that prior to the conclusion of the agreement they have been made aware of the contents of the General Terms and Conditions. The respective applicable General Terms and Conditions shall be available in the Bank's premises intended for the provision of services related to financial instruments, and on the www.nkbm.si website.

The General Terms and Conditions shall represent an integral part of the agreements on the provision of investment services.

2. BROKERAGE

General

Article 21 (Agreement on Brokerage Services)

Brokerage services shall include receipt of client's orders for the purchase or sale of financial instruments, and the execution of these orders for the client's account on the regulated market or outside the regulated market, and the transmission of these orders to the executing partner of the Bank. The Bank shall charge a fee for the provision of such services. Through a brokerage and account of financial instruments keeping agreement, the Bank shall provide the client only with execution of orders, and not with investment advisory services.

Prior to receiving the first order for the purchase or sale of financial instruments, the Bank and the client shall enter into a general agreement on brokerage services in writing, which shall also contain the provisions regarding the financial instrument accounts keeping in accordance with the Rules on Sub-Depository Management. The General Terms and Conditions, including all documents, shall form an integral part of the agreement on brokerage services.

When a client's order relates to subscription, payment, purchase or sale of financial instruments abroad (hereinafter referred to as: an order for abroad), the provisions of this chapter of the General Terms and Conditions shall apply mutatis mutandis to such an order, unless otherwise specified.

Article 22 (Client Data)

For the purpose of entering into an agreement on brokerage services, the client shall submit to the Bank the following information:

- Name and surname, or registered name if the client is a legal entity,
- Address of permanent or temporary residence or head office,
- Date and place of birth,
- Personal identification number if the client is a natural person, or registration number if the client is a legal entity, and LEI Code (Legal Entity Identifier), if the client is a legal entity or a sole proprietor, or another relevant client's identification element,
- Tax number,
- Number of the bank account, to which the Bank shall execute money transfers,
- The purpose of concluding a business relationship,
- The client's activity and the reason for opening an account,
- Data on identity document presented by the client,
- Education and profession, if the client is a natural person, information on client's knowledge, experience relevant to the product or service type in the field of investment in financial instruments, financial situation, ability to cover any losses, investment objectives, and the level of acceptable risk.

The Bank shall obtain the information from the last indent of the preceding paragraph on the basis of a pre-prepared questionnaire to be completed by a non-professional client. The client shall warrant the accuracy and veracity of the data provided. If the client refuses to submit any of the said information, the Bank may refuse to conclude a brokerage agreement.

Article 23 (Account with Balances of the Client's Financial Instruments)

After the conclusion of an agreement on brokerage services and prior to the first order for the purchase or sale of financial instruments, the Bank shall open an account with the Central Securities Clearing Corporation (hereinafter: the KDD) on behalf of and for the account of the client, where balances of the client's financial instruments shall be kept.

If the Bank, for any reason whatsoever on the side of the client, shall be unable to open an account of book-entry securities with the KDD on the basis of a signed brokerage agreement, any client's order for purchase or sale placed by the client simultaneously with the conclusion of the agreement referred to in the previous paragraph shall be deemed not to have been received.

If a client's order refers to the registration, payment, purchase or sale of financial instruments not issued in the Republic of Slovenia and not entered in the central registry of financial instrument at the Central Securities Clearing Corporation (hereinafter: the KDD), the client shall agree that their assets be stored and kept through a collective custody account for clients, comprising the accounts of financial instruments and related cash accounts (hereinafter: a collective custody account for clients). The Bank shall open such an account with any clearing company or custodian bank or institution selected by the Bank at its own discretion in view of the requirements concerning the execution and settlement of transactions in foreign financial instruments.

The Bank and the client shall determine by an agreement the manner of managing financial instruments not registered with KDD on behalf of and for the account of the client. Furthermore, the Bank shall present to the client the contents of the Client Order Execution Policy, covering foreign financial instruments markets and information on executing partners.

Receipt of the Order

Article 24 (Receipt of Client's Order)

The client may place an order for purchase or sale of a financial instrument at the head office of the Investment Banking or in a Bank branch. The time of the receipt of the order shall be the day and the hour of receipt of the order by the Bank. The client may place an order with the Bank for purchase or sale of financial instruments in the following ways:

- In person (at the head office or in a branch),

- By telephone (only at the head office),
- In writing or by mail (only at the head office).

If the client places an order by telephone or fax, the Bank may demand from the client a subsequent written confirmation of the order, and prior to placing the order by telephone, the client shall be informed that the phone call is to be recorded. The client may place an order personally in Bank branches or at the Investment Banking by appearing there in person. An order shall be deemed to be placed in person, if the receipt of the order placed orally is signed. The time of the receipt of the order shall be the day and the hour of receipt of the order by the Bank at the Investment Banking or in a Bank branch. Submission of orders related to foreign financial instruments is only possible in the Investment Banking in person or by phone and via web or mobile bank.

When there are exceptional circumstances in which it is impossible to record conversation / communication with the client on devices and recording lines, the bank proceeds in accordance with internally defined procedures, which, before receiving the order, informs the client.

The Bank shall be obliged to submit for execution all orders received no later than the next trading day following the day of receipt of the order. The Bank is obliged to forward the received orders in the branches for execution no later than the next trading day after the acceptance of the order.

Article 25 (Orders for Trading)

The client may place such types of orders with the Bank as determined by the general acts of the stock exchange or the regulations of the market, on which the client's order is to be executed.

1. Order types for trading

1.1 With respect to the price, trading orders are divided into the following order types:

1.1.1 Market order – no price limit is set.

1.1.2 Limit order – the final acceptable buy (highest) or sell (lowest) limit is set.

1.1.3 Discretionary order – a special type of order where the client does not specify the buy or sell price of a security, but rather gives the brokerage agent an authority to execute at their own discretion.

1.2 Limit orders are buy or sell orders to be executed at the set limit price or better.

1.3 Market orders are unlimited buy or sell orders (orders to buy or sell at the best available price) to be executed at the next price that is determined. Market orders are specially marked in the trading system.

2. Orders with execution restrictions

2.1 Types of orders with execution restrictions are the following:

2.1.1 Immediate-or-cancel order (IOC) – a single entry enables the order to be filled at different prices up to the set limit, whereby any unfilled portions of an IOC order are not entered into the order book but deleted.

2.1.2 Fill-or-kill order (FOK) – a single entry enables the order to be filled at different prices up to the set limit, whereby it is either executed immediately and in full (in either one trade or several trades) or not at all. If its immediate full execution is not possible, a FOK order is rejected.

2.1.3 Book-or-cancel order (BOC) – the order is entered into the order book as a passive order. If partial or full execution is possible upon order entry, a BOC order is rejected. BOC is not executed but the entry of the order is rejected and deleted from the trading system.

2.1.4 Stop market order – when the stop limit is reached, the stop market order is placed in the order book as a market order under the following conditions:

- stop market orders are not placed in the order book but in a separate stop order book,
- stop market orders are not visible to market participants,
- stop limit of the sell stop market order must be below the price that was last determined for the respective security,
- stop limit of the buy stop market order must exceed the price of the security that was last fixed by the system,
- when the stop limit is reached the stop order is automatically placed in the order book as a market order and may be executed immediately,
- stop limit is triggered by the price of an executed trade.

2.1.5 Stop limit order: when the stop limit is reached, the stop limit order is placed in the order book as a limit order under the following conditions:

- stop limit orders are not placed in the order book but in a separate stop order book,
- stop limit orders are not visible to market participants,
- stop limit of the sell stop limit order must be below the price that was last determined for the respective security,
- stop limit of the buy stop limit order must exceed the price of the security that was last fixed by the system,
- when the stop limit is reached the stop order is automatically placed in the order book as a market order and may be executed immediately,

- stop limit is triggered by the price of an executed trade.

2.1.7 Iceberg order: only the peak is displayed and market participants do not see the overall volume, whereby:

- iceberg order has to meet the following conditions:
- minimum total order value of EUR 10,000.00,
- peak size of at least 5% of the order's total quantity;
- it is executed gradually, as the iceberg supplies a new peak to be entered into the order book as soon as the previous peak has been fully executed, which is repeated until the order book contains any remaining undisclosed volume;
- gradual supply of peak from undisclosed volume is set by the trader in one of the following ways:
 - the new peak is the same as the original peak if the remaining undisclosed volume is large enough, otherwise the new peak is equal to the remaining undisclosed volume;
 - the new peak is determined automatically and randomly within a pre-set interval, if the remaining undisclosed volume is large enough, otherwise the new peak is equal to the remaining undisclosed volume.
- in auctions, iceberg orders appear and are displayed in their total volume (peak and undisclosed volume).

2.2 The Instructions stipulate detailed execution conditions for the orders from the first paragraph of this Article.

3. Orders with trading restrictions

3.1 Orders may have one of the following trading restrictions:

- 3.1.1 Auction only – the order is valid only for auctions.
- 3.1.2 Opening auction only – the order is valid only for opening auctions.
- 3.1.3 Closing auction only – the order is valid only for closing auctions.

3.2 The remaining quantity of orders with trading restrictions from items 3.1.1, 3.1.2 or 3.1.3, which are not completely filled during the relevant order book phase or auction phase, enter the subsequent order book phase, in compliance with the particular trading restriction.

4. Orders with validity restrictions

4.1 Orders may have one of the following validity restrictions:

- 4.1.1 Good-for-day – the order is valid only for the current trading day. After the end of trading, unfilled day orders are automatically deleted by the system.
- 4.1.2. Good-till-cancelled – the order is valid until executed or cancelled by the member firm.
- 4.1.3 Good-till-date – the order is valid until executed or until a specified date.

4.2 Good-for-day orders from item 4.1.1. include all orders entered into the system with validity restriction „good-for-day“, immediate-or-cancel orders, fill-or-kill orders, accept surplus only orders, iceberg orders, strike match orders, top-of-the-book orders, TOP+ orders, and limit orders with no validity restrictions.

5. Execution of discretionary orders

5.1 A discretionary order is a special type of order where the client does not specify the buy or sell price of a security, but rather gives the member authority to execute at its own discretion. The Bank shall execute such an order when it considers with due professional care that the execution of such an order is the most favourable for the client.

5.2 When executing a discretionary order, the Bank of the order cannot enter a buy or sell order on the other side of the order book for the account of another client who has placed a discretionary order, for its account or for the account of a person referred to in item 2 Paragraph 1 of Article 232 of the ZTFI-1, unless allowed by trading rules on a regulated market or MTF where such an order is executed.

6. Minimum order attributes

6.1 The following data are obligatory upon order entry into the trading system:

- Type of order (buy or sell),
- Ticker code,
- Quantity,
- Type of account,
- Valid LEI code in case the client is not private individual (LEI code is obligatory also for entrepreneurs)

6.2 The trading system rejects orders that do not contain all obligatory order attributes referred to in paragraph 6.1 of this Article.

6.3 The obligatory order attribute for custody accounts is account number.

6.4 A client's order shall cease to be valid when the client cancels the order in accordance with applicable regulations and these General Terms and Conditions or when the validity specified in the order expires. The validity of a discretionary order shall also cease:

- If the Bank has received it before the end of the trading day on the market on which the order is to be executed: at the end of the day on which the order has been received,
- If the Bank has received after the end of the trading day on the market on which the order is to be executed: at the end of the trading day following the day of the receipt of the order.

7. Trading on foreign stock exchanges

The instructions for the execution of orders referred to in this Article shall apply only to orders executed on the Ljubljana Stock Exchange with its registered office in the Republic of Slovenia if the bank executes client orders on any other Member States regulated market, an equivalent market in a third country or MTF the bank shall follow the instructions for the execution of orders in force on the relevant market.

Article 26

(Buy or Sell Orders for Financial Instruments)

The client shall specify in the order submitted to the Bank in an agreed way and in an agreed form, particularly the following:

- Type of order (buy, sell),
- Ticker and/or ISIN code and/or the issuer of financial instruments,
- Order book,
- Executing partner,
- Quantity of trades,
- Type of order,
- Validity of order,
- Other attributes allowing distinction between financial instruments with the same attributes from the preceding indents of this Article (e.g. serial number or designation of series).

Other order attributes are:

- Client (company name or client name and surname),
- Proxy,
- Address,
- Personal identification number/registration number,
- Trading account,
- Account number; open with the Bank,
- Account type,
- Eligibility; professional status.

A client's sell order for listed financial instruments is considered to include an order for these financial instruments to be transferred from its account or a collective custodial account of the client in order to meet the obligations from the sale concluded on the regulated market.

If an order is placed by phone, the Bank may require the client to submit additional information needed for identification other than the data indicated in the first paragraph of this Article.

When submitting an order or transmitting data related to the client's activities in the field of stock brokerage by phone, the bank may request that the client provide at least two elements from the password set by the bank for identification.

Article 27

(Transmission of Information to the Client Prior to Placing an Order)

A broker or another authorised person of the Bank shall transmit to the client the information on specific financial instruments, if the Bank is in possession of such information, and on general situation on the market. Furthermore, the Bank shall inform the client of all costs related to transactions and ownership of each financial instrument. As indicated above, the Bank shall not be held responsible for changes in fees charged by third parties. The data or notification resulting from the transmission of information by the broker shall in no event be interpreted as the broker's recommendation. The clients shall rely on their own judgement, and the Bank shall not undertake any responsibility for any loss, obligation or costs incurred to the client as a result of an order being placed.

Article 28

(Modifying and Cancelling a Client's Order)

Clients may change or cancel their orders until it is still possible to avoid their execution. The client's order where the price or quantity of the financial instrument have been changed or any special condition of the order has been added, modified or deleted, shall be considered a new order. An order shall be considered modified or cancelled when the modification or cancellation of the order has been carried out in the trading system.

A modification and a cancellation of a client's order for abroad are possible in accordance with the rules of the foreign market where the client's order had been placed. An order shall be considered modified or cancelled when the modification or cancellation has been executed in the trading system.

The Bank may cancel the client's order in case where the Bank finds out during the order validity period, based on changed information about the client, that the order is no longer appropriate for the client in accordance with the assessment of suitability/appropriateness. The Bank shall inform the client of such cancellation.

Article 29

(Confirmation of Acceptance, Modification, Cancellation of an Order)

The Bank shall provide the client with a confirmation of acceptance, modification or cancellation of the order as specified by the rules governing the financial instruments market not later than on the business day following that of the reception, modification or cancellation of the order.

In case of a discretionary order, the confirmation of acceptance of the order shall contain a provision stating that the client has authorised the Bank to execute the order when it considers to be the most favourable for the client's interests, and a provision that the order shall cease to be valid at the end of the trading day following the day of the receipt of the order.

If, within 8 days of receiving the confirmation of acceptance of the order, the client expresses no objections to the confirmation, the information indicated in the confirmation shall be considered to be accurate.

Article 30

(Advance Payment)

Prior to the execution of a buy order, the client shall provide and make an advance payment amounting up to 103 % of the value of the buy order and the buy order-related costs to the account number: SI56 0451 5000 2425 702 held at Nova KBM d.d. (hereinafter: clients' account), reference: tax number of the client. The Bank and the client may also agree on alternative arrangements.

In the notification to the client of the transaction made indicated in Article 42 of these General Terms and Conditions, the amount of advance payment posted on the client's account on the day of the purchase of financial instruments by 12:00, shall be included in the respective balance on the account from which the client's obligations shall be settled.

The parties agree that the aforementioned advance payment shall be used to pay the Bank's claims on the client in accordance with these General Terms and Conditions and the agreement on brokerage services.

Article 31

(Ensuring Client Account Balance in the Case of a Client's Sell Order)

Prior to placing an order for sale of financial instruments, the client shall make sure that these financial instruments are on the client's account held with the Bank.

In the event of an order for the sale of financial instruments abroad, the client shall ensure the required balance of financial instruments, which are subject of the sell order, on the collective custody account for clients or on their own custody account.

Article 32

(Refusal to Accept the Client's Order)

The Bank may refuse to accept the order if the client, in the event of a buy order, fails to make an advance payment or if, in the event of a sell order, the client has no financial instruments or a sufficient quantity of financial instruments, which are the subject of the order or the execution of the order would be contrary to the applicable regulations or the General Terms and Conditions, such as a conflict of interest or suspicion of insider trading. Furthermore, the Bank shall have the right to refuse to accept a client's order if it establishes that the client submitted to the Bank incorrect or incomplete information.

Furthermore, the Bank shall reserve the right to refuse the execution of each transaction if considered to be unsuitable/inappropriate for the client.

The Bank shall notify the client immediately of the refusal to accept the order or execution referred to in the preceding paragraph and shall indicate the reason for refusal.

Execution of Orders

Article 33 (Execution of Clients' Orders)

The Bank shall execute the client's order as they are denominated, whereby orders of the same type shall be executed in the chronological order of their receipt. Notwithstanding the provision of the preceding sentence, the Bank shall execute a discretionary order when it estimates, by applying great scrutiny, that in view of the situation on the market, the execution of the order is the most favourable for the client's interests.

The Bank shall accept, transmit and execute the clients' orders in accordance with the Client Order Execution Policy, other applicable regulations and rules of the market on which the financial instrument, subject of the order, is admitted to trading. When executing the clients' orders, the Bank must take all the necessary measures to execute the client's order under the conditions that are the most favourable for the client, taking into account the factors that are important for the execution of the order, such as the price, costs, speed, probability of conclusion and settlement of the transaction, value and characteristics of the client's order, liquidity of the market or individual FI and other circumstances important for the execution of the order.

If a client's order contains specific instructions about all the factors, the Bank must execute it in accordance with the client's instructions and shall not be obliged to take the measures specified in the second paragraph hereunder. If a client's order contains specific instructions about certain factors referred to in the second paragraph hereunder, the Bank must execute it, as far as these factors are concerned, in accordance with the client's instructions and shall be obliged to take the measures specified in the second paragraph hereunder in respect of all other factors.

A client's order shall be executable when the Bank receives or when the client submits to the Bank all data, documents and declarations necessary for the execution of the order, and when the conditions stipulated in Articles 30 (Advance Payment) and 31 (Ensuring Client Account Balance in the Case of a Client's Sell Order) of the General Terms and Conditions are met.

All clients' orders shall be recorded and executed in accordance with relevant regulations.

The Bank shall execute the buy or sell orders for foreign financial instruments for the account of the clients either through foreign investment firms acting as the Bank's executing partners or directly on a foreign market. The client shall be notified that the Bank independently selects its executing partner for the execution of orders for foreign financial instruments. The Bank shall not be held responsible for the conduct of the executing partner; nevertheless, it shall be responsible for its careful selection.

Article 34 (Consent to the Policy of the Execution of Clients' Orders)

By signing the agreement on the provision of investment services, the client declares to have been made aware by the Bank of the Client Order Execution Policy and that the client agrees with it by confirming it with an express written consent. Prior to the execution of the client's orders outside a regulated market or an MTF, the Bank must obtain the client's explicit consent for the execution of the order in such a manner.

The respective applicable Bank's Client Order Execution Policy shall be available on the www.nkbm.si website. The Policy shall not apply to the Bank's transactions with an eligible counterparty.

Article 35 (Payments Made for Non-Executed Orders)

In the event of a cancellation of a buy order in respect of which the client has made an advance payment, the Bank shall transfer the unused amount of the advance payment to the client's account specified in the agreement on brokerage services on the business day following the day of the cancellation of the order in respect of which the client has made the advance payment, unless otherwise agreed in the agreement on brokerage services or in another order. If a buy order has not been executed for a reason other than the cancellation of the order, or in the event that the amount of advance payment exceeds the amount necessary for the settlement of obligations arising from the buy order (hereinafter: unused advance), the funds shall also be transferred to the client's account on the business day following the date of the statement of the buy transaction or the due date, unless otherwise requested by the client before the execution of the money transfer.

An advance payment or the unused amount of the advance payment shall not be considered a cash deposit and shall not bear any interest.

Meeting of Obligations Arising from a Transaction Made

Article 36

(Settlement of Client's Financial Obligations)

If the client has made an advance payment to the Bank in accordance with Article 30 of these General Terms and Conditions in order to meet its financial obligations arising from a buy order, the purchase price shall be paid from the advance payment. If the Bank has not requested the advance payment or if pursuant to these General Terms and Conditions it is deemed not to have requested it or if the advance payment may not be sufficient to settle the financial obligations arising from the purchase of financial instruments, the client shall transfer to the Bank the purchase price or the difference between the advance payment and the amount of the purchase price:

- On the business day following the date of the execution of the order in the event of brokerage services on the regulated financial instruments market in the Republic of Slovenia, which means that the funds must be on the Bank's account on that day, or
- By the date indicated in the Bank's notification of the purchase of financial instruments in the event of brokerage services abroad or on the non-regulated financial instruments market in the Republic of Slovenia.

The client must transfer the purchase price or the difference between the advance payment and the amount of the purchase price to the Bank's account, unless otherwise agreed upon between the client and the Bank.

Notwithstanding any other agreement between the Bank and the client regarding the fulfilment of obligations arising from the financial instrument purchases made, the Bank may request from the client to settle the difference on the business day following the date of the execution of the order (T+1) if the value of its buy order exceeds the monthly amount of the Bank's liquidity reserve, which means that the funds must be on the Bank's account on that day.

In the event of conditional orders or simultaneous buy and sell orders for domestic financial instruments, the client shall receive or pay only the difference between the purchase and sale value, reduced or increased by the fees and costs in accordance with the fee schedule or the agreement, unless otherwise agreed upon between the parties.

In the event of conditional orders or simultaneous buy and sell orders of foreign financial instruments, the provision of the preceding paragraph shall apply, provided that the respective rules related to the foreign financial instruments market so permit.

All payments made by the client in order to meet the obligations according to these General Terms and Conditions shall be made to the account specified by these General Terms and Conditions.

Article 37

(Procedure to be Followed in the Event of Failure to Meet Client's Financial Obligations)

If the client fails to settle to the Bank all its obligations arising from transactions concluded for their account, the Bank shall request the client, first by phone and then in writing, to settle its obligations. If the client fails to settle its obligations within two business days of the date of receipt of the first reminder, the Bank shall have the right to register a lien in its favour in order to secure the settlement of the client's obligations regarding the financial instruments held on the client's account with the Bank and subject to these General Terms and Conditions. The Bank shall also reserve the right to sell the financial instruments subject to the lien.

If the client fails to settle its obligations within two business days of the date of receipt of the first reminder, the Bank shall have the right to offset the debts from any cash account of the client held with Nova KBM d.d. in order to settle the client's obligations.

Article 38

(Payment of Purchase Price to the Client)

The Bank undertakes to credit the purchase price received from the executed sell order, less the deductions in accordance with these General Terms and Conditions and the agreement on brokerage services, to the client's account specified in the agreement on brokerage services not later than on the business day following the date of the receipt of the purchase price from the executed order.

The Bank transfer the amount of the purchase price or unused advance to the customer in EUR to the cash account no later than the next business day after the day:

- when it receives the purchase price from a sales transaction entered into for the account of the customer, or
- performs the settlement of the purchase transaction, or
- receives the cancellation of the customer's purchase order or
- due date of the order.

The Bank may settle its financial obligation in another way on the basis of a client's written order in accordance with the rules regulating financial operations of companies. The Bank and the client shall conclude a written agreement on any other way of settling the obligations.

Article 39
(Delivery of Financial Instruments to the Client)

The Bank shall make sure that on the second business day following the date of the execution of the order on the regulated market in the Republic of Slovenia or following the fulfilment of the seller's obligations if the client's buy order has been executed outside the regulated market in the Republic of Slovenia, the financial instruments purchased by the Bank for the account of each client, are transferred to this client's account opened with the KDD and managed by the Bank.

If the Bank purchases, in accordance with the client's order, financial instruments issued in paper form, not being kept as a collective safekeeping with the KDD, the Bank must deliver them to the client within two business days following the date of the seller's obligation fulfilment, unless expressly agreed otherwise between the Bank and the client.

Article 40
(Settlement of Financial Instruments and Funds in Case of a Client's Order for Foreign Financial Instruments)

The Bank shall ensure the settlement in the case of transactions in foreign financial instruments in accordance with the regulations of the market on which the order is executed, namely by crediting or debiting the funds and financial instruments to the client's account in the Bank's sub-depository. The Bank undertakes to adopt all necessary measures as soon as the conditions are fulfilled, so that on the day considered to be a standard or a normal day to settle the obligations arising from such a transaction in accordance with the business practice for each transaction, the securities will be delivered or transferred to the client in the manner as stipulated in the agreement on brokerage services and in accordance with the custody agreement.

If the client uses an individual custody account kept with the selected custody bank, another depository, or holds its own account in a foreign central depository, a cash and paper settlement of the transaction based on the client's order shall be carried out through that own custody account or another client's account. In this case the Bank shall not take any responsibility for the cash and paper settlement of a transaction.

Article 41
(Clients' Cash Funds)

The Bank holds a special cash account at Nova KBM d.d., through which it shall accept and make payments arising from transactions made for the clients' accounts, as well as manage clients' cash funds.

The Bank shall not be allowed to accept and make payments arising from transactions made for its own account through the client's special cash account referred to in the preceding paragraph. Furthermore, the Bank shall not be allowed to use the clients' cash funds for its own account or for the account of other clients.

Article 42
(Statement of Transactions Made)

The Bank shall be obliged to present to the client a statement of transactions made not later than on the following business day after meeting the obligation arising from the transaction made for the client's account. If the Bank has concluded a transaction for the client through an executing partner, the Bank shall send a statement of transactions to the client not later than on the business day following the day of receipt of the appropriate statement of that transaction from the executing partner.

The client shall check the statement of transactions made immediately after receiving it and shall fulfil any pending obligations concerning the order in accordance with the provisions of Article 36 of these General Terms and Conditions. The client shall send to the Bank any comments regarding the statement of transactions made. The client shall have the right to object to the statement of transactions made and to the order within 8 days of the receipt of the statement of transactions made. If the client raises no objection within that time limit, the client will be deemed to agree with the content of the statement of transactions made and the order given.

Article 43
(Termination of Agreement on Brokerage Services)

After the termination of the agreement on brokerage services, the repayment of all its claims to the client as stipulated by these General Terms and Conditions and the agreement on brokerage services, and in accordance with the method and conditions as specified by relevant regulations, the Bank shall:

- (i) Transfer the financial instruments kept for the client's account on the day of the termination of the agreement on brokerage services to the account identified and communicated to the Bank by the client or (ii) deliver the book-entry securities to the client or to the person identified by the client, or take all necessary steps to ensure that the financial instruments are transferred or delivered to the client or the person identified by the client, in the manner and under the conditions laid down in relevant regulations;
- Transfer to the client's cash account indicated in the agreement on brokerage services the funds received until the date of the termination of the aforementioned agreement as a result of the execution of a sell order or the sale of financial instruments due to the recovery of the Bank's receivables or not spent until the day of the

termination of the above indicated agreement on the execution of a buy order for financial instruments and have not yet been transferred by the Bank to the client's account specified in the agreement on brokerage services.

Moreover, after settling all its claims to the client as laid down by these General Terms and Conditions, the Bank shall deliver to the client, in the manner and under the conditions referred to in this Article, the client's financial instruments or transfer to the client its funds that would have been received after the termination of the agreement on brokerage services.

If, for any reason whatsoever, the Bank could not deliver to the client within seven business days of the date of the termination of the agreement on brokerage services the financial instruments as provided for in the first paragraph of this Article, the Bank shall have the right to sell the financial instruments kept for the client's account and transfer the purchase price to the client's account indicated in the agreement on brokerage services after the payment of all costs related to safekeeping and sale of financial instruments after the expiry of the time limit referred to in this paragraph.

Ensuring CSDR compliance

Article 44

(Information on securities allocations)

The provisions on information on securities allotments arising from the CSDR do not apply to professional and non-professional clients who have relevant securities and settlement money with the Bank.

In the event that a professional client at NKBM does not have adequate securities and settlement funds, the Bank shall require its professional clients to inform them of the allocations of securities or cash in transactions referred to in Article 5 (1) of Regulation (EU) 909/2014, identifying the accounts to be credited or debited. Those written notices of allocation shall specify the details referred to in Article 2 of the EU Delegated Regulation 2018/1229.

The Bank shall confirm receipt of the written notification of allocations and written confirmation within two hours of receipt; if the bank receives written notification of allocations and written confirmation less than one hour before the close of business, it shall confirm their receipt within one hour after the start of business on the next business day.

In the event that a retail client does not have securities and settlement funds with the Bank, the Bank shall require its retail clients to provide all relevant settlement information for the transactions referred to in Article 5 (1) of Regulation (EU) No 1095/2010. 909/2014 as soon as possible or no later than 12.00 CET on the business day following the business day on which the transaction was executed.

Article 45

(Penalty)

In accordance with the provisions of EU Regulation 909/2014 and EU Delegated Regulation 2018/1229, central clearing and depository companies (in the case of transactions with Slovenian securities, this is KDD) calculate and apply penalty for each settlement instruction that is not successfully settled.

Financial instruments subject to penalties for unsuccessful settlements or unsuccessful harmonization of settlement instructions:

- i. transferable securities as defined in point (a) of Article 4 (1) (44) of Directive 2014/65 / EU;
- ii. government securities as defined in Article 4 (1) (61) of Directive 2014/65 / EU;
- iii. transferable securities as defined in point (b) of Article 4 (1) (44) of Directive 2014/65 / EU, except for government securities referred to in point (ii);
- iv. transferable securities as defined in point (c) of Article 4 (1) (44) of Directive 2014/65 / EU;
- v. exchange traded investment funds;
- vi. units of collective investment undertakings, excluding investment funds traded on a stock exchange;
- vii. money market instruments other than government securities referred to in point (ii);
- viii. emission rights;
- ix. other financial instruments.

The bank receives information on calculated penalty from KDD or central counterparties on the basis of calculations. Penalties resulting from events for which the client will be responsible (insufficient cash or balance of financial instruments on the settlement date or incomplete / inadequate information on allotments) will be transferred by the bank to the client. The client is obliged to settle the costs of the penalty in the manner and within the deadlines applicable to other payments from the operation of financial instruments.

If the bank receives funds from the late settlement or late-matched settlement instructions in accordance with the CSDR, it will transfer the funds to the cash account of the client for whom the individual transaction was settled late or late information for settlement instructions.

Article 46 (Buy-in)

The Bank will carry out the buy-in process in the manner and within the deadlines set out in Regulation (EU) 909/2014 and Delegated Regulation (EU) 2018/1229 and in accordance with market practice.

Placing orders via online or mobile banking

Article 47 (specialties on brokerage when placing orders via online or mobile banking)

Terms of use of the online bank - Bank@Net

The Bank enables customers to make transactions with financial instruments via online bank (Bank@Net). Access is provided to clients who have an open current account with the bank and access to the online bank, concluded an Agreement on brokerage and management of financial instruments and a confirmed Statement on the use of the brokerage service via Bank@Net (hereinafter: the "Statement") in online banking. Access is provided to trading account holders, their proxies, legal representatives and proxies through personal access to the online bank. To access, customers need the appropriate software and hardware (computer) that allows them to have uninterrupted Internet access. When using the online bank, the General Terms and Conditions of Business with Consumers (available at www.nkbm.si) are used in the parts that define the operations of online banking (available at www.nkbm.si/bankanet). The condition for entering purchase orders is a valid investor profile. The customer can enter the purchase order according to the valid profile of the investor.

Terms of use of mobile banking - mBank@Net

The Bank enables customers to make transactions with financial instruments via mobile banking (mBank@Net). Access is provided to customers who have a current account with the bank and access to the mobile bank, the concluded Agreement on stockbroking and account management of financial instruments and the confirmed Statement via the mBank@Net mobile bank in the mobile bank. Access is provided to trading account holders, their proxies, legal representatives and proxies through personal access to the mobile bank. To access, customers need the appropriate software and hardware (mobile phone) that allows uninterrupted access to the Internet and mobile applications.

For a better user experience of investing through the mBank@Net mobile bank (via a smartphone), we recommend that customers install the mBank@Net Invest application on their phone before trading financial instruments for the first time. It can be downloaded for free from Google Play or the App Store. Installation of the mBank@Net Invest application is not mandatory for smooth operations.

When using mobile banking, the General Terms and Conditions of Business with Consumers are used in the parts that define mobile banking operations (available at www.nkbm.si/mbankanet). The condition for entering purchase orders is a valid investor profile. The customer can enter the purchase order in accordance with the valid profile of the investor.

Information on the safe use of online and mobile banking is published on the bank's website www.nkbm.si/varnost-spletnega-poslovanja.

Services provided by online and mobile banking

The online and mobile trading application provides the following services to a customer who has a confirmed Statement:

- insight into the portfolio of financial instruments and cash on the trading account,
- placing orders for the purchase or sale of financial instruments that are enabled for trading in the application (shares and other types of equity financial instruments, derivatives (for professional clients) and other financial instruments and without bonds),
- insight into own orders, transactions and confirmations,
- display of certain stock exchange and trading information,
- access to the archive of documents and notices provided by the bank.

Shown courses or the values of financial instruments on the Ljubljana Stock Exchange are shown with a delay of up to 15 minutes, exchange rates or values on other stock exchanges are shown with a lag of at least one day. The data and information that the Bank presents to customers through the above services are of an informative nature. The Bank is not responsible for the accuracy, correctness, timeliness, completeness and accessibility of data. Detailed information is available in the Investment Banking Department.

Rights and obligations of clients and banks

The services in the online and mobile banking are available to the client in accordance with the respective offer of services and under the conditions of the currently valid Price List of fees and commissions for dealing with financial instruments.

The above provisions, Nova KBM's Rules on Trading in Financial Instruments, the General Terms and Conditions of Consumer Transactions, the provisions of the Agreement on Brokerage and Account Management with Financial Instruments and the confirmed or signed Statement defines operations via online and mobile banking, unless otherwise specified in the article Specialties in stockbroking when placing orders via online or mobile banking.

The Bank may at any time, without prior written notice and notice, suspend or suspend the provision of online or mobile banking services if the customer does not comply with the Nova KBM Rules in dealing with financial instruments, closing the trading account or transaction account with the bank. In case of non-compliance of the client with the rules of the bank, in case of updates or upgrades of online or mobile banking, for security or other reasons at its own and independent discretion, in all cases the bank is not liable to the client for any damage suffered by the customer as a result of the interruption of the provision of online or mobile banking services. The Bank shall not be liable to the Customer for any damage, loss of profit and other costs incurred due to the Customer's use or inability to use the online or mobile bank or the failure of the online or mobile bank, as well as inability to place orders or failure of operating partners and due to the implementation of possible additional controls. The Bank reserves the right to change, expand or narrow the business service via online or mobile banking, of which it will inform the customer in the agreed manner.

Placing orders via online or mobile banking

Services with financial instruments via online or mobile banking are enabled 24 hours a day. In the case of placing a customer order via online or mobile banking, the customer may place the following types of orders:

- market order - no price limit set,
- price limited contract,
- time-limited order valid for up to 30 days,
- stop market order.

The placement of orders is enabled for financial instruments entered in the application, for other financial instruments the client must submit a request for entry to the stockbroker by 3 p.m.

The date and time of receipt of the order via the online or mobile bank are the date and time when the entry of the order was confirmed in the support application of the bank. If the order is rejected, the customer receives a notification of rejection in the online or mobile bank. Execution of the order is enabled in accordance with the trading time or calendar of the individual fulfillment partner or trading venue to which the selected financial instrument is placed. All placed and unexecuted orders for the purchase or sale of financial instruments at an individual trading venue expire or expire at 23:59:59 on the day the order was received, unless the customer has set a date for the execution of the order. The Bank will process the orders placed through the application in accordance with the concluded Agreement on Brokerage and Account Management of Financial Instruments, confirmed or signed Statement and Rules of Nova KBM in dealing with financial instruments, if not in the article orders via online or mobile banking provided otherwise. Fees and commissions for operations with financial instruments via online or mobile banking are defined in the respective Price List of Fees and Commissions for Services with Financial Instruments, which is published on the website www.nkbm.si/borzno-posredovanje. When operating through online or mobile banking, the Bank does not support a reduced tax rate at source of payment of dividends and corporate actions.

3. MANAGING THE ACCOUNTS OF BOOK-ENTRY FINANCIAL INSTRUMENTS

Article 48

(Agreement on Managing the Accounts of Book-Entry Financial Instruments)

In accordance with the relevant regulations and the agreement on managing the accounts of book-entry financial instruments, the Bank shall open, manage and close the account of financial instruments (book-entry or issued in paper form kept in the collective safekeeping with the KDD), and shall carry out transfers between the accounts in line with the regulations governing the keeping of the central register of book-entry securities.

Prior to opening a client's account, the Bank enters with the client into an agreement in writing on managing financial instrument accounts and opens, on the basis of such an agreement, a client's account with the KDD, where it keeps the balances of securities of each client on behalf of and for the account of the client. The General Terms and Conditions form an integral part of the agreement on managing accounts of financial instruments. If the Bank performs brokerage services for the client, such relationships shall be governed by an agreement on brokerage services.

The Bank shall open the account referred to in the first paragraph of this Article not later than on the business day after the conclusion of the agreement on brokerage services or the agreement on managing the accounts of financial instruments.

Article 49
(Opening a Client's Account)

Prior to opening a new client's account of financial instruments, the Bank shall verify the client's identity in accordance with relevant regulations.

A client may open an account without being present in person only in the cases and according to the procedure as provided for by the preventing money laundering and terrorist financing rules. The Bank shall verify the identity of the proxy in accordance with the preceding paragraph of this Article.

The Bank shall be obliged to open a client's account of financial instruments with the KDD only if all the client's data indicated in the agreement on brokerage services or the agreement on managing the accounts of book-entry financial instruments are consistent with the data kept with the KDD.

Article 50
(Transfer Orders)

The Bank shall carry out the transfer of financial instruments between the accounts of the same holder, the transfer of financial instruments between the accounts of different holders, and the entry of the rights of third parties on the basis of an appropriate client's order in writing, containing the data specified by the instructions of the entity where the Bank keeps the client's account. The Bank may refuse to accept and execute a transfer order, if the client has submitted incorrect or incomplete data at the time of the conclusion of the agreement and in the event of an incomplete order. In spite of having received the complete data, the client's order for the transfer or entry or deletion of the right of a third party, shall be executed only after the client pays a fee according to the respective applicable fee schedule for the transfer, entry or deletion.

Before entering the client's respective order, the Bank shall check the client's identity in the manner set out in the previous Article of the General Terms and Conditions. The Bank shall not be obliged to consider client's orders concerning the transfer of non-materialised securities or the right of a third party when there are no sufficient securities on the client's account with KDD.

If a client's proxy issues an order, the Bank records the client's order upon the presentation of a client's authorisation certified by a public notary or an administrative unit, or if the client personally authorises at the Bank a specific person for disposal of financial instruments held on its account.

Article 51
(Order of Entering Transfer Orders)

The Bank shall enter the orders for transfers from the client's account or orders for the registration of the rights of third parties related to the client's financial instruments in the chronological order in which complete orders for transfer or orders for the registration of the rights of third parties are received.

Article 52
(Reporting to a Client)

The Bank shall send to the client a statement of securities and annual record of transactions on their trading accounts for previous year at least once a year unless the Bank and the Client agree upon a shorter reporting period. Upon the client's request, the Bank shall issue, on the next business day following the receipt of the request, a statement of transactions on the account for the required period and of the new balance of the account as at the date of the statement. At least once a year, the bank issues and sends information on costs and compensation to the client, including costs related to investment services and financial instruments that are not the result of market risk. At the customer's request, the bank breaks down costs and fees by individual items.

The bank prepares and sends the customer a quarterly report on the balance of the trading account for foreign financial instruments.

Article 53
(Account Closing)

The Bank may close the client's account, where the balance of financial instruments at the end of calendar year equals zero, except when the period for which the client paid the management fee has not expired yet.

Article 54
(Keeping a Foreign Financial Instruments Account)

For the purpose of the transmission and execution of orders services and, the Bank shall open and keep foreign financial instruments account for the client in a sub-depository, where it keeps on behalf of and for the account of the client the balances of all (domestic and foreign) financial instruments of the client and enters the orders for the transfer of these financial instruments from the client's account to another account or for the entry and deletion of the rights of third parties. The Bank opens with a custody bank (an intermediate sub-depository) a sub-depository of foreign financial instruments

of the clients, kept on the Bank's behalf and for the account of the clients, and can keep, at the same time, foreign financial instruments directly with a foreign depository.

Article 55

(Keeping Sub-Depositories of Financial Instruments)

The Bank maintains a sub-depository of clients' financial instruments kept in the central depository for the clients' account through its own account in the central depository or through another intermediate sub-depository. The Sub-Depository Management Rules, attached to these General Terms and Conditions and available on the Bank's www.nkbm.si website, specify the method of sub-depository management, the method the entries are made in the sub-depository, the way the Bank exercises the rights arising from the clients' financial instruments, the content and the manner of issuing the orders of a client or the holder of the right of a third party for the disposal of the client's financial instruments, frequency and method of issuing the statements on the balance of the client's financial instruments and the rights of third parties on these financial instruments, the content and method for the submission of the request for a statement from the sub-depository.

If a client demands that its financial instruments be kept through the client's account in the central depository rather than in the sub-depository kept by the Bank, the Bank shall, in so far as is possible:

- Open and keep the client's account where these financial instruments are recorded, if the Bank itself is a member of that central depository;
- Ensure on behalf of and for the account of the client that a member of the central depository opens and keeps the client's account where these financial instruments are recorded, if the Bank is not a member of that central depository.

If the financial instruments are kept in the central depository on behalf of a client through the client's account, the client is exposed to a lower risk, yet it bears higher costs than in case where financial instruments are kept in the central depository on behalf of the Bank and for the client's account through the Bank's account in that depository or through the sub-depository's account.

Article 56

(notification of corporate actions and shareholder disclosures)

The bank informs customers about corporate actions relating to the exercise of shareholders' rights, namely from the shares of companies based in the EU.

In accordance with the prescribed deadlines, the Bank thus forwards all information received either from the company, the central depository, the sub-depository or through a chain of intermediaries to the clients.

If the notification contains an invitation to choose one or more options for exercising rights, the bank will also inform the customer at the same time as the notification about a.) which option will be considered selected if the customer does not choose any other option (default option), b.) in within which period the customer can notify her of choosing another option.

If the bank does not receive different instructions from the customer within the given period, it is entitled to consider that the customer has chosen the default option.

When exercising rights, the bank is obliged to act in accordance with the customer's instructions.

The customer can provide the bank with a so-called standing or standing instruction, with which he instructs the bank to act in accordance with its standing (standing) instructions when announcing a specific corporate action, which he can also change at his request, and notify the bank of any change.

In the event that such a procedure is enabled by the issuer in the announcement of the shareholders' meeting, the bank offers clients the service of mediation in registration, voting and proxy representation at the shareholders' meeting for the local market and those foreign markets where the service is provided by a selected administrator or intermediary.

The bank does not guarantee that the information provided (by the issuer) will be taken into account through the chain of intermediaries or the central depository. The content assessment and consideration of the received information is the responsibility of the issuer.

The bank provides customers with a notice on the execution of a corporate action.

In the event that the bank, as an intermediary (in a chain of intermediaries), receives a request from another sub-depository, central depository or agent (intermediary) to disclose the identity of shareholders in accordance with applicable legislation, the bank is obliged to forward information about the shareholder to the issuer or to an agent authorized by the issuer .

4. DEALING ON OWN ACCOUNT

Article 57

(Trading on Proprietary Account and Execution of Client's Order)

In cases where the Bank trades on proprietary account and publishes the prices of financial instruments (price quotation) or the prices are determined on the basis of a client's request (price quotation request), it shall neither receive nor transmit the orders and shall not execute them under the most favourable conditions for the client in accordance with the Client Order Execution Policy of Nova KBM d.d., given that a trade between the Bank and the client is executed when the client accepts the quoted price. This provision shall not apply if the client is a natural person, the Bank provides a brokerage service for a specific proprietary account trade with the client, or if the Bank and the client otherwise agree in writing on a specific trade and it is not proven otherwise in any of the above cases.

Market making performed by the bank through its own account means ensuring the demand and supply of financial instruments on the stock exchange in accordance with the market conditions prescribed by the stock exchange with rules. Market making improves the liquidity of a financial instrument and helps to potentially enable the liquidity of an individual financial instrument.

5. OTHER INVESTMENT AND ANCILLARY INVESTMENT SERVICES

Article 58

(Investment Advisory Agreement)

Investment advice means providing personal recommendations to a client at the client's request or at the initiative of an investment firm with respect to one or more transactions in financial instruments. Prior to providing any investment advisory services, the client shall enter into an investment advisory agreement in writing with the Bank. The General Terms and Conditions shall form an integral part of the investment advisory agreement.

The Bank and the client shall primarily set out in the agreement the scope and manner of investment advice to be offered to the client by the Bank, mutual rights and obligations of the parties, the Bank's commission or fee, and the period of validity of the agreement.

Before concluding an investment advisory contract, banks obtain information from the customer about their knowledge and experience relevant to the type of product or service, about their financial situation, including their ability to cover losses, and about their investment goals, including the level of acceptable risk and preferences regarding sustainability (suitability).

For the client's account, the bank provides the client with investment advisory services for the duration of the validity of the investment advisory agreement, which is not independent investment advisory, since the financial instruments to which the investment advisory refers can also be issued or provided by entities related to the bank.

The Bank provides investment advice in the form of issuing personal recommendations regarding one or more transactions related to financial instruments, with the aim of providing the client with professional assistance in making financial decisions.

Analysis and investment research intended for distribution means and the public, including publication on websites, and any other recommendation that is not considered a personal recommendation in accordance with the relevant regulations are not considered investment advice. A recommendation is not a personal recommendation if it is made exclusively through distribution channels or the public.

On the basis of investment advice, the client shall make its decision for the purchase or sale of financial instruments. Investments in financial instruments are risky and the client shall be aware of them and assume the risks as indicated in the Information on the Bank, Investment Services and Financial Instruments. Therefore, when selling a financial instrument, which the client has decided to buy on the basis of an investment advice, the client may, despite the investment advice provided by the Bank, get a lower price than the one paid by the client when purchasing the financial instrument. The client is aware that the order placed, even though resulting from a decision made on the basis of investment consultancy, is an expression of the client's free will and the client assumes the related risks.

The Bank shall have the right to not to execute a transaction with certain financial instruments or certain investment services in case where the Bank estimates that the desired financial instrument or investment service is not appropriate and suitable for the client.

In view of the scope and complexity of investment advisory services provided by the Bank, the client and the Bank shall agree on the payment of relevant fees and costs for an investment advisory service in each agreement or in accordance with the respective applicable fee schedule.

The bank provides non-independent advice. The range of instruments that the bank includes in the investment advisory service is limited to model portfolios consisting of mutual funds and structured products. Issuers of financial instruments can be companies that are closely related to the bank or in some other legal or economic relationship.

Personal recommendation

A personal recommendation means only explicit information, or a proposal given to the customer by the bank regarding a certain investment strategy or regarding the purchase, sale or retention of ownership of one or more financial instruments. A personal recommendation is not a possible expressed opinion or reference by the bank regarding the conditions in the market of financial instruments, such as the current or future values of the prices of financial instruments. The bank provides the customer with personal recommendations in accordance with these general terms and conditions in writing. Verbal recommendations to the customer by the bank are not considered personal recommendations in accordance with these general terms and conditions.

A personal recommendation given in accordance with these general terms and conditions is of a personal nature and is intended solely for the customer based on their individual circumstances. The customer cannot rely on or use the given personal recommendation in any legal relationship with third parties, communicate it to third parties or publish it publicly. A personal recommendation does not cover or contain tax aspects or tax advice in relation to the client's proposed portfolio or assets.

Investment profile assessment for advisory purposes

As part of the process of concluding an investment advisory contract, the Bank assesses the client's Investment Profile for investment advisory purposes. The process includes obtaining information from the customer, such as the customer's investment goals in financial instruments, time period or periods of investment, willingness to take risks and risk levels, as well as expectations regarding returns from financial instruments, about his knowledge and experience regarding the products or services offered, about his financial position, which includes its ability to cover losses, and its investment objectives, including the level of acceptable risk, in order to be able to recommend to the client which investment services and financial instruments are suitable for the client. For the same purpose, the bank also obtains data from the customer on their preferences regarding sustainability.

In relation to determining the investment profile for consulting purposes, the bank may also request additional documentation from the client regarding the information from the previous paragraphs of this article.

The bank prepares an assessment of the client's investment profile for advisory purposes based on questionnaires that the client fills out and signs. The bank submits the questionnaires to the client for completion before signing the contract on investment advice.

In order to obtain information about the customer's knowledge and experience and understanding of risks related to financial instruments, the bank may request from the customer, among other things, the following personal data and/or documentation:

- data on the scope, type, frequency and time periods of already existing investments and transactions with financial instruments,
- the client's education and employment information,
- the balance of assets and current cash inflows and flows of the client.

The bank may refuse to provide services for the client if it believes that it has not obtained sufficient information about the client regarding his knowledge and experience, his financial situation and his investment goals.

The bank warns the client that in the case of incorrect or incomplete data required for the assessment of the client's investment profile for the purposes of investment advice, or failure to provide such data or their changes or additions, the bank is not responsible for the professionalism of the personal recommendation made.

The Bank is entitled to consider the information obtained from the customer as up-to-date and true. The customer is obliged to keep the bank informed of any changes to the data already provided, as well as important new data or facts about his knowledge and experience, relevant for individual types of products or services, about his financial situation and about his investment goals.

Data verification

After the conclusion of the investment advisory contract, the bank asks the client at least once a year to provide changes in information about important new data or facts about its knowledge and experience with regard to the products or services offered, its financial situation, which includes its ability to cover losses, and its investment goals, including the level of acceptable risk, risk propensity and about other data and circumstances, including sustainable preferences, which may influence the content of personal recommendations.

Making a personal recommendation

Based on the information received, the bank will provide the client with a report that includes a description of the advice and explains how the recommendation is suitable for a non-professional client, including how the recommendation corresponds to the client's investment goals, his personal circumstances in relation to the required investment duration, his knowledge and experience, its attitude to risk, its ability to absorb losses and its sustainability preferences.

On the basis of the obtained data, the bank, on its own initiative or at the customer's request, prepares a personal recommendation for the customer, which is a recommendation to adopt one of the following sets of steps:

- purchase, sale, registration, exchange, redemption or payment, holding or execution of the first sale of a specific financial instrument or model portfolio,
- exercising or not exercising any rights arising from a specific financial instrument for purchase, sale, registration, exchange or purchase or payment of a financial instrument.

The Bank would not recommend financial instruments as meeting the customer's or potential customer's sustainability preferences when those financial instruments do not meet those preferences. The bank shall explain to the customer or potential customers the reasons for not doing so and keep records of these reasons.

If none of the financial instruments meet the customer's or potential customer's sustainability preferences and the customer decides to adjust their sustainability preferences, the bank keeps a record of the customer's decision, including the reasons for this decision.

The bank provides a description and types of financial instruments to which the personal recommendation refers, as well as a set of financial instruments and issuers by type of financial instruments.

Once a year, the Bank assesses the suitability of given personal recommendations to the extent specified in the preceding paragraphs, taking into account all previously collected and newly acquired information about the customer, and informs the customer thereof.

Apart from the regular annual assessment of the suitability of given personal recommendations, the bank is not obliged to change or update an already issued personal recommendation at any time, both in the event of a change in data relating to the customer or his investment profile, as well as in the event of changed conditions in relation to the markets of financial instruments or in relation to the financial instruments themselves, which are the subject of a personal recommendation.

Client's order based on investment advice

The investment service in accordance with these general terms and conditions is intended for the customer as a means and assistance to the customer in making investment decisions and as assistance in investing in financial instruments and in no case constitutes a substitute for the customer's own decision regarding investing in financial instruments. On the basis of investment advice and personal recommendations, the customer can formulate his order in relation to one or more financial instruments, whereby the bank is not responsible for the adoption of any decision of the customer and its consequences. The customer himself is responsible for the consequences of the decision to buy, sell or maintain the balance of financial instruments or other activities arising from investment advice, and in this regard can accept, change, ignore or reject a personal recommendation given by the bank. The risks and consequences of their decisions regarding financial instruments are accepted and fully borne by the client.

The bank is not obliged, even if the customer fully or partially complies with the personal recommendation, to manage the customer's individual financial instruments or portfolio of financial instruments in any way, to give the customer evaluations of individual financial instruments or the portfolio of financial instruments, to provide the customer with a personal recommendation again in accordance with these general conditions or to advise the customer in relation to tax, legal or other aspects. The customer is obliged to independently and regularly monitor potential investments in financial instruments and, if necessary, consult with the bank's experts or ask the bank to prepare a new personal recommendation.

Warranties relating to customer information and knowledge

The customer guarantees and warrants that he has informed the bank of all facts and data that he knew or should have known and that could affect the provision of investment advisory services and the creation of a personal recommendation. The customer guarantees that he has provided the bank with all the data and documentation necessary to determine the customer's investment profile, especially the data in accordance with Article 58 of these general terms and conditions of business. The customer guarantees that the data is true and up-to-date. The Bank is under no obligation to check the veracity and completeness of the received data and/or documentation from the customer or third parties.

If it turns out that the customer has provided the bank with incomplete and/or false information, or the customer has not informed the bank about the change in information, the bank has the right to withdraw from the contractual relationship.

Record of personal recommendations

The bank separately keeps a record of personal recommendations for the client, as well as all related documentation and the client's profile for the purposes of investment advice.

Fee for the provision of services

The bank charges costs for the provision of investment advisory services according to the bank's service price list in force at any time.

Inducements

When providing non-independent investment advisory services, the bank receives certain inducements, which are in line with the relevant regulations. The bank thus receives only inducements that:

1. help to improve the quality of service for the customer and
2. they do not affect the obligation to protect the interests of clients from Article 252 ZTFI-1, as the bank acts conscientiously, honestly and with due professional care and looks after the interests of clients, as as part of the investment advisory service it recommends to the client only financial instruments that comply with her profile. The bank always puts the client's interests first.

Article 59

(Incorporating sustainability preferences)

The bank, as a credit institution that also acts as a financial advisor in accordance with Article 2 of Regulation (EU) 2019/2088 on disclosures related to sustainability in the financial services sector (hereinafter: the SFDR Regulation), provides advice in relation to investment products that can be produced by financial market participants who are members of the OTP group and/or with whom the bank has valid agreements on the distribution of investment products. All relevant and required information regarding sustainability-related disclosures is published on the bank's website www.nkbm.si.

Sustainability risk means an environmental, social or governance event or circumstance that, if it occurs, may have an actual or potential significant negative impact on the value of the investment.

Sustainability preferences mean the choice of a customer or potential customer as to whether and to what extent one or more of the following financial instruments should be included in their investment: (a) a financial instrument for which the customer or potential customer specifies that a minimum share be invested in environmentally sustainable investments, as defined in point 1 of article 2 of Regulation (EU) 2020/852 of the European Parliament and of the Council; (b) a financial instrument for which the customer or potential customer determines that the minimum share is invested in sustainable investments, as defined in point 17 of Article 2 of Regulation (EU) 2019/2088 of the European Parliament and of the Council; (c) a financial instrument that takes into account the main adverse impacts on sustainability factors, if the qualitative or quantitative elements demonstrating this consideration are determined by the client or potential client.

The range of instruments that the bank includes in the investment advisory service is limited. The current range of products is published on the bank's website www.nkbm.si. The products recommended by the bank as part of investment advice are confirmed in the process of selecting products for the purposes of providing investment advice. When deciding which products, the bank will include in the range of instruments that it recommends as appropriate in the context of investment advice, the bank also takes into account sustainable elements to a limited extent from the point of view of environmental and social issues and good corporate governance practices, namely on the basis of information, which are prepared on the basis of available sources. The bank obtains detailed information from the customer about the customer's preferences regarding sustainability and takes them into account when choosing a financial instrument, but cannot guarantee that it will be able to provide the customer with full explanations regarding sustainability or sustainable investments. In any case, the bank explains the environmental, social and management factors (ESG) to the customer as part of the advisory meeting, taking into account the data that the bank obtains from available sources (e.g. from the issuer, provider of such data...).

If the client does not express sustainability preferences, he can also invest in sustainable financial instruments. In any case, the bank can advise her on a sustainable investment. The customer can change or adjust their sustainability preferences at any time.

Due to the limited information available, the bank may not be able to provide investments that meet all of the client's sustainable preferences

The result of an assessment of the likely impacts of sustainability risks

Regarding the result of the assessment of the likely impact of sustainability risks on the yield of financial products in connection with which it advises, the bank uses comparable indices linked to bonds and shares. The analysis is presented to the client as part of the advisory interview.

For the purposes of sustainability risk analysis, the Bank uses data published by preparers or contractual partners or obtains it from other available sources. Thus, an attempt is made to clarify to the client, in a qualitative or quantitative sense, the extent to which sustainability risks could affect the performance of the financial product, depending on the available information.

Publication of information related to the consideration of major adverse impacts.
The Bank publishes information on the consideration of the main adverse effects as part of the implementation of investment advice on the website www.nkbm.si.

Article 60
(Other Investment and Ancillary Services)

Mutual rights and obligations between the Bank and the client related to the provision of other investment and ancillary investment services shall be agreed upon in a separate agreement.

6. SAFEKEEPING OF SECURITIES ISSUED IN PAPER FORM NOT COLLECTIVELY HELD WITH THE KDD

Article 61
(Security Safekeeping Agreement)

The Bank may provide for the clients safekeeping service of securities issued in paper form. The Bank shall accept securities into safekeeping after entering into an agreement on safekeeping of securities in writing with the client. The General Terms and Conditions form an integral part of the agreement on safekeeping of securities. The securities shall be kept in the Bank's treasury at the Bank's head office: Ulica Vita Kraigherja 4, 2000 Maribor.

The Bank may keep for the client only the securities issued in paper form and not entered into the central securities register with the KDD.

Article 62
(Acceptance of Securities into Custody and their Withdrawal from Custody)

Securities shall be accepted from the client into custody by a staff member of the Investment Banking or a front-office staff member in a Bank branch. The securities shall be subject to verification when accepted into custody. Only undamaged securities comprising all component parts (jacket, coupon sheet, talon) can be placed into safekeeping. The client must announce a withdrawal of securities kept at least one business day prior to the intended withdrawal.

The Bank shall verify the client's identity before accepting the securities into safekeeping or their withdrawal in the manner as set out in the respective applicable regulations.

Article 63
(Receipts)

The Bank shall provide the client with a receipt for every security deposit/withdrawal containing the name and surname or corporate name of the client, amount, ticker codes of securities, and an indication of a deposit or withdrawal, deposit/withdrawal date, a statement of balance after a deposit or withdrawal, client's signature, and the signature of the Bank's employee. Furthermore, the Bank shall provide the client with a securities deposit receipt when the Bank receives securities on the basis of a purchase of securities made by the Bank for the client's account. The Bank shall also issue a securities withdrawal receipt to the client when the client deposits securities on the basis of a sale of securities carried out by the Bank for the client's account.

7. OUT-OF-COURT DISPUTE SETTLEMENT SCHEME

Article 64
(Dispute Settlement)

The client and the Bank shall settle any disputes arising from the contractual relationships based on these General Terms and Conditions in an amicable manner. Should the resolution of a dispute not be possible in the manner referred to in the preceding paragraph, the dispute can be resolved out-of-court in accordance with the Rules on Client Complaint Resolution Procedure and Out-of-Court Dispute Settlement Scheme of an IRPS (Out-of-court Settlement of Consumer Disputes) contractor and the act regulating out-of-court settlement of consumer disputes.

The Rules on Client Complaint Resolution Procedure and Out-of-Court Dispute Settlement Scheme are attached to these General Terms and Conditions and displayed in a clearly visible place in all branches where orders for financial instruments are accepted and/or executed, and available on the Bank's website www.nkbm.si.

The Bank and the client shall agree that the court in Maribor shall be competent for any dispute settlement at court.

8. COMMON PROVISIONS

Article 65

(Assumption of Obligations and Rights)

The Bank shall transfer to the client and the client shall assume from the Bank all rights and obligations arising from the transactions concluded by the Bank for the account of the client from the services provided in relation to the financial instruments referred to in Article 1 of the General Terms and Conditions.

Article 66

(Transfer of Agreement and Rights)

Without a prior consent of the Bank in writing, the client shall not transfer to any third party, in full or in part, any agreements on the provision of investment services or their rights under such agreements or in relation to them, unless otherwise agreed upon between the client and the Bank.

Article 67

(Exchange Rates of Payments in Foreign Currency)

The Bank carries out foreign exchange transactions resulting from the transmission of orders on foreign markets, on the basis of terms and conditions set out by the rules governing operations of the Bank, in accordance with exchange rates listed in the Bank's exchange rate list for the purchase of currencies, or a custody bank. If a foreign currency not listed in the exchange rate list referred to in the preceding sentence is the subject of a foreign exchange service or a transaction or if the Bank carries out a settlement for the client at a sub-depositary in a currency other than the currency of the transaction, the currency exchange transaction shall be carried out in accordance with the sub-depositary's rules. When providing the currency exchange services and transactions, the Bank or its executing partner (sub-depositary) may be subject to the legislation and the rules of the market on which the transactions have been actually carried out.

Article 68

(Payment Delay)

In the event of a delay in payment of any outstanding obligations in accordance with these General Terms and Conditions and the agreements or in relation to them, the client shall also pay to the Bank the statutory default interest.

Breach of Obligations

Article 69

(Withdrawal from agreement and Compensation to Contracting Parties)

In the event of breach of obligations according to these General Terms and Conditions and agreements on provision of investment services or in relation to them, any contractual party may withdraw from the agreement and demand compensation from the other party in line with relevant regulations. Any party's withdrawal from the agreement shall take effect after the expiry of the notice period set out in the agreement or agreed upon between the Bank and the client. Notice of withdrawal from the agreement on the provision of investment services will be provided by the bank to the client in paper form or another form specified in the agreement or General Terms and Conditions. The bank will send the notice of withdrawal in paper form to the last known address provided by the client of the bank. If the notice of withdrawal is sent to the client in another way, the bank will use the contact information entered in the bank's records. Withdrawal from the agreement is effective from the day when the other party received notification of withdrawal from the agreement on the provision of investment services. The other party shall be deemed to have received a notice of withdrawal from the agreement on the provision of investment services within three (3) days from the date on which the first party sent a notice of withdrawal from the agreement.

Article 70

(Bank's Rights in Cases of Breach)

In order to collateralise its outstanding cash claims under the agreements on the provision of investment services or in relation to them and/or in relation to these General Terms and Conditions, including any claims for damages, the Bank has a lien on all financial instruments and cash amounts, which it has obtained while performing the services for the client. The lien on financial instruments referred to in the first sentence of this paragraph shall be based on an assumption of the existence of an agreement on out-of-court settlement under the law regulating property relationships.

Furthermore, for the purpose referred to in the preceding paragraph, the Bank shall have the right:

- (i) To offset any claim to the client by any client's claim to the Bank,
- (ii) To sell any client's financial instruments directly or indirectly possessed by the Bank (financial instruments on the client's account), and offset the Bank's claims, as a matter of priority, from the purchase price actually achieved.

The client's assets on the client's account with the Bank shall be deemed the Bank's possession over the client's financial instruments or cash amounts. In the out-of-court sale or enforcement of a lien on the client's assets, the Bank shall not be held liable to the client for any direct or indirect damage, costs or other liabilities the client might incur due to acts or conduct of the Bank or in relation to them, except in case of gross negligence or wilful misconduct of the Bank confirmed by a final judicial decision or expressly acknowledged by the Bank.

The Bank shall be allowed to sell through an out-of-court sale the client's financial instruments admitted to trading on a regulated market only on a regulated market. The Bank shall sell any financial instruments not admitted to trading on a regulated market in a manner as it shall determine (direct contract, invitation to tender, public auction, and alike).

Article 71

(Recovery Directly from Client's Cash Funds)

In order to enforce the lien referred to in the preceding Article, the Bank shall notify the client in advance in writing of such an intention and shall grant the client a supplementary deadline to repay the amount due. The Bank shall notify the client in writing after enforcing its lien, whereby the Bank shall have the right to withdraw from the agreement and close the client's account.

If the client has a transaction account or another account with the Bank, the Bank shall have the right to recover its claims, after providing the client with a request in writing containing a supplementary deadline for payment of the amount due, directly from the client's cash funds on the transaction account or another client's account with the Bank and shall notify the client thereof in writing. The Bank may recover all its claims under the agreements on the provision of investment services or in relation to them and/or in relation to these General Terms and Conditions from any cash funds the client holds with the Bank.

Article 72

(Bank's Withdrawal from the Agreement due to client's delayed payment)

If the client fails to pay the outstanding liability amounts under the agreement on the provision of investment services, the Bank shall be entitled to withdraw from the agreement, after providing the client with a request in writing containing a supplementary deadline for payment of the amount due, and sell, in accordance with the provisions of that agreement, all the financial instruments held on the client's account on the day of the withdrawal from the agreement, and close the client's account.

If on the day of withdrawal from the agreement the client holds financial instruments that have no market value, the client, before closing its account, gives an explicit consent to the bank and authorizes it to perform all activities and actions necessary to abandon such financial instruments. At the same time, the client is obliged to participate in all acts, legal transactions and other possible written and / or oral actions that would be necessary for the effective implementation of the waiver of such financial instruments.

Article 73

(Force Majeure and Conduct of Third Parties)

The Bank shall not be held responsible for any actions, omissions and consequences of actions and omissions, due in full or in part to the events or circumstances beyond the Bank's control, including telecommunications infrastructure failure, system deficiencies on financial instruments markets, conduct of third parties, such as the KDD, central depositories, sub-depositaries, executing partners, etc.

The Bank shall not be held responsible for any of its actions, omissions and consequences of such actions and omissions, as well as for any damage, costs and other liabilities incurred to the client, (i) if the client or the Bank has no access to the internet, and/or (ii) if the client fails to check incoming emails, and/or (iii) if there is a failure in the hardware or software of the Bank or the client for any reason whatsoever that may, in particular (but not exclusively), result in the Bank or the client not receiving any message or any other document of the Bank or the client delivered via the Internet by the Bank or the client to each other.

The Bank shall be held responsible for the clients' cash funds on the Bank's account in the central depository or any other intermediate sub-depository through which the Bank keeps the clients' cash funds.

Article 74

(Client Warranties)

By signing any agreement on the provision of investment services, the client represents and warrants:

- To be eligible and capable of concluding the agreement and transactions under each agreement,

- That any information provided by the client to the Bank is genuine and accurate; at the same time, the client shall undertake to keep the Bank informed promptly about any change in the information already provided to the Bank,
- That the client has obtained any consents and permits for the conclusion of each agreement and transactions related to that agreement or, in the event of any restrictions applying to them, that it will operate in compliance with the restrictions,
- Conclusion of transactions in relation to each agreement and each agreement shall not be in contradiction with any of the client's instruments of incorporation or statutes or contractual acts concluded with third parties,
- That the client has notified the Bank of all facts and data, which have been known or should have been known to the client and which could have affected the Bank's decision about the conclusion of any agreement, and that any data submitted by the client to the Bank in relation to any agreement are true, complete and have not been substantially modified during the period of validity of the contractual relationship.

The client shall warrant and confirm any facts and warranties from the preceding paragraph in case of any order, conclusion of an annex to the agreement or any other acts, to which the client is bound or entitled according to any agreement on the provision of investment services entered into with the Bank.

If it is established that the client has submitted to the Bank incomplete and/or false information or failed to draw the Bank's attention to the modification of information, the Bank shall have the right to withdraw from the contractual relationship in accordance with relevant regulations.

Article 75

(Duration of Contractual Relationship)

The parties shall agree on the period of validity of the agreement on brokerage services or the agreement on managing financial instruments accounts or other agreements in compliance with these General Terms and Conditions, as well as the conditions for the withdrawal from the aforementioned agreements in cases not indicated in these General Terms and Conditions.

Each contractual party may terminate the agreement on the provision of investment services in writing, without any specific reason, by taking into consideration the periods of notice agreed upon in the respective agreement.

In the event of a termination of the aforementioned agreements for the reasons indicated in these General Terms and Conditions and in the agreements, the said agreements shall be extended until the final settlement of all the obligations of the client and the Bank under those agreements or in relation to them, or until the settlement of all the transactions concluded before the termination has become effective.

Notice of withdrawal from the agreement on the provision of investment services will be provided by the bank to the client in paper form or another form specified in the agreement or General Terms and Conditions. The bank will send the notice of withdrawal in paper form to the last known address provided by the client of the bank. If the notice of withdrawal is sent to the client in another way, the bank will use the contact information entered in the bank's records.

Withdrawal from the agreement is effective from the day when the other party received notification of withdrawal from the agreement on the provision of investment services. The other party shall be deemed to have received a notice of withdrawal from the agreement on the provision of investment services within three (3) days from the date on which the first party sent a notice of withdrawal from the agreement.

9. FINAL PROVISIONS

Changes and Validity of General Terms and Conditions

Article 76

(Amendments to Relevant Regulations)

The Bank shall have the right to change or amend, at its own discretion and by its own decision, these General Terms and Conditions or the agreements referred to in them, in case of amendments to relevant regulations and/or decisions of any authority and where such changes affect the fulfilment of the Bank's obligations according to these General Terms and Conditions and the agreements on the provision of investment services. The Bank shall amend the General Terms and Conditions as well as the agreements in accordance with the amendments to the regulations.

The Bank shall notify the clients of:

- Any changes in the General Terms and Conditions, and
- Any changes in other information related to services for clients,

Involving any major changes to the General Terms and Conditions of Trading in Financial Instruments, and Information about the Bank, Investment Services and Financial Instruments, by sending them a letter indicating what provisions or

information is to be changed and how it shall read, and where a clean copy of the amended General Terms and Conditions or documents containing the changes of information is to be found. At an express demand, the client may receive a clean copy of those documents also by mail.

If the client disagrees with the changes in or amendments to the General Terms and Conditions, the client shall be obliged to terminate the agreement on the provision of investment services within 15 days of the receipt or the publication of the notification, otherwise the change in or amendment to the General Terms and Conditions shall be deemed to have been accepted. If following the receipt or publication of the notification concerning the change in or amendment to the General Terms and Conditions, the client places a new buy or sell order for financial instruments, a new transfer order for financial instruments, any new instruction or request or carries out any other action in relation to the provision of services, other than the termination of agreement, the client shall be deemed to have accepted the changes in the General Terms and Conditions.

Article 77 (Unilateral Alteration and Substantial Changes)

Notwithstanding the provision of the previous Article of these General Terms and Conditions, the Bank shall have the right to carry out unilateral changes in or amendments to these General Terms and Conditions, if by such changes or amendments, the Bank does not substantially interfere into the rights and obligations of the client under the contractual relationships according to these General Terms and Conditions and in relation to them, or where a competent supervisory authority so requests.

The client shall agree with the changes in the General Terms and Conditions if it has not withdrawn from any agreement on the provision of investment services within 15 (fifteen) days of the notification concerning the amended General Terms and Conditions without a period of notice, or from meeting other conditions for the termination in accordance with each agreement. If the client agrees with the notification via e-documents/e-notices, if this option is made available, the same is assumed as in the preceding sentence, or if the client takes any action under any agreement entered into after the modification of the General Terms and Conditions.

Article 78 (Invalidity of Provisions)

If any provision of these General Terms and Conditions and the agreements on the provision of investment services is declared void and invalid, the validity or legality of the other provisions shall not be affected thereby.

In case of any provision of these General Terms and Conditions be invalid or unenforceable, the Bank shall replace such provision, in accordance with Articles 82 to 83 of these General Terms and Conditions, with a new one as near in substance as possible to the original provision, thereby changing the invalid or unenforceable provision into a valid and enforceable one.

If any provision of the agreements on the provision of investment services is declared void and invalid, the client and the Bank shall not use such a provision or shall use it in the sense closest to the sense of the invalid provision. If this is not possible, the client and the Bank shall replace the invalid provision with a new one as near in substance as possible to the invalid or unenforceable one.

Article 79 (Informing the Clients about Changes)

The Bank shall inform the clients about the changes in and amendments to the General Terms and Conditions and about modifications of other information concerning services for the clients in an appropriate manner set out in Article 82 of these General Terms and Conditions.

The client who has provided the Bank with an e-mail address for the purpose of receiving notifications shall expressly agree, by signing the agreement on the provision of services, to be notified by the Bank of any information and changes related to the provision of services in financial instruments via e-notices, if this option is made available ~~by e-mail~~ and the publication on the Bank's www.nkbm.si website.

The customer is obliged to keep up-to-date with electronic reports and notifications from the bank and agrees that he is solely responsible for any untimely settlement of obligations or untimely knowledge of received reports or notifications and will not burden the bank with any claims due to consequences, deficiencies or abuses that would be caused by electronic communication.

The client who has not provided the Bank with an e-mail address for the purpose of receiving notifications, shall be informed about any changes in the General Terms and Conditions and modifications to other information related to the services through a written notice and publication on the Bank's www.nkbm.si website.

The applicable General Terms and Conditions shall be always available on the www.nkbm.si website, in the Investment Banking head office and in Bank branches.

Article 80

(Validity of General Terms and Conditions)

General Terms and Conditions shall become effective on 15. July 2024. The General Terms and Conditions of 1. February 2023 shall cease to apply on the date on which these General Terms and Conditions become effective.

Maribor, 15. July 2024

Management Board of Nova KBM d.d.

Management Board of Nova KBM d.d. In accordance with the Financial Instruments Market Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended and supplements, hereinafter: the ZTFI-1) and the Decision on the conditions for providing investment and other services to brokerage companies (Official Gazette of the Republic of Slovenia, No. 29/2022), the following sets out

INFORMATION ON THE BANK, INVESTMENT SERVICES AND FINANCIAL INSTRUMENTS

Information on the Bank

1. Name, registered office and contact data

Name: Nova Kreditna banka, delniška družba

Address: Ulica Vita Kraigherja 4, 2000 Maribor, Slovenia

Abbreviated name: Nova KBM d.d.

SWIFT: KBMASI2X

Contact data:

Investment Banking

Maribor: Ulica Vita Kraigherja 4, 2000 Maribor

Ljubljana: Slovenska cesta 50, 1000 Ljubljana

Phone: + 386 2 229 20 81

E-mail: sib@nkbm.si

Treasury and Investment Banking Department

Maribor: Ulica Vita Kraigherja 4, 2000 Maribor

Ljubljana: Slovenska cesta 58, 1000 Ljubljana

Phone: +386 2 229 22 09

E-mail: trading@nkbm.si

Website: <http://www.nkbm.si>

Nova KBM d.d. is a member of the OTP Group.

In case of providing investment advice services, Nova KBM shall be classified as a dependent adviser.

2. Language of trading and applicable law

The language of trading is Slovenian. The Bank uses English when trading in foreign financial instruments.

Laws of the Republic of Slovenia shall apply for the assessment of contractual relationships with the client and for the provision of investment services and activities by the Bank. The Bank draws the client's attention to the fact that when trading in foreign financial instruments and with non-residents, in particular, the Bank may be bound by the law of the country where financial instruments were issued and/or the law of the country where those financial instruments are quoted, or the law of the country where the client is resident, and that as a result, the rights of the clients in relation to such financial instruments or cash funds may be changed.

3. Methods of communication between the Bank and the client

Methods of communication between the Bank and the clients include:

- In writing by mail,
- with the notification via e-documents/e-notices, if this option is made available, provided that:

- a) The client has Internet access and proves it by submitting to the Bank a relevant e-mail address, which is the condition for receiving e-notices/e-documents, provided this option is enabled, to which the Bank's messages, agreed between the client and the Bank to be delivered via e-notices/e-documents or by e-mail, are to be sent;
- b) The client has not expressly stated that he/she does not wish to communicate via e-notices/e-documents or e-mail.
- c) The client is a holder and a user of Nova KBM d.d.'s online banking – Bank@Net. In this case, the client will receive all communications from the Bank in the e-mail inbox for e-documents/e-notices, called Nabiralnik (Mail box); at the same time the clients will be provided with a message about having a notification waiting in that place;
- d) That the client agrees in the agreement on the provision of investment services to have the information available via the web page or via e-notices/e-documents;
- e) The Bank shall notify the client via e-notices/e-documents or by e-mail of the website address and the site where such information is available;
 - Orally by phone whereby the telephone conversation shall be recorded and the audio recording shall be recognised the property of credible evidence to support the alleged facts,
 - Via public media (inter alia, e.g. www.nkbm.si website and daily newspapers published in the Republic of Slovenia).

Any written order, request, mandatory or permissible note, consent or message shall be deemed to have been adequately submitted in accordance with the General Terms and Conditions and the agreements on the provision of investment services if all the requirements listed below are fulfilled:

- Any written message shall be delivered personally or by mail to the contracting party to whom it is intended,
- Any written message to the contracting party to whom it is intended shall be addressed to the authorised person of the contracting party and to the address indicated in the agreement on the provision of investment services, or another address agreed with the client,
- Any written message of the Bank shall be signed by a person fully authorised by the Bank, and any written message of the client shall be signed by a person identified as a person signing written messages of the client in accordance with the agreements on the provision of investment services,
- Any written message shall fulfil any other conditions set out in the agreements on the provision of investment services.

The Bank and the client shall agree in contractual documentation on all the addresses and telephone numbers for communication purposes. The Bank shall send all messages to the client's address indicated by the client at the time of entering into the agreement on the provision of investment services, or to the address agreed subsequently. If so agreed between the Bank and the client, the Bank may also send the notes to the client by e-mail. The Bank may publish specific information on its web page provided that the conditions are met as set out in the Financial Instruments Market Act and the regulations adopted on the basis of it.

The clients shall submit orders in different ways:

- In person at the Investment Banking or in certain Bank's branches providing investment services,
- By phone, or
- In writing by mail,
- Orders delivered electronically within the online banking service, if provided by the Bank, shall also be deemed to be in writing.

Orders related to foreign financial instrument can be accepted only in Investment Banking in person or by phone.

Any orders for the global capital market shall be submitted to the foreign business partners by phone, fax or through the on-line trading system.

4. The Bank has obtained an authorisation to provide investment services and activities, as well as ancillary investment services issued by the Bank of Slovenia, Slovenska 35, 1505 Ljubljana. Provision of investment services and activities as well as ancillary investment services by the Bank is supervised by the Securities Market Agency, Poljanski nasip 6, 1000 Ljubljana, and the Bank of Slovenia, Slovenska 35, 1505 Ljubljana.

The Bank provides investment services to the clients in accordance with the ZTFI-1 and the ZBan. The list of services for which the Bank has obtained the Bank of Slovenia's authorisation, is publicly available on the Bank of Slovenia's web page.

The investment services and activities as well as ancillary services in accordance with the ZTFI-1 and the ZBan, provided by the Bank to the clients, include:

A. Investment services and transactions related to financial instruments:

- Reception and transmission of orders in relation to one or more financial instruments (brokerage),
- Execution of orders on behalf of clients,
- Dealing on own account,
- Investment advice,
- Initial or subsequent underwriting and/or placing of financial instruments on a firm commitment basis,

- Initial or subsequent placing of financial instruments with no firm commitment basis;
- B. Ancillary investment services:*
- Safekeeping of financial instruments,
 - Services of keeping book-entry financial instruments,
 - Advice companies with regard to capital structure, business strategy and related matters and consulting and services relating to mergers and acquisitions of companies,
 - Investment research and financial analysis,
 - Services related to with the first or subsequent sale of financial instruments with an obligation to buy.

5. The Bank may operate through a tied agent with a registered office in the Republic of Slovenia.

6. Methods and deadlines for the submission of Bank's receipts, reports and messages

- The Bank shall send a confirmation of the acceptance of the order to the client no later than the next business day after the receipt of the order.
- The Bank shall send to the client a statement of transactions made no later than on the following business day after meeting the obligation arising from the transaction made for the client's account. If the Bank acts as an intermediary in the conclusion of a transaction in another Member State, it shall send the statement of transactions made to the client no later than the next business day following the day the Bank receives the appropriate statement of transaction made from the Member State investment firm through which the client's order was executed. The second paragraph of this Article shall apply mutatis mutandis to the conclusion of a transaction in a third country.
- The Bank shall be obliged, on a yearly basis, to provide the client with a statement on the balance of and annual transactions for previous year on the account managed for the client. The Bank and the client may agree upon shorter periods of reporting on the balance of and transactions on the client's account.
- At each deposit or withdrawal of securities kept in the collective safekeeping of the Bank, the Bank shall be obliged to issue a deposit receipt and/or withdrawal receipt to the client. Moreover, the Bank shall be obliged to issue a deposit receipt to the client also when financial instruments kept in the collective safekeeping of the Bank are delivered by another person for the account of the client.
- The Bank shall send to the client a notice of the payment of dividend income and a coupon, together with the calculation of the tax withheld at source for foreign securities, and a notice of the corporate action carried out no later than on the next business day after the receipt of the notice from the custody bank.
- The Bank may receive separate notifications from different settlement partners, which means that the customer may receive several notifications related to the same financial instrument. In doing so, compensation is charged for each corporate action performed at each settlement partner separately.
- The Bank will provide the client with corporate action announcement notifications in accordance with ZGD-1 (Companies Act (Official Journal of RS, No 65/09 – official consolidated version, 33/11, 91/11, 32/12, 57/12, 44/13 – Constitutional Court ruling, 82/13, 55/15, 15/17, 22/19 – ZPosS, 158/20 – ZIntPK-C, and 18/21, "ZGD-1")) without delay and by no later than the end of the business day on which information was received by the Bank. If the Bank receives the information after 16:00 on a business day, it will communicate it without delay and by no later than 10:00 on the next business day. The Bank will communicate corporate action announcement notifications not governed by ZGD-1 after it has received a notification from the intermediary.
- When the Bank acts as the holder of the client's financial instruments or assets, the Bank shall periodically provide, each client for whom the Bank holds financial instruments or assets, with a report containing a) detailed information on all financial instruments or assets held by the Bank at the end of the period covered by the report; b) the scope in which the client's financial instruments or assets were used in securities financing operations; c) the volume of all the benefits accumulated by the client as a result of participating in any securities financing transactions, the basis on which the benefit occurred; d) a clear indication of which assets are affected by certain particularities in their ownership status, e.g. due to the right to cash financial collateral; e) the market value or in case of its absence, an estimated value of the financial instruments included in the report (whereby a clear indication is necessary of the fact that the absence of market value is likely to indicate a shortage in liquidity). The said report is not required in cases where the Bank provides its clients with access to an online system considered a durable data medium, through which the clients have an easy access to updated reports on their financial instruments and cash funds.
- The Bank, acting as an intermediary (in a chain of intermediaries), shall provide clients based on applicable laws and regulations with information required to exercise their rights as shareholders arising from stock ownership that the shareholder is required to be provided with to exercise their rights. The Bank shall have the right to provide the final shareholder with information it has received in relation to corporate actions in the language that the information was delivered to it.

If shares are registered on a fiduciary account, the Bank is required to deliver information required to exercise the rights of shareholders to the next intermediary in the chain. The obligation applicable to the Bank shall apply equally to the next intermediary in the chain; information required to exercise the rights of shareholders shall be passed on between intermediaries in a chain until the information required to exercise the rights of shareholders is delivered to the final shareholder.

- The Bank shall send to the client other comparable reports on the provision of investment services in accordance with the act governing the financial instruments market.

7. Bank's Measures Aimed at Protecting Client's Financial Instruments and Assets

In order to protect the financial instruments and assets of its clients, the Bank has taken the following measures:

- Financial instruments and assets of clients shall be kept separately from financial instruments and assets of the Bank,
- The Bank shall manage financial instruments of domestic issuers for the client's account held with the Central Securities Clearing Corporation – KDD,
- The Bank shall manage the client's cash funds, deposited by the client to the Bank for the purchase of financial instruments, on an appropriate client's cash account held with Nova KBM d.d.,
- The Bank shall maintain and update the records of financial instruments and cash funds of the client,
- The Bank shall report to the Securities Market Agency in accordance with the ZTFI-1 and to the client at the client's request,
- The Bank shall manage financial instruments of foreign issuers for the clients' account with a custody bank, with which it has entered into an agreement on the provision of custody services in trading in financial instruments, or with another sub-depository or directly with a foreign central depository,
- The Bank may request the data from the client to be used to check the client's identity if the client's order is placed by telephone,
- The Bank shall keep separate analytical records of balances and changes in balances of financial instruments and cash funds on brokerage services
- The Bank shall carry out regular checks and adjustments of balances of financial instruments and cash funds of the clients with the central depository and the selected custody bank,
- The Bank has put in place and maintains a system of internal controls,
- The Bank shall ensure access to appropriate applications on the basis of authorisations regulated by the Bank's internal rules.

The Bank shall notify any non-professional client, signatory to the agreement on the provision of investment services, about the system of guarantees put in place in the Bank in the scope complying with the ZTFI-1 and other relevant acts, for the client's claims resulting from the agreement on the provision of investment services. In the event of a bankruptcy of the Bank, any non-professional client shall be paid out a guaranteed claim in accordance with the system of guarantees for investors' claims and the provisions of the ZTFI-1, as laid down by the regulation governing the financial instruments market. Notwithstanding the existence of the system of guarantees for the investors' claims, the Bank shall not guarantee to the client the reimbursement of the investment, subject to the agreement on the provision of investment services, thereby creating the risk that the client might generate a loss from trading in financial instruments. Detailed written information on the system of guarantees for investors' claims shall be available to any non-professional client in the Investment Banking and in the branches where the Bank provides services related to financial instruments, along with a written information on the availability of a special deposit guarantee scheme according to the applicable ZBan-2. The system of guarantees for investors' claims in accordance with the applicable ZTFI-1 does not cover professional clients even if they requested to be treated as non-professional clients.

8. Conflict of interest management policy in a nutshell and out-of-court dispute settlement

In accordance with the applicable ZTFI-1 and on the basis of its implementing regulations, the Bank has adopted the Conflict of Interest Management Policy (hereinafter: the Policy). The purpose of the policy is to put in place and maintain efficient management and control of conflicts of interest that may occur in the provision of specific investment services, thus potentially harming the interest of the client or a potential client, by taking into consideration the characteristics, volume and complexity of the transactions carried out by the Bank when providing investment services.

A conflict of interest is a situation that may occur in the provision of services to a client, namely between the Bank, the members of the Management Board of the Bank and other persons performing services on behalf of the Bank on the basis of employment or on any other basis, primarily (but not exclusively) between brokers, asset managers, financial analysts and, according to the ZTFI-1, their related parties, the Bank's tied agents, and the client, including the conflicts of interest that may occur between the Bank's clients.

In the policy, which is available to the clients on the Bank's website, the Bank has specified, inter alia:

- Conflict of interest examples,
- Measures to identify conflicts of interest,

- Measures to prevent and manage conflicts of interest (the Bank has adopted internal acts laying down policies, procedures, operational organisation and conduct of employees, which allow for efficient mitigation of risks that arise from conflicts of interest),
- Methods of information and communication, and keeping records of personal transactions,
- Keeping records of activities and investment services resulting in a conflict of interest,
- Disclosures of conflicts of interest to clients,
- Disclosures to clients in relation to conflicts of interest in investment recommendations,
- Concrete, organisational and other measures of the Bank aimed at preventing conflicts of interest or avoiding occurrence of conflicts of interest (existence of internal supervision of employees who are subject to the highest risk of conflicts of interest, such as investment advice, brokerage, trading in proprietary account, issuance of financial instruments, financial analysis, and acquisition-related services).

The Bank shall disclose any further details about the conflict of interest management policy by providing the client with the Conflict of Interest Management Policy and the General Terms and Conditions; and the Policy shall also be available on the Bank's www.nkbm.si website.

In case of a dispute with the Bank, the client shall have the right to file a complaint concerning the services provided by the Bank to the client on the basis of the agreements on the provision of investment services. The clients' complaints shall be addressed in the manner set out in the Rules on Client Complaint Resolution Procedure and Out-of-Court Dispute Settlement Scheme, and in accordance with the procedure laid down in the Bank's internal acts, and the Charter on the Establishment and Work of the Settlement Council at the Bank Association of Slovenia for the out-of-court settlement of disputes between the client and the Bank. The Rules on Client Complaint Resolution Procedure and Out-of-Court Dispute Settlement Scheme are available to the clients in branches of the Bank where investment services are provided, at the head office of the Investment Banking head office, the Treasury and Investment Banking Department head office, and on the Bank's www.nkbm.si website.

9. Order execution information

The Bank shall execute the clients' orders in accordance with the conditions indicated in the order and the Client Order Execution Policy adopted by the Bank to execute the orders under the most favourable conditions. The Policy shall not apply to the Bank's transactions with an eligible counterparty. The factors taken into consideration by the Bank in the execution of the clients' orders include:

- Price of financial instrument subject to the order,
- Value and characteristics of the order,
- Probability of conclusion of the transaction,
- Order execution speed,
- Costs incurred in connection with the client order execution,
- Possibility settlement of the transaction,
- Other circumstances, which the Bank deems relevant for the order execution.

If a client's order contains the instructions concerning all, the Bank shall execute it in accordance with the client's instructions and shall have no obligation to provide the measures for best execution of the client's order for the factors subject to the special instructions submitted by the client.

If the client's order contains specific instructions regarding individual factors, the bank executes the order in accordance with these instructions regarding the factors specified by the client's instructions, and considers other factors as regards the factors mentioned above.

The criteria for determining the relative importance of the factors taken into account by Bank when executing orders are the following:

- Characteristics of the client, including client's classification as professional or non-professional,
- Characteristics of the client's order,
- Characteristics of financial instruments subject to the client's order,
- Characteristics of any clients' orders execution venues.

Price is generally the most important factor for obtaining the best execution of the client's orders. Relative importance of other execution factors decreases in the same order in which the relevant factors are indicated, unless the Bank considers in particular contexts that by taking into account other execution factors or a different order of the relative importance of a specific factor, more favourable conditions could be achieved for the execution of the client's order. The Bank shall determine the most important execution factor ensuring the best execution of the client's order by considering each execution factor separately and all execution factors collectively. The Bank will determine relative importance of execution factors at the time of the execution of an order in accordance with the execution criteria and market information, available to the Bank, as well as at the Bank's own discretion and experience.

The list of venues for the execution of orders considered by the Bank to be the venues where the Bank may consistently achieve the best possible result for the clients is included in the respective applicable fee schedule and may comprise:

- Regulated markets,
- Multilateral Trading Facility (MTF),
- Systematic internalisers,
- Market makers and other liquidity providers,
- Non-regulated market, subject to the client's approval, and
- the Bank.

The list of regulated markets shall be available to the clients in the respective applicable fee schedule.

The Bank may also execute each client's order through the Bank's executing partners.

The list of executing partners shall be available to the clients in the respective applicable fee schedule.

The entire Client Order Execution Policy shall be delivered to the clients at the time of concluding the agreement on the provision of investment services together with the General Terms and Conditions and shall be available to the clients on the www.nkbm.si website.

10. Client information processing

The Bank expressly draws the client's attention to the fact that in order to meet the obligations and to exercise the rights under the General Terms and Conditions or in relation to them or under the agreements or in relation to them, the Bank shall be allowed, in compliance with relevant regulations, to collect, manage, process, keep or transmit to any third party the information on the client related to the General Terms and Conditions and agreements or the information on the client obtained by the Bank from third parties. By signing the agreement, the client explicitly allows for the processing of all the data provided to the Bank throughout the validity of the agreement, as well as a certain period of time after its termination in accordance with the relevant regulations; furthermore, by signing the agreement, the client explicitly allows the Bank to use the data provided for the purpose of direct marketing of the Bank's services and products. The client has the right to cancel the given consent at any time by a statement in writing. In the event of cancellation of the consent, the Bank shall adequately prevent the use of personal data. If the client fails to submit to the Bank the personal data required in accordance with relevant regulations or demands their deletion, the Bank shall refuse to conclude the agreement, and any agreement already entered into between the Bank and the client shall be deemed terminated, respectively.

Pursuant to applicable legislation (Directive EU 2017/828, ZGD-1), the company (issuer of financial instruments) shall have the right to identify shareholders and other persons registered as shareholders with intermediaries who are not intermediaries. If the Bank, acting as an intermediary (in a chain of intermediaries), receives a request from another sub-depository, central depository, or agent (intermediary) to reveal the identity of shareholders, the Bank is obligated to deliver information on a shareholder to the issuer or an agent authorized by the issuer.

The Bank manages personal data in accordance with the Regulation on the Protection of Individuals with regard to the Processing of Personal Data and on the Free Movement of such Data (GDPR, EU No 2016/679) and in accordance with the applicable Personal Data Protection Act, which is further specified in the General Information on Protection personal data in Nova KBM, available on the website www.nkbm.si and its branches.

For the purpose of providing investment services and transactions, the Bank classifies its clients as professional clients, non-professional clients and eligible counterparties in accordance with the *Client Classification Policy* delivered to the client together with the General Terms and Conditions, and available on the www.nkbm.si website.

The Bank manages the clients' financial instruments on its own behalf and for the account of the clients, as well as on behalf of and for the account of the clients in accordance with the *Sub-Depository Management Rules* available on the www.nkbm.si website.

11. Criteria for assessment of skills and competences

The Bank is concerned that employees working in the field of financial instruments are adequately educated for their work.

In order to achieve the above, the Bank has established internal criteria, which are established at different levels, depending on the workplace, services provided by the employee to the client, the following:

- employees who provide investment advice can only perform advice on the basis of the acquired investment advice license;
- brokers who accept orders in the Investment Banking and provide information on financial instruments, has acquired a license for a broker and advisor;
- employees in the branches who receive orders for the purchase and sale of financial instruments of Slovenian issuers or orders for transfers of financial instruments, have acquired a license for the marketing of investment funds or appropriate internal training has been carried out, on the basis of which they acquired the relevant knowledge necessary for receiving orders from clients.

Nova KBM also cares about the additional training of employees in compliance with the legal regulation fore field of financial instruments, either in the framework of internal or external training in accordance with the needs identified by changes in the market, changes in the way of doing business or other relevant circumstances.

12. Restrictive measures

Bank carrying out activities for the purposes of enforcing compliance with restrictive measures.

a) Restrictive measure means any law, regulation, order, restriction or other requirement relating to economic, financial or trade sanctions adopted, assessed, imposed, imposed or publicly announced by the government, any official institution, body or agencies: a. Organizations of the United Nations; b. European Union; c. United States of America;

Information about Financial Instruments.

b) State under restrictive measures means any country or other territory subject to Restrictive Measures at the level of a country or territory, or any country or other territory whose government is subject to Restrictive Measures at the level of a country or territory.

c) Person under restrictive measures means a person subject to Restrictive Measures.

d) The Bank does not enter into business relationships or transactions with persons subject to Restrictive Measures. Additionally, the bank does not enter into a business relationship or carry out payment transactions with legal or natural persons directly or indirectly connected to Syria, Sudan, North Korea, Cuba, Iran or the area of Crimea, Donbass (Donetsk and Luhansk regions), Kherson and Zaporozhye regions in Ukraine, in accordance with the Customer Acceptance Policy and the Policy for the Prevention of Money Laundering and Terrorist Financing of Nova KBM d.d. published on the website or with updates valid at any time.

Information on financial instruments

1. Introduction

The information on financial instruments and on the risks related to these instruments is intended for the Nova KBM d.d.'s clients. Its purpose is not to disclose the information on all the risks and other major aspects of the financial instruments or products described in this information that the client may purchase, sell or order at the Bank or in relation to which the client may carry out other types of transactions through the Bank. The Bank shall make the client aware, in an appropriate manner, of the information on financial instrument, issuer of financial instruments, situation on the financial instruments market, and other circumstances and risks relevant for the client's decision regarding the services and investments in financial instruments. The client shall make independently any decisions regarding the transactions in financial instruments and shall assume full responsibility for that.

The contents of this information shall not represent any Bank's advice regarding potential investments and shall not be considered the Bank's recommendation for the placement of an order by the client for any investment service or investment in any financial instrument indicated below. Likewise, the said information shall not be deemed an offer to the client made by the Bank to enter into an agreement on the provision or implementation of investment services in relation to financial instruments indicated or described in this document.

The Bank draws the client's attention to the possibility of a simultaneous occurrence of risk factors or accumulation of factors, resulting in an unpredictable impact on the value of any financial investment. The use of financial leverage (increasing any positive or negative results) in any of the situations described below makes the impact of any of the described risks considerably greater. Moreover, the Bank draws the client's attention to the fact that all financial products entail a specific level of risk, which means that even investment strategies with a relatively low risk contain an element of uncertainty. The types of risks depend on numerous factors, including those related to the way a financial instrument has been designed, structured or cashed. The risks typical for a particular financial instrument or service depend upon the features of the financial instrument or service and the specific circumstances or relationships between the participants involved in such instrument or service, in particular (but not exclusively) the clients, domestic and foreign banks, brokerage companies, stock exchanges, depository institutions, and custodian banks.

2. Information about Risks

Investments in financial instruments involve risks and they are not identical to bank deposits, since due to adverse market conditions, depending on the situation on the money and currency markets, interest rate movements, situation on global capital markets, and other factors, as well as the performance and credit rating of the financial instrument issuer, the clients may sell a financial instrument at a lower price than that at which the financial instrument was paid at the purchase. Trading in financial instruments involve systemic and non-systemic risks. Non-systemic risks are risks related to specific features of a financial instrument with no impact on the entire financial market, and depend on the developments on the financial instruments market. Credit risk, for example, is one of such non-systemic risks. Systemic risk is a risk related to factors influencing the whole financial market and consequently, the overall value of the portfolio. Systemic risks include liquidity risk, interest rate risk, reinvestment risk, currency risk, and commodity risk.

The risks listed below may have an impact on any type of investment.

Liquidity risk – means that the client will not be able to sell a financial instrument at the desired time due to the lack of demand resulting from various factors or will be able to sell it but only at a lower price. The demand for and supply of a financial instrument have a direct impact on the liquidity of that instrument, whereas other factors have an indirect impact,

including market disruptions or infrastructural aspects, such as imperfection or disturbances in the process of financial instrument settlement. Under certain trading conditions, it is difficult or impossible to buy or sell a financial instrument. This may happen in case of rapidly fluctuating prices, especially if a financial instrument price increase or decrease is such that, in line with the stock exchange rules, trading in that instrument is suspended or restricted. The client's placement of an order to prevent a loss („stop-loss“) may not necessarily limit the loss to a desired amount, as it may happen that the order of this kind could not be executed due to the market conditions. In bilateral transactions in financial instruments, the counterparty, signatory of the agreement, is not obliged to accept an early termination of the agreement, repurchase or redeem a financial instrument (except if so determined in the agreement), which is why an instrument may have zero liquidity. In other cases, however, due to an early termination, realisation or redemption, a client may receive considerably less than it has paid for the instrument or in some cases even nothing.

Interest rate risk – occurs in bonds and other debt securities whose value changes in relation to fluctuations in interest rates. As a general rule, an increase in interest rates results in a decrease of the value of debt securities. In contrast, if interest rates decrease, the value of debt securities normally increases. Securities more sensitive to interest rate changes and with a longer maturity, are on the one hand more profitable, while on the other hand their value is more volatile.

Volatility risk – the price of a financial instrument changes over a time period and reflects respective supply and demand for a financial instrument; however, the price does not necessarily reflect the actual value of the financial instrument.

Operational risk – is a risk of loss occurring as a result from the following conditions: due to inappropriateness or incorrect implementation of internal processes, due to misconduct by people from the internal business sphere of a legal entity, due to inappropriateness or improper functioning of systems from the internal business sphere of the legal entity or due to external events or actions.

Country risk – is the risk of extraordinary events not arising from financial markets impacting the client's investments, thus reducing their value. These events may be of political or economic nature or a consequence of force majeure (natural disasters, wars). This risk is higher in the so-called „emerging market economies“, i.e. in countries at a lower level of economic development, opening up their markets to foreign investors relatively recently.

Legal risk – it occurs in particular in money and capital market regulation, in taxation, as well as in international business transactions and international capital flows.

Credit risk – a risk that the issuer or the counterparties will not meet their obligations arising from a financial instrument. A lower credit ranking may result in greater fluctuation in the value of the financial instrument. Moreover, a lower credit ranking may affect the liquidity of the financial instrument and make the investment more difficult to sell.

Currency risk – a risk that changes in exchange rate affect the value of investments located abroad and traded in foreign currencies.

Settlement-delivery risk – a risk that in the purchase or sale of a financial instrument no final execution of a transaction takes place despite an agreement, as either a buyer or a seller fails to meet their obligations or no transfer of ownership takes place due to restrictions in legislation, technical problems and other unexpected reasons. This risk is associated particularly with foreign financial instruments.

Insolvency risk

Insolvency or inability to meet its obligations by a company involved in a business with you or by any intermediary involved in the transaction may result in the liquidation or closing of positions without the client's consent. Insolvency risk may also be associated with the investment itself, for example, insolvency of a company involved in a transaction in derivatives on the non-regulated market (whereby the risk refers to the derivative and any collateral or coverage).

Conflicts of interest

In the normal course of business, the Bank and its associated companies may be exposed to various actual and potential conflicts of interest, i.e. the interests that may be in contradiction with the client's interests or the interests of a Bank's client may be in contradiction with the interests of another Bank's client.

Risks in corporate actions

Several entities are always involved in processing corporate actions. The Bank receives information about corporate actions in financial instruments from the selected sub-depository. In such communications, several persons are involved from the source of information, i.e. the issuer, to the Bank, can namely an agent and one or more sub-depositaries, which means that the time limits concerning the rights and/or obligations of the client from a corporate action set by the financial instrument issuer are short or even too short for a response. In such a case, the Bank will do its best to try to inform the client of the corporate act in accordance with the contacts provided to the Bank by the client. The issuer may announce a corporate action long time before its execution, while in the period until the execution or even after such a period, the issuer may change the circumstances or conditions related to the corporate action or even cancel the corporate action itself, which may additionally contribute to the risk of errors in the fulfilment of a corporate action or even the risk that the corporate action is not completed or is even cancelled. The information on the topic of corporate actions provided by the Bank to clients is of informative nature. Nova KBM shall not guarantee the correctness, accuracy and completeness of the submitted data and, consequently, the Bank cannot assume any responsibility for the damage and other legal consequences that may occur in the holder of financial instruments. The owners themselves shall monitor corporate actions on markets outside EU.

In case where the Bank receives from the sub-depositary a notice of a corporate act that does not contain sufficient information and/or the deadline for the submission of instructions on the participation in such an action is too short for the Bank to obtain sufficient information within the said deadline and to judge accordingly that such an (inadequate) information may be confusing or even misleading to the client, the Bank may decide to not notify the client of such a corporate act, which does not contain an adequate level of information.

Risks associated with taxation

As to the payment of taxes, the client is mainly exposed to the risks (i) due to a conflict of tax laws in different countries, (ii) misunderstanding of regulations (including international agreements on avoidance of double taxation referring to income and property) and/or (iii) in relation to the complications in obtaining the documents and proving eligibility for more favourable tax treatment.

The Bank constantly draws the client's attention to the fact that particularly in transactions in foreign financial instruments and non-residents, the client may be bound by the law of the country where the financial instruments were issued and/or the law of the country where these financial instruments are quoted or the law of the country where the client is a resident, and that the rights of clients in relation to these financial instruments or cash funds can be changed for the said reasons. The financial instrument price or the value of the client's investment also depends on the global political situation, political situation in a region or a country, natural and environmental disasters, wars, and other conflict situations, availability and functioning of information technologies and other means of communication, crises, and other reasons not mentioned above.

The price or value of an investment shall depend on fluctuations on financial markets with no influence by any of individual participant on financial instruments markets. The Bank draws the client's attention in advance to the fact that it is impossible to predict future yields of financial instruments on the basis of past yields. The nature and extent of investment risks differ between financial markets in individual countries and between individual financial instruments. These investment risks may also differ, inter alia, in terms of the type of investment, the needs and objectives of certain investors, the method a specific investment service is provided, or the way a specific financial instrument is offered, sold or traded, the issuer's location or domicile, portfolio diversification or concentration, transaction complexity, and the use of leverage.

3. General Recommendations for Risk Minimisation

The primary recommendation of the Bank to investors in securities and other financial instruments in general refers to the diversification of investments. This means that the investor's assets are invested in various securities or other financial instruments of different issuers in order to reduce the exposure to a single instrument or an issuer. In the context of diversification, it is wise to include other forms of investments, such as bank deposits, real estate, and other forms.

Due to the historical data on higher yields on securities compared to other forms of investment, it is recommended to have investments in securities of a longer-term nature. In a short period of time, there is a greater probability of poorer liquidity of a security or unfavourable market valuation of the investment. In particular, it should be emphasised that past performance cannot serve as the basis or provide a guarantee for future developments on the financial instruments market.

Prior to the first investment into securities and other forms of financial instruments, it is essential for each client to be aware of their properties, potential forms, investment services and their characteristics, and of course, the risks associated with them. The Bank instructs its clients to read very carefully all additional disclosures on a financial instrument or investment service, which may be included in the documentation or a financial instrument agreement or make an integral part of an investment service, particularly (but not exclusively) the prospectus for the issue or classification of a financial instrument on the regulated market, General Terms and Conditions of Trading in Financial Instruments, and the Client Order Execution Policy, prior to make any decision on a particular investment service or a transaction in financial instruments. In addition, prior to taking an investment decision or concluding an investment service agreement, our clients are advised to examine, if necessary, very carefully whether a financial instrument or an investment service is appropriate, taking into account their knowledge, experience and financial situation and, if necessary, to obtain an appropriate independent opinion of an expert in the provision of investment services and transactions in financial instruments described in this document.

It is important that clients regularly monitor all the factors that might influence a change in the value of their investments. The Bank shall not be liable for any investment in securities or any other financial instruments executed by the investor upon a recommendation or at their own choice. The Bank does not assume any liability and responsibility for any potential loss resulting from the investments made by the investor. Since investments in financial instruments involve certain risks, each investor is obliged to estimate independently as to how much potential loss they could afford and to take adequate protective measures.

For the purpose of a better liquidity and transparency of business operations, it is recommended to all investors to execute transactions in securities and other financial instruments through the regulated market and authorised participants on this market, as the regulated market offers them better security in trading and a simplified procedure of the rebooking of transactions.

4. Financial Instrument Types and Characteristics

The Bank deals in financial instruments specified in Article 7 of the ZTFI-1, i.e.:

- Transferable securities;
- Money-market instruments;
- Units in collective investment undertakings;
- Options, futures, swaps, forward contracts, and other derivative contracts with respect to securities, currencies, interest rates, the rights to emission, or returns, or other derivative financial instruments, financial indices or financial measures that can be settled physically or in cash;
- Options, futures, swaps, forward contracts, and other derivative contracts with respect to securities relating to commodities that have to be settled in cash or may be settled in cash at the choice of one of the contracting parties (other than due to failure in fulfilling obligations and other reason for termination);
- Options, futures, swaps, forward contracts and other derivative contracts with respect to securities relating to commodities that can be settled physically, provided that they are traded on a regulated market, MTF or OTF, with the exception of wholesale energy products, which are traded in OTF that must be physically settled;
- Options, standard futures, swaps, forward contracts, and any other derivative contracts with respect to securities relating to commodities that can be settled physically, but are not mentioned in the previous indent and do have no business intentions, but have characteristics of other derivative financial instruments;
- Derivative financial instruments for the transfer of credit risks;
- Financial contracts for differences;
- Options, futures, swaps, forward contracts, and other derivative contracts with respect to climate variables, transport costs, inflation rates, and other official statistics that have to be settled in cash or may be settled in cash at the choice of one of the contracting parties (other than due to failure in fulfilling obligations and other reason for termination), and any other derivative contract with respect to assets, rights, liabilities, indices, and measures, which is not mentioned in this section and has characteristics of other derivative financial instruments, by taking into account that they are, inter alia, the subject to trading in a regulated market, OTF or MTE;
- Emission coupons consisting of any units that are found to comply with the requirements of Section 4, Section VI. of the ZVO-1 chapter (trading of EU greenhouse gas emission allowances).

The Bank enters into transactions in financial instruments with its clients at the head office of the Investment Banking, the head office of the Treasury and Investment Banking Department and in selected branches.

a) *Shares and other types of equities*: are associated with a holding in the equity or membership rights of legal entities. Shares are transferable securities. Shares generally carry the following rights to their holders:

- I. The right to participate in the management of the company,
- II. The right to a share in profit (dividend), and

III. The right to obtain a part of remaining assets after a liquidation or bankruptcy of the company.

A holder of shares and other securities equivalent to shares accepts multiple risks among which the possibility of generating loss owing to a fall in prices is to be emphasised, taking into account the fact that historical performances are no indicators for future performances. In addition to market risk, a risk of disposal and acquisition of securities is also present to a lesser extent, though, while currency risk related to the purchase of shares on capital markets where they are not traded in euro. Less solvent markets include also a liquidity risk. A shareholder of the company does not know in advance the facts associated with the company's operations, profit sharing, etc. When purchasing shares, the investor risks the loss of their entire investment. In the event of the company's winding-up, the shareholder shall be entitled to an appropriate share of the liquidation assets, and in some cases to the bankruptcy estate. Shares are included into medium-risk investments.

b) *Bonds and other debt securities* containing the issuer's obligations. A bond is a debt security binding the issuer to make a payment of the principal together with accrued interests at maturity or during the term of the bond, in accordance with a plan agreed in advance. On average, bonds are considered a safer investment than shares, as in the event of the winding up of the company bondholders enjoy greater seniority over shareholders. In addition to bonds with high credit ratings, such as those issued by various governments, local communities, and well-performing companies, there is also a segment of bonds issued by companies and institutions with low credit ratings. The latter are categorised as investments involving greater risk due to a high probability of default in agreed obligations. A bondholder is most exposed to credit risk, i.e. the risk that the issuer will not pay the interest and principal; however, a risk associated with a fall in prices on the bond market is also present. To a lesser extent, other types of risks are also present. Compared to equities, the probability of the holder losing the entire value of the investment is low.

c) *Money-market instruments*: are all types of instruments normally traded on the money market, with the exception of payment instruments such as treasury bills, certificates of deposit, and commercial papers. One of the major risks is the risk that the issuer fails to pay the interest and principal; however, a risk associated with a fall in prices of the instrument on the market is also present. Similarly to bonds, the probability of losing the entire value of the investment is very low.

d) *Derivatives*: are financial instruments the value of which depends on the price of the underlying financial instrument, such as primarily securities (shares, bonds), currencies, interest rates and commodities, and which grant the holder well-defined rights and obligations in relation to the underlying instruments. The most common types of derivatives are options, futures, certificates, rights and swaps. Derivatives may be used to collateralise investments, which can significantly reduce various risks associated with financial instruments, such as market risk, interest rate risk, and currency risk, or for speculative purposes. When investing in derivatives, a requirement to provide margin for potential loss may arise. Derivatives may be traded on or outside the stock exchange. In both cases, credit risk of the issuer (in the case of securities) or the counterparty (at the conclusion of a bilateral agreement) is present. Due to a relatively illiquid market, which is typical for the secondary derivatives market, in certain conditions, the positions can be neither closed nor offset and, consequently, the investor can not terminate the agreement generating loss.

Different derivatives involve different levels of exposure to risks.

- a. Futures, (synthetic) futures transaction, and interest rate futures are classified as derivative financial instruments where the agreed underlying instrument or cash settlement is delivered at a specified future date.
- b. Swaps are derivatives in which the parties agree to make future exchanges of cash amounts. Swaps include foreign exchange swaps (FX), interest rate swaps (IRS), and cross currency swaps (CCS). Despite the ever increasing volume of trading in swaps in recent years, there is no guarantee that the secondary market will provide sufficient liquidity for a particular swap at any specified future time.
- c. Option is a derivative, which grants a buyer of the option the right, but not the obligation, to execute a transaction at a future date and at a predetermined exercise price. The acquisition of an option is less risky than the sale, since the maximum loss is limited to the amount of the premium. When issuing options, the client is exposed to a risk of the settlement of obligations arising from options, and the possibility of loss, which can be significantly higher than the premium received. There are currency options and interest rate options.

Trading in derivatives is associated with considerable risk since the loss of the entire investment is possible. Investments in derivatives should be made with great caution; which applies even to experienced investors.

e) *Units in collective investment undertakings*: a collective investment undertaking, other than closed-end type undertaking, means an unit trust or an investment company:

- The objective of which is the collective investment of capital provided by the public, and which operates on the principle of risk-spreading, and
- The units of which are, at the holder's request, repurchased or redeemed, directly or indirectly, out of the assets of these undertakings.

Open-end fund share is a security whose issuer is a management company and is assigned to one or more units of assets of a mutual fund. The holder of an open-end fund share has the right to request from the management company the payment of the value of units of a mutual fund in relation to which the open-end fund share has been issued, and the right to payment of a proportionate share of the liquidation assets in the event of the mutual fund liquidation. Collective investment undertakings and the investments they cover are potentially exposed to all major types of risks listed in the second item of this chapter. The risks associated with the purchase of units in collective investment undertakings depend on a drop in the price of a unit in the collective investment undertaking, taking into consideration the fact that the past performance cannot serve as the basis or provide a guarantee of future developments, and the risk of uncertain profit sharing and of delays or inability to repay units from the value of the assets of the investment undertaking is also present. The purchase of units in collective investment undertakings may result in losing the entire investment.

f) Certificate means securities which can be traded on the capital markets and which, in case of repayment of the investment by the issuer, are ranked before shares, but for unsecured bond instruments and other similar instruments.

g) Structured financial products mean securities that are designed for the securitization and transfer of credit risk associated with a fund of financial assets and give the owner of the securities the right to receive regular payments that depend on the cash flow arising from the fixed assets.

h) Full yield early call clause is a clause intended to protect the investor by ensuring that in the event of early repayment the issuer must pay the investor holding the bond an amount equal to the sum of the expected net present value of the remaining coupons to the maturity and principal of the early called bond.

i) The exchange of financial instruments means the sale of a financial instrument and the purchase of another financial instrument or the exercise of the right to change in relation to an existing financial instrument.

Other forms of financial instruments and their special forms can be presented by the Bank in writing at the request of a client.

5. Information on the Management of Client's Financial Instruments and Cash Funds

The Bank manages financial instruments and cash funds at its disposal either on its behalf and for the account of clients or on behalf and for the account of the clients, which the Bank obtains by performing investment or ancillary investment activities in accordance with the rules on prudent management of financial instruments and clients' cash funds referred to in the applicable ZTFI-1. In respect of brokerage services, book-entry securities account management, financial instruments issued as written documents and kept as a collective deposit, the Bank shall manage clients' financial instruments and cash funds in accordance with the provisions contained in agreements on the provision of investment and ancillary activities concluded to this end with the clients, and in line with the Bank's internal regulations. All the rights

and entitlements of clients in relation to their financial instruments and cash funds conferred to the client in the performance of the services listed in this paragraph, in particular (but not exclusively) the right of a client to dispose of the financial instruments being the subject of the purchase transaction, or the right to dispose of the purchase amount arising from the transaction made, or of the unused advance (paid to the Bank for the execution of the purchase order) are precisely regulated in the aforementioned agreements. The Bank shall be obliged to open a special cash account at Nova KBM d.d., through which it shall accept and make payments arising from transactions made for the clients' accounts, as well as manage clients' cash funds. The Bank shall keep records of each client's cash account. The Bank shall not be allowed to accept and make payments arising from transactions made for its own account through the client's special cash account. The Bank shall manage financial instruments and cash of its clients separately from its own financial instruments and cash. The Bank shall manage a client's account of book-entry financial instruments with the central depository on behalf of and for the account of the client. The Bank shall not be allowed to transfer to the house account those securities held by its clients or acquired for the clients' accounts, unless there is a valid legal basis for such a transfer. The Bank shall not be allowed to keep financial instruments that it holds in the clients' accounts kept at the Bank. The Bank manages a trading account of the client and the records of balance and transactions in financial instruments and cash funds of the client. If the client's financial instruments are entered in the central depository, the Bank shall keep them in accordance with the rules used for such depository. If the rules of the central depository enable the keeping of client accounts in such a depository, the Bank shall explicitly inform the client of such option and provide all the information in the scope determined in the applicable ZTFI-1.

If the client requests that its financial instruments be kept through its own account in the central depository, the Bank shall, if it is itself a member of such a central depository, open and manage the account of the client, in which these financial instruments are entered, and if it is not itself a member of such a central depository, the Bank shall ensure on behalf of and for the account of the client that a member of a central depository opens and manages the account of the client, in which all these financial instruments are entered. If the Bank manages financial instruments of its clients in the central depository for the account of the clients through its own account in the central depository or through another intermediate sub-depository, it shall set up and manage a sub-depository of these financial instruments whereby the client is provided with all rights and entitlements in respect of the disposal of the financial instruments entered in the sub-depository in accordance with the provisions of the applicable ZTFI-1 and the rules of the sub-depository and other Bank's internal regulations. The client for the benefit of whom financial instruments of a certain type are entered in the sub-depository may demand from the Bank at any time to deliver the financial instruments in accordance with the provisions of the ZTFI-1 and the sub-depository's rules.

The Bank shall neither be responsible for the actions and/or omissions of any third party, through which the client's financial instruments and cash are managed, nor for the consequences that the client may suffer as a result of the insolvency of a third person, or for any direct or indirect damage, costs or other obligations that the client might incur in this regard.

6. Information on Costs and Other Charges

1. Transactions in financial instruments are associated with certain costs. These costs may substantially decrease or even eliminate the possibility of any gain, which the client may otherwise obtain from these transactions. Prior to signing any agreements on the provision of investment or ancillary investment services, the Bank provides the investor with the information on costs arising from transactions in financial instruments. The Bank also informs the client of the costs associated with a particular transaction at the time of accepting the order. The client shall be obliged to pay the fee for the services rendered, in the amount determined by the valid Bank's fee schedule, which is in line with the regulations determining the amounts of fees of brokerage companies as well as with the fee schedules of the Ljubljana Stock Exchange d.d. (hereinafter: the stock exchange) and KDD, unless otherwise stipulated in an individual investment services agreement or in these General Terms and Conditions.

Charges for the services rendered consist of the Bank's commissions and fees and the fees of the stock exchange and the KDD.

Fiscal charges and other public charges are not included in the charges for the services rendered and are charged to the client in accordance with the respective applicable legislation.

If additional domestic or foreign participants of the financial instrument market are involved in the execution of a client order, this client has to take into consideration the fact that they may also be charged brokerage commissions, fees and other costs of the third parties. In addition to the aforementioned costs directly related to the transaction in a financial instrument, the client has to take into consideration also all additional expenses and fees. The Bank instructs the client to obtain information on all additional expenses and fees incurred by the transaction before the investment. The Bank's fee schedule is provided to the client upon the conclusion of an agreement on the provision of investment services. The fee schedule shall be changed on the basis of a decision taken by the Bank's Management Board. The respective applicable fee schedule is available in the premises where the Bank provides the services related to financial instruments, and on the www.nkbm.si website.

2. Transactions in financial instruments are subject to taxation. Before investing in financial instruments, the investor must be accurately informed of the tax consequences of their investment decisions. The taxation of transactions in

financial instruments is affected by domestic legislation, in particular the Income Tax Act (ZDoh-2, Official gazette of the RS, No. 117/2006, as amended) and the Corporate Income Tax Act (ZDDPO-2, Official gazette of the RS, No. 117/2006, as amended), and the tax legislation of other countries applying to financial instruments markets where the investor performs transactions, and agreements on avoidance of double taxation, which the Republic of Slovenia concluded with other countries.

The Bank shall perform taxation of income from capital as a withholding agent in accordance with the provisions of the act regulating tax procedure. According to the tax legislation in the Republic of Slovenia, the imposition of withholding tax is not considered tax consultancy. If the competent tax authority establishes that the tax payer has failed to withhold the tax and pay it to the tax authority or that the amount of tax has not been withheld or paid to the tax authority correctly, the amount of tax due together with the associated duties shall be a liability of the withholding agent. The withholding agent has the right to recover the said amount from the taxable person who received the income, which the tax has not been withheld or has not withheld the tax amount correctly or in full amount. The client agrees that such inadequate taxation is remedied by debiting the client's balance in line with the provisions of the decision issued by the Financial Administration of the Republic of Slovenia (hereinafter: the FURS) dealing with inappropriate income taxation, which debited the client by the Bank.

3. When a part of the total charges or costs is expressed in a currency other than EUR, the Bank shall indicate the currency in which a part of the charges is expressed, and for the services of trading in foreign financial instruments, the Bank shall use the exchange rate determined by the custodian bank's exchange list or reference exchange rates of the ECB, which is indicated in the records of the completed transaction.
4. The Bank points out to the client that other costs, including taxes, may be incurred in relation to transactions in financial instruments or an investment service, which are not paid through the Bank.
5. The Bank also informs the client about the costs (penalties about the settlement) incurred as a result of late settlement and late evaporation of settlement instructions. The Bank shall charge the client the relevant costs or transfer them to the client's cash account, or debit its current as specified in the General Terms and Conditions for Operations with Financial Instruments (Article 45).

Information on the Bank, Investment Services and Financial Instruments shall apply from 15 July 2024. From this date, the Information on the Bank, Investment Services and Financial Instruments of 9 May 2022 shall cease to apply.

Maribor, 15 July 2024

Management Board of Nova KBM d.d.

In accordance with Article 210 of the Market in Financial Instruments Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended, hereinafter: the ZTFI-1), the Management Board of Nova KBM d.d., Ulica Vita Kraigherja 4, 2000 Maribor (hereinafter referred to as the Bank) has adopted the following:

CLIENT CLASSIFICATION POLICY AND PROCEDURES

Article 1

(General Provision)

By this Client Classification Policy and Procedures (hereinafter: client classification policy and procedures), pursuant to Article 249 of the ZTFI-1, the Bank shall classify its clients as professional clients, non-professional clients and eligible counterparties, and define the client classification policy and procedures.

Article 2

(Professional Client)

In accordance with Article 246 of the ZTFI-1, the following entities shall be regarded as professional clients:

1. Entities, obliged to acquire an appropriate license issued by a competent supervisory authority of an EU Member State or a third country or otherwise acquire the right to operate in financial markets, i.e.:
 - Credit institutions,
 - Investment firms,
 - Other regulated financial institutions,
 - Insurance companies, reinsurance companies and pension companies,
 - Collective investment undertakings and companies for managing such undertakings,
 - Pension funds and companies managing them,
 - Commodity and commodity derivatives dealers,
 - Local firms,
 - Other institutional investors.
2. Large companies, which, at company level, comply with at least two of the following criteria:
 - Balance sheet value of assets: EUR 20,000,000;
 - Net annual turnover: EUR 40,000,000;
 - Value of own capital: EUR 2,000,000.
3. Republic of Slovenia and other countries or bodies of national or regional governments, public entities that manage public debt, the Bank of Slovenia, and other central banks, international and supranational institutions, such as the World Bank, International Monetary Fund, European Central Bank, European Investment Bank, and other similar international organisations.
4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

Article 3

(Treatment of Professional Clients)

Prior to the classification as a professional client, the Bank shall notify the clients that would meet the criteria set out in Article 2 of this Policy of the following:

- That, on the basis of the information available, the client is deemed to be a professional client, and will be treated as such by the Bank unless the Bank and the client agree otherwise;
- That the client may request to be treated as a non-professional client, or to be treated as a non-professional client only in relation to individual services or transactions or individual types of products, and as a result, the terms and conditions of the investment services agreement shall be adequately amended so as to grant a higher level of protection provided to non-professional clients.

Article 4

(Non-Professional Clients)

- (1) All other clients not regarded by the Bank as professional clients shall be classified as non-professional clients.
- (2) Non-professional clients that have no position referred to in Article 2 of this Policy, including entities of a public nature, local public authorities, municipalities, and private investors – individuals, shall be entitled to request to be treated as professional clients with regard to all or only individual services or transactions and/or for all or individual types of products or transactions, whereby the clients shall be required to fulfil at least two of the following conditions:

- The client has already concluded several transactions of a significant amount on appropriate markets with the average frequency of at least ten transactions per quarter in the last year;
 - The value of the client's financial instruments portfolio, including cash deposits, exceeds EUR 500,000;
 - The client held or has held for at least one year a professional position in the financial sector that requires knowledge of the planned transactions or services, which the client intends to obtain from the Bank.
- (3) If the client meets at least two of the conditions listed in the previous paragraph, the Bank shall begin to treat the client as a professional client when all the following conditions have been satisfied:
- The client has submitted to the Bank a written request to be treated by the later as a professional client, and has completed the questionnaire and submitted proper evidence, from which it appears that the criteria to be classified as a professional client have been met;
 - The client has received from the Bank a written warning regarding termination of the protection and other rights provided to non-professional clients in accordance with the provisions of the ZTFI-1 related to safe and careful provision of investment services for clients, and to the cessation of rights deriving from guarantees for investors' claims, as well as the list and description of risks assumed by the client classified as a professional client, and
 - The client has submitted a written statement to the Bank expressing their full awareness about the consequences of the loss of protection and rights as stipulated in item 2 of this paragraph.

Article 5 (Eligible Counterparty)

- (1) Eligible counterparties mean the entities for which the order execution shall not be subject to the provisions of the ZTFI-1 regarding the following:
- Separate keeping of all documents of the clients on the financial services agreements concluded between the client and the Bank, and other documents specifying mutual rights and obligations of the Bank and the clients, and other conditions under which the Bank provides services for this client (Article 237, paragraph 7),
 - The Bank's information and marketing communication to clients (Article 251),
 - Explanations of the Bank's obligations, with exemptions (Articles 254 and 255),
 - Agreements on the provision of investment services (Article 257),
 - Reporting obligations to the clients on concluded transactions (Article 258),
 - Exemptions from the obligation to provide explanation and reports (Article 259),
 - Execution of orders under the most favourable conditions for the client (Article 267),
 - Client Order Execution Policy (Article 268),
 - Execution venue of client orders (Article 269),
 - Monitoring and assessing the efficiency of the Client Order Execution Policy (Article 270),
 - Procedures and measures for client order execution (Article 272).
- (2) If the Bank treats the eligible counterparty in accordance with Articles 246 to 249 of the ZTFI-1 as a professional client, the agreement may limit or exclude the application of other provisions of Section 7.2 of the ZTFI-1.
- (3) Eligible Counterparty include the following Member State entities:
- Investment firms,
 - Credit institutions,
 - Other regulated financial institutions of the Member State,
 - Insurance and/or reinsurance companies,
 - Collective investment schemes UCITS, and the companies managing these investments,
 - Pension funds and companies managing them,
 - Entities referred to in paragraph 2 of Article 62 ZTFI-1.
- (4) The Bank as a company may also treat as eligible counterparties the following entities:
- Third country entities equal to the entities listed in the previous Article, and
 - Companies from a third country, which comply with the predetermined proportional requirements, including quantitative thresholds.
- (5) Prior to the execution of an order for a company referred to in the preceding paragraph, the Bank shall be obliged to acquire from this company an explicit consent to be treated as an eligible counterparty by the Bank, either as a general consent for all transactions or for an individual transaction.
- (6) In the event the Bank intends to conclude a transaction with a counterparty, to which the law of another Member State is applicable, the counterparty shall be assessed and treated as an eligible counterparty in accordance with the legislation of the EU Member State where the company's registered office is located.
- (7) Classification as eligible counterparties in accordance with paragraph 3 of this Article shall not exclude the right of the said entities to demand, either in general or in relation to a specific transaction, to be treated by the Bank as clients, to which the provisions specified in the first paragraph of this Article apply.

- (8) If the said entity exercises this right and if the Bank treats such entity as a professional client in accordance with Articles 246 to 249 of the ZTFI-1, the agreement may limit or exclude the application of the provisions of Section 7.2 of the ZTFI-1, with the exception of the provisions of the first paragraph of this Article.
- (9) The Bank undertakes to act diligently, fairly and with due professional care when providing investment and auxiliary investment services to the appropriate counterparty, and to provide them with information that is fair, clear and not misleading, taking into account the characteristics of the eligible counterparty and its transactions.

Article 6
(Transitional and Final Provision)

The Client Classification Policy and Procedures shall enter into force on 1 February 2023. From the date of these Client Classification Policy and Procedures become effective, the Client Classification Policy and Procedures of 1 June 2023 shall cease to be valid. The Bank has performed the client classification in accordance with the provisions of the ZTFI-1.

Maribor, 1 February 2023

Management Board of Nova KBM d.d.

In accordance with Articles 232 and 233 of the Market in Financial Instruments Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended, hereinafter: hereinafter: the ZTFI-1) and in accordance with the provisions of the Decision on the conditions for providing investment and other services to brokerage companies (Official Gazette of the Republic of Slovenia, No. 42/2019) the Management Board of Nova KBM d.d. (hereinafter: the Bank) has adopted the following:

CONFLICTS OF INTEREST MANAGEMENT POLICY

1. INTRODUCTORY DEFINITIONS

Article 1

(General Provision)

The Bank provides investment services in accordance with the ZTFI-1 and offers them to an open set of clients; therefore, there may be situations of conflicts of interest, which may result in unfavourable effects on the implementation of interests of the Bank's clients.

The Conflicts of Interest Management Policy when providing investment services and activities of the Bank (hereinafter: the Policy) shall be adopted with an aim to establish and maintain efficient management of conflicts of interests, which may arise in provision of individual investment services as well as related transactions and ancillary investment services or a combination thereof (hereinafter: investment service or transaction), and which may harm the interests of the Bank's existing or potential clients, while also considering the characteristics, scope, and complexity of the transactions performed by the Bank in the area of investment services.

The terms employed in this Policy shall be applicable in accordance with the ZTFI-1.

When this Policy refers to provisions of other regulations, these provisions shall be used in their respective applicable wording.

Article 2

(Definition of Types of Conflicts of Interests)

The conflict of interests may arise:

- Between the Bank and the Bank's clients, whereby the Bank's interest also includes interest of the management, employees and other persons performing investment services on behalf of the Bank on the basis of employment or on any other basis, primarily (but not exclusively) brokers, asset managers, financial analysts (hereinafter: employees) and the persons connected with the Bank through control (hereinafter: other persons);
- Between the Bank's clients themselves, also as a result of acceptance of incentives by third parties or the structure of payments and other incentives within the Bank;
- between the Bank and its employees.

Conflicts of interests referred to in the preceding paragraph exist when an employee conducts a transaction for their own account, irrespective of whether they conduct it with the Bank or other investment firm or a client. In order to prevent conflicts of interest, the Bank keeps internal rules detailing the procedures and codes of conduct of employees in financial markets.

It shall be deemed that an employee concludes a transaction for their own account also when the party to the transaction is a related person of the employee (hereinafter: personal transaction).

The Bank has established mechanisms for preventing and identifying conflicts of interest of the Bank with the interest of any person who is related to the Bank through control.

The fact that the Bank acquires some benefit, without causing damage to the client, does not constitute a conflict of interest. Likewise, there is no conflict of interest if a benefit is provided or a loss is prevented of one client without the other client being injured.

Article 3

(Client)

A client is any natural person or legal entity or assets without legal personality, to which the Bank provides investment services as defined in the ZTFI-1.

Article 4

Persons related to the employee are:

1. Immediate family members:

- A spouse or a person with whom they live in a common-law relationship which carries the same legal/financial consequences as a marriage, or a person with whom they live in a civil relationship according to the law governing civil relationships,
- A child or an adopted child of this person or the person referred to in the previous indent of this paragraph,
- Another person assigned to guardianship,
- Parent or adopting parent of that person or the person referred to in the first indent of this item.

2. A legal entity, which is in a close relationship with the employee in one of the following ways:

- The employee indirectly or directly holds an equity stake, shares or other rights of a legal entity based on which they participate in its management or capital, holding at least a 20-percent stake,
- If the employee controls the legal entity in a manner specified in the respective applicable Companies Act (Official Gazette of the Republic of Slovenia, No. 42/06).

Employees and other persons referred to in the first indent of Article 2, and related persons are obliged to perform business operations in accordance with the ZTFI-1 and regulations made on its basis, and comply with all regulations, guidelines and recommendations governing their personal transactions related to financial instruments and reporting thereof.

2. CRITERIA AND CIRCUMSTANCES OF A CONFLICT OF INTERESTS

Article 5 (Criteria)

A conflict of interests shall be deemed to exist where any of the following criteria is met:

- The Bank, Bank's employee or any other person would probably generate a financial gain by performing a certain transaction or activity or avoid a financial loss to the detriment of the client,
- The interest of the Bank or the Bank's employee regarding the result of a service provided to the client or the result of the completion of a transaction on behalf and for the account of the client differs from the client's interest,
- The Bank or the Bank's employee has a financial or other incentive to give priority to the interests of another client or a group of clients over the interests of the client, the Bank or the Bank's employee performs the same business activity as the client,
- The Bank or the Bank's employee receives or would receive from a person other than the client an incentive in relation to the service provided to the client, in the form of cash, goods or services, other than the standard commission or fee for that service.

Article 6 (Circumstances of Most Frequent Cases and Sources of Conflicts)

Any actual or potential conflicting interest that may have adverse consequences for the client, including sustainability preferences, shall be treated as a conflict of interest for the purposes of this policy.

A conflict of interest could occur in particular in the following circumstances, activities and transactions:

- The Bank trades in financial instruments or derivatives whose underlying instrument is subject to the transaction on its own behalf and for its own account and on its behalf and for the account of third parties; whereby it can trade directly with the client or through an intermediary,
- The Bank is lender, or provides services of a takeover or merger of the company, the financial instruments of which are the subject to the transaction,
- The Bank matches the client's transaction with the counterparty, which is also a client, and acts for the benefit of both clients,
- The Bank buys/sells a financial instrument for the client and immediately sells/buys it for another client of the Bank,
- The Bank holds a position of a financial instrument for the client,
- The Bank provides services of the issue of financial instruments being the subject to the transaction, with or without an obligation to repurchase, or otherwise takes part in issuing these financial instruments or derivatives,
- The Bank is a liquidity provider or trades on its own account in a financial instrument issued by the client,
- The Bank is a related party of the issuer of a financial instrument that is the subject to the transaction,

- The Bank closes its own position with the transaction, which the Bank concludes with the client by suggesting the client a price that is, taking into account the market price, obviously (in)appropriate,
- The Bank exploits inside information and enhance its own portfolio to the detriment of the client, which did not have such information at disposal or did not have access to it, which also constitutes a violation of the ZTFI-1,
- The Bank's employee concludes transactions for their own account in financial instruments, which they trade as a Bank's employee for the Bank's account,
- The Bank receives financial incentives by a third party to offer a particular financial instrument,

3. CONFLICTS OF INTERESTS IDENTIFICATION AND MANAGEMENT

Article 7 (Measures)

To prevent conflicts of interests or avoid them, the Bank shall adopt organisational and other measures, which shall be embodied in the Bank's internal regulations and implementing instructions detailing the procedures to preventing conflicts of interest:

- Implementation of a separate internal control of the employees performing transactions on behalf of clients or providing investment services to clients, where the risk of conflicts of interest with the client or the Bank is the largest (Management Board, brokers and analysts, asset managers, back office, a takeover group, trading for its own portfolio),
- The Bank introduces appropriate procedures for reporting potential conflicts of interests and their management and prevention within varying out supervision procedures,
- Removal of any direct link between the remuneration of the employees principally engaged in one activity or service, and the remuneration of or revenues generated by other employees primarily engaged in another activity or service where a conflict of interest may arise in relation to those activities,
- With its internal regulations and the terms and conditions contained in employment contracts, the Bank shall prevent or restrict involvement of employees in services and activities, which could lead to conflicts of interests; the Bank requires from its employees to disclose any circumstances that could constitute a conflict of interest, and the Bank keeps records of related persons of employees, and includes a competition ban and a statement on strict confidentiality protection in employment contracts,
- Consistent implementation of internal controls,
- Supervision by the Bank of the conclusion of transactions on their own account by the employees by maintaining a list of all transactions entered into by the employees on their own account and on behalf of related persons,
- Provision of the organisation (spatial and functional) and technological separation of organisational units of the Bank, which conduct transactions where conflicts of interests may occur,
- Client orders shall be executed in accordance with the Client Order Execution Policy,
- In the execution of orders to buy and/or sell the same financial instruments for different clients, the Bank shall accept and execute their orders following the time sequence of their receipt,
- In the execution of orders regarding the same financial instruments, the Bank shall favour the orders of its clients over the orders for the Bank's account,
- The Bank shall define prohibited conduct of employees in dealing in financial instruments in accordance with the ZTFI-1 in a separate internal document, and shall bring it to the attention of employees,
- The employee shall not advise or order other persons, except in the course of regular work and tasks, to conclude a transaction, which would be, if classified as a personal transaction, prohibited or would make it impossible or more difficult to implement the measures in accordance with this Policy,
- The Bank shall, through the measures of internal control, separation of departments, information security, etc., ensure confidentiality of sensitive and confidential information in performing transactions, and limit the circle of persons within the Bank who have access to inside information,
- The Bank shall, through its internal documents, provide for restrictions regarding the handling of inside information and other confidential data and documents, separation of business functions and/or internal organisational units, internal control, prevention of the involvement of employees' personal interests in the execution of the Bank's business functions or the implementation of investment services,
- the bank does not accept any amount or benefit if it is not in accordance with the criteria from Article 24 of Directive 2014/65/EU on incentives or other relevant laws.

Possible conflict situations and measures of the Bank aimed at their prevention or control are presented below:

Conflict situation	Bank's measure aimed at prevention
The Bank trades in financial instruments or derivatives whose underlying instrument is subject to the transaction on its own behalf and for its own account and on its behalf and for the account of third parties; whereby it can trade directly with the client or through an intermediary	Consistently written instructions for carrying out transactions on its own behalf, and performing internal controls. This area is defined also by the Order Execution Policy, which sets the client's order before the order on behalf and for the account of the Bank.
The Bank is lender, or provides services of a takeover or merger of the company, the financial instruments of which are the subject to the transaction	Consistent compliance with ZGD, ZTFI-1 and Zpre, the provisions of these laws are included in internal documents and in the operations control plan.
The Bank matches the client's transaction with the counterparty, which is also a client, and acts for the benefit of both clients	Client orders shall be executed in accordance with the Client Order Execution Policy. Internal controls of execution of orders are also consistently carried out.
The Bank buys/sells a financial instrument for the client and immediately sells/buys it for another client of the Bank	Client orders shall be executed in accordance with the Client Order Execution Policy; consistent implementation of internal controls.
The Bank provides services of the issue of financial instruments being the subject to the transaction, with or without an obligation to repurchase, or otherwise takes part in issuing these financial instruments or derivatives	Immediately upon the start of the negotiation process on the issue of securities, in accordance with internal rules, the issuer shall be placed on a stop list, based on which trading in the instruments issued by this issuer shall be prohibited until the financial instrument is not issued.
The Bank is a liquidity provider or trades on its own account in a financial instrument issued by the client	Consistently written instructions for carrying out transactions on its own behalf, and performing internal controls.
The Bank is a related party of the issuer of a financial instrument that is the subject to the transaction	The Bank operates such instruments under the same conditions for the clients as with financial instruments of other issuers. Client's orders are executed on the basis of an assessment of suitability and appropriateness.
The Bank closes its own position with the transaction, which the Bank concludes with the client by suggesting the client a price that is, taking into account the market price, obviously (in)appropriate	Client's orders are executed on the basis of an assessment of suitability and appropriateness and by considering the Client Order Execution Policy.
The Bank's employee concludes transactions for their own account in financial instruments, which they trade as a Bank's employee for the Bank's account	The Bank shall, through its internal documents, provide for restrictions regarding the handling of inside information and other confidential data and documents, separation of business functions and/or internal organisational units, internal control, prevention of the involvement of employees' personal interests in the execution of the Bank's business functions or the implementation of investment services. The Bank shall define prohibited conduct of employees in dealing in financial instruments in accordance with the ZTFI-1 in a separate internal document, and shall bring it to the attention of employees. Transactions of employees and persons related to employees are subject to control by the Compliance Department.
Employees receive financial incentives by a third party to offer a particular financial instrument	The employee rewarding policy does not reward on the basis of favouring a specific product. It is in line with the Bank's sales strategy to sell the client only the financial instrument that is truly suitable for them. All clients are required to complete the entire questionnaire for assessing suitability and appropriateness. The suitability of the instruments offered to the client is periodically reviewed on a selected sample.

Article 8
(Disclosure of Conflicts of Interests to Clients)

If despite of all the measures set out in Articles 7 and 8 of this Policy and other measures implemented by the Bank in accordance with regulations and the Bank's internal regulations, it is established at any time that these measures are not sufficient for the Bank to reasonably trust in the prevention of the adverse impact of conflicts of interest on the interest of each client, the organisational unit of the Bank, which provides investment services and activities, shall ensure that the client is clearly and unambiguously informed of the general characteristics and origins of such conflicts of interests prior to the provision of the service. Disclosure shall be used as the last resort of preventing or managing conflicts of interest.

The Bank shall submit the disclosure referred to in the first paragraph of this Article to the client in writing on a durable data medium.

The condition referred to in the previous paragraph shall be deemed satisfied, if the conflicts of interests are disclosed in writing, in a paper form, unless otherwise agreed between the Bank and the client or if this results from the usual method of exchanging information between the Bank and the client. In doing so, the disclosure of a conflict of interests must contain sufficient details enabling the client to reasonably decide on the service in relation to which the conflict of interest occurred.

In the event referred to in the previous paragraph and under the condition from paragraph 2 of this Article, the Bank shall not be held liable to the client for any direct or indirect damage, cost or obligation, which the client would suffer because of or in relation to the service which has been provided (or is being provided) to the client by the Bank, or the transaction concluded by the client with the Bank, with reference to which a conflict of interests arises.

Article 9
(Disclosures Made by Financial Analyst)

In order to disclose all relationships and circumstances, which may reasonably be expected to affect the objectivity of the recommendation made by a financial analyst, the latter shall be obliged to disclose to the Bank their financial interests, all conflicts of interests, and other disclosures as detailed in the Bank's internal instructions, and to give the required statements.

The financial analyst shall be obliged to produce an investment recommendation in the form, which contains all of the disclosures set out in this Article and internal documents, except where such disclosures would be disproportionate in relation to the length of the sent recommendation. In this case, it shall suffice to make a clear and prominent reference in the recommendation itself to the place where such disclosure is directly and easily accessed by the public, such as a direct Internet link to the disclosure on an appropriate website of the Bank.

Article 10
(Disclosures Made by the Bank)

The submission of investment research and reports can lead to a conflict of interests which cannot be avoided, particularly in the case of reporting on financial instruments the Bank already holds in its own portfolio of financial instruments.

The Bank shall disclose such a conflict of interests during elaboration and submission of investment research and other similar reports.

Article 11
(Monitoring of Potential Conflicts and Record Keeping)

The Bank shall keep a record of all the services or activities it provides, in relation to which a conflict of interest has occurred or could occur, if the services or activities continued in the future and may entail a material risk of damage to the interests of one or more clients.

The organisational units of the Bank are obliged to report to the Compliance Department any potential cases of conflicts of interests immediately or as soon as possible and generally prior to the provision of the relevant investment service. When monitoring and managing conflicts of interests, the Bank may apply additional measures, if it finds that conflicts of interest are recurring and that the current measures are not sufficient, such as for example:

- Implementation of additional measures for restricting the dissemination of information to the Bank's employees, organisational units, and the Bank's clients,
- Notifying the top management of the Bank, which is responsible for implementing the Bank's strategy,
- Assessment of relations and the reputation risk of the Bank, which could arise as a result, and
- Refusal or rejection of participation.

Article 12
(Marketing Communication)

The information and recommendations, which do not meet the conditions necessary to be regarded as investment research must be clearly identified as a marketing communication and must include a statement that they do not meet the conditions and requirements applying to investment research.

Article 13
(review of the Conflict of Interest Management Policy)

The Bank will regularly (at least once a year) review the Conflict of Interest Policy and the Conflict of Interest Record, and will carry out additional reviews if necessary. During the inspection, the bank will take the necessary measures to eliminate the deficiencies.

Article 14
(Transitional and Final Provision)

The Conflicts of Interest Management Policy shall enter into force on 15 July 2024. From the date of this Conflicts of Interest Management Policy become effective, and the Conflicts of Interest Management Policy of 1st of February 2023 shall cease to be valid.

Maribor, 15 July 2024

Management Board of Nova KBM d.d.

In accordance with Article 268 of the Market in Financial Instruments Act (Official Gazette of the Republic of Slovenia, No. 77/2018, hereinafter: ZTFI-1, as amended), and in accordance with the provisions of the Decision on the conditions for providing investment and other services to brokerage companies (Official Gazette of the Republic of Slovenia, No. 42/2019, hereinafter: Decision), the Management Board of Nova KBM d.d., Ulica Vita Kraigherja 4, 2000 Maribor, is adopting the following:

CLIENT ORDER EXECUTION POLICY

1. INTRODUCTORY DEFINITIONS

Article 1

(General Provision)

The Client Order Execution Policy is a document of Nova KBM d.d. (hereinafter: the Bank) defining a system, procedures and reasonable measures enabling the Bank to execute a client order under the most favourable conditions for the client (hereinafter: the Policy) or the rules for submitting the client's order to an executing partner.

This Policy shall not constitute a guarantee that the best result for the client will be achieved in the execution of each individual order, but regulates the procedures and measures, by the consideration of which in most cases the order will be made under the most favourable conditions for clients. In this regard, the Bank points out that when delivering orders to the executive partners, the later are selected in accordance with the efforts to ensure the client for achievement of the best possible results in the execution of their orders. In the event of special or unfavorable circumstances in the market of financial instruments, the bank may request additional instructions from the client to ensure the most favorable result or execution under the most favorable conditions. In the event that it does not receive additional instructions from the client, the bank may act at its own discretion and proceed with the measures from this policy and in a way that, in the bank's opinion, can provide the most favorable possible outcome for the client.

In this respect, the Client Order Execution Policy shall determine the following:

- Introductory provisions,
- Financial instruments, for which the Bank accepts orders to buy or sell, and execution venues,
- Factors to be considered in the assessment of the best order execution,
- Criteria for determining relative importance of the factors for the assessment of best order execution,
- Client's instructions regarding the factors for the assessment of best execution,
- Trading for a joint account,
- Monitoring of the client order execution and the provision of information on the order execution to the client in accordance with the Client Order Execution Policy,
- Monitoring of the efficiency of the Client Order Execution Policy and assessing whether the order execution venues referred to in the Client Order Execution Policy enable the execution under the most favourable conditions for the client,
- Client notification regarding the Client Order Execution Policy,
- Final provisions.

The terms used in this Policy shall be applied in accordance with the respective applicable provisions of the ZTFI-1 and the Ljubljana Stock Exchange Rules (hereinafter: the Ljubljana Stock Exchange Rules).

Article 2

(Client's Consent)

According to the Client Order Execution Policy, a client's statement confirming their agreement with the matter the statement refers to shall be regarded as an explicit client's consent, if the statement is submitted in writing and delivered to the Bank in person or by mail.

2. SCOPE OF ACTION

Article 3

(Use of Policy)

In accordance with the ZTFI-1 and the Ljubljana Stock Exchange Policy, the Client Order Execution Policy refers to non-professional and professional clients. The Client Order Execution Policy shall not refer to eligible counterparties and shall not apply to the execution of their orders, unless the eligible counterparty expressly requests that the Order Execution Policy applies to them generally or in respect of an individual order. If the eligible counterparty does not explicitly request to be treated as a non-professional client, the Bank shall treat such client as a professional client.

The Client Order Execution Policy shall apply where a client gives an explicit consent to its application. The client's explicit consent in accordance with this Order Execution Policy shall be provided in writing and only exceptionally orally, provided that in the latter case the client shall acknowledge it in writing immediately. If the client fails to give its consent

to the Client Order Execution Policy or revokes such consent, the Bank shall not accept and execute orders of such a client. When executing the client orders, the Bank shall take all reasonable steps to execute the client order under the conditions that are most favourable for the client, taking into account the factors that are important for the order execution and their relative importance as defined by this Client Order Execution Policy.

The same shall apply to all other transactions between the Bank and the Client concluded after the client has accepted the quote.

This Policy shall not apply in the event of a very volatile market of financial instruments or in the event of business disruption (force majeure or unforeseeable events, such as a disruption of the communication system). In such exceptional cases, the Bank's primary principle in the execution of orders or transmission of clients' orders to be executed, is the execution itself or the timeliness of the order execution.

The Client Order Execution Policy shall apply to all financial instruments, for which the Bank enables transactions. The Policy refers to receiving and forwarding client's orders, execution of client's orders, i.e. in the areas of brokerage services, management and treasury operations, unless this Policy provides otherwise.

In cases where the Bank trades on proprietary account and publishes the prices of financial instruments (price quotation) or the prices are determined on the basis of a client's request (price quotation request), it shall neither receive nor transmit the orders and shall not execute them under the most favourable conditions for the client in accordance with the Client Order Execution Policy of Nova KBM d.d., given that a trade between the Bank and the client is executed when the client accepts the quoted price. This provision shall not apply if the client is a natural person, the Bank provides a brokerage service for a specific proprietary account trade with the client, or if the Bank and the client otherwise agree in writing on a specific trade and it is not proven otherwise in any of the above cases.

Article 4 (Financial Instruments Subject of the Policy)

The Bank shall accept and execute client orders to buy or sell the following financial instruments:

- Shares,
- Bonds and other forms of debt financial instruments,
- Any other non-complex financial instruments,
- Money-market instruments,
- Derivatives,
- Units in collective investment undertakings.

3. FACTORS TO BE CONSIDERED IN THE ASSESSMENT OF BEST CLIENT ORDER EXECUTION

Article 5 (Factors)

When executing client orders for the purchase or sale of a financial instrument, the Bank shall assess the following factors:

- Price of financial instrument subject to the client order,
- Costs incurred in relation with the client order execution,
- Client's order execution speed,
- Probability of conclusion of the transaction,
- Possibility settlement of transaction,
- Value/amount and characteristic/type of order,
- Liquidity of the market or individual financial instrument,
- The method of placing orders, where in the case of placing an order via online or mobile banking, the customer chooses the market. In this type of contract award, the executive partners are determined in advance in accordance with the respective Price List of fees and commissions for transaction with financial instruments,
- Other circumstances relevant for the order execution.

The Bank shall determine the most important execution factor ensuring the best execution of the client's order in line with the principle of a comprehensive judgement of each execution factor separately and all execution factors collectively. The Bank will determine relative importance of execution factors at the time of the execution of an order in accordance with the execution criteria indicated in this Policy, market information available to the Bank, and the Bank's own discretion and experience.

Article 6
(Execution criteria)

When executing the clients' orders to buy or sell a financial instrument, the Bank shall take into account the following criteria for determining relative importance of the factors referred to in the previous Article:

- Characteristics of the client, including the classification of the client as professional or non-professional,
- Characteristics of the client's order, including the method of submitting the order,
- Characteristics of the financial instrument, which is the subject to the client's order,
- Characteristics of the potential venues for the execution of the client's order.

The Bank shall execute the order based on the assessment of all factors referred to in Article 5 of this Policy, taking into consideration a relative importance of each factor defined in the Client Order Execution Policy.

4. ORDER EXECUTION BASED ON SPECIFIC INSTRUCTIONS

Article 7
(Instructions Regarding All Factors)

If a client's order contains instructions regarding all the factors set out in Article 6 of the Client Order Execution Policy, the Bank shall execute it in accordance with the client's instructions and does not have to carry out the measures to execute the order under the most favourable conditions in accordance with this Client Order Execution Policy.

Article 8
(Instructions Regarding Specific Factors)

If a client's order contains instructions regarding only specific factors set out in Article 6 of the Client Order Execution Policy, the Bank shall execute it in terms of the factors determined by the client's instruction in accordance with those instructions specified by the client, whereas with regard to other factors, the Bank shall carry out the measures to execute the order under the most favourable conditions in accordance with this Client Order Execution Policy. It is understood that the client, when placing orders via online or mobile banking, gives instructions regarding the choice of the executive partner, as presented in the factors listed in Article 5.

5. EXECUTION VENUE AND ITS SELECTION

Article 9
(List of Venues)

Execution venues where a variety of financial instruments is dealt in by the Bank and the best results for the client are achieved on a consistent basis, shall be divided into the following groups depending on the market organisation:

- Regulated markets,
- Non-regulated market where the client's consent is needed,
- Multilateral trading facilities (MTF),
- OTF,
- Market makers, other liquidity providers, and systematic internalisers, the Bank.

The list of execution venues where the Bank deals in financial instruments and regularly attains the best overall result for the client, shall depend on the issuer and/or on another person who has a possibility to list each financial instrument on the regulated market or to accept it for another form of trading. The list of regulated markets where the Bank deals in different financial instruments shall be specified in the respective applicable fee schedule. In the event of an order for a financial instrument dealt in on several regulated markets or MTF/OTF at the same time, the Bank shall select a particular market as the most appropriate execution venue, taking into account the execution factors and execution criteria.

The list of execution venues is not exhaustive, but indicated only those execution venues, which the Bank considers to offer the most quality order execution. The list of execution venues is regularly updated by the Bank and can be changed without prior notice to the clients. In addition, the Bank regularly verifies whether dealing in individual financial instruments in the execution venues listed enables the Bank to execute orders under the most favourable conditions.

The Bank will determine relative importance of execution factors at the time of the execution of an order in accordance with the execution criteria indicated in this Policy, market information available to the Bank, and the Bank's own discretion and experience.

Article 10
(Financial Instruments Traded in the Republic of Slovenia)

The Bank shall execute the client's orders to buy or sell financial instruments traded in the Republic of Slovenia at the Bank's registered office, the Investment Banking in the following execution venues:

- Regulated market,
- MTF/OTF,
- Market makers and other liquidity providers,
- Non-regulated market,

Article 11

(Financial Instruments Traded in another EU Member State)

The Bank shall transmit the client's orders to buy or sell financial instruments traded in another EU Member State to the executing partners at the following execution venues:

- Regulated markets,
- MTF/OTF/systematic internaliser,
- Non-regulated market.

The list of the Bank's executing partners is published in the fee schedule on the Bank's www.nkbm.si website.

Article 12

(Financial Instruments Traded in a Third Country)

The Bank shall transmit the client's orders to buy or sell financial instruments traded in a third country to the executing partners at the following execution venues:

- Regulated markets,
- MTF/OTF/systematic internaliser,
- Non-regulated market.

The list of the Bank's executing partners is published in the fee schedule on the Bank's www.nkbm.si website.

Article 13

(Non-regulated Market)

In order to execute the clients' orders outside a regulated market or MTF (OTC) trading venues, the client shall provide an explicit consent to the Bank, which is an integral part of the consent to this Policy, prior to the order execution. If the execution outside a regulated market or MTF trading venues is the execution under the most favourable conditions for the client since financial instruments are mostly traded outside the regulated market or MTF trading venues, the Bank will execute such an order outside the market or MTF trading venues, irrespective of the consent given by the client. In this event, the Bank shall notify the client of such method of the execution.

Where a financial instrument is ordered, which is not traded on a regulated market, the client shall provide specific instructions regarding the price and/or another factor for the execution of the order. The Bank shall be deemed to have met the conditions for the execution of the client's order under the most favourable conditions, if it obtains at least one quote from a participant in the market of financial instruments from the non-regulated market and/or transmits the offer for trading for its own account or for the account of the client. The quotes of the latter shall contain all the factors for the best execution of the transaction as stipulated in Article 6 of this Policy.

6. RECEIPT AND TRANSMISSION

Article 14

(Transmission of Orders to the Executing Partner)

The Bank shall transmit the received order to another executing partner in cases where the Bank is not a member of the stock exchange or MTF/OTF where the order can be executed. In such cases, the Bank will use the executing partners that, according to the Bank's judgement, provide for executing orders under the most favourable conditions for the client.

Article 15

(List of Executing Partners)

The list of executing partners, with which the Bank operates and which the Bank estimates to be executing orders on individual markets under the most favourable conditions, is included in the respective fee schedule, which also exposes execution partners to place orders through online or mobile banking. The list of executing partners is not exhaustive, but includes only those executing partners which the Bank considers to offer the highest-quality order execution. When assessing these executive partners, the Bank will take into account the factors such as clearing systems, trading interruption systems, planned measures, price, and other factors used as measures to achieve the best result for the client, such as costs, speed, probability of execution, and others. The Bank will audit the execution of the orders transmitted to the executing partners simultaneously with the revision of its own Policy, as set out in Article 22 of this

Policy. If, during the audit or at any other time, the Bank finds that an executing partner no longer provides execution of orders under the most favourable conditions, the Bank shall, when possible, replace this executing partner. The Bank may use one or more executing partners to execute orders on a certain regulated market. If there are several executing partners, the Bank shall select the execution partner to whom it will transmit the order by taking into account the factors specified in Article 5, which can be influenced by the Bank.

The list of the Bank's executing partners, which is applicable in the period of adoption of a respective Policy, is indicated in the fee schedule. The Bank may change the list of executing partners without any prior notice to the clients.

Article 16

(Selection of the Executing partner)

In accordance with the principle of executing the order under the most favourable conditions, the Bank shall reserve the right to select the executing partner that the Bank considers to be the most appropriate for the client in accordance with the Client Order Execution Policy, depending on the method of placing the customer's order. When placing an order, the execution partners are listed in each Price List of Fees and Commissions for Services with Financial Instruments.

Article 17

(Registration of Financial Instruments on the Primary Market)

In the event of the registration of financial instruments on the primary market, the Bank shall transmit clients' orders directly to the issuer or the issuer's agent in accordance with the content of the order, whereby the requirements for the execution of orders under the most favourable conditions shall not apply.

7. EXECUTION OF ORDERS FOR A JOINT ACCOUNT

Article 18

(Joint Account)

When the Bank accepts several orders under equal conditions, it may execute such orders simultaneously for a joint account of the clients. The Bank thereby takes into account the interests of all the clients that submitted the orders, and all execution factors and criteria. The Bank shall proportionally allocate the financial instruments acquired in such manner between the clients, taking into account the proportion the values of individual orders represent in the aggregated order. The shares of financial instruments, which cannot be allocated, will be allocated to the clients by using a random selection method.

Article 19

(Trading for a Joint Account and Own Account)

When the Bank is executing aggregated orders for the clients' joint account, trading at the same time for its own account, the clients' orders shall have priority over the Bank's own transactions. If it is obvious that the Bank would not be able to execute the clients' orders under such favourable conditions or may not even execute them without aggregating them and trading for the joint account, the Bank shall distribute the acquired assets between the clients and the Bank, taking into account the proportion the values of individual orders represent in the aggregated order.

8. SUPERVISION AND INSPECTION OF OPERATIONS

Article 20

(Supervision of the Policy Implementation)

At the request of a client, the Bank shall prove to the client that the order has been executed in accordance with this Client Order Execution Policy. For the purpose of proving that the order has been executed in accordance with the Client Order Execution Policy, the Bank shall establish and implement measures for monitoring order execution in accordance with the Client Order Execution Policy. The actions mentioned above shall be possible primarily by using issued documents and by keeping records in accordance with the regulations.

The Bank regularly supervises the compliance of the Client Order Execution Policy with the ZTFI-1.

Article 21

(Revision of the Client Order Execution Policy)

At least once a year and always when the circumstances relating to the operations of the Bank change and they could have an important impact on the implementation of this Client Order Execution Policy, the Bank shall review this Policy, review and, if necessary, update the list of the executing partners, execution venues, and all the measures and procedures related to order execution, in order to ensure order execution under the most favourable conditions. The Bank shall also verify the performance of the executing partners.

The Bank shall monitor the efficiency of the Client Order Execution Policy referred to in the previous paragraph of this Article:

- By verifying the suitability of relative importance of factors determined for individual factors in the Client Order Execution Policy,
- By randomly verifying randomly selected executed client orders.

The Bank shall assess, pursuant to the first paragraph of this Article, whether the execution venues enable the execution under conditions most favourable to the client, by verifying randomly selected executed client orders to establish whether the conditions for the Bank's execution of the client order could have been more favourable for the client, if the order had been executed in another execution venue.

Article 22

(Informing the Client of the Policy and the Client's Consent)

The Bank shall inform its clients of the Client Order Execution Policy by delivering the Policy in a written form to them prior to the provision of investment services to them. The Client Order Execution Policy is available to clients also on the www.nkbm.si website, at the head office of the Investment Banking, and in the branches where the Bank receives client orders.

The Bank's clients shall give their express consent to the Client Order Execution Policies prior to the provision of investment services.

The Client Order Execution Policy shall represent an integral part of the Bank's rules governing transactions in financial instruments, and the client shall receive it upon signing the agreement.

Article 23

(Transitional and Final Provision)

The Client Order Execution Policy shall enter into force on 1 February 2023. From the date of this Client Order Execution Policy become effective, the Client Order Execution Policy of 9 May 2022 shall cease to be valid.

In the event of the client's disagreement with the amendments to the Client Order Execution Policy, the client shall be obliged to terminate the brokerage agreement within 15 days after the date of receipt or publication of the notice, otherwise the client shall be considered to have accepted the amendments to the Client Order Execution Policy. If, after the date of receipt or publication of the notice on an amendment to the Client Order Execution Policy, the client submits a new order to buy or sell financial instruments, a new order for transferring financial instruments, any new instruction or request, or performs any act related to the performance of the services, other than agreement termination, the client shall be considered to have accepted the amendments to the Client Order Execution Policy.

Maribor, 1 February 2023

Management Board of Nova KBM d.d.

In accordance with Article 289 of the Market in Financial Instruments Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended, hereinafter: the ZTFI-1), the Management Board of Nova KBM d.d., Ulica Vita Kraigherja 4, 2000 Maribor (hereinafter referred to as the Bank) has adopted the following:

RULES GOVERNING SUB-DEPOSITORY MANAGEMENT

1 INTRODUCTORY PROVISIONS

1.1 Purpose and Application of the Rules

These Rules shall apply to the sub-depository of financial instruments managed by Nova KBM d.d., Ulica Vita Kraigherja 4, 2000 Maribor (hereinafter: sub-depository), in relation to financial instruments managed by the Bank for the account of the clients through its own account in the central depository or through another intermediate depository.

1.2 Definitions

(1) The terms used in these Rules shall have the following meanings:

Central depot is a central register or other record of holders of dematerialized financial instruments:

- (a). managed by a single person (hereinafter: the Central Depository) in accordance with the regulations of the country in the territory of which the deposit is established, and
- (b). entries in which they have legal effects directly in relation to the issuer of these financial instruments and to third parties, so that the account holder with which those financial instruments are entered is considered to be the legal holder of these financial instruments.

Sub-account is a record of holders of dematerialized financial instruments:

- (a). which is not a central depot,
- (b). which is managed by a brokerage company, a bank, an investment firm or another person (hereinafter referred to as a sub-depository) in accordance with the regulations of the country in which the sub-deposit is established,
- (c). entries in which they have no legal effects directly in relation to the issuer of these financial instruments and the central depository; and
- (d). enrollments in which they have legal effects in relation to the sub-depository, in such relationship with the subscription to the sub-depository, the right of the client arises to require the sub-depository to exercise the rights in these financial instruments for its account and to dispose of these financial instruments according to its account for its account.

Paragraphs 1 and 2 of this Article shall apply mutatis mutandis to financial instruments issued as written documents held in collective custody in a central depository or sub-depository.

Deposited financial instrument or DFI means a financial instrument:

- (a) The rightful holder of which is the sub-depositor, or
- (b) In relation to which the sub-depository shall be entitled to request from the person liable to exercise the rights arising from this financial instrument for the account of the sub-depository and to dispose of this financial instrument at the sub-depositor's order.

Person liable means, in relation to individual deposited financial instrument:

- (a) An issuer of such financial instrument and any other person whose obligations arise from this financial instrument, or
- (b) A person who has committed to exercise the rights arising from this financial instrument for the account of the sub-depository and to dispose of this financial instrument at the sub-depository's order.

DFI series means all DFIs of the same issuer having the same characteristics and giving rise to the same rights.

The rights arising from DFIs mean, in relation to an individual deposited financial instrument, the following rights of the sub-depository:

- (1) All sub-depository's rights in relation to the liable person, which are arising from the deposited financial instrument or in relation to it,
- (2) The right to dispose of the deposited financial instrument or to request this from the liable person.

Client's DFI means, in relation to the client's individual right, the rights attached to the client in relationship to the sub-depository on the basis of DFIs managed on the client's DFI account.

ZTFI-1 means the Market in Financial Instruments Act (ZTFI-1, Official Gazette of the Republic of Slovenia, No. 77/2018 with changes).

Client means the person on whose behalf the sub-depository, upon an agreement, keeps one or several DFI accounts.

DFI account means the records of deposited financial instruments kept by the sub-depository on behalf of the client in accordance with these Rules.

Rights holder means each and any of the following persons:

- (a) Client,
- (b) Person in whose favour the third person's right has been registered on the client's DFI,
- (c) Legal representative of another rights holder, and
- (d) Person who has been authorised to represent another rights holder in relation to the sub-depository.

Pledgee is a person holding a lien on the client's DFIs.

Beneficiary to the ban of disposal means a person in whose favour a disposal ban on the client's DFIs has been established.

A right of the third means the following rights of third parties on the client's DFIs:

- (a) Lien,
- (b) Right to prohibit the disposal.

Unique identification number means:

- (a) A personal identification number (EMŠO) of a natural person entered into the central population registry or a registration number or tax number of a legal entity entered in the business registry in the Republic of Slovenia,
- (b) Own identification number of any other person, which the sub-depository allocates to this person in accordance with item 2.2(4) of these Rules.

Transaction means any change in DFI balance on the client's account, or change in third party rights over the client's DFIs.

- (2) If no other definition or meaning of a term used in these Rules is given, the terms shall have the meanings as defined in the ZTFI-1.

2. SUB-DEPOSITORY MANAGEMENT AND ENTRIES INTO THE SUB-DEPOSITORY

2.1 Records Kept by the Sub-Depository in Relation to the Sub-Depository

The sub-depository shall keep the following records relating to the sub-depository:

- (a) Records of clients and other holders of rights,
- (b) Records of DFI accounts,
- (c) Records of DFIs.

2.2 Records of Clients and Other Holders of Rights

- (1) In the records of clients and other holders of rights, the sub-depository shall keep the identification number and identification data of each holder of rights.
- (2) The identification data of a holder of rights is:
 - a. For a natural person:
 - i. Name and surname,
 - ii. Address of permanent residence,
 - iii. Date of birth,
 - iv. Unique identification number,
 - v. Data on any restrictions (death, economic incapacity), and
 - vi. If the holder of rights is alive but has no economic capacity, the following data on the legal representative or representatives (for example both parents); for each representative specifically:
 - 1. Type of a legal representative (parent/guardian),
 - 2. Manner of representing (with another representative/single representative),
 - 3. Unique identification number;
 - b. For a legal entity:
 - i. Company (abbreviated name),
 - ii. Business address,
 - iii. Unique identification number,
 - iv. Data on the persons authorised to give orders to the sub-depository on behalf of the legal entity,
 - v. Data on restrictions (initiation of bankruptcy or similar proceedings).
- (3) The client's identification data shall be entered by the sub-depository upon opening the first DFI account, and the data on the second holder of the right upon the entry of the rights of such holder into the sub-depository.
- (4) If the holder of rights has not been entered and is not obliged to be registered in the tax registry of the Republic of Slovenia despite acquiring the properties of a holder of rights, the sub-depository shall assign the holder of rights own identification number on the basis of which the holder of right is distinguished from other holders of rights.
- (5) The sub-depository shall enter changes in the identification data upon the order by the holder of rights to change the data. If the data which the sub-depository obtained on the basis of an extract from the official registry or other public

document is changed, the order shall be accompanied by a new extract from such official records or official document from which the data change stems.

2.3 Records of DFI accounts

2.3.1 Data Kept in the Records of DFI Accounts

In the records of DFI accounts, the sub-depositary shall keep the following data on each DFI account:

- (a) Data on the DFI account number and type,
- (b) Data on the client,
- (c) Data on the account balance,
- (d) Data on transactions, and
- (e) Data on payments to the DFI client.

2.3.2 Data on the Client

- (1) In relation to any DFI account, the following data on the client that is the account holder shall be kept:
 - a. The client's unique identification number,
 - b. Unique identification number of any person authorised to give orders in relation to this DFI account (the client's authorised person),
 - c. Personal name, tax number, permanent or temporary residence of the natural person or the registered office and company name of the legal person, information on the restrictions on disposal and personal name, tax number, permanent or temporary residence of agents or proxies
 - d. Cash account data to which the sub-depositary shall make payments from the client's DFI.
- (2) The data on the client's unique identification number may only be changed on the basis of a public document evidencing the universal legal succession of the client. Changes in other data shall be entered by the sub-depositary upon the client's written order, whereby the data on the client's authorised person may only be registered upon the submission of a notarised authorisation of the client, or if the client personally authorises the representative in the presence of the sub-depositary.

2.3.3 Data on the Account Balance

- (1) The sub-depositary shall keep the following data on the DFI balance on the DFI account:
 - a. DFI series and DFI quantity of an individual DFI series on the DFI account, and
 - b. Third party rights on the client's DFIs.
- (2) DFI of an individual series shall be kept on the DFI account under the same code as in the DFI records as set out in item 2.4 of these Rules.
- (3) The data on the account balance shall be changed upon the execution of a transaction. The sub-depositary shall execute transactions following the sequence of the receipt of the transaction orders or decisions upon which transactions are executed.
- (4) Unless otherwise provided for in the next paragraph, the following data shall be kept in the records of the DFI account in respect of any third party right to the client's DFI:
 - a. Unique identification number of each holder of rights,
 - b. Type of right,
 - c. DFI series and DFI quantity of an individual DFI series on the DFI account, to which the third party right refers,
 - d. Duration of the right.
- (5) Notwithstanding the provision of paragraph (4), the following rules shall apply to the management of individual third party rights:
 - a. In lien:
 - i. In the record of the DFI account, the following data shall be kept in connection with a lien:
 - 1. Each pledgee's portion of a secured claim if the lien is entered in favour of several pledgees,
 - 2. Data on a cash account of each pledgee to enable payments to the pledgee,
 - ii. Duration of a lien shall not be entered into the record of the DFI account,
 - iii. Where the lien refers to the current balance of DFI on the DFI account, DFI series and DFI quantities of an individual DFI series, to which the lien refers shall be replaced by the indication that the current balance on the DFI account is the subject of a lien,
- (6) The sub-depositary shall change the data on the cash account used for payments made to the pledgee on the basis of an order by the pledgee.

2.3.4 Data on transactions

The following information shall be recorded in respect of each transaction relating to the DFI account:

- a. Data on changed balance on the DFI account, which is the subject to transaction, namely:
 - i. Content of the DFI account balance change,

- ii. Date of transaction performance,
- b. Data on the legal basis for the transaction execution, namely:
 - i. If an order serves as the legal basis for the execution of a transaction:
 1. Unique identification number of the person on behalf of which the order was provided,
 2. Date of receipt of the order,
 - ii. If a decision of the competent authority serves as the legal basis for the execution of a transaction:
 1. Authority that issued the decision,
 2. Number of the decision,
 3. Date of the receipt of the decision.

2.3.5 Data on payments

The sub-depositary shall keep the following data regarding each payment from the client's DFI account:

- a. Name and surname of a natural person and the abbreviated name of the company for a legal entity and/or a personal identification number of the holder of right entitled to receive the payment,
- b. Amount paid,
- c. Data on the cash account, to which the payment for the holder of right was made,
- d. Amount of the tax withheld,
- e. Amount of other costs and fees deducted from the payment,
- f. Legal basis for the payment.

2.4 DFI Records

- (1) In the DFI records, the sub-depositary shall keep the following data on the DFIs of an individual series, for which a sub-depositary is held:
 - a. DFI identification,
 - b. Central depository or an intermediate depository where the records of the rights of the sub-depositary arising from such DFIs are kept,
 - c. DFI balance, and
 - d. Changed balance of DFI.
- (2) The basis for the entry into DFI records are the data on balance and changes in the balance received by the sub-depositary from the central or intermediate depository where the records of the rights of the sub-depositary arising from such DFIs are kept.

3. TRANSACTIONS ON DFI ACCOUNTS

3.1 Opening of a DFI Account

- (1) The sub-depositary shall open a DFI account of a client on the basis of a written agreement concluded between the sub-depositary and the client.
- (2) The client may have several DFI accounts opened with the sub-depositary.
- (3) A DFI account may be opened as a client account or a fiduciary account. The account type shall be specified in the agreement concluded between the sub-depositary and the client or contained in the client's request for account opening submitted to the sub-depositary by the client on the basis of such agreement.
- (4) If the DFI account is opened as a client account, the sub-depositary shall be entitled to assume that the client exercises the rights arising from the DFIs for their own account.
- (5) If the DFI account is opened as a fiduciary account, the sub-depositary shall be entitled to assume that the client exercises the rights arising from the DFIs on such account for account of one or several other persons.

3.2 Entry of Deposited Financial Instruments to the DFI Account Credit

- (1) The client shall obtain the right of an FDI client when such DFIs are credited to their DFI account.
- (2) The sub-depositary shall credit DFIs to the DFI account:
 - a. When the same quantity of DFIs of the same series is debited to another DFI account at the same time, or
 - b. After the sub-depositary can be certain that an equivalent DFI quantity of the same DFI series has been credited as a final act to the sub-depositary's account in the central depository or an intermediate depository where the records of the sub-depositary's rights arising from such DFIs are kept, and that these DFIs were received for the client as a holder of such DFI account.
- (3) If the DFIs are credited to the sub-depositary's account in the central depository or an intermediate depository on the basis of a legal transaction executed upon the client's order by the sub-depositary or a person whom the sub-depositary transmitted the client's execution order, the condition referred to in item b of the previous paragraph shall be deemed to be completed when the sub-depositary receives a notification of such transaction execution.

- (4) Only the financial instruments identified as acceptable by the sub-depositary that periodically notifies the client of this may be transferred to the sub-depositary, whereby the client shall be deemed to have been notified when the sub-depositary has published the list of acceptable DFIs on their website. The sub-depositary shall inform the client upon the client's request of:
 - a. What financial instruments may be transferred to the sub-depositary and under what conditions,
 - b. The data to be included in such notification of the DFI transfer or entry to the credit of the sub-depositary account in the central depository or intermediate depository that allow to be deemed that the sub-depositary has received such DFIs for this client.

3.3 Entry of Deposited Financial Instruments to the DFI Account Debit

3.3.1 Effect

Once a DFI account has been debited by DFI, any rights of the account holder in connection with these DFIs any third party rights on the DFIs shall be terminated.

3.3.2 DFI Transfer

- (1) The sub-depositary shall enter DFIs to the debit of the DFI account if their transfer has been performed.
- (2) DFI transfer shall be executed either when the sub-depositary simultaneously credits them to another DFI account or by debiting its account in the central depository or intermediate depository and crediting them to another person.
- (3) The sub-depositary shall transfer DFIs on the basis of a complete and appropriate order of an authorised ordering client for DFI transfer, or on the basis of a binding decision of the competent authority
- (4) The order for DFI transfer shall be appropriate and complete, if it is submitted in the form and in the manner laid down by these rules in respect of submitting orders to the sub-depositary, and if it contains:
 - a. Data on the DFIs subject to the transfer,
 - b. Instructions for the transfer, which enable the sub-depositary to make the transfer in favour of a specified person.
- (5) The authorised ordering client for DFI transfer is:
 - a. Holder of the DFI account, if no other right of a third party has been entered on DFIs,
 - b. A pledgee, if a lien has been entered on these DFIs,
 - c. Account holder in conjunction with all holders of third party rights, if any other third party right has been entered on these DFIs.

3.3.3 DFI Termination

- (1) The Sub-depositary shall also debit DFIs to the DFI account when DFIs have ceased to exist and are no longer entered in credit of the sub-depositary's account in the central depository or an intermediate depository.
- (2) If the sub-depositary receives substitutional DFIs as a replacement for the DFIs, which were debited to the DFI account due to being terminated:
 - a. The sub-depositary shall credit substitutional DFIs to the account, and
 - b. The sub-depositary shall enter in the substitutional DFIs a lien, which terminated due to debiting the DFI account.

3.4 Entries of Third Party Rights

- (1) The sub-depositary shall enter acquisition, transfer and termination of third party rights on the client's DFIs on the basis of a complete and appropriate order of an authorised ordering client, or on the basis of a binding decision of the competent authority.
- (2) The order for the entry of acquisition, transfer and termination of third party rights on the client's DFIs shall be appropriate and complete, if it is submitted in the form and in the manner laid down by these rules in respect of submitting orders to the sub-depositary, and if all data are included, which are necessary for entry of such third party rights in the record of DFI accounts pursuant to these rules.
- (3) Simultaneously with the entry of acquisition of each third party right on a client's DFI, the sub-depositary shall enter termination of all other third party rights on such DFI.
- (4) The authorised ordering client for the entry of acquisition of a third party right on the client's DFI shall be the client together with the holders of third party rights, which are deleted because of the entry of the third party right, which is subject to the order.
- (5) The authorised ordering client for the entry of transfer of a third party right on the client's DFI shall be:
 - a. Pledgee in case of a lien,
 - b. In case of other rights, a person who demonstrates by a public document that the right was transferred to them on the basis of a universal legal succession.
- (6) The authorised ordering client for the entry of termination of a third party right on the client's DFI is:
 - a. Holder of such third party right,
 - b. Client, if the period, during which the third party right was registered has expired or if they demonstrate by a public document that an event occurred that results in the termination of such third party right.

4. EXERCISING THE RIGHTS UNDER DFI

4.1 General Provisions on Exercising Rights under DFI

- (1) The sub-depositary shall exercise rights from DFI in relation to persons liable concerning DFIs which are registered on clients' DFI accounts.
 - (2) The sub-depositary also provides the customer with any notice of the execution of a corporate action.
 - (3) When exercising the rights from DFI, the sub-depositary shall be obliged to act in accordance with the client's instructions.
 - (4) The sub-depositary shall send to the client:
 - any notification received from a company or an intermediary announcing both optional and mandatory corporate action, when the company (the DFI issuer that is the subject of the notification) has its registered office in a Member State
 - any notification of the announcement of an optional corporate action received from the company or an intermediary, when the company (issuer of the DFI, which is the subject of the notification) is based outside the Member State, or in individual cases at its own discretion, when it judges that the information arising from of the announcement of the mandatory corporate action for the shareholder could have a significant effect.
- If such a notification contains an invitation to select one or more options to exercise the rights from DFI, the sub-depositary shall at the same time also inform the client of:
- a. The option the sub-depositary shall deem selected, if the client fails to select any other option (default option), and
 - b. The deadline within which the client shall inform the sub-depositary of selecting another option.
- (5) If, in the case referred to in the previous paragraph, the sub-depositary does not receive any other instructions from the client within the given deadline, the sub-depositary shall be entitled to deem the client to have selected the default option.
 - (6) Pursuant to the provisions of ZGD-1, a sub-depositary shall also provide the client with all the information that a company is required to provide to the shareholder to exercise their rights arising from shares. This applies and issuers from Member States whose securities are listed for trading on the organized market.
 - (7) The Bank shall have the right to provide the final shareholder with information it has received in relation to corporate actions in the language that the information was delivered to it.
 - (8) The client may give the sub-depositary a so-called standing or permanent order by which they mandate the sub-depositary to act in accordance with the client's standing (permanent) instructions in the announcement of a specified corporate action. The client shall be free to change their instructions and shall notify the sub-depositary of any change.
 - (9) If allowed by the issuer in the shareholders' meeting convocation announcement, the sub-depositary shall offer clients the service of acting as an intermediary in registration, voting, and representation by proxy at the shareholders' meeting for the local market and those foreign markets where the service is provided by the selected custodian or intermediary.

The sub-depositary offers no guarantees for information delivered (by the issuer) through the chain of intermediaries or central depository. The issuer shall have full authority to evaluate the substance of information and to consider the information received.

4.2 Cash Payments

- (1) The sub-depositary shall pay cash amounts received from the person liable regarding DFIs to the cash account of the holder of rights that is eligible to such payment, namely:
 - a. If a lien is entered on the DFI, the amount shall be paid to the cash account of the pledgee;
 - b. In all other cases, the cash amount shall be paid to the cash account of a client in whose DFI account the DFI is entered on the cut-off date of this payment.
- (2) Cash amounts shall be paid to the holder of rights, reduced by any taxes and other fees, which the sub-depositary is obliged to calculate, deduct and pay.

4.3 Rounding at DFI Replacement and Distribution

If the sub-depositary receives additional or substitutional DFIs on the basis of replacement of DFI kept for the client, and the number of DFIs on the client's DFI account is not sufficient for the client to be entitled to all additional or substitutional DFIs, the sub-depositary shall be authorised to proceed according to the replacement terms or the client's instructions.

4.4 Voting Rights

- (1) The sub-depositary shall not be entitled to exercise the voting rights arising from the DFIs entered on the client's DFI account, unless the sub-depositary receives written instructions regarding voting from the client.
- (2) Upon client's request, the sub-depositary shall be obliged to strive to issue or provide the client with an authorisation for exercising the voting rights arising from the DFI.
- (3) The sub-depositary shall not be obliged to provide the client with annual reports, information intended for the owners of financial instruments, notifications or other documents or information referring to any act of the DFI issuer.

5. COMMUNICATIONS

5.1 Orders

- (1) The order of the holder of rights placed with the sub-depository shall take effect only when placed by the holder of rights or the person eligible to represent the holder of rights in placing orders, and when placed in writing.
- (2) The sub-depository may agree with each holder of rights on placing orders in a different form.

5.2 Notifications by the Sub-Depository

If any consequence in connection with these rules depends upon the sub-depository's notification to the holder of rights, it shall be deemed that the holder of rights received such notification when the sub-depository had sent it using the contact data registered in the sub-depository's records.

6. BALANCE REPORTS

- (1) Upon the request of the financial instrument owner, the sub-depository shall be obliged to issue a report on transactions executed within a requested period of time on the client's account, on the business day following the receipt of such request. A holder of the third party right shall also be regarded as a client. The report shall also contain the balance of the account in the sub-depository as at the day of issuing the report.
- (2) The request for a report made by the financial instrument owner shall include:
 - a. Client's name and identification number,
 - b. Number of the account in the sub-depository,
 - c. Financial instrument, to which the request for the report refers, or a note that the request covers all financial instruments,
 - d. Period, to which the report refers.
- (3) As far as the form of the report is concerned, item 5.1 of this chapter shall reasonably apply.

7. STATEMENTS

- (1) The sub-depository shall be obliged to provide the client with the information on transactions on the account kept in the sub-depository at least once a year in the manner defined in Article 48 of General Terms and Conditions.

8. VALIDITY OF THE RULES

Rules Governing Sub-depository Management shall enter into force on 1 February 2023. From the date of implementation of these Rules Governing Sub-depository Management, the applicable Rules Governing Sub-depository Management of 23 August 2021 shall cease to be valid. These Rules can be amended by publishing their amendments by the sub-depository in the same manner as these Rules were published.

Maribor, 1 February 2023

Management Board of Nova KBM d.d.

In accordance with Articles 328 and 329 of the Market in Financial Instruments Act (Official Gazette of the Republic of Slovenia, No. 77/2018, as amended, hereinafter: ZTFI-1), and the Guidelines on Handling Complaints for the Securities and Banking Sector, the Management Board of Nova KBM d.d., Ulica Vita Kraigherja 4, 2000 Maribor (hereinafter: the Bank) is adopting:

RULES ON CLAIM AND COMPLAINT PROCEDURE AND OUT-OF-COURT DISPUTE SETTLEMENT

Article 1 (General Provision)

These Rules shall regulate the claim and complaint handling procedure and the methods out-of-court resolution of disputes arising from or related to agreements and transactions regarding the provision of services and transactions relating to financial instruments, and are concluded or implemented between the client and the Bank. The Rules also define the possibility of claims and complaints for persons not yet entered into a business relationship with Nova KBM d.d., though intended to do so.

The principles and provisions of the internal complaint and appeal procedure and out-of-court dispute settlement according to the procedure and methods stipulated by these Rules shall be applied in all cases where the client disagrees with the conduct of the Bank, its branches or its authorised persons in the provision of individual services related to financial instruments.

Article 2 (Informing the Client of the Rules)

Prior to entering into any contractual relationship or executing any transaction based on the General Terms and Conditions, the Bank shall directly or indirectly through its authorised person inform the client about all the elements of the Out-Of-Court Dispute Settlement Scheme. It shall be deemed that the client has been acquainted with all the elements of the Out-Of-Court Dispute Settlement Scheme, if an information about the Out-Of-Court Dispute Settlement Scheme has been published on a visible site or place in all premises where the Bank performs the services related to financial instruments, and if the General Terms and Conditions of transactions in financial instruments include a possibility of client complaint resolution in a procedure regulated by the Bank's internal documents.

Article 3 (Principles of the Internal Complaint and Appeal Procedure)

Complaints and appeals of all clients are dealt with in an equal footing, i.e. in a chronological order, which means that a complaint or appeal earlier received by the Bank shall be handled before the complaint or appeal received later. Complaints and appeals shall be resolved quickly and efficiently, by understanding and good will, in accordance with the applicable legislation, the General Terms and Conditions applicable at the time of the dispute arising, the concluded agreement on the provision of investment services, and best practices.

Filing an appeal shall be free of charge for a client or a potential client. A special function in the Bank analyses received appeals and, on the basis of findings, proposes changes and improvements in individual services.

Article 4 (The right to Claim or Complain)

A client that has already entered into a business relationship with the Bank or a person interested in entering into a business relationship with the Bank shall have the right to express their dissatisfaction or give a written or oral claim or complaint. They shall acquire the right at the moment when they show interest at the Bank for the conclusion of a contractual relationship, and throughout the duration of the contractual relationship based on the General Terms and Conditions of transactions in financial instruments, and 30 days after its expiry (unless the client's claim has already become obsolete in accordance with the provisions of the respective applicable Code of Obligations). The claim or complaint shall be put in at a Bank's organisational unit. The term of organisational unit of the Bank means the following:

- Investment Banking and the Bank's branches executing clients' orders,
- Bank's branches receiving clients' orders but not executing them,
- Support to and Monitoring of Financial Markets Department,
- Treasury and Investment Banking Department,

The system of handling clients' complaints in the Bank has been established in two separate instances.

Article 5
(Complaint Periods and First-Instance Procedure)

A client or a person intending to enter into a business relationship with Nova KBM shall be entitled to file a claim or complaint orally, by telephone during the working hours of the Bank, in writing or in electronic format. If the client's complaint includes a claim for damages, a written format of complaint shall be obligatory; otherwise the conditions to handle the complaint shall not be fulfilled. A written complaint can be filed in any branch of the Bank where the order was placed or sent by mail to the following address: Nova KBM d.d., Oddelek investicijskega bančništva (Investment Banking) or Treasury and Investment Banking Department, Ulica Vita Kraigherja 4, 2000 Maribor, or addressed to a specified authorised person. In case of complaints that include a claim for damages, it applies that the complaint is complete, if it contains the following data:

- Name and surname and the client's permanent or temporary residence and the client's legal representative or proxy,
- Personal identification number (EMŠO),
- Signature of the client or their legal representative or authorised person appointed by the client, if the client is filing the complaint in writing,
- Indication and explanation of the causes of the complaint and indication or establishment of the claim to remedy violations stated in the complaint or the claim for damage,
- Enclosed copy of the documents, which the complaint refers to, or a copy of documents relevant for the decision to be taken regarding the client's complaint,
- In the event of a written complaint or a complaint submitted in electronic format, the client shall state the name and registration number of the document the complaint refers to.

If a client's complaint is incomplete, the Bank's organisational unit shall invite the client to supplement its complaint by a deadline that shall not be longer than 5 business days following the receipt of the complaint. The Bank shall suspend any procedure until the receipt of a supplemented complaint. Clients have the right to supplement their complaint with new reasons, facts and evidence supporting those facts at any time during the complaint procedure, and also have the right to amend a previously lodged complaint.

The complaint procedure and the term set for the decision on the complaint shall be deemed to have commenced the following business day after receipt of correctly filed and complete complaint by the responsible organisational unit of the Bank, or after receipt of the amended or altered complaint (hereinafter: the day of receipt of client's complaint). The organisational unit of the Bank responsible for handling the client's complaint shall undertake to provide the client with a written reply to the complaint promptly, and no later than within 7 business days from receipt of the client's complete complaint. If the final decision taken by the Bank's organisational unit on the client's complaint is not possible within the time limit, the client shall be notified of the status of the complaint resolution and the expected date of resolution. For international operations and in specific areas of operation, the deadlines for a decision on the client's complaint may be longer, in accordance with the prescribed or agreed standards for such operations. In such cases, the Bank's organisational unit shall notify the client within the shortest time possible of the aforementioned standards, the status of the complaint resolution and the expected date of resolution. Irrespective of the deadlines laid down in this paragraph, the client's complaint has to be resolved within a period not exceeding 3 months following receipt of the client's complaint. In the event of an oral claim or complaint or a claim or complaint submitted in electronic format, the client shall state the name and registration number of the document the complaint refers to.

Article 6
(Second-Instance Complaint Procedure)

The client shall be entitled to file an objection to the second instance in writing within 8 business days of receipt of the reply given by the Bank regarding the client's complaint of first instance, whereby the second instance shall be required to take a decision regarding the client's objection within the deadline referred to in Article 5 of these Rules. Throughout the complaint procedure, regardless of the instance, the parties may conclude a settlement agreement regarding the subject of the dispute identified in the client's complaint. In case the client does not agree with the decision of the second instance adopted in the complaint procedure regarding the client's objection to the decision of the first instance, the client has the right to initiate an out-of-court settlement of the dispute, by regular mail to the Association of Banks of Slovenia-GIZ, Šubičeva ulica 2, 1000 Ljubljana, telephone +386 1 242 97 00, with a reference: IRPS (out-of-court settlement of consumer disputes) initiative, at the website www.zbs-giz.si or by e-mail to the address: izvajalec.irps@zbs-giz.si. The mediation-suggestion procedure shall be conducted by a mediator in the dispute, in accordance with the rules of procedure of the IRPS contractor and the act governing the out-of-court settlement of consumer disputes. The articles of incorporation and the rules of the IRPS procedure with the IRPS contractor are published on the contractor's website.

Article 7
(Internal Monitoring of Clients' Claims and Complaints)

The responsible office of the Bank shall analyse the data on the handling of claims and complaints and ensure that recurring or systemic problems and any legal and operating risks are identified and eliminated by: (i) analysing causes of each claim and complaint, (ii) examining whether the basic causes of claims and complaints also affect other procedures, which are not directly the subject to the complaint, (iii) addressing the root causes of claims and complaints, where appropriate.

Article 8
(Costs of Procedure)

The content of the claim or complaint, irrespective of the complaint procedure instance being held, and all the data relating to the course of the complaint procedure shall be deemed to constitute a business secret, whereby the client shall be liable for damage to the Bank in the event of its disclosure. Each party to the complaint procedure shall bear their costs incurred due to the complaint procedure or in relation to it. In a manner determined by these Rules, in cases indicated below, the Bank shall be eligible to a compensation of any damage and/or all costs incurred by the Bank as a result of or in relation to the complaint procedure, namely:

- In the event the Bank incurred costs and/or damage as a result of the client's negligence, and
- In the event the Bank incurred costs and/or damage as a result of wilful misconduct of the client.

The Banks shall provide for the client to submit the claim or complaint with no charge for the procedure of claim or complaint submission.

Article 9
(Amendments to the Rules)

The Bank shall notify the client of the amendments to the internal Rules Governing Complaint Procedure and Out-of-court Dispute Settlement by publishing the it on the www.nkbm.si website, and by making it available in a visible and readily accessible place in the Bank's branches providing services in financial instruments.

Article 10
(Final Provision)

The Rules Governing Complaint Procedure and Out-of-court Dispute Settlement shall enter into force on 1 January 2022. From the date of implementation of these Rules Governing Complaint Procedure and Out-of-court Dispute Settlement, the Rules Governing Complaint Procedure and Out-of-court Dispute Settlement of 1 September 2020 shall cease to be valid.

Maribor, 1 January 2022

Management Board of Nova KBM d.d.

INFORMATION ABOUT THE SYSTEM OF GUARANTEES FOR INVESTORS' CLAIMS AT BROKERAGE COMPANIES AND BANKS

Since 1 January 2002, brokerage companies with registered offices in the Republic of Slovenia, and the banks, which obtained an authorisation from the Bank of Slovenia to perform investment services and transactions in the Republic of Slovenia guarantee the payment of guaranteed claims at a brokerage company or a bank against which bankruptcy proceedings were initiated, to the extent and according to the procedure in the manner stipulated in the Market in Financial Instruments Act–(Official Gazette of the RS, No. 66/19 and 123/21changes –hereinafter: ZTFI-1) and the Decision on investors' guaranteed claims (Official Gazette RS, No. 47/22). Nova KBM d.d. is pursuant to the first paragraph of Article 450 of the ZTFI-1 a member of the guarantee system of RS.

By publishing this information NOVA KBM d.d. is informing its clients with whom it has concluded an agreement on the provision of investment services or ancillary services and investment activities (hereinafter: investors) on their guaranteed claims arising from ZTFI-1.

In accordance with the ZTFI-1, a guaranteed investor's claim is an eligible investor's claim as at the day of beginning of the bankruptcy proceedings against a member of the guarantee system in the amount of up to EUR 22,000 (hereinafter: guaranteed claim), with the eligible investor's claim being the balance of the investor's claim on the same member of the guarantee system reduced by the total amount of all liabilities of the investor to this member of the guarantee system based on the transactions under the third and fourth paragraphs of Article 450 of the ZTFI-1, regardless of the number of investor's accounts with this member of the guarantee system or currency. The eligible investor's claim is taken as a basis in the calculation of the investor's guaranteed claim.

If the claim or liability of the investor, considered when determining the guaranteed claim of the investor, is denominated in a currency other than the euro, the claim or liability shall be converted into euro at the exchange rate published by the Bank of Slovenia on the date on which bankruptcy proceedings against a member of the guarantee system initiated.

The calculation of guaranteed claim of the investor does not take into account the investors' foreclosure claims on the bank for financial instruments or cash for which the investor is recognized the exclusionary right in the bankruptcy proceedings.

Furthermore, pursuant to eight paragraph of Article 450 of ZTFI-1 the following claims shall not be guaranteed claims:

- Claims of the persons referred to in the first paragraph of Article 246 of the ZTFI-1, even if they requested to the bankrupt member of the guarantee system to be treated as non-professional clients,
- Claims of the persons treated by the bankrupt member of the guarantee system as professional clients in accordance with Articles 247 and 248 of the ZTFI-1, even when requested to be treated as professional clients,
- Claims relating to transactions due to which the holder of the claim was given a final judgement of a criminal offence for the crime of money laundering,
- Claims of the members of the management and supervisory bodies of the bankrupt member of the guarantee system and their immediate family members,
- Claims of the shareholders of the bankrupt member of the guarantee system holding at least a five-percent stake in the equity of the Bank or in voting rights,
- Claims of legal entities, which are subsidiaries of the bankrupt member of the guarantee system,
- Claims of management and supervisory board members of the legal entities referred to in the two paragraphs above and their immediate family members,
- Claims that, because of their characteristics, are counted in the calculation of the equity of the bankrupt member of the guarantee system,
- Claims of legal entities which, based on data from the last published annual report, are considered large or medium-sized companies pursuant to the ZGD-1,
- Receivables on a bearer account when a custodian account is treated as a bearer account in accordance with the first line of the fourth paragraph of Article 450 of ZTFI-1, because the provider of the custodian services does not provide the guarantee system member timely details of actual investors regarding custodian account upon his request.

Actual and potential investors shall receive a more detailed and comprehensive information in writing on the terms and procedures and the procedures for the payment of guaranteed claims the Investment Banking from licensed brokers at Nova KBM Headquarters, Ulica Vita Kraigherja 4, 2000.

Maribor, 9 May 2022

Nova KBM d.d.