



## General Terms and Conditions



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# ILIRIKA

ILIRIKA borzno posredniška hiša d.d., Ljubljana

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Pursuant to provisions of the Financial Instruments Market Act (Official Gazette of the Republic of Slovenia, No. 77/18 and 17/19 – corr., hereinafter referred to as: ZTFI-1) and the company's Articles of Association, the Management Board of ILIRIKA borzno posredniška hiša d.d., Ljubljana, Slovenska cesta 54a, Ljubljana, adopts the following:

## GENERAL TERMS AND CONDITIONS FOR TRADING FINANCIAL INSTRUMENTS

### I. GENERAL PROVISIONS

#### Article 1

##### Definition of the General Terms and Conditions

The General Terms and Conditions for Trading Financial Instruments (hereinafter referred to as: General Terms and Conditions) stipulate operating conditions and mutual obligations and rights in performing investment services and transactions and ancillary investment services which ILIRIKA borzno posredniška hiša d.d. (hereinafter referred to as: ILIRIKA) provides to its clients.

Mutual rights and obligations between ILIRIKA and the client shall be governed by written agreements on performing individual types of investment services (hereinafter referred to as: agreements). ILIRIKA and the client may also contractually determine different rights and conditions from those stipulated in the respective General Terms and Conditions.

#### Article 2

##### Definition of Terms

The terms used in these General Terms and Conditions shall have the meaning as defined in or derived from the applicable ZTFI-1 and the by-laws issued on the basis thereof, unless a different meaning is defined in these General Terms and Conditions or unless it is otherwise apparent from the text of these General Terms and Conditions in a particular case.

**APPLICABLE REGULATIONS** — are laws and regulations, rules, policies and procedures governing the financial instrument operations applicable in the Republic of Slovenia and/or at the location (or institution) for the provision of financial instrument operations. ILIRIKA warns the client that ILIRIKA, in particular in transactions with foreign financial instruments and non-residents, and in particular (but without limitation) in the case of transactions involving the maintenance of accounts of the client's financial instruments and cash, may be bound by the law of the country in which the financial instruments are issued or the law of the country in which the financial instruments are admitted to trading on a regulated market or the law of the country in which the client is resident and that the rights of the clients in relation to such financial instruments or cash may therefore differ.

**REGULATED MARKET** — is a regulated market and a multilateral system governed or managed by the market operator and has the following characteristics:

- Based on predetermined rules, it is used to integrate or provide the integration of interests regarding the sale or purchase of financial instruments of multiple third parties by concluding legal transactions related to financial instruments admitted for trading as per rules or systems of the respective market;
- It has obtained a relevant authorisation by a competent authority;
- It operates regularly and pursuant to the ZTFI-1 provisions stipulated for the regulated market.

**CENTRAL REGISTER** — is a digitalised record of book-entry securities, their rights and obligations, their holders and burdens thereof, managed by the central depository. The central register has the status of a central depository.

**CENTRAL DEPOSITORY** — is a central register or other record of book-entry securities holders:



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- Managed by an individual entity (central depository) pursuant to regulations of the country where the depository is established, and
- Its entries have direct legal impacts on the issuer of the respective financial instruments and on third parties in terms that the account holder with entered respective financial instruments is deemed the legal holder of the respective financial instruments.

**Central Securities Clearing Corporation (Centralna klirinško depotna družba d.d. – KDD)** is a central securities clearing corporation managing the central register in the Republic of Slovenia.

**SUB-DEPOSITORY** is a record of book-entry financial instrument holders:

- Which is not a central depository;
- Managed by a brokerage company, bank, investment company or other entity (sub-depository manager) pursuant to regulations of the country where the sub-depository is established;
- Its entries have no direct legal impacts on the issuer of the respective financial instruments and on the central depository; and
- Its entries have legal impacts on sub-depository manager, in terms that in the respective relation, the client by entering the sub-depository is entitled to request from the sub-depository manager to enforce the rights from the respective financial instruments for client's account and to use the respective financial instruments for the client's account based on the client's order.

**DOMESTIC/FOREIGN FINANCIAL INSTRUMENTS** All book-entry securities entered with KDD are deemed domestic financial instruments, and all other financial instruments are deemed foreign financial instruments in these General Terms and Conditions. If the General Terms and Conditions refer to financial instruments in general, this applies to domestic and foreign financial instruments.

**FATCA** - Foreign Accounts Tax Compliance Act – is an act on tax compliance concerning foreign accounts

**U.S. Person** – means American taxable person according to FATCA.

**U.S. Reportable account** – the account which has to be reported to the U.S.

**U.S. Indicia** – criteria for identification of taxable persons according to the FATCA.

### Article 3

#### Information on the Stock Broking Company and its Services

ILIRIKA borzno posredniška hiša d.d., Ljubljana  
Slovenska cesta 54A, 1000 Ljubljana  
Registration number: 5831652000, VAT ID: SI95168222  
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ILIRIKA is authorised to provide investment services and to provide ancillary investment services. ILIRIKA provides services under the supervision of the Securities Market Agency, Poljanski nasip 6, 1000 Ljubljana (hereinafter: ATVP). The list of services for which ILIRIKA is authorised by the ATVP is publicly available on the website [www.atvp.si](http://www.atvp.si).



## Article 4 Communication

Communication between ILIRIKA and its clients shall be in Slovenian, unless ILIRIKA and the client agree to communicate in another language. All communications to clients and all documents referred to or referred to in the General Terms and Conditions are published by ILIRIKA in the Slovene language. When communicating with clients from abroad, ILIRIKA shall, as a rule, use the English language, with the exception of any ambiguities as to the meaning of individual words, terms or rights and obligations, which may arise in the Slovene language.

Communication between ILIRIKA and the client is carried out in the following ways:

- in person at the company's registered office or at the company's registered office,
- by telephone,
- in writing by post or fax,
- by e-mail or other electronic media,
- through POŠTA SLOVENIJE d.o.o. as a tied brokerage agent of ILIRIKA, provided that it is carried out in the manner set out in the preceding paragraphs. In such form of communication, the client shall be deemed to have provided the information to ILIRIKA at the time when ILIRIKA received it from POŠTA SLOVENIJE d.o.o.,
- through the public information media (inter alia, ILIRIKA's website [www.ilirika.si](http://www.ilirika.si) and daily newspapers published in the territory of the Republic of Slovenia).

## Article 5

### Investment Services and Transactions and Ancillary Investment Services

ILIRIKA shall perform the following investment services and transactions and ancillary investment services pursuant to the ZTFI-1 provisions (hereinafter referred to as: investment services, unless explicitly determined otherwise):

#### 1. INVESTMENT SERVICES AND TRANSACTIONS:

- the adoption and provision of orders regarding one or several financial instruments;
- the execution of orders for clients' accounts,
- operations for own account;
- portfolio management;
- investment advice;
- initial or subsequent sale of financial instruments on a firm commitment basis;
- initial or subsequent sale of financial instruments without a firm commitment basis;

#### 2. ANCILLARY INVESTMENT SERVICES

- safekeeping and administration of financial instruments, including:
  - custodianship and similar services, such as cash and other collateral management;
  - services of keeping accounts for the book-entry securities, except managing the central register;
- providing loans to investors in order for them to carry out one or more transactions with financial instruments if the investment company providing the loan participates in these transactions;
- advice to companies on capital structure, business strategy and related matters, and advice and services relating to mergers and acquisitions of companies;



- investment research and financial analysis or other form of general recommendations relating to transactions in financial instruments;
  - services related to the initial or subsequent sale of financial instruments on a firm commitment basis;
- services and transactions of the same type as investment services or transactions or ancillary investment services relating to the main financial instruments of certain statutory derivatives, providing they are linked with investment services or ancillary investment services.

## Article 6

### Information on Financial Instruments and Risks

ILIRIKA performs investment services for clients regarding the following group of financial instruments:

- transferable securities,
- money market instruments,
- units in collective investment undertakings, and
- derivatives.

More detailed information on financial instruments with regard to which ILIRIKA performs investment services, and on risks is disclosed in the document entitled "List of financial instruments with description of risks", which is an integral part of these General Terms and Conditions as an annex to the applicable text and available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

## Article 7

### Client Identification

Before concluding an agreement and during the contractual relationship, ILIRIKA shall verify in a reliable manner the identity of the client pursuant to the applicable regulations. The client shall explicitly agree that ILIRIKA may copy client's personal identification document used, in line with the applicable law, VAT ID certificate and bank account card, and process and keep the respective copies pursuant to relevant regulations. ILIRIKA shall keep photocopies for the purpose of later verification of submitted data and for tax purposes, tax payments, payments of other charges and implementation of double taxation avoidance agreements in accordance with applicable regulations and submit the respective photocopies to third parties. If the client does not agree with the photocopying of the foregoing documents, ILIRIKA may refuse to conclude the agreement, performance of particular services, implementation of particular service or the receipt of a trading order from the client unless ILIRIKA is bound to perform the aforementioned acts pursuant to applicable regulations.

## Article 8

### Video Identification

Before concluding an agreement, ILIRIKA may verify in a reliable manner the identity of the client, who is a natural person, by means of video identification, whereby it must comply with all provisions of the Prevention of Money Laundering and Terrorist Financing Act and the Rules on Technical Requirements for Video-Based Electronic Identification Devices. When identifying clients via video, ILIRIKA also considers the restrictions in client operations pursuant to the Prevention of Money Laundering and Terrorist Financing Act. In the event of client identification via video, the latter agrees to acquire and store photocopies of documents pursuant to Article 6 of these General Provisions.

## Article 9

### Electronic Identification



Before concluding an agreement, ILIRIKA may verify in a reliable manner the identity of the natural person acting alone as a client, as an authorised person of a natural person, as a legal representative of a legal person, or as an authorised person of a legal person, by means of electronic identification of high reliability or by using other electronic identification methods for accessing electronic services of high reliability level in line with the regulations governing electronic identifications and trust services. In the event of an electronic identification of a natural person, the client agrees to acquire and store copies of documents pursuant to Article 6 of these General Provisions.

## **Article 10 Client Data and Protection of Confidential Data**

ILIRIKA protects, as confidential information, all information, facts and circumstances about an individual client that it has at its disposal and which it has learned about in when providing the services to the client. Client allows (and authorizes) ILIRIKA to use this information to perform the services covered by the agreement.

The client is obliged to provide ILIRIKA with all data, documentation and information required by ILIRIKA for the provision of particular investment services and the keeping of prescribed records and the fulfilment of obligations under the agreement and these General Terms and Conditions. The client guarantees the accuracy and authenticity of all information provided and shall be liable for any damage caused by inaccurate or false information provided to ILIRIKA.

If the customer refuses to provide data, documents or information which are not required by law but which ILIRIKA needs in accordance with its business policy for the ongoing provision of services, ILIRIKA may conclude an agreement with the client, but shall not be liable for any errors, mistakes, inaccuracies or other consequences arising from the flawed data.

The processing of personal data is regulated in the Rules for Processing of Personal Data, which define in more detail the concepts of personal data protection, the set of personal data of clients that ILIRIKA keeps in its records and the contact details of ILIRIKA on the basis of which the client may exercise his/her data privacy rights.

If the client fails to submit to ILIRIKA its personal data which are required pursuant to the relevant regulations, or demands their deletion, ILIRIKA refuses the signing of the agreement or the already signed agreement between ILIRIKA and the client is considered terminated.

The client may change the submitted data only after passing personal identification and based on a written request for the change (signing the certificate on the data entered in the client's records). The client must immediately notify ILIRIKA on any change of respective data and on any change of tax residence, including, but not limited to if the client becomes a tax resident of the United States of America, otherwise the client shall be fully responsible for damages due to untimely notification on the change of data. Notifications submitted by ILIRIKA to the client are deemed received by the client, if ILIRIKA submitted them to the client by using contact data entered in the ILIRIKA records.

The client may personally visit the offices of ILIRIKA and authorise a particular person to give instructions and orders in his name and on his behalf in connection with the brokerage and management of the client's financial instruments and orders for the rebookings of financial instruments and to perform any other acts of the client as set out in the agreement. Otherwise, the client's agent must provide ILIRIKA with a power of attorney on which the client's signature is notarised.

Pursuant to applicable regulations, ILIRIKA shall protect data on balance and transactions on the client's financial instrument accounts and other information, facts and circumstances revealed during the performance of investment services.

The client and ILIRIKA shall undertake to treat all data and information arising from or related to signed agreements based on these General Terms and Conditions as trade secret. ILIRIKA shall be allowed without the client's prior consent to submit client





information and data to domestic and foreign and other respective regulatory and judicial authorities at their request pursuant to the applicable legislation. As the final holder of foreign financial instruments, the client in relation to financial instrument operations shall explicitly authorise ILIRIKA and agree that ILIRIKA discloses or submits all documents and data related to the client's identification to the custodian bank, custodian, correspondents for execution, etc. including the client's personal data which comprise also the information on assets or transactions with individual financial instruments on its accounts or in ILIRIKA sub-depositories.

ILIRIKA, as the controller of the database, manages, maintains and controls the collection of personal data on the business activities of its clients in accordance with the applicable data protection regulation and other applicable regulation. The client expressly authorises ILIRIKA to create, process, store or transmit, by means of automated processing (hardware, system and application software) or by conventional means, personal and other data related to the performance of the agreement, for the performance of the services under the agreement and for the other purposes set out in these General Terms and Conditions.

in the context of its legitimate interest in organising its own business, ILIRIKA processes the client's personal data for the purposes of sampling, statistical processing of client data, to determine the use of services and products, to produce business analyses, to study market potential, to develop new services and products and for market research,. The client is aware of the processing of his/her personal data that ILIRIKA is obliged to implement in order to comply with its statutory obligations.

ILIRIKA will only disclose the above information, facts and circumstances to third parties in the cases, to the extent and in the manner provided for by the applicable regulations. The client expressly allows and authorises ILIRIKA to disclose information relating to the agreement to third parties and to make enquiries of third parties (in particular, but not exclusively, of the competent state and other authorities within or outside the Republic of Slovenia) in cases where this is necessary for the performance of the agreement or for the exercise of ILIRIKA's rights under the agreement and these General Terms and Conditions, including (but not limited to) information about the client's assets, the client's permanent/temporary residence, place and date of birth, tax and registration number, and authorises the latter to provide such information and data to ILIRIKA if ILIRIKA does not have such information and data or if the client has not provided such information, but such information and data is relevant for the purpose of the agreement.

ILIRIKA discloses and forwards documentation and personal and other confidential information of the client to the following third parties and for the purposes described below:

- Correspondents for execution, depositaries, sub-depositaries for the purpose of holding client financial instruments in central depositories;
- ATVP and other authorities competent for the supervision of financial markets, in order to provide documentation and information requested by them in the exercise of their powers and competences;
- Tax authorities for the purpose of claiming tax benefits, refunds of overpaid taxes, payment of taxes and the implementation of reporting and control procedures;
- Issuers of financial instruments for the purpose of participating in corporate actions of those issuers;
- Third parties other than those defined in the preceding indents who, in accordance with the applicable regulations, request documentation and information in relation to the provision of investment services to clients.

By signing the agreement, the client expressly consents to the processing of data, the disclosure and transfer of documentation and data and the recording of telephone conversations in connection with the agreement. The client shall be informed of the recording of the conversations at the time of connection. The client shall be deemed to have consented to the recording of the telephone conversation if he continues such conversation. ILIRIKA is obliged to record telephone conversations and electronic communications if they lead or could lead to the receipt of a trading order from the client. ILIRIKA is obliged to keep such recordings for at least five years or, if so determined by the competent authority, for up to seven years. During this period, the client shall have the right to request copies of such recorded conversations and communications with the Client.



The client expressly authorises ILIRIKA to use the various communication channels (e.g. telephone, mobile phone, email, regular mail, mobile application) for the sole purpose of the performance of the agreement. In this way, ILIRIKA will effectively inform the client via the aforementioned communication channels of any unforeseeable or adverse events in connection with the performance of the agreement.

ILIRIKA will delete the client's personal data from its databases once the purpose of the agreement has been achieved or the statutory time limit for the retention of such data has expired.

After 1 January 2018, legal entities may only carry out transactions in financial instruments in accordance with Regulation (EU) 600/2014 on markets in financial instruments (MiFIR) provided that they have obtained a so-called unique global identification (LEI - Legal Entity Identifier) and have made this code known to ILIRIKA. The client is obliged to renew the validity of the LEI code annually. If the client does not have a valid LEI code, ILIRIKA shall have the right not to provide the services under the agreement.

## Article 11 Client Classification

In conducting its investment services, ILIRIKA shall treat clients as non-professional, professional or/and eligible counterparties as per its Client Classification Policy and Procedures and provide them a suitable level of protection according to the respective classification in a suitable manner. The ILIRIKA's applicable Client Classification Policy and Procedures are available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

ILIRIKA strictly warns the client that before the execution or acceptance and transmission of a professional client's order pursuant to the ILIRIKA's Client Classification Policy and Procedures, ILIRIKA does not verify client's knowledge and experience and is not obliged to assess and draw attention to the suitability of financial instruments or investment services which it conducts for the respective client. ILIRIKA also does not check the know-how and experience of non-professional clients and is not obligated to judge and issue warnings regarding the suitability of financial instruments or ancillary investment services, other than providing loans to investors in order for them to perform one or more transactions with financial instruments in transactions in which ILIRIKA is present, which it performs when it accepts, executes or transmits a non-professional client's order on the latter's motion or performs ancillary investment services other than providing loans to investors in order for them to perform one or more transactions with financial instruments, in transactions in which ILIRIKA is present, and the non-professional client's order or performance of ancillary investment services refers to the following financial instruments:

- shares dealt on a regulated market or on an equivalent market in a third country or MTF if these are shares of companies and not units of alternative investment funds or shares that include derivatives;
- money market instruments, except those that include derivatives or other elements that make it difficult for clients to understand the risks of such instruments;
- bonds and other forms of debt financing instruments that are available for trading on an organised market or equivalent in a third country or MTF, except those that include derivatives or other elements that make it difficult for clients to understand the risks of such instruments;
- units in collective investment undertakings (UCITS); or
- other non-complex financial instruments.

ILIRIKA also expressly warns the client that in the event ILIRIKA also performs other investments services other than investment advisory services and financial instrument management services and if the client provides ILIRIKA the information concerning their know-how and experiences that are significant to the type of investment services or products or submits only incomplete information, then ILIRIKA can not, due to the client's decision, evaluate whether the type of investment services or products is suitable for the respective client.



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## **Article 12 Protecting Client's Interests**

In conducting investment services and transactions and ancillary investment services and transactions, ILIRIKA shall act meticulously, fairly and with an appropriate professional diligence and shall act in the interest of the client. ILIRIKA shall notify the client in an appropriate manner of all circumstances known to ILIRIKA which are important for the client's decisions related to orders for purchase or sale of financial instruments or other services offered to the client, and risks related to investments in financial instruments.

More detailed information on risks related to investments in financial instruments are disclosed in the document entitled "List of financial instruments with description of risks", which is an integral part of these General Terms and Conditions as an annex to the applicable text and available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si). By signing this agreement, the client states that it is aware of these risks and accepts them. Decisions related to financial instrument operations are made by the client itself and also the client determines the conditions under which ILIRIKA must execute the order.

ILIRIKA does not guarantee the return of financial instruments to the client and is not liable to the client or a third party for any direct or indirect damages, obligations and/or loss incurred arising from the execution of these General Terms and Conditions, except in the cases determined in these General Terms and Conditions. ILIRIKA shall also assume no responsibility for any consequences of client's decisions related to the agreements and for consequences of the misuse related to client's financial instruments performed by third parties through ILIRIKA. ILIRIKA also assumes no responsibility for any damage, costs or obligations incurred by the client in relation to the performance of services by ILIRIKA whereby the client submitted false, incomplete or inaccurate information or documents to ILIRIKA.

In no circumstances shall ILIRIKA be responsible for damages due to business disruptions which are beyond ILIRIKA's control. In particular, this applies to force majeure or unpredictable events, such as: war, natural disasters, strikes, traffic jams, terrorist actions, breakdowns of communication and information systems caused by factors beyond ILIRIKA's control, and client's non-compliance with certain safety measures.

## **Article 13 Provision of Services Pursuant to Regulations**

ILIRIKA shall undertake to perform investment services pursuant to regulations governing operations including financial instruments, regulations on foreign exchange, regulations on personal data protection, regulations in the field of preventing money laundering and terrorist financing, rules and other acts of Centralna klirinško depotna družba d.d. and Ljubljanska borza vrednostnih papirjev d.d., and other regulations governing the respective field, and pursuant to ILIRIKA's General Terms and Conditions and signed agreements with clients. ILIRIKA shall perform investment services with due care and diligence of a brokerage company.

## **Article 14 Conflicts of Interest**

ILIRIKA provides its various investment advice services to a wide range of clients and this may cause conflicts of interest that can have unfavourable effects on the fulfilment of interest of its clients.



Conflict of interest may arise:

- between ILIRIKA and any entity who is connected to ILIRIKA through management, and clients or potential clients of ILIRIKA or entities to whom ILIRIKA sends investment research;
- between the ILIRIKA management, its brokers or other persons who under employment contract or on other basis conduct operations on behalf of ILIRIKA, and clients or potential clients of ILIRIKA or persons whom ILIRIKA sends investment research;
- between ILIRIKA's clients; and
- between important suppliers and business partners of ILIRIKA.

ILIRIKA shall organise its operations and implement measures to manage conflicts of interest by minimising potential conflicts of interest. More detailed information on conflicts of interest, procedures and measures for their prevention, management of conflicts of interest and methods of notifying on conflicts of interest is disclosed in the document entitled Conflicts of Interest Management Policy which is available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

## Article 15

### Fee for the Services Performed

The client shall undertake to pay fees and costs for the services performed by ILIRIKA under agreements in the amount determined in the applicable ILIRIKA's price list which is available to the client at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si) and is an integral part of these General Terms and Conditions.

In cases where the service fee is not specified in ILIRIKA's price list, ILIRIKA and the client shall determine the respective fee in the agreement. In individual cases, the management of ILIRIKA may reduce fees stated the price list of services through a decision pursuant to the company's business policy.

ILIRIKA explicitly points out to the client that also other costs may arise from financial instrument transactions or performance of investment services for the client, including taxes not settled through ILIRIKA and not included in the ILIRIKA's price list of services.

## Article 16

### System Protecting Investors' Claims

ILIRIKA shall notify its clients on a system of guarantees for investors' claims in accordance with the provisions of the ZTFI. In the case of ILIRIKA's bankruptcy, a non-professional client shall be disbursed a guaranteed claim in the maximum amount of EUR 22,000.00 in accordance with the system of guarantees for investors claims. More detailed information on the system of guarantees for investors' claims is available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

Claims of professional clients are not guaranteed and the same applies for the claims of professional clients who demanded, according to ILIRIKA's Client Classification Policy and Procedures, non-professional status. In addition, claims are also not guaranteed that concern transactions due to which the holder of the respective claim was convicted by final judgment for money laundering, claims of legal persons who, based on the information from the last published annual report, are considered large or medium sized companies under the Companies Act (ZGD-1), and other claims pursuant to ZTFI-1.



## Article 17

### Submission and Amendments to the General Terms and Conditions

Before entering into an agreement, ILIRIKA shall submit to the client a copy of its General Terms and Conditions, all respective annexes, its price list and Order Execution Policy. The applicable General Terms and Conditions are available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

ILIRIKA must notify its clients on any changes to the General Terms and Conditions and changes to other information related to the services for clients referring to significant changes of information on:

- ILIRIKA company and its services;
- financial instruments;
- the management of financial instruments and assets of clients; and
- costs and other payments.

ILIRIKA must notify its clients on the significant changes by submitting them a notification stating which provisions or information are changed and where to find the clean copy of amended General Terms and Conditions or documents including changes of information. The notification must state that a client, at its request, can also receive a clean copy of the respective documents by mail.

ILIRIKA can inform its clients of amendments to the General Terms and Conditions through its web sites or by e-mail if the following conditions are met:

- the client has access to the Internet; the client proves this by submitting to ILIRIKA its e-mail address;
- ILIRIKA informs the client, by e-mail, of the web site name and location where relevant information is available;
- information published on ILIRIKA's web site is updated and accurate;
- information published on ILIRIKA's web site is continuously available to clients.

If the Client, after having been informed of the amendments to the General Terms and Conditions, does not object to the amendments prior to the execution of the next transaction or within 8 (eight) days of the respective publication at the latest, it shall be deemed that the client agrees with the amended content. The objections of the client within the stipulated deadline shall be deemed to be a written cancellation of the contractual relationship. The respective term of notice shall be 15 days from the receipt of the client's notice. If for any reason whatsoever financial instruments could not be delivered to the client, ILIRIKA shall be entitled to sell the financial instruments and to remit the purchase money to the client's cash account indicated in the agreement, unless a different method of settling liabilities is specified in the agreement.

If the client has disclosed to ILIRIKA their e-mail address, by signing the Agreement on the Performance of Investment Services the client agrees that they will be informed of any amendments to the documents regarding dealing in financial instruments and other relevant amendments through ILIRIKA's web site.

## II. OPERATIONS FOR OWN ACCOUNT

### Article 18

#### Operations for Own Account and Client's Order Execution



A transaction with financial instruments concluded by ILIRIKA with the client on its own account is an execution of the client's order provided that ILIRIKA in such transaction operates on the client's account.

Unless proven otherwise, it is deemed that a transaction concluded by ILIRIKA with the client on its own account based on the prior client's inquiry for price of such financial instrument or based on prior publication of ILIRIKA's prices for the respective financial instrument or in respect to which the applicable market practice entails that clients inquire for price of the respective financial instrument with several entities, is not considered an operation on the client's account.

Unless proven otherwise, it is deemed, according to the second paragraph of the respective Article, that ILIRIKA upon concluding a transaction with the client on its own account operates on the client's account if the client is a natural entity, or ILIRIKA performs brokerage services for the specific transaction on its own account, or ILIRIKA and the client sign a written agreement for the specific transaction.

### III. BROKERAGE SERVICES

#### Article 19

#### General Information on Brokerage

Brokerage services include the acceptance of client's orders for purchasing and/or selling financial instruments as well as for the execution of these orders on the client's account or submit the respective order for the execution to ILIRIKA's execution partner against the payment of a commission.

#### Article 20

#### Brokerage Agreement

Prior to the acceptance of the first order for the purchasing and/or selling financial instruments, ILIRIKA and the client shall enter into a written general agreement on brokerage and keeping of financial instrument accounts.

#### Article 21

#### Account of the Client's Financial Instruments

After entering into the agreement on brokerage and keeping of financial instrument accounts and before the first order for the purchasing and/or selling financial instruments, ILIRIKA shall:

- open for the client the book-entry securities account with KDD where it keeps the balance of domestic financial instruments on behalf and for the account of the client; or
- open the book-entry securities account with the sub-depository managed by ILIRIKA where it keeps the balance of foreign financial instruments on behalf and for the account of the client.

#### Article 22

#### Client Order Acceptance

The client may place their order for purchasing and/or selling financial instruments at ILIRIKA's registered office, its branches, and with its tied agent POŠTA SLOVENIJE d.o.o. during their relevant business hours. The list of branches and tied agents is available on the ILIRIKA web site. Clients can place their order at ILIRIKA's registered office or its branch offices executing client orders:

- in person;



- via the telephone number published on ILIRIKA's web site;
- by the fax designated to accept orders;
- in writing by e-mail on the e-mail address designated to accept orders; or
- in writing by mail;
- through the Bloomberg information system; or
- through ILIRIKA ONLINE electronic trading platform;
- through tied agent POŠTA SLOVENIJE d.o.o. offices which execute the client's orders (the list of such offices is available on the ILIRIKA's website).

The date and the hour of receipt of the order shall be the date and the hour when the order arrived at ILIRIKA's registered office and/or the ILIRIKA branch office that will execute the order.

The orders placed at ILIRIKA's branch offices regarding financial instruments listed on the markets of Member States and third-party countries shall be transmitted by ILIRIKA's branch offices, unless they are directly transmitted to correspondents for execution, registered office or ILIRIKA branch office for execution; ILIRIKA's office then immediately transmits these orders to correspondents for execution, or no later than on the next business day following the receipt of the order. In the case invoked in the preceding sentence, the date and hour of the order's receipt shall be the date and hour when the order arrived at the registered office or at the ILIRIKA branch office which transmits clients' orders to correspondents for execution.

At tied agent POŠTA SLOVENIJE d.o.o. locations that receive clients' orders on behalf of and for the account of ILIRIKA and in branches not executing clients' orders, clients may place their orders in person in writing. The tied agent POŠTA SLOVENIJE d.o.o. shall transmit such orders to ILIRIKA's registered office or ILIRIKA branch office which executes clients' orders no later than on the next business day following the receipt of the order.

The client may also place their order for purchasing and/or selling financial instruments through the ILIRIKA ONLINE electronic platform. The date and the hour of receipt of the order through the ILIRIKA ONLINE electronic platform shall be the date and the hour when ILIRIKA confirmed the order in the system for internet trading. ILIRIKA may temporarily make unavailable the submission of orders for individual financial instruments if, due to the delay in submitting notifications of the state of financial instruments on financial instrument accounts, which ILIRIKA manages via its own account in the central depository or via an intermediate sub-depository, are not in line with the state in the sub-depositories of financial instruments, or in other eligible cases if justified due to the protection of financial instruments or cash assets of clients or due to the protection of financial instrument transactions.

If the client placed the order for purchasing and/or selling financial instruments by email or fax, ILIRIKA, as soon it is possible, verifies the received orders and enters them in the order record.

The order to sell financial instruments on behalf of the person without full operating capacity may be placed by their legal representative or administrator according to applicable regulations governing the respective field.

The order placed by the client to ILIRIKA before opening the financial instrument account referred to in Article 15 of these General Terms and Conditions shall be deemed to be received when ILIRIKA opens such financial instrument account for the client.

## **Article 23 Identification Mark**

ILIRIKA shall assign a personal identification mark to the client for placing order by phone, email, mail or fax. In placing the order, the client must identify itself to ILIRIKA by using the identification mark, unless the ILIRIKA's tied agent tied agent POŠTA SLOVENIJE d.o.o. receiving the order knows the client or its representative in person.



The ILIRIKA's authorised person assigns a special security code (user name, password and trading password) to the client upon signing an application form for ILIRIKA ONLINE to monitor trade and place orders through the electronic platform. ILIRIKA shall send to the user or authorised user a special security code for ILIRIKA ONLINE account activation no later than in 7 (seven) business days from the signing of the agreement. All risks related to loss or misuse of the identification mark or security code are borne by the client. ILIRIKA shall not be responsible for any damage caused to the client due to unauthorised use of a personal identification password.

## Article 24 Types of Orders

The client may place types of orders to ILIRIKA which are determined in the general terms and conditions of the stock exchange or regulations of the market where the client's order is to be executed.

Types of orders are divided according to:

- **type of transaction:** purchase (N) and sale (P) order;
- **place of execution:** in regulated market (OT), in non-regulated market (NT);
- **price:**
  - market order (an order where price cap facility is not determined and is executed pursuant to the rules of regulated market according to the market conditions applying when the order has been entered into the trading system and is executable; there is a risk that the latest average price used to conclude the transaction significantly deviates from the latest average price or closing price or latest published price of financial instrument, whereby ILIRIKA is not responsible for any damage, loss or costs incurred to the client);
  - discretionary order (an order with no price for purchasing or selling financial instrument has been determined, whereby ILIRIKA is authorised to execute such an order under its own assessment and where its validity expires at the end of the day of order receipt, if the order has been received during the trading hours, or on the next trading day if the order has been received after the end of trading period);
  - limit order (an order for the purchase or sale of a specified amount of financial instruments for the price defined in the order or under the conditions which are more favourable for the client, whereby an acceptable purchasing (the highest) or selling (the lowest) price are determined);
- **condition of the method of execution, trading conditions and other criteria,** pursuant to applicable rules of the Ljubljana Stock Exchange or individual market where the client's order is to be executed.
- **order validity period:**
  - daily order (an order valid only on the day when it has been accepted);
  - good-till-cancelled (an order valid until the execution in the market or cancellation, but within a time frame prescribed in an individual regulated market);
  - good-till date order (an order valid until the execution or cancellation or up to and including a specific date, whereby the possible validity cannot exceed the period stipulated in the rules of an individual market).

The use of discretionary order, stop-market order and iceberg order is not possible if trading through ILIRIKA ONLINE. It is not possible to place a discretionary order with the ILIRIKA's tied agent POŠTA SLOVENIJE d.o.o.

For transactions including foreign financial instruments, the client may place those types of orders for which the conditions of the method of execution and validity apply as determined by the regulations of the market in which the client's order is to be executed.

The client's order expires when the client cancels it pursuant to the applicable regulations and these General Terms and Conditions, or when the period of validity determined in the order expires. The discretionary order also expires:





- If ILIRIKA has received it before the trading is closed in the market where the order is to be executed: at the end of the day when the order has been accepted;
- If ILIRIKA has received it after the trading is closed in the market where the order is to be executed: at the end of the next trading day after the day the order has been accepted.

## **Article 25 Location of Order Execution**

The client's order for purchasing and/or selling financial instruments traded in the regulated market is executed in the regulated market unless the client explicitly requests another method for executing the order.

To execute client's orders for purchasing and/or selling financial instruments outside a regulated market and to execute orders for purchasing and/or selling financial instruments traded in a regulated market, regulations determining ILIRIKA's obligations in executing an order in the regulated market shall be applied *mutatis mutandis*.

The list of locations of order execution, where ILIRIKA executes orders of its clients is disclosed in the document entitled "List of correspondents and locations for execution", which is an integral part of these General Terms and Conditions as an annex to the applicable text and available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

## **Article 26 Advance**

In placing an order for purchasing financial instruments, the client shall transfer the advance in 100% the amount necessary for the purchase of financial instruments and purchase-related costs to the ILIRIKA account opened with the custodian bank or credit institution (hereinafter referred to as: client's account), unless ILIRIKA and the client agree otherwise in writing.

Any difference in the purchase price and costs is transferred by the client no later than on the day of offset or pursuant to the instructions of ILIRIKA.

In placing orders for transactions with derivatives, the client provides the advance for initial coverage of derivatives in the amount of the minimum requested coverage and maintenance coverage or other required coverage to the ILIRIKA account with custodian bank or credit institution. The coverage is provided after the required minimum initial coverage is recorded in the ILIRIKA's system. Minimum required initial coverage, maintenance coverage and all other required coverages for derivatives are determined pursuant to applicable rules governing the trading individual derivative.

## **Article 27 Payment of Purchase Price**

The client for who the preceding Article of the General Terms and Conditions does not apply, must settle liabilities arising from the purchase of financial instruments by transferring assets to clients' account on the next business day after the execution of the order or no later than on the day of payment by 9.00 am, unless ILIRIKA and client agree otherwise in an agreement.

## **Article 28 Assets of Clients**



ILIRIKA shall fulfil its pecuniary obligations from the selling order towards the client by making a transfer to the pecuniary account opened with bank or other credit institution no later than on the next business day after receiving the purchase price from the transaction with the client to the client's pecuniary account, reduced by deductions according to these General Terms and Conditions and the agreement and applicable price list, if the client fails to make a statement that a different arrangements is in its clear interest.

ILIRIKA shall transfer the amounts of redeemed vouchers or dividends to the client's pecuniary account opened with bank or other credit institution on the next business day starting from the redemption of dividends or vouchers or their receipt to the client's pecuniary account, unless the client makes a statement that a different arrangement is in its clear interest, or ILIRIKA under the agreement on portfolio management is not entitled to invest the respective pecuniary amounts into other financial instruments.

In the event of selling or distributions from foreign financial instruments managed by ILIRIKA in the clients' sub-depository, ILIRIKA shall provide that pursuant to the rules from the two preceding paragraphs the client's assets are transferred from the clients' foreign currency account abroad through client's pecuniary account in Slovenia to the client's pecuniary account, unless ILIRIKA and the client agree otherwise, whereby the day of the receipt of the purchase price or redemption of dividends or vouchers by ILIRIKA is considered the day on which the assets are received on the client's pecuniary account.

In the procedure for settling transactions with foreign financial instruments, ILIRIKA shall be responsible for timely submission of appropriate instruction to the foreign clearing corporation or custodian bank or institution based on which the settlement of concluded transactions including foreign financial instruments can be executed. ILIRIKA shall not assume any responsibility from the client for any delay in the settlement of transaction including foreign financial instruments or any non-fulfilment of the settlement of transaction due to the counterparty's failure to pay or if the counterparty fails to deliver financial instruments. ILIRIKA shall not guarantee timely delivery of financial instruments in foreign financial instrument markets in the case of DVP settlement (delivery versus payment) and emphasises that non-fulfilment of counterparty's obligations may also cause a later transaction cancellation.

Assets on the client's account are not deemed deposits and are non-interest bearing pursuant to the applicable legislation and regulations.

## **Article 29 Status of Financial Instruments**

In placing the order for selling domestic financial instruments, the client must provide that the respective financial instruments are on the client's account kept with KDD.

In placing the order for selling foreign financial instruments, the client must provide a required status of the respective financial instruments on the client's account in the ILIRIKA's sub-depository or on the account opened with the domestic or foreign sub-depository or foreign depository so that financial instruments are entered to the name of the client in the foreign central depository or with sub-depository.

The client's order referred to in the preceding paragraphs is executed after ILIRIKA reliably verifies whether the client provided the status of respective financial instruments on the account or in ILIRIKA's sub-depository or the client enabled the disposal of the respective financial instruments free of all covenants unless the client and ILIRIKA agree otherwise.

## **Article 30 Order Acceptance**



The client's order is accepted when ILIRIKA receives from the client all the data required to execute the order and when conditions referred to in Article 23 or 26 of these General Terms and Conditions and other provisions under these General Terms and Conditions or any other provisions stipulated by the applicable regulations regarding the execution of the order are fulfilled, and conditions for refusing the order are not fulfilled. If ILIRIKA does not refuse the acceptance of the order, it is deemed that the order is accepted upon the expiry of the notification submitted to the client on the refusal of the order stipulated in ZTFI-1.

After receiving the order, ILIRIKA must submit the received order to the correspondent as soon as possible, considering the trading schedule applicable to the market in which the order has been received or business hours of the correspondent, and no later than on the next business day from the receipt of the order, whereby it is deemed that the correspondent received the order when received within the correspondent's business hours. ILIRIKA shall be responsible for instructions submitted to the correspondent relating to the execution of the order.

### **Article 31 Client Order Refusal**

ILIRIKA may refuse the acceptance of the order if:

- when placing A purchasing order for financial instruments, the client fails to fulfil the terms and conditions referred to in Article 24;
- when placing a selling order for financial instruments, the client fails to fulfil the terms and conditions referred to in Article 27;
- in the event of the conflict of interest or if ILIRIKA assesses that such order or its execution could be in conflict with ILIRIKA's business policy or the applicable legislation or regulations or other laws;
- in the event of suspecting misuse of the identification mark or security code;
- in other cases, stipulated in the General Terms and Conditions, agreement, act or other regulation.

ILIRIKA must promptly notify the client on the refusal of the order, after verifying the existence of the events referred to in the preceding paragraph within a reasonable time and in a reliable manner and provide the reason for the refusal. ILIRIKA is not obliged to send notifications on the refusal of the order to the client before the order is deemed received as per these General Terms and Conditions.

### **Article 32 Change and Cancellation**

The client may amend or cancel its order in a manner stipulated for order placement if it is still possible to prevent its execution using reasonable measures and considering the sequence of accepted orders. The client's order, where the price is changed, quantity of financial instrument increased, or special condition of the order added, changed or deleted, is deemed a cancellation of prior order and placement of a new order. Regarding the order for foreign financial instruments, the client may change or cancel the order if this is in line with the procedures for changing or cancelling orders with the ILIRIKA's correspondent. The order is deemed changed or cancelled when the change or cancellation is confirmed by ILIRIKA's or correspondent's brokerage agent. ILIRIKA is entitled to handling costs for the cancelled order.

### **Article 33 Certificate of Order Acceptance**

No later than on the next business day after receipt, change or cancellation of the order, ILIRIKA shall submit a confirmation of receipt, change or cancellation of the order stipulated by regulations in the field of financial instruments market.



In the case of discretionary order, the confirmation of receipt of the order also includes a provision that the client granted an authorisation to ILIRIKA to execute the order when ILIRIKA considers it best for the interest of the client, and a provision that the order terminates at the end of the day, on which ILIRIKA has received it.

If the client does not object in writing against the order within the next business day after the receipt of the confirmation of order acceptance, it is deemed that the information stated in the order is correct. It is deemed that the client received the written confirmation of order acceptance on the next business day after the confirmation of order acceptance is dispatched by ILIRIKA and received the confirmation of order acceptance sent by email if the confirmation was dispatched by ILIRIKA to the client's email address, unless the client proves otherwise, whereby the client must notify ILIRIKA in advance on all changes and potential particularities of the correspondent address. In the case of trading through the electronic platform, the confirmation of order acceptance is deemed accepted on the day and hour when the entry of the confirmation has been confirmed in the system of internet trading.

## **Article 34 Transfer Orders**

It is deemed that the client's order for selling book-entry securities on a regulated market also includes a transfer order for the transfer of the respective securities from the client's account to KDD, in regard to the fulfilment of sales obligations on a regulated market. It is deemed that the client's order for selling foreign financial instruments kept by ILIRIKA on the client's account in the sub-depository also includes a transfer order for the transfer of respective financial instruments from the client's account in the sub-depository due to fulfilment of sales obligations.

## **Article 35 Order Execution**

ILIRIKA shall execute the client's order as is and execute clients' orders in the order of their receipt. All clients' orders are recorded in compliance with relevant rules.

ILIRIKA shall execute orders for the purchase or sale of foreign financial instruments for client's accounts through investment companies acting as ILIRIKA correspondents or through a custodian bank. The client's order for the purchase of foreign financial instruments is executed in the order of their receipt and in compliance with regulations of the foreign market where the order is executed, or general terms and conditions of the ILIRIKA's correspondent. The client is aware that ILIRIKA independently chooses its correspondent to execute foreign orders. ILIRIKA shall not be liable for the conduct of the correspondent but is however responsible for correspondent's appointment. The list of correspondents to whom ILIRIKA submits orders of its clients for execution is disclosed in the document entitled "List of correspondents and locations for execution", which is an integral part of these General Terms and Conditions as an annex to the applicable text and available to clients at visible and accessible location where ILIRIKA or tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

ILIRIKA shall accept, transmit and execute clients' orders in accordance with its Order Execution Policy, other appropriate regulations and the rules in force on the market where the relevant financial instrument from the order is admitted for trading. Pursuant to its Order Execution Policy, ILIRIKA, in executing clients' order, shall perform all measures to execute the order under conditions which are most favourable for the client. ILIRIKA explicitly points out to the client that specific instructions regarding individual factors of execution can prevent individual measures to be executed. The applicable Order Execution Policy of ILIRIKA d.d. stipulating factors in executing orders, their relevant significance and places of execution is available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si). The Order Execution Policy shall not be applied for suitable counterparties and the execution of



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their orders, unless the suitable counterparty explicitly requests to have the Order Execution Policy apply for the party in general or regarding each order.

### **Article 36**

#### **Fulfilment of Liabilities arising from Transactions**

ILIRIKA shall provide that on the second business day after the order has been executed (T+2) in the regulated market or after the fulfilment of seller's liabilities if the order for purchase has been executed outside the regulated market, domestic financial instruments purchased for the account of an individual client are transferred to the account of the respective client kept with KDD, unless the agreement with the client stipulates otherwise.

ILIRIKA shall fulfil its liabilities to the client arising from the selling order through a remittance to the client's personal account at the latest on the business day immediately following the receipt of the purchase money, reduced by the deductions in accordance with these General Terms and Conditions, unless the client makes a statement that a different agreement is in its clear interest.

Regarding transactions in foreign financial instruments, ILIRIKA shall guarantee settlement in accordance with the regulations of the market where the order is executed, namely by entering assets and the financial instruments to the credit or to the debit of the client in ILIRIKA's sub-depository.

In cases where the client operates via an individual custodian account opened with a selected custodian bank, the settlement in money and in financial instruments shall be affected via such a custodian account on the basis of the client's order. In this case, ILIRIKA shall not assume any responsibility for the settlement in money and in financial instruments.

Before transferring money to the client's transaction account, ILIRIKA shall account all costs and commissions along with outstanding maturities, if any, according to applicable price lists and shall accordingly remit to the client a duly reduced amount of money.

### **Article 37**

#### **Order Execution Statement**

ILIRIKA shall send to the client a statement of completed transactions on the business day immediately following the fulfilment of the liability under the transaction made for the client's account. If ILIRIKA has concluded a transaction through its correspondent, ILIRIKA shall send the statement of transaction to the client no later than on the next business day after receiving a relevant statement of the respective transaction from the correspondent.

Unless the client objects to such a statement of transaction in writing by no later than the next business day following the day of the receipt of the statement, the data indicated in such statement shall be deemed accurate. It shall be deemed that the client received the respective statement of transactions on the day after the respective statement was sent by ILIRIKA; if the respective statement was sent by e-mail, it shall be deemed that the statement was sent at the time ILIRIKA sent the statement to client's e-mail address, unless the client proves otherwise, whereby the client is obliged to inform ILIRIKA of all the changes and particularities, if any, in the client's e-mail address. In cases of trading through the electronic trading platform, the statement of transactions shall be deemed received when recorded in the system of electronic platforms.

### **Article 38**

#### **Notification on the Value Drop of a Leveraged Financial Instrument or Conditional Obligations**



No later than on the next business day, ILIRIKA shall notify the non-professional client, the positions of which on leveraged financial instruments or transactions with conditional obligations are managed on the account of financial instruments, on the fact that the initial value of such a financial instrument had been reduced by 10% and then for every 10%. Reporting on value drops pursuant to this Article is performed under individual instruments, unless ILIRIKA and the client agree otherwise in writing. ILIRIKA shall report to the client on the drop of value of such a financial instrument no later than by the end of the working day in which the threshold was breached. If the threshold was breached on a non-labour day in line with the regulations, then ILIRIKA shall notify the client on the drop of value of such a financial instrument no later than by the end of the next business day.

## IV. MANAGEMENT

### Article 39

#### Portfolio Management

Management of clients' financial instruments comprises purchasing and selling financial instruments for the account of the client pursuant to the agreed investment policy, settlement of the respective transactions and other related activities against the payment of a commission.

In accordance with Article 6(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"), ILIRIKA explains that, due to the current non-standardised investment decision-making practices, it does not integrate sustainability risks into its investment decision-making process in the context of its portfolio management service, nor does it assess the likely impact of sustainability risks on the returns of the financial products it offers.

### Article 40

#### Portfolio Management Agreement

ILIRIKA and the client shall determine mutual rights and obligations related to the performance of management service in a written agreement, which also stipulates:

- the amount of assets or types and quantities of financial instruments which the client places in management;
- investment policy;
- amount of commission and methods of calculating the commission base.

### Article 41

#### Investment Policy

ILIRIKA and the client shall adopt the investment policy by determining:

- type of financial instruments;
- characteristics of the issuers of financial instruments;
- the highest permitted share of investments in individual types of financial instruments;
- other circumstances important to determine the investment risk level.

Based on information in these General Terms and Conditions, the client shall independently adopt a decision on the investment policy. ILIRIKA shall not be responsible for the consequences of the clients' decisions regarding investment policy. In each case, before performing management services for the client, ILIRIKA shall obtain information on knowledge and experience of the client significant for the types of services or products, their financial position, including their ability to cover losses and their investment goals, including the acceptable risk level in order to recommend the most suitable financial instruments to the client that are in line with their acceptable risk level and the ability to cover losses.. Based on the obtained information,



ILIRIKA shall recommend to the client which investment services and financial instruments are suitable for each client according to ILIRIKA's opinion.

Investments in financial instruments are risky, and the client must be aware of risks and accepts them as stated in the document entitled "List of financial instruments with description of risks", and for this reason ILIRIKA does not guarantee profits arising from the performance of management service but assumes responsibility for careful drafting of the investment policy.

## **Article 42 Management Investments**

Unless ILIRIKA and the client agree otherwise, ILIRIKA shall invest the assets of the client only in financial instruments traded in the regulated market. ILIRIKA shall obtain for the benefit of the client the non-marketable financial instruments as well, except for the money market instruments and derivatives if the client submitted an explicit written consent to obtain such financial instruments. The consent may be given as a general consent in the management contract or as a special consent for each investment.

If the current state in the market prevents the client's assets to be fully invested in financial instruments in compliance with the investment policy stipulated in the agreement, ILIRIKA may on its behalf and for the client's account invest client's assets in the form of bank cash deposits.

## **Article 43 Initial Value of Client's Portfolio**

The initial value of client's portfolio shall be determined as a sum of remitted client's assets and delivered financial instruments. The price of financial instruments shall be determined pursuant to the rules of portfolio valuation referred to in Article 41 of these General Terms and Conditions.

If the client wants to submit to ILIRIKA foreign financial instruments as an initial investment, ILIRIKA may refuse the signing of the agreement.

Based on the agreement, ILIRIKA shall establish the initial value of client's portfolio and issue a statement of the initial value of client's portfolio to the client after submitting the agreed assets and financial instruments. If the client delivers less or more assets as agreed in the agreement, it is deemed that the actual delivered assets present the initial value of portfolio and in this context also contractual provisions are deemed changed.

## **Article 44 Portfolio Valuation**

The client's portfolio comprises client's assets and financial instruments delivered to be managed. Financial instruments in the client's portfolio are evaluated:

- for domestic financial instruments traded in the regulated market of the Republic of Slovenia according to the latest average price determined in the regulated market of the Republic of Slovenia;
- for foreign financial instruments according to the closing price determined in a foreign regulated market, except for the Macedonian Stock Exchange, where financial instruments are evaluated pursuant to the latest average price;
- if a particular financial instrument is subject to trading in several regulated financial instrument markets in the Republic of Slovenia and/or abroad, ILIRIKA shall be entitled to choose one of these markets for the purpose of valuation;
- for financial instruments which are not subject to trade in the regulated financial instrument market, according to the value reasonably assessed by ILIRIKA.



To calculate values not denominated in EUR, the ECB reference price of the previous trading day shall be used (the exchange rate list is used for currencies, for which ECB does not publish referential exchange rates).

The value of client's portfolio shall be determined on a daily basis, whereby relevant exchange rates are considered according to the preceding paragraph and published in the official exchange rate list of a regulated market for the previous business day. ILIRIKA shall notify the client on the status of portfolio once a month according to the status of portfolio on the last day in a month.

## **Article 45 Management Accounting**

ILIRIKA shall account for the following costs or fees for providing management services to the client:

- Costs related to the selling or purchasing financial instruments in the portfolio accounted for upon the executed transactions and settled to the debit of the client's portfolio;
- Flat-rate compensation for the management services usually accounted for quarterly;
- Compensation according to the generated profit from assets in management which is usually accounted for quarterly;
- Other compensations or commissions as defined in the pricelist or individual contract on the management of financial instruments.

ILIRIKA shall be obliged, at least once every three months as of the last day of the month, to send a report on the investment balance involving the statement of transaction. To compare the performance of ILIRIKA's portfolio management, the following performance criterion is included:

- for portfolios with their investment policy dispersed to several markets, data on trends of the referential DJ World Stock Index denominated in EUR (it includes companies from different countries of the world whose share in the index depends on their capitalisation) in the comparable period.

## **Article 46 Portfolio Increase**

The client increases the value of portfolio by transferring assets or delivering financial instruments into their own portfolio. Upon increase, the new baseline value of the client's portfolio shall be established by considering the baseline value of the client's portfolio before the increase plus the sum of client's assets and delivered financial instruments which are evaluated according to the method determined to calculate portfolio value. ILIRIKA shall issue the calculation of the new baseline portfolio value to the client.

If the client wishes to increase the value of their portfolio by delivering foreign financial instruments, ILIRIKA may refuse the respective increase.

## **Article 47 Portfolio decrease**

The client decreases the value of portfolio in the following events: following the client's order, ILIRIKA sells financial instruments from portfolio and transfers assets in EUR to the client's account or delivers financial instruments from the portfolio. Upon decrease, the new baseline value of the client's portfolio is established by considering the baseline value of the client's portfolio before the decrease reduced by the sum of client's cash payments or delivered financial instruments which are evaluated according to the method determined to calculate portfolio value. ILIRIKA shall issue the calculation of the new portfolio value to the client.





ILIRIKA shall deliver to the client the assets or financial instruments based on the client's request for portfolio decrease no later than in 15 business days from the receipt of the respective request.

## **Article 48 Portfolio Termination**

The client's portfolio is terminated by ILIRIKA delivering to the client all financial instruments from the portfolio or selling the securities and the assets obtained by the sale of financial instruments are transferred to the client's account. The client must in its request to terminate portfolio determine the method of delivering assets from portfolio, otherwise it is deemed that the client requests the sale of all financial instruments in the portfolio and payment of cash assets.

## **Article 49 Management of Financial Instruments**

Domestic financial instruments which are the subject of management are kept on a special account of book-entry securities which ILIRIKA opens on behalf of the client with KDD (management account). Foreign financial instruments which are the subject of management are kept on a special client's account in the ILIRIKA sub-depository. Units in collective undertakings which are the subject of management are kept on a special client's account in the ILIRIKA sub-depository.

## **Article 50 Notification on the Portfolio Value Drop**

ILIRIKA shall inform the client that managed portfolio's total value, as assessed at the start of each reporting period, had dropped by 10% and then for every 10% no later than by the end of the working day in which the threshold was breached. If the threshold is breached on a non-labour day, ILIRIKA shall inform the client on the drop of the portfolio's value no later than by the end of the next business day.

## **V. INVESTMENT ADVICE AND OTHER INVESTMENT SERVICES**

### **Article 51 Investment Advice**

Services of investment advice represent an action of personal recommendations to the client regarding one or many transactions relating to financial instruments.

In accordance with Article 6(2) of the SFDR, ILIRIKA explains that, due to the current non-standardised practices in the field of investment advice, it does not include sustainability risks in the investment advice service, nor does it assess the likely impact of sustainability risks on the return of the financial products it advises on.

Before the provision of investment advice services, the client must sign a written agreement on investment advice with ILIRIKA and obtain information on the know-how and experiences significant for the types of services or products, on their financial position, including their ability to cover losses and their investment goals, including the acceptable risk level in order to recommend the most suitable financial instrument to the client that is compliant with their acceptable risk level and their ability to cover losses. In the agreement, ILIRIKA and the client shall determine in particular the scope and method of investment advice which ILIRIKA provides to the client, mutual rights and obligations of contracting parties, amount of ILIRIKA's commission or fee, and duration of the agreement.



The client shall decide on buying or selling financial instruments independently and on the basis of investment advice. Investments in financial instruments are risky, and the client must be aware of risks and accept them as stated in the document entitled "List of financial instruments with description of risks". Accordingly, in spite of the investment advice provided by ILIRIKA, the client may sell the financial instrument at a lower price than paid for at the time of the purchase.

## **Article 52** **Initial or Subsequent Sale of Financial Instruments**

Mutual rights and obligations of the client in performing the services of initial or subsequent sale of financial instruments with or without firm commitment basis are arranged in a written agreement between the client and ILIRIKA.

## **VI. ANCILLARY INVESTMENT SERVICES**

### **Article 53** **Keeping Book-entry Securities**

ILIRIKA shall sign an agreement with the client on the keeping of book-entry securities based on which ILIRIKA, against the payment of commission, opens the account of book-entry securities with KDD (hereinafter referred to as: Client's KDD account) for the client, where on the client's behalf and for the client's account keeps balances of domestic securities of the client and enters transfer orders for the respective securities from the client's KDD account to other accounts or orders for recording or cancelling the rights of third parties.

If ILIRIKA also performs management services or brokerage for the client, the agreement on keeping book-entry securities account is an integral part of the brokerage or management agreement.

### **Article 54** **Opening of the Client's Account**

Prior to entering a new client's account into the Central Register of Book-entry Securities with KDD, ILIRIKA shall verify the client's identity. The client may open the account without being present only in cases and in a manner stipulated by the regulations on the prevention of money laundering and financing terrorism.

ILIRIKA must open the client's KDD account no later than in three days after signing the agreement on keeping book-entry securities account. ILIRIKA is obliged to open the client's KDD account only if all client's data stated in the agreement on keeping book-entry securities are harmonised with the data kept at KDD, including personal identification number or KID code for a third party.

ILIRIKA may close the client's KDD account if the balance of financial instruments is zero, provided that the period for which the client paid the fee/costs for keeping of trading account has expired.

If the client who does not have a residence or office in the Republic of Slovenia does not wish to close the financial instruments account at the sale of the entire securities portfolio on the financial instruments account, then ILIRIKA shall have the right to withhold cash assets on the client's account in the amount of the full-year costs related to the client's financial instruments accounts from the date of the sale onwards, at the fulfilment of its cash obligation to the client from the sale order.

### **Article 55**



# ILIRIKA

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Slovenska cesta 54 A, 1000 Ljubljana, Slovenija  
Tel + 386/1/300 22 50, faks + 386/1/234 33 57 www.ilirika.si,  
info@ilirika.si

## Transfer Orders

ILIRIKA shall affect transfers of book-entry securities between accounts of the same holder, transfers of book-entry securities between accounts of different holders, and the entries of third party rights on the client's securities on the basis of an appropriate client order in writing whereof the content is specified in KDD's instructions. The client's order for transfer and/or entry or cancellation of the right of a third party is deemed complete after the client pays the fee according to the applicable ILIRIKA price list for the execution of the transfer, entry or cancellation service and presents evidence of a legal foundation for transaction. ILIRIKA may refuse the client's order for transfer or entry/cancellation of a third party's right if the client fails to supplement the order within the meaning of this paragraph at the latest 30 days after the order was submitted to ILIRIKA.

ILIRIKA is not obligated to observe the client's orders regarding the transfer of book-entry securities or entry of rights of third parties, if there are insufficient relevant securities in the client's KDD account.

Before entering a relevant client's order, ILIRIKA shall verify the client's identity. If such orders are issued by the client's proxy, ILIRIKA shall enter such client orders provided that the proxy submits a notarised client's Power of Attorney or that the client personally authorizes the proxy at the premises of ILIRIKA for the disposal of securities on the client's account.

## Article 56 Sequence of Entering Transfer Orders

ILIRIKA shall enter the orders for transfer from the client's KDD account and/or the orders for entry or cancellation of the third-party rights to client's domestic securities in the order of receipt of complete transfer orders and/or orders for entering or cancelling third party rights.

The client's order is received when ILIRIKA has received from the Client all data and evidence necessary for entering a complete order for transfer into KDD's central register and upon fulfilment of the terms and conditions outlined in the preceding Article of these General Terms and Conditions.

## Article 57 Reporting to the Client

ILIRIKA shall annually issue to the client a statement of the balance and of annual transactions on the KDD account, unless shorter reporting periods have been agreed with the client. At the client's request and against payment of the fee according to the ILIRIKA's applicable price list on the next business day after the receipt, the client is issued a KDD account transaction statement for the requested period and the new balance on the day of the issued statement.

## Article 58 Documents

Provisions of the respective section shall apply also for the regulation of mutual rights and obligations of ILIRIKA and the client in cases of keeping accounts of securities issued as written documents and kept in collective custody with KDD.

## Article 59 Sub-depository of Foreign Financial Instruments

For the purpose of performing brokerage and order execution services as well as portfolio management involving foreign financial instruments, ILIRIKA shall open for the client an account in the sub-depository where it shall keep balances of foreign financial instruments in the name of and for the account of the client, and shall enter transfer orders relating to the transfer of



such financial instruments from the client's account to some other account, or for entry and cancellation of third party rights. For the procedure of opening a client's account in the sub-depository, contents and the form of the client's order, and for the sequence of entering orders in the sub-depository, the provisions of Articles 52, 53 and 54 of these General Terms and Conditions shall apply *mutatis mutandis*.

ILIRIKA shall keep in the sub-depository clients' financial instruments that it keeps in its own name and for the clients' account through its own account in the central depository, or through another intermediate sub-depository. Within sub-depositories, ILIRIKA shall form a special sub-depository for each client where it separately keeps records of financial instruments of the respective client so that ILIRIKA may any time and immediately differentiate between financial instruments of the respective client and financial instruments kept for other clients.

For keeping an account of foreign financial instruments of the client in sub-depository, the applicable General Terms and Conditions are used and available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

## Article 60

### Sub-depository of Units in Collective Undertakings

For the purpose of performing brokerage and order execution services as well as portfolio management involving units in collective undertakings, ILIRIKA shall open for the client an account in the sub-depository where it shall keep balances of unit in collective undertakings in the name of and for the account of the client, and shall enter transfer orders relating to the respective financial instruments from the client's account to some other account, or for entry and cancellation of third party rights. For the procedure of opening a client's account in the sub-depository, contents and the form of the client's order, and for the sequence of entering orders in the sub-depository, the provisions of Articles 52, 53 and 54 of these General Terms and Conditions shall apply *mutatis mutandis*.

ILIRIKA shall keep in the sub-depository the units in collective undertakings that it keeps in its own name and for the clients' account through its own account in the central depository of the issuer of the respective financial instruments. Within sub-depositories, ILIRIKA shall form a special sub-depository for each client where it separately keeps records of financial instruments of the respective client so that ILIRIKA may any time and immediately differentiate between financial instruments of the respective client and financial instruments kept for other clients.

For keeping an account of units in collective undertakings in sub-depository, the applicable General Terms and Conditions are used and available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

## Article 61

### Keeping Foreign Financial Instruments in the Central Depository

If local legislation allows for opening and keeping of client accounts of foreign financial instruments in the central depository, ILIRIKA shall open such account at the client's request, provided that it is the sole member of such a central depository; if not, ILIRIKA shall provide that such an account is opened and kept by a member of the central depository.

ILIRIKA warns client that in cases when foreign financial instruments are kept on the client's behalf through a client's account in the central depository, this involves higher costs, but lower risks. Whenever foreign financial instruments are kept on behalf of ILIRIKA and for the client's account in the same central depository through ILIRIKA's account in the same depository, or through the sub-depository's account, this involves lower costs, but higher risks.



If the client decides to open and keep the account of foreign financial instruments in the central depository, ILIRIKA and the client sign a brokerage or management agreement on the conditions of the respective operations in performing services of brokerage or management.

## **Article 62 Excluded Assets of Clients**

ILIRIKA shall keep assets of clients on a special cash account for clients with a credit institution, whereby the respective assets are in nature excluded assets of ILIRIKA and in the case of ILIRIKA's bankruptcy are not included in its bankruptcy estate. Through the account, ILIRIKA accepts incoming payments and carries out outgoing payments arising from operations concluded for the clients' account.

The financial instruments kept by ILIRIKA on the clients' accounts with KDD and for the clients' account in the sub-depository do not constitute ILIRIKA's property, and in the case of ILIRIKA's bankruptcy are not included in its bankruptcy estate.

ILIRIKA, with due care, selects central depositories and sub-depositories where it opens an account for foreign financial instruments in its own name and for the client's account and which are kept in the sub-depository for client's account.

## **Article 63 Warnings regarding the Keeping of Client's Financial Instruments and Assets**

ILIRIKA shall not be responsible to the client for actions, failures and consequences of actions and failures that partially or entirely arise from events or situations beyond ILIRIKA's control, including non-operation of telecommunications, irregularities in the operation of systems in financial instruments markets, actions of third parties, such as KDD, credit institutions, central depositories, sub-depositories, correspondents, etc.

In connection with the keeping of client financial instruments through the central depository or some other intermediate depository, ILIRIKA shall not be responsible for the actions or failures of the central depository or some other intermediate depository with whom ILIRIKA keeps clients' financial instruments in its own name and for the account of its clients. Actions and/or failures, or the insolvency of foregoing entities can cause a shortage of financial instruments in ILIRIKA's sub-depositories. ILIRIKA shall not be responsible for respective shortages but shall however undertake to assert appropriate compensation and other claims for the client's account and at the expense of the client in relation to the person responsible or shall transfer these claims to the client at the client's request.

Actions and/or failures, or insolvency of a credit institution can cause a shortage of financial assets on client cash accounts. If the balance of financial assets on ILIRIKA's cash account in the central cash account or any other intermediate cash account of a credit institution through which ILIRIKA keeps the financial assets of its clients is lower than the total balance of the financial assets subscribed on the clients' cash account kept by ILIRIKA, ILIRIKA is liable for this shortage towards its clients, regardless of whether, in the relationship between ILIRIKA and any other central or intermediate credit institution, ILIRIKA or any other intermediate credit institution or central credit institution is liable for this shortage.

When based on national legislation, client's financial instruments and/or funds kept by a third party cannot be identified separately from other financial instruments kept by a third party, the client can be exposed to a risk due to the change of client's rights related to the respective financial instruments and assets.

When a third party through which client's financial instruments and assets are kept has the right to collect or a lien in relation to the respective financial instruments or assets, the client can be exposed to the risk due to the change of client's rights related to the respective financial instruments and assets.



ILIRIKA warns the client that in cases when client's financial instruments and assets are kept in the central depository for client accounts through its own account in the central depository or through some other intermediate depository, it may be subject to a jurisdiction other than the jurisdiction of the Member State; for this reason, the respective clients' rights concerning these financial instruments or assets may change accordingly.

## **Article 64 Other Ancillary Investment Services**

Client's mutual rights and obligations in performing other ancillary investment services conducted by ILIRIKA shall be regulated by a written agreement between the client and ILIRIKA.

## **VII. COMMON PROVISIONS**

### **Article 65 Voting Rights**

ILIRIKA does not exercise any voting rights stemming from financial instruments kept on the client's account, client's account for management or in sub-depository.

### **Article 66 Legal Pledge**

The client shall assume from ILIRIKA all liabilities stemming from services pursuant to these General Terms and Conditions and agreements that ILIRIKA has performed for the client's account.

If the client fails to duly and timely settle all their obligations under the General Terms and Conditions, under each Agreement or each transaction, concluded for their account, the client irrevocably allows and authorizes ILIRIKA to offset any of its claims towards the client with any client claims on ILIRIKA in order to settle the client's maturities by debiting the client's money on the clients' account and/or in the client's sub-depository with ILIRIKA and/or on the client's account with the correspondent of ILIRIKA (hereinafter referred to as: sub-depository) and to the debit of any currency in the client's sub-depository. ILIRIKA shall be entitled to charge handling charges for each of the client's offset liabilities towards ILIRIKA.

In cases of client's delayed payment of any mature and outstanding liability under these General Terms and Conditions and in connection therewith, the client shall also pay statutory default interest to ILIRIKA. Outstanding liabilities in foreign currency are converted to local currency using ECB reference rate as of the day of non-fulfilment of client's liabilities to ILIRIKA.

If assets on the client's sub-depository with ILIRIKA do not suffice to offset all outstanding liabilities of the client, the client for the benefit of ILIRIKA explicitly pledges financial instruments subject to the transaction or which are kept in sub-depository of client's financial instruments with ILIRIKA and/or on the account of client's book-entry securities with ILIRIKA. The client, at the same time, shall authorise ILIRIKA and permit ILIRIKA to enter for its own benefit the lien on the respective financial instruments and sell pledged financial instruments any time to settle the client's liabilities. This lien on financial instruments referred to in the preceding paragraph is considered subject to an agreement on the out-of-court sale under the Real Rights Act. ILIRIKA shall use the received monies for the settling of client's liabilities, increased for accrued interest and all costs, if any. The client agrees that, in cases invoked in this paragraph, ILIRIKA is entitled to the disbursement of all dividends, interest and/or other still non-mature gains from the financial instruments. In the event of an out-of-court sale or enforcement of the



lien on the client's assets, ILIRIKA shall not bear any responsibility towards the client for any direct or indirect damage, costs or other liabilities that the client might incur due to actions on the part of ILIRIKA.

## Article 67

### Client's Consent – Order Execution

By signing the agreement, the client explicitly agrees with the applicable Order Execution Policy and execution of orders outside the regulated, multilateral trading facility (MTF), or organised trading facility (OTF).

## Article 68

### Tied Agent

An ILIRIKA tied agent POŠTA SLOVENIJE d.o.o. under the full and unconditional liability of ILIRIKA, provides investment and/or ancillary services to clients and/or potential clients, receives and transmits instructions or orders from the client in respect of investment services or financial instruments, sells financial instruments or provides advice to clients or potential clients in respect to financial instruments and/or investment services. An applicable list of ILIRIKA's tied agents is published on ILIRIKA's web site [www.ilirika.si](http://www.ilirika.si).

## Article 69

### Recording Telephone Conversations

Telephone conversations on all telephone lines of ILIRIKA's organisational units providing services related to financial instruments are digitally recorded and duly archived for the purposes of ILIRIKA's operations. ILIRIKA records telephone conversations on the telephone numbers published on ILIRIKA's website in order to protect the interests of ILIRIKA and the client.

By signing the agreement, the client expressly authorises the recording of the identified telephone conversations. ILIRIKA undertakes to keep the telephone conversations so recorded in accordance with the statutory time limits and to treat them as confidential in accordance with the relevant regulations and its business policy.

ILIRIKA and the client expressly agree that the the voice records from the previous paragraph are considered as an authentic evidence of alleged facts.

## Article 70

### Termination of the Agreement

With an agreement, ILIRIKA and the client shall determine the term of each agreement concluded regarding investment and ancillary investment services.

Upon settlement of client liabilities under these General Terms and Conditions and under individual agreements, ILIRIKA shall transfer the financial instruments kept on the agreement termination date for the Client's account, in the manner and under terms and conditions specified in the respective regulations, to the book-entry securities account and/or to the client's sub-depository, such as determined by the client and notified to ILIRIKA within 15 (fifteen) days of the termination date. If for any reason whatsoever financial instruments could not be delivered to the client, ILIRIKA shall be entitled to sell the financial instruments and to remit the purchase money to the client's cash account indicated in the agreement, unless a different method of settling liabilities is specified in the agreement.



ILIRIKA has the right to terminate the contract with immediate effect in the following cases:

- if the client fails to comply with the obligations set out in the agreement and these General Terms and Conditions or otherwise breaches the provisions of the agreement or these General Terms and Conditions,
- if the information provided by the client in connection with this agreement proves to be false or misleading,
- if the client is subject to compulsory settlement, bankruptcy or liquidation proceedings, or if there are any other circumstances which, in ILIRIKA's judgment, threaten or may endanger the client's continued performance of its obligations under the agreement or these General Terms and Conditions,
- if the client is in breach of any other agreement concluded with ILIRIKA,
- if the client appears on any international sanctions lists,
- if the client is a FATCA relevant party and fails to provide ILIRIKA with the completed requested form within a specified period of time following receipt of a request from ILIRIKA,
- if required to do so by law or by a supervisory authority.

The notice of termination must be given by ILIRIKA to the client in a clear and comprehensible manner, on paper by post to the last known address of the user.

If a client has concluded an agreement with ILIRIKA regarding brokerage services for an unlimited period does not execute any transactions in a calendar year and has no balance on their account, it shall be deemed that the client has terminated the agreement regarding brokerage services. The termination of the agreement shall be effective as of January 1 of the calendar year following the calendar year in which the client executed no transactions.

If the client, to whom ILIRIKA pursuant to these General Terms and Conditions closes its account and ILIRIKA requests in its notification on the closure of account to clarify whether the client still wants to be contractually bound with ILIRIKA, does not submit its decision to ILIRIKA, it is deemed that the agreement is terminated on the next day from the day of the account closure or on the day stated by ILIRIKA in the respective notification, but in no sooner than 8 days from the day of sending the respective notification to the client.

In all cases of termination of the agreement, the client shall be liable for the full payment of all obligations under the agreement incurred up to the date of termination, including costs for the current month.

## **Article 71 Exclusion Clause**

On the basis of the applicable regulations, ILIRIKA's internal acts and procedures and specific measures prescribed by the competent international organisations, ILIRIKA reserves the right to refuse to enter into a business relationship or to unilaterally terminate an existing business relationship and/or to refuse to execute a transaction and/or to prevent the funds from being disposed of in case the party, whether a natural or legal person, or within the ownership structure of the client and/or the transaction participant, is included in the US Office of Foreign Assets Control (OFAC) International Sanctions List, the European Union (EU) Sanctions List, the United Nations (UN) Sanctions List or ILIRIKA's internal blacklist.

## **Article 72 FATCA provisions**

The client agrees that ILIRIKA shall process and periodically review the client's data in order to determine, for the purposes of complying with its obligations under the Foreign Account Tax Compliance Act (FATCA), whether circumstances (U.S. Indicia)





may have arisen that could cause either (i) the client, as an individual, to be considered a taxable person in the United States of America - U.S. (U.S. Person) - or (ii) the entity to have a U.S. reportable account (U.S. Reportable Account).

Notwithstanding to the above, the client is obliged to inform ILIRIKA immediately in the written form of any change of circumstances of its status (U.S. Indicia), such as (i) for individuals: acquisition of US citizenship, place of residence in US, US phone number etc. and for (ii) legal entities: transfer of the registered seat to U.S. or U.S. Persons become actual owners, change of the code of activity pursuant to SKD etc. The client is obliged to inform and submit to ILIRIKA the appropriate documentation proving potentially changed circumstances

In case the client does not inform and provide to ILIRIKA appropriate documentation immediately after receiving a written notice from ILIRIKA to submit appropriate documentation proving the status of the client, ILIRIKA shall inform the tax authority of Republic of Slovenia that the client (i) as individual is a potential U.S. taxable person (U.S. Person) or (ii) the legal entity owns an account that needs to be reported to U.S. (U.S. reportable account).

In case the existence of U.S. Indicia is proved or if clients do not provide appropriate documentation in line with stipulations from the previous paragraph in the given time period, the ILIRIKA has the right to terminate the contract unilaterally after sending written notice to the client and close the account pursuant to these General Terms and Conditions.

The client is obliged to compensate ILIRIKA for all possible costs and damage, that may be caused by the client's breach of this clause.

### **Article 73 Limited Liability**

ILIRIKA shall not be liable for:

- Any damage caused by force majeure or other circumstances, which are out of the ILIRIKA's control, including, among other things, functional disturbances in telecommunication means, war, natural disasters, strikes, traffic jams, terrorist actions caused by the factors out of the ILIRIKA's control. ILIRIKA implements and maintains business continuity policy in accordance with applicable regulations.
- Any damage incurred to the client or a third party by actions of the KDD, central depositaries, subdepositaries, managers of regulated markets or execution partners, banks and other applicable institutions through which ILIRIKA provides investment services to the client, or as a result of the omission of the required practices and abuses in relation to financial instruments, or as a result of the insolvency of the entities with whom the client's financial instruments and/or client's funds are held;
- Potential direct or indirect damage, obligations and/or loss incurred to the client or third parties due to the ILIRIKA's compliance with obligations under these General Terms and the agreement, except in the case of intentionally committed offence or negligence, which are assessed in accordance with the due care standard of a good expert.
- Any damage and costs resulting from actions or omissions of the ILIRIKA, if client's or the ILIRIKA's access to the Internet does not function and/or if the client does not check his/her incoming mail and/or if a failure occurs or the ILIRIKA's hardware or software do not function;
- Any damage resulting from its actions, committed on the basis of what it has legitimately believed to be instructions, or related to notices, requirements, denunciations, consents, supporting documents on actions of legal entities, or other documents, for which the ILIRIKA bona fide believed to be originals and to have been issued or signed by an appropriate person,

The client undertakes to indemnify ILIRIKA for any damage and expenses incurred by them in the performance of investment services for the client in accordance with the concluded agreement and these General Terms and Conditions, unless such



damage and expenses are caused by the wilful misconduct or negligence of ILIRIKA, in which case their conduct shall be judged according to the standard of care of a good expert.

The client assumes full responsibility for decisions regarding purchases or sales of financial instruments made in accordance with the contractually agreed investment policy or other services in relation to financial instruments and any loss, liabilities or expenses arising from such decisions.

ILIRIKA bases its management of financial instruments and the information it provides to the client regarding individual financial instruments on publicly available data - data published in trading and information systems, financial statements and shareholders' meeting materials, annual reports and other public announcements of companies and financial institutions. ILIRIKA obtains the aforementioned data and information from sources that it reasonably believes to be reliable, but does not assume any risk or liability for any inaccuracy, unauthenticity or incorrectness of publicly available data and information.

ILIRIKA does not guarantee the performance of financial instruments to the client.

Clients for whom ILIRIKA provides investment services may have different rights and obligations in relation to financial instruments or funds than those set out in these General Terms and Conditions and/or in the agreements. ILIRIKA is obliged to comply with the laws of the country in which the financial instruments were issued, the laws of the country in which they are traded and/or the laws of the country of residence of the client. ILIRIKA shall not be liable for any risks of the client arising from the possible enforcement of third party liens to which such third parties may be entitled under their respective national laws.

## **Article 74 Customer's guarantees**

By signing the agreement, the client shall declare and guarantee:

- That he/she is eligible and capable of concluding such an agreement;
- That he/she has acquired all potential consents and authorisations to conclude an individual agreement and conduct transactions concerning this agreement, as well as that he/she conducts transactions within the limits of potential restrictions, which apply for him/her;
- That the conclusion of this agreement does not run counter to his/her constituent acts and contractual acts, which he/she has concluded with third parties,
- That he/she has informed the ILIRIKA of all facts and data, which are known to him/her or should have been known to him/her and which could have affected the ILIRIKA's decision about concluding the agreement.

The client shall be liable to the ILIRIKA for any damage, if it is proved that the client has breached commitments from the previous paragraph of this Article of the General Terms and Conditions. The client shall, at the time of each order, conclusion of an addendum to the agreement or other act to which it is obliged or entitled under the agreement with ILIRIKA, re-guarantee and confirm the facts and warranties referred to in the preceding paragraph.

If it turns out that the client has provided incomplete and/or false information to ILIRIKA or has failed to notify ILIRIKA of a change in the information, ILIRIKA shall be entitled to withdraw from the agreement in accordance with the applicable regulations.

## **VIII. SETTLEMENT OF DISPUTES**

### **Article 75**



## Appeal Procedure and Settlement of Disputes

In the case of dispute between ILIRIKA and the client which arises from investment services, the client may file a complaint with ILIRIKA pursuant to the Rules on Complaint Procedures and Out-of-Court Dispute Resolution.

The Rules on Complaint Procedures and Out-of-Court Dispute Resolution are available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

If it is not possible to resolve a dispute amicably, and dispute is settled in court, a competent court in Ljubljana shall have jurisdiction over the dispute resolution under these General Terms and Conditions.

## IX. TRANSITIONAL AND FINAL PROVISIONS

### Article 76 Inducements

ILIRIKA does not accept inducements, incentives or any other monetary or non-monetary benefit in connection with the provision of investment services.

The provision of the first paragraph shall not apply to any minor non-monetary benefits which may contribute to enhancing the quality of the service provided and which, taking into account the size and nature of the incentive, cannot be considered to be a benefit that would lead to a breach of ILIRIKA's obligation to act in the best interests of the client, provided that the client is clearly and understandably informed thereof

### Article 77 Invalidity and Conflict of Provisions

Invalidity or unenforceability of an individual provision of these General Terms and Conditions shall not affect the validity or enforceability of other provisions. In this case, ILIRIKA replaces invalid or unenforceable provision with a new one having the most similar content and purpose.

In case of discrepancy between these General Terms and Conditions and special conditions in agreements, the special conditions from respective agreement apply.

### Article 78 Transfer of Agreement

The Client may not assign the agreements or its rights under or in connection with the agreements, in whole or in part, to a third party without the prior consent of ILIRIKA (prohibition of assignment).

### Article 79 Annexes to the General Terms and Conditions

The documents stated below are an integral part of these General Terms and Conditions:

- List of Financial Instruments with Risk Description



ILIRIKA

ILIRIKA borzno posredniška hiša d.d., Ljubljana

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Tel + 386/1/300 22 50, faks + 386/1/234 33 57 [www.ilirika.si](http://www.ilirika.si),  
[info@ilirika.si](mailto:info@ilirika.si)

- List of correspondents and places of execution;
- ILIRIKA's Order Execution Policy
- ILIRIKA's Price List

The applicable documents are available to clients at visible and accessible location where ILIRIKA or its tied agent POŠTA SLOVENIJE d.o.o. communicate with their clients and on the web site [www.ilirika.si](http://www.ilirika.si).

### **Article 80 Enforcement of the General Terms and Conditions**

These General Terms and Conditions are an integral part of agreements and apply from August 8, 2024 onwards. These General Terms and Conditions replace the previous applicable general terms and conditions of ILIRIKA.

Ljubljana, 8 August 2024

ILIRIKA borzno posredniška hiša d.d., Ljubljana

Management Board