

## Client Classification Policy

### 1. Definitions of terms and purpose of the Policy

The **purpose of this Policy** of classification of the existing and potential clients of Nova Ljubljanska banka d.d., Ljubljana (hereinafter: the Bank) is to define individual categories of clients, as well as procedures for transition between individual categories and consequences of these transitions for the level of protection and rights provided by the Bank to the client, all this in line with Section 7.2.1. of the Market in Financial Instruments Act (Official Gazette of the RS, no. 77/2018 with further amendments, hereinafter: ZTFI-1).

The purpose of this policy is also to determine basic rules for establishing clients' knowledge and experience relevant to the type of investment services or products offered by the Bank, which constitute the basis for implementing the Bank's explanatory obligation in accordance with Article 254 of the ZTFI-1.

For the purpose of this Policy, a **client** shall be any natural person or legal entity or total assets without legal personality for whom or which the Bank provides investment services and activities or auxiliary investment services. According to this policy, the counterparty with which the Bank concludes a transaction on an OTC-derivative financial instrument, which in accordance with Article 14 of ZTFI-1 is not considered an execution of the client's order, is also considered as a client.

**Professional Client** shall be any client with adequate expert knowledge and experience to adopt their own investment decisions and assess any related risks, who is considered a Professional Client in accordance with Articles 246 to 248 of the ZTFI-1.

**Non-Professional Client** shall be any other client except for Professional Client and Eligible Counterparty.

**Eligible Counterparty** shall be a person that is not a natural person and has adequate expert knowledge and experience, for whom the Bank accepts and transmits or executes orders or performs operations for own account, whereby the Bank is not obliged to take into account legal provisions of sound and prudent operations in line with Article 276 of the ZTFI-1, including the execution of orders under the most favourable conditions for the client.

Other terms used in this Policy shall have the same meaning as defined in the ZTFI-1.

### 2. Classification of Clients of NLB d.d.

#### 2.1 Non-Professional Clients

2.1.1 Under the contract with a Non-Professional Client, the Bank observes all the rules of safe and diligent operations in the provision of investment services and transactions to clients (as defined in Articles 245 to 313 of the ZTFI-1), unless a different agreement is expressly permissible in relation to an individual provision of contracting parties or another agreement is apparently in the best interest of the Bank's client.

2.1.2 In the provision of investment services the Bank shall treat all its clients as Non-Professional Clients, except clients who are pursuant to the law deemed Professional Clients or Eligible Counterparties and who within the time limit set out in Section 2.2.3 of this Policy did not request a different treatment and Non-Professional Clients that submitted a request to be treated as Professional Clients and that meet the conditions from Section 2.3 of this Policy and the Bank started to treat them as Professional Clients in accordance with the procedure from Section 2.4 of this Policy. All Eligible Counterparties that requested a non-professional treatment for the purpose of investment services and activities are also regarded as Non-Professional clients.

#### 2.2 Professional Clients in Accordance with the ZTFI-1

2.2.1 The following shall not apply to the services provided by the Bank to Professional Clients:

- the sixth and seventh paragraph of Article 251 of the ZTFI-1 (Information on costs and fees) – except for investment advisory services and management of financial instruments,
- the eighth paragraph of Article 254 of the ZTFI-1 (Rules on assessing the adequacy of the exchange or financial instruments within the investment advisory service or management of financial instruments) and Article 258 of the ZTFI-1 (Obligation to report to the client on services provided) – unless the client informs the Bank, in the electronic or paper form, that they want to exercise their rights under those Articles.

2.2.2 Under the contract with a Professional Client, it is possible to exclude or limit the use of additional rules of safe and diligent operations in the provision of investment services and transactions for clients (as defined in Articles 245 to 313 of ZTFI-1).

2.2.3 Persons defined as Professional Clients in Article 246 of the ZTFI-1 are treated by the Bank as Professional Clients. They include:

- Persons that must obtain appropriate authorisation from the competent supervisory authority of a member state or a third country or in any other way obtain the right to operate on financial markets, namely:
  - credit institutions,
  - investment firms,
  - other regulated financial institutions,
  - insurance companies, reinsurance companies and pensions companies,
  - collective investment undertakings and companies for managing such undertakings,
  - pension funds and companies managing them,
  - persons trading in commodities and commodity derivatives,
  - local companies in the meaning defined in item 4 of Paragraph 1 of Article 4 of the Regulation 575/2013/EU,
  - other institutional investors.
- Large companies that meet at least two of the following criteria at the level of the company:
  - the balance value of their total assets reaches EUR 20,000,000,
  - their net annual sales revenue reaches EUR 40,000,000,
  - the value of their own capital reaches EUR 2,000,000.

- c) The Republic of Slovenia, and other states or national and regional authorities, public entities that exercise public debt, Bank of Slovenia and other central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations.
- d) Other institutional investors whose regular activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

2.2.4 In order to obtain data referred to under item b of Paragraph 2.2.1 the Bank shall submit to the client a statement of authenticity of data to sign, according to which it is entitled to require from the client at any time to prove the truthfulness of data by authentic documents. The Professional Client must immediately inform the Bank about any changes to data.

2.2.5 The Bank notifies about the treatment the existing and potential clients, who are treated as Professional Clients by the ZTFI-1. The existing clients are given a time limit of 14 days to state their opinion on classification and possibly request to be classified into the category of Non-Professional Clients, while the potential client is given the chance to state a different classification before the start of the provision of investment services and activities (e.g. before signing the agreement on the provision of investment services). The Bank shall point out to the client the possibility of a different classification.

It is considered that the existing client of the Bank accepts the classification into the category of Professional Clients if they do not send a request for different classification within 14 days. For potential clients it is considered that they accept the classification into the category of Professional Clients if they do not request different classification before the start of the provision of investment services and activities for them.

2.2.6 A Professional Client can request at any time to be classified into the category of Non-Professional Clients and conditions of the agreement on provision of investment services are amended accordingly so that the client is ensured a higher level of protection in accordance with the General Terms and Conditions used for each agreement on the provision of investment services to Non-Professional Clients. If a Professional Client submits a request for a higher level of protection, the Bank classifies it into the category of Non-Professional Clients. For this purpose, the client sends to the Bank the signed request for classification into the category of Non-Professional Clients. The request becomes a constituent part of the agreement between the Bank and the client.

2.2.7 Clients who are considered Professional Clients under the ZTFI-1 and request to be classified into the category of Non-Professional Clients do not rank in the Bank's investor claims system in accordance with the ZTFI-1.

### **2.3 Professional Clients on Request**

2.3.1 The classification into the category of Professional Clients may also be requested by a person, who according to the law belongs to the category of Non-Professional Clients.

2.3.2 The person that submits a request in writing to be classified into the category of Professional Clients must demonstrate knowledge and experience and declare in writing that he/she understands the loss of protection and rights resulting from the request for treatment as a Professional Client. Such client is not supposed to have the same knowledge and experience as the persons referred to under item 2.2.1 (Professional Clients under the ZTFI-1) of this Policy.

### **2.4 Procedure with the request to be treated as a Professional Client**

#### **2.4.1 Procedure:**

- a) The client submits a request, in which the client explicitly states its request to be classified into the category of Professional Clients.
- b) The Bank warns the client in writing that the request for classification into the category of Professional Clients has a legal effect of waiver of protection and other rights, which the Bank provides to Non-Professional Clients in accordance with the ZTFI-1 (restricts these rights to Professional Clients to the extent and in the manner set out in the General Terms and Conditions used for individual agreements on the provision of investment services and waiver for guaranteed investor claims. In the case of a counterparty with which the Bank enters into a transaction on an OTC-derivative financial instrument which, in accordance with Article 14 of the ZTFI-1, is not considered the execution of a client's order, the request for classification as a Professional Client has the effect of waiving the rights in accordance with Regulation (EU) No 1286/2014).
- c) The client submits a written statement that he understands a waiver of protection and rights from the previous paragraph (statement on waiver of protection).
- d) The Bank carries out appropriate assessment of expert knowledge and experience of the client, verifies whether the client is capable of making its own investment decisions, whether it understands the risks associated with such decisions and whether it meets the conditions from Section 2.3 of this Policy.
- e) If the Bank accepts the client's request and classifies it as a Professional Client, it shall inform the client in writing.

#### **2.4.2 Conditions (at least two of the following three conditions must be met):**

- a) the client has already executed several transactions of a significant value (the value of the transaction exceeds the normal value of transactions in this market) in the relevant markets, with an average frequency of at least ten transactions per quarter in the last year,
- b) the value of the client portfolio of investments in financial instruments, including cash deposits, exceeds EUR 500,000,
- c) the client has been working or worked in the financial sector for at least one year in a position that requires knowledge of the transactions and services he intends to execute with the bank.

In order to verify the actual knowledge of the transactions and products in relation to which the client requests this reclassification, the Bank may, at its sole discretion, take additional measures to provide reasonable assurance that the client is able to make its own investment decisions and understand the risks associated with such decisions, for example by submitting additional questionnaires to the client to verify the specific knowledge of the products or services as required in respect of which the client requests to be reclassified.

2.4.3 The client must promptly notify the Bank of all changes which have influenced or could influence its current classification at the following address: NLB d.d., Trg republike 2, 1520 Ljubljana. If the Bank on the basis of the client's notification or other information establishes that the client, who has been classified in the category of Professional Clients based on his request, no longer meets the conditions for such a classification, the Bank shall perform necessary procedures in accordance with Section 2.2.4 of this Policy and classify the client into the category of Non-Professional Clients and notify such clients in writing.

### **2.5 Eligible Counterparty under the ZTFI-1**

2.5.1 Eligible Counterparties shall be clients for which the provisions of the ZTFI-1 are not taken into account when executing an order or in the sale or purchase of financial instruments:

- Article 237 (Keeping records and documents)

- Article 250 (Professional care of a brokerage company)
- Paragraphs 22–24 of Article 251 (Obligation of a brokerage company, information for clients and market communications)
- Articles 254 to 257 (Obligation to provide explanation, Exemptions from obligation to provide explanation, Equivalent market in a third country, Agreement on provision of investment services and transactions)
- Article 258 (Obligation to report to the client on services provided)
- Article 259 (Exemptions from obligation to provide explanations and reports)
- Articles 267 to 270 (Executing orders under most favourable conditions for client, Policy of execution of clients' orders, Location of execution of clients' orders, Monitoring and assessing efficiency of order execution policy)
- Article 272 (Procedures and measures for execution of client orders)

In compliance with Article 276 of the ZTFI-1 the Eligible Counterparties include the following entities in a member state:

- investment firm,
- credit institution,
- insurance company or reinsurance company,
- collective investment undertakings – UCITS and companies for managing such undertakings,
- pension funds and companies managing them,
- other regulated financial institutions in member states,
- entities from Paragraph 2 of Article 62 of the ZTFI-1, which are: state bodies or bodies governed by public law in relation to public debt management or members of the ESCB that perform their tasks in accordance with the Treaty establishing the European Community (Official Gazette of the Republic of Slovenia – International Treaties, No. 7/04), and the Statute of the ESCB and the European Central Bank (Official Gazette of the Republic of Slovenia – International Treaties, No. 7/04) or which provide equivalent tasks in accordance with the regulations of other Member States.

2.5.2 Classification into the category of Eligible Counterparties according to Sections 2.5.1 and 2.6.1 of this Policy does not exclude the right of the abovementioned persons to request from the Bank to be classified into the category of clients for which provisions of the ZTFI-1 referred to under item 2.5.1 of this Policy apply. If the said person exercised this right without explicitly requesting classification into the category of Non-Professional Clients, the Bank shall classify the said person into the category of Professional Clients, whereby the Bank must not exclude the provisions set out in Section 2.5.1 of this Policy with the contract. The agreement mentioned in the preceding sentence must be concluded in a written form and must define the content of rights and obligations of the Bank and the client, who is in line with the request under this point treated as a Professional Client.

## **2.6 Other Companies as Eligible Counterparties under the ZTFI-1**

2.6.1 In addition to the companies referred to under 2.5.1, the Bank can classify into the category of Eligible Counterparties also some other company in a member state which meets the predefined proportionate requirements, including quantity thresholds.

2.6.2 If the Bank intends to conclude a transaction with a counterparty for which the laws of another Member State apply, the assessment and its treatment as Eligible Counterparty shall be based on the laws of the Member State in which it has its registered office.

2.6.3 The Bank shall obtain an express consent from the client for its classification into the category of Eligible Counterparties in accordance with item 2.6.1 or 2.6.2 if the client is a resident of another member state.

2.6.4 The Bank may classify into the category of Eligible Counterparties also the following:

- a third country person equivalent to the persons from item 2.5.1 of this Policy and
- a third country company which meets the requirements from item 2.6.1 of this Policy.

## **2.7 Classification of clients by individual products and/or investment services and activities**

The client can request the classification into another category for all or individual investment services and activities or for all or individual types of products or activities. Should the client request classification into another category for an individual product this, it must do so before the execution of each individual activity or transaction with such a product.

## **3. Determining knowledge and experience at individual categories of clients**

### **3.1 Professional Clients**

3.1.1 It is supposed that clients from Section 2.2., who are considered Professional Clients by the ZTFI-1, have adequate knowledge and experience, that all investment products, services and activities of the Bank are suitable for them, as well as that, according to item 3.2.1, the Bank does not have to verify additionally the client's knowledge and experience.

3.1.2 For the clients from Section 2.3, who are classified into the category of Professional Clients on the basis of the client's request, the Bank shall carry out a procedure in accordance with Section 2.4 of this Policy in order to pass an appropriate assessment of the client's knowledge and experience, which, taking into account the characteristics of the Bank's business and services for which the client requires reclassification, provides reasonable assurance that the client is able to make investment decisions on its own and understand the risks associated with those decisions. In connection with transactions and services for which the Bank has reclassified a client in the category of Professional Clients in this procedure, the Bank does not need to further test client knowledge and experience.

### **3.2 Non-Professional Clients**

3.2.1 For the purpose of protecting the interests of Non-Professional Clients, the Bank shall request from the client and the potential client, before starting to provide any investment service or transaction and before offering any product, the information on the client's knowledge and experience relevant to each type of services, transactions or products must be provided by the client by filling out the Knowledge and Experience Questionnaire (suitability), and the Bank warns the client about suitability on the basis of the information received from the questionnaire. This obligation may be abandoned by the Bank in the cases and under the conditions specified under Section 3.2.5.

3.2.2 A Non-Professional Client, a natural person, completes the Knowledge and Experience Questionnaire (suitability) on their own behalf. In the case of a minor or a person under guardianship, the Knowledge and Experience Questionnaire (suitability) is completed by the client's legal representative or guardian. If a Non-Professional Client, a natural person, also has an authorized representative for a particular investment service, the Bank does not check the knowledge and experience of this representative; the Bank's suitability warnings are exclusively related to the knowledge and experience of the Client or their legal representative.

For a Non-Professional Client, a legal entity, the Knowledge and Experience Questionnaire (suitability) is completed by its legal representative or an authorized person appointed by the legal representative or representatives authorized to conclude the transaction regarding the specific investment service. When the Bank receives the Knowledge and Experience Questionnaire (suitability) signed by the legal representative or authorized person for this legal entity, it is considered that this person was appointed by the legal representative or representatives authorized to conclude the transaction regarding the specific investment service, in accordance with the rules of operation of the legal entity, and the Bank is not obliged to verify this separately. If a Non-Professional Client, a legal entity, has other legal representatives and/or authorized persons for a particular investment service, the Bank does not check their knowledge and experience; the Bank's suitability warnings are exclusively related to the knowledge and experience of the legal representative or authorized person who (last) signed the Knowledge and Experience Questionnaire (suitability) for this legal entity.

3.2.3 If the Bank, in accordance with Section 3.2.1 of this Policy, finds that a specific investment service or activity or product is not suitable for a Non-Professional Client, the Bank must warn the client about this fact. Regardless of the above, the Bank shall provide an investment service or transaction or product to the client, if it first warns the client that the service is not suitable for him and the client still confirms that he wants to conclude the transaction related to this service/product.

3.2.4 If a Non-Professional Client does not want to submit to the Bank information in accordance with Section 3.2.1 of this Policy or it submits only incomplete information about his knowledge and experience, the Bank must warn the client that due to such a decision it is unable to assess whether a certain investment service or product is suitable for this client.

3.2.5 Provisions of Section 3.2 of this Policy do not apply to the execution or acceptance and transmitting of orders for clients and any auxiliary services related to these services if the following conditions are met:

- a) these services are related to one of the following financial instruments:
  - shares admitted to trading on a regulated market or an equivalent market in a third country,
  - money-market instruments,
  - bonds and other forms of debt instruments excluding those that embed a derivative,
  - units of undertakings for the collective investment in transferable securities – UCITS or
  - other simple financial instruments in line with the secondary legislation governing performance of investment and other services,
- b) the Bank provides these services at the initiative of a client or a potential client,
- c) the Bank informed a client or a potential client that it is not obliged to assess the appropriateness of financial instruments or services in the provision of these services, and
- d) the Bank implements measures for identifying and managing the conflict of interest in accordance with Article 233 of the ZTFI-1.

### **3.3 Eligible Counterparty**

3.3.1 In accordance with Article 276 of the ZTFI-1, the Bank does not have any explanatory duties with regard to Eligible Counterparties, consequently it is not required to check their knowledge and experience.

3.3.2 In providing investment and ancillary services to an Eligible Counterparty, the Bank shall act diligently, honestly and with due professional diligence and provide it with information that is fair, clear and not misleading in any way, taking into account the characteristics of the Eligible Counterparty and its transactions.

### **4. Client Notifications for the Bank**

4.1 The client shall submit all notifications, letters and statements from this Policy and related hereto, unless specified otherwise for individual cases, at the following address: **NLB d.d., Trgovanje s finančnimi instrumenti, Trg republike 2, 1520 Ljubljana**

## Notification on Client Classification According to the Market in Financial Instruments Act

(for legal entities only)

**Client's name:** \_\_\_\_\_

**Company reg. no.:** \_\_\_\_\_

**Registered office:** \_\_\_\_\_

Name and surname of the legal representative or authorised person: \_\_\_\_\_  
\_\_\_\_\_

Name and surname of the principal (legal representative): \_\_\_\_\_  
\_\_\_\_\_

Date of authorisation: \_\_\_\_\_

### Circle the category of legal entities into which you belong.

A	Persons which must obtain appropriate authorisation from the competent supervisory authority of a member state or a third country or in any other way obtain the right to operate on financial markets, namely: 1) credit institutions, 2) investment firms, 3) other regulated financial companies, 4) insurance companies, reinsurance companies 5) collective investment undertakings – UCITS and companies for managing such undertakings, 6) pension funds and companies managing these funds, 7) state authorities or persons governed by public law relating to public debt management or members of the ESCB performing their duties in accordance with the Treaty establishing the European Community and the statute of the ESCB and the European Central Bank or performing equivalent tasks under other Member States.
In the case that you circled point A, the Bank will treat you as a <b>Eligible Counterparty</b> for acceptance and transmission of orders, execution of orders and operations for own account, whereas for all other investment services it will treat you as a <b>Professional Client</b> .	
B	The Republic of Slovenia, and other states or national and regional authorities, public entities that exercise public debt, Bank of Slovenia and other central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations (if they are not included in the category of persons under Section A above).
C	Other institutional investors whose regular activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions; collective investment undertakings and companies for managing such undertakings (except UCITS and pension funds) and pension companies. Other persons which must obtain appropriate authorisation from the competent supervisory authority of a member state or a third country or in any other way obtain the right to operate on financial markets and are not included in point A, namely: 1) persons trading in commodities and commodity derivatives, 2) local companies in the meaning defined in item 4 of Paragraph 1 of Article 4 of the Regulation 575/2013/EU and 3) other institutional investors.
D	A large company which meets at least two of the following criteria at the level of the company: 1) the balance value of total assets reaches EUR 20,000,000, 2) net annual sales revenue reaches EUR 40,000,000, 3) the value of own capital reaches EUR 2,000,000.
In the case you circled one of the points from B to D, the Bank will treat you as a <b>Professional Client</b> for all investment services.	
E	The person which does not belong to any of the categories of persons from A to D.
In the case you circled point E, the Bank will treat you as a <b>Non-Professional Client</b> for all investment services.	

### Statement of data authenticity

**“By signing this document, I confirm authenticity and accuracy of data and information which I submitted to the Bank in accordance with the Client Classification Policy of NLB d.d. and I am aware that my answers indicate the level of my understanding of investment services and the related risks. I also undertake to promptly submit to the Bank, at its request, authentic documents proving the truthfulness of data and to regularly inform the Bank of any changes of data which could be relevant for a different client classification.”**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Name and code of OU:** \_\_\_\_\_

**Client:** \_\_\_\_\_

**NLB d.d.:** \_\_\_\_\_

(signature)

(name and surname)

(signature)

### Warnings

The client shall fall into the classification which it circled in the upper part of the form. In the case the client wants a different classification it can make a **request for reclassification** (any of the requests stated below) and the request may also refer to individual service or transaction:

- 1) If you circled one of the points from A to D you can request to be treated by the Bank as a Non-Professional Client and thus obtain a higher level of protection. For this purpose, you must complete the **Form 4 ZTFI-1 – Request for treatment as a Professional Client** and send it with a letter to NLB d.d., Trg republike 2, 1520 Ljubljana.
- 2) If you want that the Bank treats you as a Professional Client, please complete the **Form 2 ZTFI-1 – Request for treatment as a Professional Client** or **Form 2a ZTFI-1 – Request for treatment as a Professional Client in transactions with OTC-derivative financial instruments**, and send it with a letter to the Bank's address: NLB d.d., Trgovanje s finančnimi instrumenti, Trg republike 2, 1520 Ljubljana.
- 3) If you circled point A and you want that the Bank treats you as a Professional Client or Non-Professional Client also for the brokerage services and transactions for own account, you send a written request with a letter to the Bank's address: NLB d.d., Trgovanje s finančnimi instrumenti, Trg republike 2, 1520 Ljubljana.

The Bank will use the data in accordance with the purpose of obtaining those data. The Bank guarantees to the client protection and application of personal data, which the client disclosed in its answers, in accordance with the law regulating personal data protection. The completion of the questionnaire applies as the classification of the client by the ZTFI-1 and is regarded as a written information for the client on his/her classification under the ZTFI-1. If the client does not want to submit information and the required data from the questionnaire and/or does not sign the Statement of data authenticity, the Bank shall classify the client on the basis of data known about the client and at its own discretion. In such case the client does not sign this form.

The notification is signed in two copies, of which the client shall receive one and the Bank the other copy.

## Request for treatment as a Professional Client

**Name and surname/client's name:** \_\_\_\_\_

**Personal/Company ID no.:** \_\_\_\_\_

**Permanent resid./registered office:** \_\_\_\_\_

Name and surname of the legal representative or authorised person: \_\_\_\_\_  
Name and surname of the principal (legal representative): \_\_\_\_\_

Date of authorisation: \_\_\_\_\_

### Warnings

1. If the client does not want to submit information and the required data from the questionnaire, the Bank cannot assess if the client has adequate knowledge and experience to be treated as a Professional Client or as an Eligible Counterparty.
2. The Bank warns the client that the client's request for professional treatment has the legal effect of waiver of protection and other rights, which the Bank provides to Non-Professional Clients in accordance with the ZTFI-1 (restricts these rights at Professional Clients to the extent and in the manner as set out in the General Terms and Conditions and in the ZTFI-1), and waiver of guaranteed investor claims in accordance with the ZTFI-1.
3. The Bank will use the data in accordance with the purpose of obtaining those data. The Bank guarantees to the client protection and application of personal data, which the client disclosed in its answers, in accordance with the law regulating personal and other data protection.
4. The completed questionnaire is regarded as a written request for treatment as a Professional Client. In order to verify the actual knowledge of transactions and products for which the client requests reclassification, the Bank may request the signatory of this Request and the person authorized to conclude these transactions and products on behalf of the counterparty to fill out another questionnaire to verify their knowledge of these transactions.

### Statement of waiver of protection

"By signing this document, I confirm that I understand the consequences of waiving the protection of rights which the Bank provides to Non-Professional Clients in accordance with the ZTFI-1 (restricts these rights with Professional Clients to the extent and in the manner as set out in the General Terms and Conditions and in the ZTFI-1) and a waiver of guaranteed investor claim in accordance with the ZTFI-1."

### Statement of data authenticity

"By signing this document, I hereby confirm authenticity of the stated data and information, and I am aware that my answers reflect the level of my understanding of investment services and the related risks. I undertake to promptly submit to the Bank, at its request, authentic documents proving the truthfulness of data and to regularly inform the Bank of any changes of data which could influence the assessment of suitability of the product and/or investment service."

**Date:** \_\_\_\_\_

**Client:** \_\_\_\_\_  
(client's signature; in case of legal entity signature of the legal representative or authorised person)

**Send the signed document together with the completed questionnaire to the following address: NLB d.d., Trgovanje s finančnimi instrumenti, Trg republike 2, 1520 Ljubljana. The client will be notified about approval or rejection of the request. Reclassification into the category of Professional Clients/Eligible Counterparties takes effect on the day the request is approved.**

### Fill in as appropriate

You want the Bank to treat you as:

**a Professional Client** in accordance with the Bank's Client Classification Policy  
If your request does not apply to all investment services, activities, or products, please state to which it applies:



Please, answer the following questions:

**To be completed only by legal entities**

### Activity of a legal entity:

Occupation of the legal representative of the legal entity: \_\_\_\_\_

Occupation of the executive of the legal entity who is responsible for investments into financial instruments:

### To be completed only by natural persons

Occupation of the client or legal repr. (custodian): \_\_\_\_\_

<sup>1</sup> Micro company meets two of the following criteria: the average number of employees in a business year does not exceed 10; net sales revenue does not exceed EUR 2,000,000; and total assets do not exceed EUR 2,000,000.

<sup>2</sup> Small company meets two of the following criteria: the average number of employees in a business year does not exceed 50; net sales revenue does not exceed EUR 8,800,000; and total assets do not exceed EUR 4,400,000.

## Request for treatment as a Professional Client for OTC Derivatives

**Company name:** \_\_\_\_\_

**Company ID no.:** \_\_\_\_\_

**Registered office:** \_\_\_\_\_

**Name and surname of the legal representative or authorized person:** \_\_\_\_\_

**Name and surname of the principal (legal representative):** \_\_\_\_\_

**Date of authorization:** \_\_\_\_\_

### Warnings (Please note)

1. The request may be completed and signed on behalf of the counterparty by a legal representative of the counterparty or its other lead manager or - if the counterparty has the status of a micro or small company under the ZGD-1 - a person authorized to conclude transactions.
2. If the client does not want to submit information and the required data from the questionnaire, the Bank cannot assess if the client has adequate knowledge and experience to be treated as a Professional Client.
3. The Bank warns the client that the client's request for professional treatment has a legal effect of waiver of protection and other rights, which the Bank provides to retail clients based on Regulation (EU) no. 1286/2014.
4. The Bank will process these data for the purpose of assessing whether the counterparty has the appropriate knowledge and experience to be treated as a Professional Client. The Bank will store these data together with contractual documentation of the counterparty. The Bank guarantees to the client protection of personal and other data, which the client disclosed in its answers in accordance with the law regulating personal and other data protection, ZTFI-1 and other relevant regulations. The Bank will not provide the data without prior written consent of the counterparty to the third person.
5. The completed questionnaire is regarded as a written request for treatment as a Professional Client. The Bank may request the signatory of this Request and the person authorized to enter into OTC Derivatives on behalf of the counterparty to fill out another questionnaire in order to verify their actual knowledge of OTC Derivatives.
6. The Bank will notify the counterparty of their decision regarding the Request: either to classify it as a Professional Client and for which types of OTC Derivatives, or to reject its request to be classified as a Professional Client.
7. Reclassification into the category of Professional Clients takes effect on the day the request is approved.

### Request

Do you want the Bank to treat you as a Professional Client in accordance with the Bank's Client Classification Policy (circle as deemed appropriate):

a) For all types of OTC- Derivatives  
b) For the following types of OTC Derivatives: \_\_\_\_\_

### Data

Please circle or complete as appropriate:

4. Does the value of portfolio of the counterparty's investments in financial instruments, including cash deposits, exceed EUR 500,000?

YES

NO



5. Did the counterparty carry out several transactions with OTC Derivatives of significant value (over EUR 50,000 for FX instruments, and over EUR 100,000 for IR instruments) with the average frequency of at least 10 transactions per quarter in the last year?

YES

NO

6. Have you been working, or have you worked in the financial sector (such as bank, insurance company etc.) for at least one year in a position requiring knowledge of OTC derivatives.

YES

NO

a) If your answer is »YES«, specify where you work or you have worked and for how long and in what position:

b) If any other person is (also) authorized to enter into OTC Derivatives on behalf of the counterparty, specify:

Name and surname of authorized person:

Does this authorized person also work or has worked at least one year in the financial sector at a position requiring knowledge of OTC Derivatives?

YES  NO

If your answer is »YES«, specify where this person works or has worked and for how long and at what position:

## **Statement of Waiver of Protection**

“By signing this document, I confirm that I understand the consequences of waiver of rights which the Bank provides to Retail Clients in accordance with Regulation (EU) no. 1286/2014.”

## Statement of Data Authenticity

“By signing this document, I confirm authenticity of the stated data and information, and I am aware that my answers indicate the level of my understanding and my experience with OTC Derivatives and the related risks. I undertake to promptly submit to the Bank, at its request, authentic documents proving the truthfulness of data and to regularly inform the Bank of any changes regarding the information provided in this Request.”

**Date:** \_\_\_\_\_

**Counterparty:** \_\_\_\_\_  
(client's signature; in case of legal entity signature of the legal representative or authorized person)

Send the signed Request together with the completed questionnaire about knowledge of OTC Derivatives to the following address: NLB d.d., Trgovanje s finančnimi instrumenti, Trg republike 2, 1520 Ljubljana.

## Suitability of the service for clients

### I/A Questionnaire on knowledge and experience (suitability)

**Client's name and surname/Company name:** \_\_\_\_\_

**Company reg. no.:** \_\_\_\_\_

**Permanent residence/registered office:** \_\_\_\_\_

Name and surname of the legal representative or authorised person: \_\_\_\_\_

Name and surname of the principal (legal representative): \_\_\_\_\_

Date of authorisation: \_\_\_\_\_

#### Instructions for completing the questionnaire

The questionnaire consists of two parts:

I/A – Questionnaire on knowledge and experience

I/B – The Bank's warning (with regard to answers from point A of this questionnaire) to the client after receiving of answers to the questionnaire).

Please fill in the questionnaire and sign the "Statement of data authenticity".

For **legal entities** the questionnaire must be completed and signed by the legal representative of the legal entity or his/her authorised person. The **natural person** completes the questionnaire in his/her own name. If the natural person has a legal representative (custodian) the questionnaire is completed by the latter.

#### Warnings

1. The questionnaire is prepared because of obligations of NLB d.d. according to **Article 254 of the Market in Financial Instruments Act (ZTFI-1)** according to which the Bank must obtain from the client information on its knowledge and experience to be able to assess the suitability of the Bank's services for a certain client.

2. The purpose of obtaining data and information about the client in this questionnaire is to **ensure the protection of the interests of a client as an investor**. It is important that the client submits accurate and complete information on the basis of which the Bank can assess the suitability of products which the client orders from the Bank. More detailed information on risks of investments into financial instruments is available to clients and potential clients in General Terms and Conditions of Trading in Financial Instruments of NLB d.d. The Bank will use and process data and information obtained by answers in the questionnaire in accordance with the reasons from item 1 above and the purpose of their acquisition hereunder and keep them together with contractual documentation of the client. The Bank guarantees to the client protection of personal and other data, which the client disclosed in its answers, in accordance with the law regulating personal data protection, the ZTFI-1 and other applicable regulations.

3. The Bank is obliged to provide the assessment of suitability of investment service or product **before concluding an agreement** with the client. Obtaining information and data on the client by this questionnaire thus constitutes a precondition for conclusion of an agreement on brokerage services, other similar agreements or legal basis for the implementation of investment services or transactions with financial instruments in accordance with the ZTFI-1.

4. The Bank explicitly cautions the client that if he/she choose not to complete the questionnaire and/or do not provide complete or accurate information about his/her knowledge and experience, the Bank is in this case unable to assess whether the type of investment services or products offered to the client or intended to be ordered by the client is suitable for the client. The Bank also explicitly cautions the client if based on information and data, received from the client on the basis of a completed questionnaire, assesses that the investment service or product is not suitable for this client. If the client nevertheless wants that the Bank performs a certain investment service for it or offers it a product, the client shall confirm its wish by placing an order for the purchase or sale or conclusion of a transaction with financial instrument for which the Bank assessed to be unsuitable for the client. Simultaneously with placing an order or concluding a transaction the client confirms to be aware of risks arising from an unsuitable product and that the Bank warned them about that and to assume all risks which might occur because of unsuitability of a product/service for the client.

5. Irrespective of the result of the completed questionnaire on knowledge and experience, the Bank may, at the client's initiative, provide investment services and transactions that only mean the execution or acceptance and forwarding of client orders in relation to uncomplicated financial instruments referred to in Article 255 of the ZTFI-1. The Bank cautions the client that in providing these services it is not obliged to perform an assessment of the suitability of financial instruments or services, whereby the client does not obtain related protection (warnings about the possible unsuitability for the financial instrument or service for the client). In doing so, the client assumes all risks that may arise due to unsuitability of the financial instrument or service provided to the client.

**Client statement**

"By signing or electronically confirming this statement, I confirm authenticity of data and information which I state in the answers to questions, and I am aware that my answers indicate the level of my understanding of investment services and the related risks. I undertake to promptly submit to the Bank, at its request, authentic documents proving the truthfulness of data and to regularly inform the Bank of any changes of data which could influence the assessment of adequacy or suitability of the product and/or investment service. By signing this statement I agree with the reasons and the purpose of obtaining information and data by means of a questionnaire and with verbal explanations (items 1 and 2 above) and the method of their processing (item 2). I am aware that the data and information obtained by this questionnaire are required for execution of the agreement on providing investment services or activities."

Date: \_\_\_\_\_

**Client:** \_\_\_\_\_  
(signature of the legal representative or their authorised person)

1. Please mark the appropriate option:

	Secondary School or less	Diploma/university degree, master's degree or PhD
<b>Education Level</b> (private person filling out this questionnaire)		

	YES	NO
<b>The work I'm doing or was doing in the past</b> (private person filling out this questionnaire)	Knowledge needed to work with financial instruments	

2. Please provide information about your knowledge of working with relevant financial instrument categories:

**1. Basic financial instruments (such as shares and standard bonds listed on trading venues, primary issue government bonds, EU investment funds investing in securities)**

Knowledge:  None  Partial  Sufficient

*If you selected »Partial« or »Sufficient«, please answer the following questions:*

Mark the statement that you find the most appropriate (choose one of the three options below)

Statement 1  When I sell a share, I always get back at least the money I invested.  
 Statement 2  A bond is a debt security that in principle brings the holder regular interest and its principal is repaid on the maturity date.  
 Statement 3  When buying, I specify the securities I want to have in my investment fund.

Frequency of transactions (select one of the three options below):

Never  
 Occasionally (at least once in 5 years to several times a year)  
 Often (monthly or even weekly)

**2. Complex financial instruments (e.g. US ETFs, alternative investment funds without leverage, bonds with embedded derivatives)**

Knowledge:  None  Partial  Sufficient

*If you selected »Partial« or »Sufficient«, please answer the following questions:*

Mark the statement that you find the most appropriate (choose one of the three options below):

Statement 1  US ETFs are regulated in the EU and have a KID document that discloses all the charges and costs for the investor in accordance with the EU regulations.  
 Statement 2  US ETFs are regulated under the US law (SEC), which is different from the EU regulations, and it does not provide the investors with the same safeguards.  
 Statement 3  An ordinary bond and a bond with an embedded derivative always bear the same risk.

Frequency of transactions (select one of the three options below):

Never  
 Occasionally (at least once in 5 years to several times a year)  
 Often (monthly or even weekly)

**3. Highly complex financial instruments (derivatives listed on trading venues such as leveraged financial instruments – stock options, futures, CFDs, leveraged ETFs, margin trading instruments)**

Knowledge:  None  Partial  Sufficient

*If you selected »Partial« or »Sufficient«, please answer the following questions:*

Mark the statement that you find the most appropriate (choose one of the three options below)

Statement 1  Derivatives are not used for risk-taking (speculations).  
Statement 2  Prices of derivatives do not depend on the prices of the underlying instruments.  
Statement 3  Derivatives are complex and high-risk financial instruments because their value is derived from the value of another financial instrument.

Frequency of transactions (select one of the three options below):

Never  
 Occasionally (at least once in 5 years to several times a year)  
 Often (monthly or even weekly)

**3. Indicate the value of all your transactions concluded over the last 5 years.**

	Value of transactions over the last 5 years
I didn't make any transactions.	
Up to 100,000 euros	
More than 100,000 euros	

## I/B Bank's warning

**Name and surname of the client:** \_\_\_\_\_

**Tax or ID No. of the client:** \_\_\_\_\_

**Permanent residence/registered office of the client:** \_\_\_\_\_

Based on your answers in the Knowledge and Experience Questionnaire, please note the Bank's assessment of which financial instruments are best suited for you.

Financial Instrument	Suitability
Basic financial instruments (such as shares and standard bonds listed on trading venues, government bonds – primary issues, EU investment funds investing in securities)	
Complex financial instruments (e.g. US ETFs, non-leveraged alternative investment funds, bonds with embedded derivatives)	
Highly complex financial instruments (derivatives listed on trading venues such as leveraged stock market options, futures, CFDs, leveraged ETFs, margin trading instruments)	

The client assumes all the consequences triggered by placing an order or concluding a transaction with the financial instrument(s) or product(s) for which the NLB has assessed that it/they is/are not suitable for the client.

Date: \_\_\_\_\_

OU name and ref. No.: \_\_\_\_\_

**NLB:** \_\_\_\_\_ (full name) \_\_\_\_\_ (signature)

*The original copy of this caution is sent to the client by registered mail and the Bank keeps a copy.*

*If the client receives this caution directly in NLB branch, the client confirms its receipt by signing the note.*

*If the client receives this caution in the electronic form, it is recorded that it was sent in this format.*

**Client:** \_\_\_\_\_  
(signature)



## Request for treatment as a Non-Professional Client

**Client's name and surname/Company name:** \_\_\_\_\_

**Personal/Company ID no.:** \_\_\_\_\_

**Permanent residence/registered office:** \_\_\_\_\_

Name and surname of the legal representative or authorised person: \_\_\_\_\_

Name and surname of the principal (legal representative): \_\_\_\_\_

Date of authorisation: \_\_\_\_\_

### Circle as appropriate and fill in

A. "I request to be treated by the Bank in accordance with the Client Classification Policy of NLB d.d. as a Non-Professional Client with all investment services it offers. My request to be treated as Non-Professional Client shall be considered as of the date of submitting this request as an amended contractual provision which regulates my classification into one of the categories of clients foreseen in the Client Classification Policy of NLB d.d. in all agreements on providing investment services between me and the Bank concluded up till now."

or

B. "In accordance with the Client Classification Policy of NLB d.d. I request to be treated by the Bank as a Non-Professional Client for the following investment service(s):"

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or

C. "In accordance with the Client Classification Policy of NLB d.d. I request to be treated by the Bank as a Non-Professional Client for the following investment service(s):"

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*(Enter the code/name of financial instrument, quantity, and foreseen date of transaction).*

This request becomes a constituent part of the agreement no. \_\_\_\_\_, date of conclusion \_\_\_\_\_.

*(Enter the agreement with the Bank on providing investment service for which you want non-professional treatment.)*

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Name and code of OU:** \_\_\_\_\_

**Client:** \_\_\_\_\_

(signature)

**NLB d.d.:** \_\_\_\_\_

(name and surname)

(signature)

*The request shall be signed in two original copies, of which the client receives a copy and the Bank – Legal Compliance Office the other one.*



## Explicit confirmation – Eligible Counterparty

Company name: \_\_\_\_\_

Identification/registration no.: \_\_\_\_\_

We have read and understood the notice regarding classification and hereby confirm that your classification of our company as Eligible Counterparty is in accordance with the law or measures of the country in which we were established, and that we agree with such classification.

Full name of the authorized representative or authorized signatory: \_\_\_\_\_

Signature of authorized representative or authorized signatory: \_\_\_\_\_

Date: \_\_\_\_\_



## Request for treatment as a Professional Client

**Client's name and surname/Company name:** \_\_\_\_\_

**Personal/Company ID no.:** \_\_\_\_\_

**Permanent residence/registered office:** \_\_\_\_\_

Name and surname of the legal representative or authorised person: \_\_\_\_\_

Name and surname of the principal (legal representative): \_\_\_\_\_

I request to be treated by the Bank in accordance with the Client Classification Policy of NLB d.d. as a Professional Client for all investment services it offers.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Name and code of OU:** \_\_\_\_\_

**Client:** \_\_\_\_\_  
(signature)

**NLB d.d.:** \_\_\_\_\_  
(name and surname) \_\_\_\_\_  
(signature)