

## Sub-depository Rules

### 1. Introduction

#### 1.1 Objective and Use of the Rules

These rules are used for managing a sub-depository of financial instruments, which are held on a special account opened with central depository or intermediate depository by Nova Ljubljanska banka d.d., Ljubljana (hereinafter referred to as **sub-depository**) on behalf of its clients.

#### 1.2 Expression Definitions

(1) Particular expressions used herein have the following meaning:

Deposited financial instrument or DFI	Is a financial instrument:  (a) Authorised holder of which, is a sub-depository; or  (b) In accordance with which a sub-depository is entitled to requesting the obligor to perform the rights arising from this financial instrument and to dispose of this financial instrument at sub-depository's order;
Obligor	In accordance with a particular financial instrument means:  (a) An issuer of such financial instrument, and every other person whose obligations arise from this financial instrument; or  (b) A person who has obliged itself to perform the duties arising from such financial instrument on behalf of the sub-depository, or obliged itself to dispose of such financial instrument at sub-depository's order;
Series of DFI	Means DFIs issued by the same issuer that have the same attributes, and give rise to the same rights;
Rights arising from DFI	Mean the following sub-depository's rights in connection to particular DFI:  (a) All sub-depository's rights in relation to the obligor that are arising from deposited financial instrument or in connection with such instruments;  (b) A right to dispose of deposited financial instrument, or the right to claim that from the obligor;
Clients' DFIs	In connection to a particular client, mean the rights, which belong to this particular client in relation to the sub-depository in accordance with DFIs that are being held on this client's account;
ZTFI-1	Means Market in Financial Instruments Act (Official Gazette of Republic of Slovenia, no. 77/2018);
Client	Means a person, on whose behalf the sub-depository manages one or more accounts;
DFI account	Means an evidence of deposited financial instruments, which the sub-depository holds on behalf of the client in accordance with these rules;
Beneficiary	Means any of the following persons:

	<ul style="list-style-type: none"> <li>(a) A client;</li> <li>(b) A person on whose behalf a right in re aliena is registered;</li> <li>(c) Lawfully authorised representative of another beneficiary; and</li> <li>(d) A person who is authorised to represent another beneficiary in relation with the sub-depositary;</li> </ul>
Pledgee	Means a person holding a pledge on client's DFIs;
Usufructuary	Means a person holding an usufruct on client's DFIs;
Redemptioner	Means a person holding the right to redeem client's DFIs;
Preemption claimant	Means a person holding the priority over others in purchasing client's DFIs;
Disposal ban beneficiary	Means a person on whose behalf a disposal ban on client's DFIs has been established;
Right in re aliena	<p>Means the following rights over client's DFI belonging to certain third parties:</p> <ul style="list-style-type: none"> <li>(a) Pledge;</li> <li>(b) Usufruct;</li> <li>(c) Redemption right;</li> <li>(d) Preemption right; and</li> <li>(e) Disposal ban;</li> </ul>
Uniform identification number	<p>means:</p> <ul style="list-style-type: none"> <li>(a) Tax number for a person registered in a tax registry of the Republic of Slovenia, or uniform central number for a natural person registered in central registry of population of Republic of Slovenia, or central number for a legal person registered in business registry of republic of Slovenia; or</li> <li>(b) A number assigned to any other person by the sub-depositary according to the point 2.2(4) of these rules;</li> </ul>
Transaction	Means any change of DFIs' balance on client's account, or and change of rights in re aliena.

(2) In case, no other definition or meaning of an expression used herein is given, the expression should be used in as defined in ZTFI-1.

## **2. Sub-depositary Managing, and Registering**

### **2.1 Sub-depositary Registries Managed by the Sub-depositary**

Sub-depositary manages the following evidences:

- (a) Client and other beneficiary registry;
- (b) DFI account registry;
- (c) DFI registry.

### **2.2 Client and Other Beneficiary Registry**

- (1) Sub-depositary manages every registered beneficiary's identification data.
- (2) Identification data means:

- a. For a natural person:
  - i. First name and family name;
  - ii. Residency address;
  - iii. Date of birth;
  - iv. Uniform identification number ;
  - v. Data on any restrictions (death, diminished capax negotii); and
  - vi. In case the beneficiary is alive and 'negotii incapax', the following data on lawfully authorised representative/s (for example both parents):
    1. Type of the representative (parent/guardian);
    2. Manner of representing (with another representative/single representative);
    3. Uniform identification number;
- b. For a legal person:
  - i. Name/firm (abbreviation);
  - ii. Business address;
  - iii. Uniform identification number;
  - iv. Data on persons who are authorised to give orders to the sub-depositary on behalf of the legal person;
  - v. Data on any restrictions (insolvency or other resembling procedure).

(3) Client identification data are registered in sub-depositary at first client account opening, any other beneficiary data are registered at registering such beneficiary's rights for the first time.

(4) If the beneficiary is not registered and does not have to be registered in tax registry of the Republic of Slovenia despite being a beneficiary, the sub-depositary assigns a proprietary identification number to such person to be distinguished from other beneficiaries.

(5) Sub-depositary registers any changes of identification data upon beneficiary's order to changing the data. If the changing data were acquired from an official registry copy or other public document, another such copy or document needs to be enclosed to beneficiary's order.

## 2.3 DFI Account Registry

### 2.3.1 Data, Registered in DFI Account Registry

Sub-depositary manages the following DFI account data:

- (a) Data on DFI account number and DFI account type;
- (b) Data on a client;
- (c) Data on account balance;
- (d) Data on transactions; and
- (e) Data on pay-offs for the DFI client;

### 2.3.2 Data on a Client

- (1) Following data about a client – account owner are registered in reference to any DFI account:
  - a. Uniform identification number of the client;;
  - b. Uniform identification number of any person, who is authorised to give orders in reference to this DFI account (client's representative);
  - c. Address for communication and other contact data;
  - d. Money account data to which the sub-depositary pays-off client's money funds for the DFI client.

(2) Data on client uniform identification number can be changed only upon a public document that demonstrates universal legal succession/inheritance of the client. Other data changes are registered upon client's written order, whereby the data on client's representative can be registered only upon an authorisation attested by a notary, or if the client personally authorises the representative in the presence of the sub-depositary.

### 2.3.3 Data on Account Balance

(1) Sub-depositary manages the following DFI account balance data:

- a. DFI series and DFI quantity of a particular DFI series on DFI account; and
- b. Rights in re aliena on client's DFIs;

(2) DFI of a particular series are held on the DFI account under the same mark as in DFI registry set out in point 2.4 of these rules.

(3) Data on account balance are changed upon an executed transaction. Sub-depositary executes transactions in a sequence as the transaction orders or written transaction orders are received.

(4) If nothing else is laid down in the paragraph below, the following data in reference to the rights in re aliena on DFIs are managed on DFI account registry:

- a. Uniform identification number of each beneficiary;
- b. Type of the right;
- c. DFI series and DFI quantity of a particular DFI series on DFI account, which the right in re aliena refers to;
- d. Duration of the right.

(5) Regardless to the paragraph (4) above, the following rules apply to particular right in re aliena:

- a. Right of pledge:
  - i. In DFI account registry also the following data referring to the right of pledge are managed:
    - 1. In the event, the pledge can be registered on behalf of more pledgees, each pledgee's part on the claim that has been pledged;
    - 2. Data on each pledgee's money account, to which the appurtenant pay-off will be executed;
  - ii. The duration of the right of pledge does not have to be registered in DFI account registry;
  - iii. In the event, the right of pledge refers to the every time DFI account balance; this fact has to be registered instead of DFI series and the quantity of each DFI series.
- b. Usufructu: the data on usufructuary's money account have to be registered;
- c. Redemption right: the data on redemption price has to be registered in DFI account registry;

(6) Sub-depositary changes the data on the money account for the pay-off of the pledgee or usufructuary based on their pay-off orders.

### 2.3.4 Transaction Data

Sub-depositary manages the following data referring to a particular transaction:

- a. Account balance changes in DFIs that are subject of the transaction:
  - i. Contents of the DFI account balance change;
  - ii. Date of the transaction effect;
- b. Data on transaction execution legal basis:
  - i. If the legal basis is an order:

1. Uniform identification number of the person on whose behalf the order has been given;
2. date of receiving the order;
- ii. If the legal basis is a written order (or a writ) of competent authorities:
  1. A body, which has drawn up such writ;
  2. Writ number;
  3. Date of receiving this writ.

#### 2.3.5 Data on pay-offs

In connection to every pay-off a sub-depositary executes on behalf of the DFI client, the sub-depositary manages the following data:

- a. Uniform identification number of the beneficiary who is entitled to the pay-off;
- b. Pay-off amount;
- c. Data on money account, to which the pay-off is executed;
- d. The exacted tax amount;
- e. Amount of other deducted expenses and fees;
- f. Pay-off legal basis.

#### 2.4 DFI Registry

(1) In DFI registry sub-depositary manages the following data on particular DFI series, for which it holds a sub-depositary:

- a. DFI mark;
- b. Central depository or intermediate depository, in which a registry of sub-depositary's rights arising from such DFIs are managed;
- c. DFI account balance; and
- d. DFI account balance changes;

(2) The DFI registry basis is data about account balances and their changes, which the sub-depositary receives from the central depository or intermediate depository, in which a registry of sub-depositary rights arising from such DFIs are managed.

### 3. **DFI Account Operations**

#### 3.1 DFI Account Opening

(1) Sub-depositary opens an account on behalf of the client upon a written agreement between the sub-depositary and the client.

(2) The client may have several accounts opened with the sub-depositary.

(3) The DFI account can be opened as a client account, portfolio management account, or fiduciary account. The account type is determined with the agreement between the sub-depositary and the client, or with client's request for account opening, based on such agreement. Portfolio management account will be opened only upon portfolio management agreement between the sub-depositary and the client.

(4) If the DFI account is opened as a client account or a portfolio management account, the sub-depositary is entitled to assume, the client performs the rights arising from the DFI on his/her own behalf.

(5) If the DFI account is opened as a fiduciary account, the sub-depositary is entitled to assume, the client performs the rights arising from the DFI on behalf of one or more third parties.

#### 3.2 Registering of the Deposited Financial Instruments on Behalf of the DFI Account

(1) The client acquires the DIF client rights when DFIs are registered on behalf of this client's account.

(2) Sub-depositary registers DFIs on behalf of DFI account:

- a. If simultaneously registers equivalent DFI quantity of the same DFI series as other DFI account liabilities; or
- b. If it can be certain an equivalent DFI quantity of the same DFI series has been finally registered on behalf of sub-depositary's account opened with a central depository or an intermediate depository, in which sub-depositary's DFI rights are held, and these DFIs were acquired for the client as a holder of such account.

(3) If the DFIs are registered on behalf of the sub-depositary's account opened with a central depository or an intermediate depository on the basis of a legal transaction, which has been executed by the sub-depositary or a person, with whom the sub-depositary has placed client's execution order, the term set out in paragraph (2), point b. is assumed to be completed when the sub-depositary receives a note of such transaction execution.

(4) To sub-depositary can be transferred the financial instruments defined as acceptable by the sub-depositary, and the client has been notified about it from time to time. It is deemed the client has been notified if the sub-depositary has published the list of acceptable DFIs on its web site. Sub-depositary informs the client upon client's request about:

- a. Which financial instruments are possible to be deposited in sub-depositary and under what conditions;
- b. Data, which need to be comprehended in the notification of transferring or registering the DFI on behalf of sub-depositary's account opened with a central depository or an intermediate depository, so it can be deemed the sub-depositary acquired such DFIs for the client.

### 3.3 Registration of the Deposited Financial Instruments as DFI Account Debit

#### 3.3.1 Effect

When DFI account is debited, any right of the account holder is to be terminated as well as any third party right in re aliena.

#### 3.3.2 DFI Transfer

- (1) Sub-depositary registers DFIs as account debit if it brings about their transfer.
- (2) DFI transfer is brought about either when the sub-depositary simultaneously registers DFIs on behalf of another DFI account, or when it transfers DFIs on behalf of another person by debiting its own account opened with a central depository or an intermediate depository.
- (3) Sub-depositary transfers DFIs upon a complete and correct order of an authorised person or an obligatory writ of competent authorities.
- (4) DFI transfer order is complete and correct if it is given in accordance with as set out for giving orders to the sub-depositary above, and contains:
  - a. Data about DFI, which are subject of the transfer;
  - b. Transfer instruction, which enable the sub-depositary to bring about the transfer on behalf of a certain person.
- (5) Authorised person for giving DFI transfer orders is:
  - a. DFI account holder if there is no right in re aliena on these DFIs registered;
  - b. Pledgee if there is a right of pledge registered with these DFIs;
  - c. Account holder together with all other right in re aliena claimants if there are such rights registered with these DFIs.

#### 3.3.3 DFI Termination

- (1) Sub-depositary registers the DFI as DFI account debit also, when DFI have ceased and are no longer registered on behalf of sub-depositary's account in a central depository or an intermediate depository.
- (2) In the event, the sub-depositary receives substitutional DFIs as a replacement for the DFIs, which it has registered as account debit, for those DFIs have ceased:

- a. Sub-depositary registers these substitutional DFIs on behalf of such account; and
- b. On these substitutional DFIs, the sub-depositary registers the right of pledge or usufruct, which have also ceased when DFIs were registered as account debit.

#### 3.4 Registries Referring to the Rights in Re Aliena

- (1) Sub-depositary registers acquisition, transmission, and cessation of the rights in re aliena on client's DFIs upon a complete and correct order of an authorised claimant, or upon a written order (writ) of competent authorities.
- (2) An order to registering acquisition, transmission or cessation of a right in re aliena on client's DFIs is complete and correct if given in a form and manner as set out above, for giving orders to the sub-depositary, and if containing data, which need to be registered in accordance with these rules together with a right in re aliena.
- (3) Sub-depositary registers a cessation of all rights in re aliena on DFIs, excluding the right of preemption at the same time as it registers an acquisition of a particular right in re aliena.
- (4) The authorised order claimant for registering an acquisition of a right in re aliena on client's DFIs is the client, together with the holders of the rights in re aliena, which have been expunged from the registry due to registering a right in re aliena, which is subject of the order.
- (5) The authorised order claimant for registering a transmission of a right in re aliena on client's DFIs is:
  - a. In case of a right of pledge, the pledgee;
  - b. In case of other rights, the person, who demonstrates universal succession (or inheritance) with a public document;
- (6) The authorised order claimant for registering a cessation of a right in re aliena on client's DFIs is:
  - a. A holder of such right in re aliena;
  - b. The client, if the right in re aliena has expired or if he/she demonstrates an expiration fact of such right in re aliena has set in (for example, death of an usufructuary).

### 4. **Exercising the Rights in DFIs**

#### 4.1 Generally about the Exercising the Rights in DFIs

- (1) Sub-depositary asserts its rights in DFIs, which are registered on behalf of the clients, in relation to the obligors.
- (2) Sub-depositary is liable to the client's instructions when performing the rights in DFIs.
- (3) Sub-depositary forwards any obligor's notice about the client's DFIs to the client. If such notice contains an appeal to choosing on or more possibilities of asserting the rights in DFIs, the sub-depositary notices the client also with the following:
  - a. Which possibility it will consider chosen if the client does not choose any other possibility (assumed option); and
  - b. In what time the client may inform the sub-depositary about choosing another possibility.
- (4) In the event the sub-depositary has not received any client's different instructions in the appointed time, it is entitled to deem the client to have chosen the assumed option.

#### 4.2 Money Pay-offs

- (1) Sub-depositary pays off the money, received from the DFI obligor, on the beneficiary's money account as follows:
  - a. If the right of pledge is registered on DFIs, on the pledgee's money account ;
  - b. If the of usufruct is registered on DFIs:
    - i. Dividend, interest or other yield amount, on the usufructuary's money account;
    - ii. Amounts, meaning principal repayment or capital pay-off, on the money account of the client, on whose DFI account a DFI has been registered on the day of such pay-off;

- c. In every other case, on the money account of the client, on whose DFI account a DFI has been registered on the day of such pay-off.

(2) Money pay-offs, reduced by eventual taxes and other tributes, settled, deducted and paid by the sub-depositary are to be paid to the holder.

#### **4.3 DFI Replacement and DFI Distribution Round-ups**

If the sub-depositary receives additional or substitutional DFIs on the basis of the exchange of DFIs, which the sub-depositary holds for the client, and the amount of DFIs on the client DFI account is not adequate to the whole amount of additional or substitutional DFIs, the sub-depositary is authorized to proceed according to the exchange terms.

#### **4.4 Rights to Vote**

(1) Sub-depositary is not entitled to perform the rights to vote arising from the DFIs, which are registered on the client DFI account, except upon client's written instruction for voting.

(2) Sub-depositary is obliged upon client's request to strive to issue or provide the client with an authorization for performing the rights to vote arising from the DFIs.

(3) Sub-depositary is not obliged to provide the client with annual reports, information intended for financial instruments owners, notices or other documentation or information, referring to any act of the DFIs issuer.

### **5. Communications**

#### **5.1 Orders**

(1) An order, given to the sub-depositary, takes effect only in the event it has been given in writing by a beneficiary or beneficiary's authorised representative.

(2) Sub-depositary may make an arrangement with a particular beneficiary about giving orders in a different form.

#### **5.2 Sub-depositary's Notices**

In case, any consequence in connection with these rules depends upon sub-depositary's notice to the beneficiary, it is deemed this beneficiary receives such notice if the sub-depositary has sent it off using contact data registered in sub-depositary's registries.

### **6. Account Balance Reporting**

(1) Sub-depositary is obliged upon financial instruments owner's request to issue an account transactions write-out the working day after receiving such request. Right in re aliena possessor is also deemed as a client. The write-out also contains the account balance on the day of issuing the write-out.

(2) Financial instruments owner's request for a write-out has to include:

- Name and identification number of the client,
- Number of the account opened in sub-depositary,
- Financial instrument, which is subject for the write-out, or a mark that the request is referring to all financial instruments,
- Period, for which the write-out has been issued.

(3) For the write-out form, point 5.1 above is reasonably used.

### **7. Annual Reports**

(1) Sub-depositary is obliged to at least once a year provide the account holder with information about account transactions. The information has to include:

- a. Client identification data, which have been registered in sub-depositary,
- b. date of a write-out,
- c. for each account of the client:
  - i. account number,
  - ii. mark and quantity of the DFIs held on the account,
  - iii. if there are any rights in re aliena on DFIs, also:



- Data on the right in re aliena type,
- Mark and quantity of the DFIs that are subject to this right.

(2) Sub-depositary sends the annual balance write-out from the latter paragraph by surface mail.

#### **8. Time of Sub-depositary Rules Validity**

These rules are in force from the day of being announced by the sub-depositary on its web site. Sub-depositary may change these rules by announcing the changes in the same manner as these rules were announced.