

Summary of the Rules of NLB on the management of conflicts of interest in the provision of individual investment services or ancillary investment services

In accordance with the Policy on Conflict of Interest Management and Corruption Prevention of NLB d.d. and the NLB Group and the Rules on the management of conflicts of interest in the provision of individual investment services or ancillary investment services, NLB d.d. (NLB, Bank) applies the rules for managing effective organisational and administrative measures for the identification, monitoring and management of conflicts of interest. The key information regarding these rules is summarised in this document.

The Bank performs various financial and other services for a large number of clients. In the course of this, a conflict of interest may arise, which the Bank identifies, controls and manages in accordance with the stated rules. The conflict of interest in the provision of investment services or ancillary investment services (hereinafter: services) may arise between:

- the Bank and the clients or potential clients and persons related to the Bank through control;
- employees and clients;
- the Bank and the Bank employees.

Potential conflict of interest

The Bank has established that potential conflicts of interest could – not exclusively – arise in the following circumstances when:

- the Bank trades in financial instruments for its own account and in its own name and in its own name and for someone else's account;
- an employee or their related parties conclude transactions in financial instruments;
- the Bank or an employee has an interest in relation to the results of the service or transaction performed on behalf of a client which is different from the client's interest in relation to these results;
- the Bank or an employee has a financial or other incentive to give priority to another client's or group of clients' interests over the client's interests
- the Bank or an employee performs the same business activity as the client;
- the Bank or an employee receives or shall receive from a person who is not a client, an incentive for a service provided to the client in the form of cash or non-cash benefits or services;
- the Bank performs the services of financial consulting, credit granting, acquisition and merger services for companies whose financial instruments are the subject of the transaction;
- the Bank is a drafter and distributor of a financial instrument of another issuer;
- the Bank is a drafter, distributor and buyer of a financial instrument in the case of a primary issue of debt securities of the Republic of Slovenia (treasury bills, bonds);
- the Bank keeps and manages financial instruments (FI) of the clients and performs other custody services.

Measures envisaged to manage conflict of interest

The NLB has in place appropriate measures to manage the potential conflict of interest in the provision of services. These measures include, but are not limited to:

- policies, rules and procedures for identifying, controlling and managing conflicts of interest;
- information barriers and physical separation of premises;
- organisational separation of business units that provide services that could constitute a conflict of interest;
- employees may only accept gifts or hospitality under specifically defined conditions;
- the Bank has established rules and procedures for the performance of employees' activities outside the Bank;
- the Bank has established rules on respecting confidential client data;
- disclosure of a conflict of interests, if it cannot be adequately managed by other measures.