

POLICY OF CUSTOMER ORDER EXECUTION OF UNICREDIT BANKA SLOVENIJA d.d.

General Terms and Conditions for Conducting Transactions with Financial Instruments of UniCredit Banka Slovenija d.d. – APPENDIX 5

1. POLICY PURPOSE

The Policy of Customer Order Execution of UniCredit Banka Slovenija d.d. (hereinafter referred to as: the UCB) is the UCB's document which defines the system, procedures and reasonable measures which enable the UCB the execution of customer orders under the most favourable conditions for the customer (hereinafter referred to as: the Policy of Order Execution).

2. USE OF POLICY

This Policy of Order Execution shall be applied for non-professional as well as for professional customers. The Policy of Order Execution shall not apply for eligible counter-parties and shall not apply for execution of their orders except if the eligible counter-party expressly requires the Policy of Order Execution to be applied for him/her in general or regarding an individual order. If the eligible counter-party hereby fails to expressly require a treatment as a non-professional customer, the UCB shall treat it as a professional customer. The Policy of Order Execution shall be applied when the customer submits explicit consent for its application. The consent is submitted in written or exceptionally in verbal form. However, in the latter case, the customer has to confirm the consent submitted verbally also in the written form without delays. In the customer fails to submit the consent to the Policy of Order Execution or if it revokes such consent, the UCB shall not accept nor execute the orders of the customer any more. The customer's sale orders are an exception, which the UCB will execute only based on and in accordance with the customer's instructions. In the event when the UCB conducts transactions for its account and releases prices of financial instruments (price quotation) or forms prices on the basis of the customer's request (request for price quotation), it shall not receive nor execute customers' orders under the most favourable conditions for the customer in accordance with the provisions of the FIMA. Such operations of the UCB with the customer shall not be treated as the customer order. The Policy of Order Execution shall be applied for all financial instruments, for which the UCB enables customers the conducting of transaction.

3. EXECUTION FACTORS

At executing customer orders under the most favourable conditions, the UCB shall consider the following execution factors:

- Price,
- Costs,
- Speed of execution,
- Probability of concluding and settling a transaction,
- Size and/or value of order,
- Type of order and
- Any other factor, which can have an important impact on the execution of order. In order to determine relative importance of execution factors, the UCB shall consider the following execution criteria:
 - Characteristics of the customer, including its ranking into the category of professional or non-professional customers;
 - Characteristics of customer order;
 - Characteristics of financial instruments which are the subject of the customer order and
 - Characteristics of execution point where an order shall be executed or it could be executed. The importance of execution factors varies among different financial instruments. As a rule, price shall be the most

important factor, while relative importance of other factors decreases in the same order as they are listed in the previous bullet, except if the UCB in specific circumstances estimates that it can achieve more favourable conditions of customer order execution by taking into consideration other execution factors or a different order of importance of individual factor. When determining the best possible result for the customer, the UCB shall consider the total sum of transaction, which includes the price of financial instrument and all the costs assumed by the customer in relation to execution of the transaction, regardless of who is the recipient of payment of such costs.

4. EXECUTION POINTS

The execution points for the purpose of the Policy of Order Execution shall be the following:

- Regulated markets,
- Multilateral Trading Facilities – MTFs,
- Systematic Internalisers – Sis,
- UCB – own position / market maker,
- Other market makers,
- Non-regulated markets – with the customer consent

The list of execution points, where the UCB ensures operations with different financial instruments and where it regularly achieves the most favourable results for the customers, is available on the web page www.unicreditbank.si and it is updated regularly. The UCB can change the list of execution points without prior notification or customer consent. The UCB shall regularly check whether trading with individual financial instruments at specific execution points ensures the execution of orders under the most favourable conditions. Each change of execution point shall be published on the web page www.unicreditbank.si

In the event of a limited customer order, whose subject are stocks listed for trading on a regulated market, the UCB shall publish the order in the trading system of regulated market or MTF, which it deems as the most appropriate execution point, except in the case when we receive specific/defined customer instructions regarding execution point for execution of this order. For execution of customer order outside of regulated market or MTF, the UCB shall previously obtain the customer consent for this method of order execution. When the UCB, in accordance with the Policy of Order Execution, can execute the order related to a specific instrument at multiple execution points, it shall at evaluating the result for customer, also consider its fees, charged to the customer for execution at specific execution points.

5. SPECIFIC CUSTOMER INSTRUCTIONS

When the customer submits the order with specific instructions, the UCB shall execute the order as it reads. When the customer submits the order with defined instructions regarding individual execution factors, the UCB shall execute the order as it reads and follow the order execution under the most favourable conditions only regarding the factors the customer failed to provide defined instructions for. In cases where the UCB enables customers a direct access to market (direct market access – DM) via an electronic system which enables direct sending of orders, the customer is obliged to create defined instructions for order execution in accordance with the rules of such electronic system. In these cases, the UCB fulfilled its obligation of executing orders under the most favourable conditions by enabling the customer to access such electronic system.

6. EXECUTION OF AGGREGATED ORDERS FOR A JOINT CUSTOMER ACCOUNT

In case if the UCB receives multiple orders for purchase or sale of financial instruments under the same conditions, it can execute these orders simultaneously for customers' joint account, if in this way it achieves the most favourable conditions for execution. The acquired assets are then distributed proportionally among the customers by

taking into consideration the order value of each customer in relation to the joint order value. In case that order for joint asset management customer account is executed in several parts with at least two different prices, the allocation of the executed order to the portfolio of each customer pursues the objective that all customers included in the total joint order achieve the same weighted average price of a financial instrument, which is subject to allocation. In case that the order for joint account is only partially executed, the allocation of the financial instrument to the portfolios of customers shall be properly adjusted so that each customer with a specific investment policy maintain the same proportional share; the absolute allocated quantities of a financial instrument shall be subsequently reduced for all customers that are subject to allocation. In case that such a small part of the order is executed on the market that proportional allocation of bought or sold financial instruments between all the asset management customers' portfolios with a specific investment policy is not possible, the allocation shall apply mutatis done taking into account the principles of equal treatment of customers and cost-effectiveness. If the Bank executes orders for joint account and at the same time it performs trading for its own account, the customer orders have a priority before the UCB orders for its own account. In case it turns out that the UCB could not execute orders for customers under such favourable conditions or it could not execute them at all if it didn't execute them in the form of trading for joint account, the UCB shall distribute funds acquired in this way among customers and for its own account proportionally regarding the value of each order and the joint order.

7. RECEIVING AND FORWARDING

The UCB forwards the received orders to another execution entity. The list of execution entities, the UCB cooperates with, and for which it estimates that on individual markets they execute orders under the most favourable conditions, is available on the web page www.unicreditbank.si and it is regularly updated. The received orders for sale or purchase of nonmarketable financial instruments outside of the organised market can be executed for the customer's account also by UCB. The Bank can change the list of execution entities without prior consent or notification to customers. On the primary market, the UCB forwards the customer orders at entries of financial instruments directly to the issuer or to the agent in accordance with the order content. In this case, the rules on order execution under the most favourable conditions shall not apply.

8. EXTRAORDINARY MARKET CONDITIONS

In the event of extraordinary market conditions, namely large market oscillations and/or internal or external system errors, when it is impossible or hindered to execute orders within normal time frames or when access to individual execution points is hindered or disabled, this Policy of Order Execution shall not be applied. In such cases, the UCB shall ensure the execution of customer order under the most favourable conditions by considering the characteristics of specific extraordinary situation.

9. VALIDITY AND POLICY MODIFICATIONS

The Policy of Order Execution valid at each time shall be published on the web page www.unicreditbank.si. In the event of modifications of the Policy of Order Execution, the UCB shall inform the customers on modification in the manner as determined for modifications of the UCB's General Terms and Conditions of Conducting Transactions with Financial Instruments. The UCB shall at least once per year examine closely the entire Policy of Order Execution and shall modify it if necessary, so that it shall regularly ensure the order execution under the most favourable conditions for the customers. In the event of change of circumstances related to the operations of the UCB, which could significantly influence this Policy of Order Execution, the UCB shall immediately examine the Policy of Order Execution in order to find out whether it still enables achievement of the best possible result for the customer.

LIST OF EXECUTION POINTS

The UCB estimates it can achieve the best possible result for the customer at the following execution points:

1. Multilateral Trading Facilities – MTFs,
2. Systematic Internalisers – Sis,
3. UCB – own position / market maker,
4. other market makers,
5. Non-regulated markets,
6. Regulated markets:
 - Slovenia Ljubljanska Borza
 - Germany Deutsche Boerse
 - GB London Stock Exchange
 - USA New York Stock Exchange
 - Amex, Nasdaq
 - Australia Australian Securities Exchange
 - Avstia Vienna Stock Exchange
 - Belgium EURONEXT BRUSSELS
 - Bulgaria Sofia Stock Exchange
 - Czech republic Prague Stock Exchange
 - Denmark Copenhagen Stock Exchange
 - Estonia Talin Stock Exchange
 - Finland Helsinki Stock Exchange
 - France Euronext Paris
 - Croatia Zagrebačka Burza
 - Hong Kong Hong Kong Stock Exchange
 - Ireland Irish Stock Exchange
 - Italy Borsa Italiana
 - Japan Tokyo Stock Exchange Group
 - Canada Bourse De Montréal Inc.
 - Latvia Riga Stock Exchange
 - Lithuania Vilnius Stock Exchange
 - Luxembourg Bourse De Luxembourg
 - Hungary Budapest Stock Exchange,
 - Netherlands Euronext Amsterdam
 - Norway Oslo Stock Exchange
 - Poland Warsaw Stock Exchange
 - Portugal Euronext Lisbon
 - Romania Bursa De Valori Bucuresti
 - Russia MICEX Stock Exchange
 - Singapore Singapore Wxchange
 - Slovakia Bratislava Stock Exchange
 - Sweden Stockholm Stock Exchange
 - Serbia Belex
 - Spain Bolsa De Madrid
 - Switzerland Virt-X
 - Turkey Istanbul Stock Exchange

LIST OF EXECUTION ENTITIES

- UniCredit Bank Austria AG, Julius Tandler Platz 3, A-1090 Wien, Austria
- UniCredit Bank AG, Arabellastrasse 12, D-81925 München, Germany
- AKJ, Beddingen 8, N-0250 Oslo, Norway
- BKS BANK AG, Bančna podružnica, Verovškova ulica 55A, 1000 Ljubljana

Ljubljana, 13th June 2019