

Based on Article 179 of the Capital Market Act ("Official Gazette of RS", no. 129/2021) and in accordance with Articles 11 to 26 of the Regulation on the Rules of Conduct of an Investment Firm when Providing Services ("Official Gazette of RS", no. 77/2022), the Broker-Dealer Company Tesla Capital JSC, before concluding contracts or providing services to clients or potential retail investors, provides the following information to retail clients:

I N F O R M A T I O N
PROVIDED TO RETAIL CLIENTS
BY THE BROKERAGE COMPANY
TESLA CAPITAL AD BELGRADE

I INTRODUCTION

When providing investment services to clients, the Broker-Dealer Company Tesla Capital JSC Belgrade (hereinafter: the "Company") is obligated to prioritize the interests of its clients over its own interests and to conduct business fairly, honestly, and professionally, in line with the best interests of the clients, while respecting the principles established by the provisions of the Capital Market Act.

All information, including marketing materials, directed by the Company to retail or professional clients, or distributed in a manner that it is certain to be received by existing or potential retail or professional clients, must be true, clear, and not misleading, and marketing material must be clearly marked as such.

II DEFINITIONS

In these rules, in accordance with the Capital Market Act (hereinafter: the "Act") and the regulations of the Securities Commission, certain terms have the following meanings:

1. **Investment company** – a legal entity engaged in its regular activities or business in providing one or more investment services to third parties, or professionally conducting one or more investment activities;
2. **Connected person** – (1) a person with ownership interest in the Company or a connected representative, (2) a person in a managerial position in the Company or a connected representative (director, board of directors, supervisory board members) or a connected representative of the Company, (3) an employee of the Company or a connected representative, (4) any other natural person engaged by the Company or a connected representative to provide services within its jurisdiction, (5) a natural person directly involved in providing services to the Company or its connected representative based on an outsourcing agreement, for the purpose of providing investment services or activities of the company;
3. **Personal transaction** – a transaction involving a financial instrument executed by or on behalf of a connected person acting outside the scope of activities performed as a connected person, or executed on behalf of a connected person, a person related to a connected person by family relationship, or a person closely related in the sense of the Act, or a person whose relationship with a connected person is of such a nature that the connected person has a

direct or indirect material interest in the outcome of the transaction, which is not a commission or fee for the execution of the transaction;

4. **Transactions financing securities** – transactions involving the lending of financial instruments, repurchase agreements (repos), or reverse repurchase agreements, or other transactions involving the purchase of securities and their subsequent resale or the sale of securities and their subsequent repurchase;
5. **Client** – a legal or natural person to whom the Company provides investment or ancillary services, as well as a person who can become a client of the Company (potential client);
6. **Durable medium** – a means that allows the client to store data addressed to them personally, ensuring that it remains easily accessible for future use for a period that corresponds to the purpose of storing such data and allows unchanged reproduction of the stored data.

III CONTENT OF INFORMATION:

The Company is obligated, before concluding a contract or providing services to a retail client or potential retail client, to provide information via its website or a durable medium, regarding:

1. The Company and the services it provides;
2. Financial instruments;
3. Protection of client's financial instruments and funds;
4. Costs and charges.

The Company must inform the client and potential client in a timely manner about any significant changes to the provided information.

1. Information about the Company and the services it provides

1.1. Information about the Company

Business name:	Broker-Dealer Company Tesla Capital JSC Belgrade
Abbreviated name:	Tesla Capital JSC Belgrade
Registered office:	NOVI BEOGRAD
Registered office address:	Bulevar Zorana Đinđića 121
Company ID (MB):	17326015
Tax ID (PIB):	101822334
Internet address:	www.tesla-capital.com
E-mail:	office@tesla-capital.com
Phone:	
Fax:	
Operating License:	Resolution No.: ____ year

Competent authority issuing the license: Securities Commission, Belgrade, Omladinskih brigada
no. 1

Language of communication: The language of communication is Serbian.

The Company may communicate with clients - foreign legal or natural persons in English or another foreign language stipulated in the contract, provided that the contract, orders, and other necessary documentation exchanged between the client and the Company are prepared bilingually.

Means of communication and provision of documents and other information by the Company:

Communication between the Company and clients takes place in a manner most convenient for the client, as specified in the contract.

Clients can communicate with the Company via telephone, email, fax, and in person by visiting the Company's registered office.

Method of giving and receiving orders:

In person,

By fax if stipulated in the client's contract.

By phone and electronic means when the Company provides the conditions for such order reception and specifies it in the client's contract.

Membership:

Belgrade Stock Exchange JSC Belgrade Omladinskih brigada 1

11070 Novi Beograd

Phone: 011/2138.424

Email: info@belex.rs

Internet address: www.belex.rs

Central Securities Depository, Clearing and Settlement of Securities

Trg Nikole Pašića 5

11000 Belgrade

Phone: 011/3331.380

Fax: 3331.329

Internet address: www.crhov.rs

Extent, Frequency, and Reporting Period:

The Company is obligated to promptly, and no later than the next business day from the day of receiving an order, provide the client with a notice via a durable medium about:

1. The time and place of receiving orders, modifying, or revoking orders;
2. Acceptance or rejection of order execution along with the reasons for refusing execution.

After executing a client's order, the Company follows these steps:

1. Promptly delivers essential information related to the execution of that order to the client via a durable medium;
2. As soon as possible, and at the latest by the end of the first business day from execution, or if the Company receives confirmation from a third party, at the latest by the end of the first business day from receiving the confirmation from the third party, the Company provides the client with a notice confirming the execution of the order.

Point 2) from paragraph 2 above does not apply if the confirmation contains the same information as the confirmation provided promptly by another party.

Points 1) and 2) from paragraph 2 above do not apply in the case of orders executed on behalf of clients concerning bonds financing mortgage credit agreements with these clients. In this case, the transaction report is provided simultaneously with the mortgage loan terms, but no later than one month from the execution of the order.

While respecting the requirements from paragraph 2, the Company, upon request, provides the client with information about the status of their order.

For client orders related to units or shares in a collective investment subject, executed periodically, the Company undertakes measures from point 2) in paragraph 2 above or provides the client with the information specified in Article 34 of the Regulation on the Rules of Conduct of an Investment Firm when Providing Services at least once every six months.

Protection of Financial Instruments and Funds:

The Company:

1. Maintains records and accounts that allow it to distinguish the assets held for each client from those held for any other client and its own assets at all times and without delay;
2. Maintains its records and accounts in a way that ensures their accuracy, particularly those related to financial instruments and funds held for clients, so that they can be used for audit purposes;
3. Regularly conducts reconciliations between its internal accounts and records, as well as the accounts and records of any third parties holding such assets;
4. Takes necessary measures to ensure that all client financial instruments deposited with third parties are clearly distinguishable from financial instruments belonging to the Company and those belonging to the third party, keeping them in separate accounts in the books of the third party or employing other equivalent measures that achieve the same level of protection;
5. Takes necessary measures to ensure that client funds deposited in a central bank, credit institution, or a bank licensed to operate in a foreign country are held in an account or accounts that are clearly distinguishable from all accounts holding funds belonging to the Company;
6. Establishes an appropriate organizational structure to minimize the risk of loss or reduction of client assets or rights related to such assets due to asset misuse, fraud, poor administration, inappropriate record-keeping, or negligence.

To secure funds for the protection of retail investors, the Insurance Agency organizes and manages the Investor Protection Fund. The protected claim includes funds deposited and/or resulting from investment services and activities, as well as financial instruments of retail investors. Coverage for retail investor claims is provided up to a maximum of EUR 20,000 in dinar equivalent at the official average exchange rate of the dinar against the euro determined by the National Bank of Serbia. Information about the operation of the Investor Protection Fund can be found on the website of the Deposit Insurance Agency <http://www.aod.rs> and the Securities Commission <https://www.sec.gov.rs>.

Conflict of Interest Management Policy: The Conflict of Interest Management Policy establishes:

1. Circumstances that constitute or may lead to conflicts of interest that entail a risk of harm to the interests of one or more clients;
2. Procedures that need to be followed and measures to be taken to prevent such conflicts or manage them.

The Company assesses and periodically reviews its conflict of interest management policy, at least once a year, and takes appropriate measures to address any deficiencies.

The Company takes all necessary measures to identify, prevent, or manage conflicts of interest arising from the provision of investment and ancillary services or their combination. If the organizational or administrative measures taken by the Company to prevent conflicts of interest and potential harm to client interests are not sufficient to reasonably prevent the risk of harm to client interests, the Company must disclose to the client the general nature and/or sources of conflicts of interest and the steps taken to mitigate these risks before conducting business on their behalf.

The Company cannot receive fees, discounts, or non-monetary benefits for directing client orders to specific trading venues or execution venues that would violate conflict of interest provisions.

Procedures and measures for preventing and managing conflicts of interest include:

1. Effective procedures to prevent or control the exchange of information between relevant individuals involved in activities that entail a risk of conflicts of interest when such information exchange could harm the interests of one or more clients;
2. Separate oversight of relevant individuals whose primary functions involve acting on behalf of clients or providing services to clients whose interests may conflict or otherwise represent differing interests that may conflict, including the interests of the Company;
3. Eliminating any direct link between the remuneration policy of relevant individuals primarily engaged in one activity and the remuneration or income policy of other relevant individuals primarily engaged in another activity when conflicts of interest could arise from these activities;
4. Measures to prevent or limit any individual from exerting undue influence on how a relevant individual provides investment or ancillary services or carries out activities;
5. Measures to prevent or control the simultaneous or consecutive participation of relevant individuals in specific investment or ancillary services or activities if such participation could compromise effective conflict of interest management.

Upon client request, the Company provides more detailed information about the Conflict of Interest Management Policy on a durable medium or through its website, subject to prescribed conditions.

1.2. Information about Company Services

The Company has received authorization from the Securities Commission for the provision of the following investment services and activities to retail clients:

1. Receipt and transmission of orders related to one or more financial instruments;
2. Execution of orders on behalf of clients;
3. Portfolio management;
4. Execution of procedures for offering financial instruments without an obligation to purchase.

The Company is authorized to perform the following additional services, in addition to the services mentioned above:

1. Custody and management of financial instruments on behalf of clients (custody services) and related services, such as administering cash on behalf of securities, excluding maintenance and keeping of securities accounts;

2. Granting credit or loans to investors for the conclusion of transactions involving one or more financial instruments when the Company providing credit or loans is involved in the transaction;
3. Consulting on capital structure, business strategy, and related matters, as well as advisory and services related to mergers and acquisitions of business entities;
4. Research and financial analysis or other forms of general recommendations concerning financial instrument transactions;
5. Investment services and activities, as well as ancillary services related to underlying derivative financial instruments as specified in subparagraphs (5), (6), (7), and (10) of paragraph 1, Article 2 of the Capital Market Act, when related to the provision of investment or ancillary services.

1.3. Signing of Contracts

Depending on the type of services the client is contracting with the Company, the relevant contract, along with additional forms and documents of the Company, should be presented for the client's review and signature. Clients are directed to the official website of the Company where the relevant documents and forms are published.

The Company enters into a basic written contract with the client on paper or another durable medium, determining the fundamental rights and obligations of the Company and the client.

The written contract includes the following:

1. Description of services and, where applicable, the nature and scope of investment advice provided;
2. Rights and obligations of the contracting parties, which may be specified by reference to other documents available to the client;
3. In the case of portfolio management services, types of financial instruments that can be bought and sold, types of transactions that can be executed on behalf of the client, and any prohibited instruments or transactions;
4. Description of the main features of all services specified in paragraph 1, point 3) subparagraph (1) of the Capital Market Act, including, if applicable, the Company's role in relation to corporate activities concerning client instruments and the conditions under which transactions involving financing of securities, including client securities, achieve redemption for the client;
5. Other conditions under which the Company provides services to the client;
6. A statement by the client acknowledging familiarity with the content of the Company's business rules and the Company's Tariff Regulations before the contract's conclusion.

The Company authorizes its employees to sign contracts on its behalf, in accordance with the Company's authorization policy for signing documentation related to financial instrument operations. By signing the contract, the employee confirms the client's identification.

The Company maintains records that include contracts or documents signed by both the Company and the client, setting forth the rights and obligations of the contracting parties and other conditions under which the Company provides services to clients.

The record of concluded contracts with clients contains:

1. Client identification details;
2. Contract identification number and date of conclusion;
3. Designation of services that may be provided to the client; and
4. Other information relevant to fulfilling the Company's contractual obligations.

Rights and obligations of the contracting parties may be incorporated by reference to other documents or regulations.

2. Financial Instruments Information

2.1. Types of Financial Instruments

In accordance with the Capital Market Act, financial instruments are classified as follows:

1. Transferable securities;
2. Money market instruments;
3. Units of collective investment undertakings;
4. Derivative financial instruments;
5. Issuance units.

(1) **Transferable securities** encompass all types of securities tradable on the capital market, excluding payment instruments. They particularly include:

- Shares of companies or other equity-like securities of companies or other entities, as well as depositary receipts related to shares;
- Bonds and other forms of securitized debt, including depositary receipts related to such securities;
- All other securities conferring the right to acquire and sell such transferable securities, settled in cash, with their value determined based on transferable securities, currencies, interest rates or yields, commodities, indices, or other determinable values.

(2) **Money market instruments** are financial instruments typically traded on the money market, such as treasury bills, commercial paper, certificates of deposit, except payment instruments.

(3) **Units of collective investment undertakings** are freely transferable dematerialized financial instruments issued by collective investment undertakings, granting unit holders a proportionate claim to the total net assets of the collective investment undertaking.

(4) **Derivative financial instruments** encompass:

1. Options, futures, swaps, interest rate forwards (non-standardized interest rate futures), and all other derivative contracts related to securities, currencies, interest rates, or yields, issuance units, and all other derivative financial instruments, financial indices, or financial measures that can be physically settled or cash settled;
2. Options, futures, swaps, forwards, and all other derivative contracts related to commodities and that:
 - Require cash settlement, or

- Are capable of being cash settled by choice of either contracting party, except in cases of non-performance of obligations or other reasons for contract termination;
3. Options, futures, swaps, and all other derivative contracts related to commodities that can be physically settled, provided they are traded on a regulated market, MTF, or OTF, except wholesale energy products traded on OTFs that must be physically settled;
 4. Options, futures, swaps, forwards, and all other derivative contracts related to commodities that can be physically settled, not mentioned in point 3) and not having a commercial purpose, yet displaying characteristics of other derivative financial instruments;
 5. Derivative financial instruments for the transfer of credit risk;
 6. Contracts for differences;
 7. Options, futures, swaps, interest rate forwards, and all other derivative contracts related to climate variables, transport costs, inflation rates, or other official, economic, and statistical data, requiring cash settlement or capable of being cash settled by choice of either contracting party, except in cases of non-performance of obligations or other reasons for contract termination, as well as other derivative contracts related to assets, rights, obligations, indices, and measurement units not specified in this point, yet having characteristics of other derivative financial instruments, considering, among other things, whether they are traded on a regulated market, OTF, or MTF.

2.2. Investment Risks in Financial Instruments

By entering into brokerage services agreements and/or portfolio management service agreements, the client acknowledges being aware of the risks associated with capital markets and that the Company has provided information to them in a satisfactory manner.

The risks to which clients of the Company are exposed can be categorized as general risks and specific risks inherent to individual financial instruments.

2.2.1. General Risks in Dealing with Financial Instruments:

- (1) Value Reduction Risk: Risk of a financial instrument's value decreasing due to global and/or regional recessions;
- (2) Exchange Rate Risk: Risk of currency exchange rate fluctuations; (3) Country Rating Risk: Risk dependent on changes in a country's credit rating, including:
 - Default risk of a specific country;
 - Political risk, including unexpected regulatory changes affecting capital markets and investor positions;
- (4) Inflation Risk: Risk of a financial instrument's value decreasing due to general price growth (inflation risk);
- (5) Liquidity Risk: Risk of being unable to sell a financial instrument on the secondary capital market due to reduced demand or market inefficiency;

(6) **Issuer Risk:** Risk of a financial instrument's value reduction due to a decline in the issuer's credit rating;

(7) **Financial Leverage Risk:** Financial leverage signifies the debt-to-equity ratio, indicating the interdependence between an entity's indebtedness and its investment in financial assets. Financial leverage's impact can be positive or negative, depending on the return rate of the entity's equity invested in financial instruments, interest, or other obligations paid on borrowed funds;

(8) **Bankruptcy Risk:** Risk of a financial instrument's value decreasing or being completely lost due to the issuer's bankruptcy proceedings (bankruptcy risk) or appointment of an administrator when the issuer is a bank;

(9) **Market Psychology Risk:** Risk of a financial instrument's value changing due to speculative activities of large investors or significant corporate actions on the exchange (market psychology risk);

(10) **Information System Failure Risk and/or Risk of Communication Disruption** between banks, the Central Securities Depository, or other financial instrument depositories, regulated markets, MTFs, and other regulated financial instrument markets.

2.2.2. Specific Risks in Dealing with Financial Instruments:

(1) **In dealing with shares:** Risk of share value decrease due to regular periodic market price fluctuations, volatility risk – risk of share price change within a specific period, dividend non-payment risk;

(2) **In dealing with bonds:** Issuer creditworthiness change risk (credit risk), interest rate change risk, default risk – risk of issuer's debt non-payment or discontinuation, liquidity risk, exchange rate risk, reinvestment risk, yield curve risk;

(3) **In dealing with derivatives:** Positional risk arising from their value change due to alterations in established interest rates, financial instrument prices, commodity prices, currency exchange rates, indices, or similar variables;

(4) In dealing with money market instruments:

- Issuer credit rating change risk, i.e., the risk that the issuer may not meet its matured obligations based on issued financial instruments;
- Liquidity risk, as money market instruments are not listed on secondary markets, leading to a possibility that investors may not be able to sell instruments but must hold them until maturity;
- Exchange rate risk, i.e., the risk of a value decrease for an instrument denominated in one currency or with a currency clause expressed in another currency due to currency exchange rate changes.

(5) In dealing with units of collective investment (investment units):

- **Currency Risk:** Risk arising from the fact that the fund's assets may consist of assets denominated in various currencies, leading to depreciation (currency rate increase) or

appreciation (currency rate decrease) of those currencies, affecting the increase or decrease in the value of the fund's units;

- Market Risk: Risk that the fund's assets invested in financial instruments traded on the market may decrease in value due to market price declines;
- Credit Risk: Risk that the issuer in which the fund's assets are invested may not meet its financial obligations, resulting in a decline in the value of the fund's assets;
- Liquidity Risk: Risk that the fund may not be able to quickly sell financial instruments at a price close to the fair price, or may not be able to sell the desired quantity of financial instruments.

In its operations, the Company limits its liability exclusively to actual monetary damages incurred by the client as a result of the Company's omissions or actions, including actions of its employees.

The Company is not liable for losses incurred by the client due to any of the mentioned risks or other risks not specifically listed, including force majeure events (political unrest, natural disasters, government decisions, market rules, strikes, actions or omissions of third parties, actions of the client themselves, changes in tax obligations, without the Company's influence on the loss for the client, and other risks beyond the Company's control).

The Company is also not liable for damage or losses incurred by the client because they failed to promptly inform the Company about changes to their contact information, changes in authorized representatives, or the revocation and/or change of a power of attorney. The Company is also not responsible for actions taken by the client's attorney and their decisions to buy and/or sell financial instruments on behalf of the client.

2.3. Other Information Regarding Financial Instruments

The Company is obligated to provide information about a financial instrument:

- 1) Subject to an ongoing public offer for which a prospectus has been issued – inform retail clients and potential retail clients about how the prospectus is accessible in a timely manner before providing investment or ancillary services to clients or potential clients;
- 2) Involving a third-party guarantee or capital protection – provide clients and potential clients with sufficient data about the scope and type of such guarantee or capital protection. When a third party provides the guarantee, information about the guarantee must encompass sufficient data about the guarantor and the guarantee to enable the client or potential client to objectively assess the guarantee;
- 3) Comprising two or more different instruments or services – provide clients and potential clients with an appropriate description of the legal nature of the financial instrument, individual components of such instrument, and how the mutual influence of components affects investment risks.

3. Information Regarding the Protection of Clients' Financial Instruments and Funds

The Company is obligated to:

- 1) Maintain records and accounts that allow it to distinguish at all times and without delay between the assets held for one client from the assets held for any other client and its own assets;

- 2) Maintain its records and accounts in a manner that ensures their accuracy, particularly those related to financial instruments and funds held for clients, in a way that the records and accounts can be used for audit purposes;
- 3) Regularly reconcile its internal accounts and records, as well as the accounts and records of any third parties holding such assets;
- 4) Take necessary measures to ensure that all client financial instruments held with a third party are clearly distinguishable from financial instruments belonging to the Company and financial instruments belonging to that third party, by maintaining separate accounts in the books of the third party or by implementing other identical measures to achieve the same level of protection;
- 5) Take necessary measures to ensure that client funds deposited with a central bank, credit institution, or bank authorized to operate in a foreign country are held in an account or accounts that are clearly distinguishable from all accounts holding funds belonging to the Company;
- 6) Implement an appropriate organizational structure to minimize the risk of loss or reduction of client assets or rights related to those assets resulting from asset abuse, fraud, poor administration, improper record-keeping, or negligence.

If due to applicable legislation, including specific legislation related to property or insolvency, the Company cannot adhere to the provisions of this clause to protect client rights, the Company must establish mechanisms for protecting client assets to fulfill the objectives specified in this clause.

If due to applicable legislation in the jurisdiction where client funds or financial instruments are held, the Company cannot fulfill the obligations stated in point 4) or 5) of this clause, it must establish mechanisms for protecting client assets to fulfill those obligations. When relying on these mechanisms, the Company must inform clients that they do not benefit from the provisions outlined in these rules and applicable regulations in such cases.

The right to redemption of financial instruments or client funds, or the right of pledge or set-off against these instruments or funds enabling a third party to dispose of client financial instruments or funds to collect debts unrelated to the client or provide services to the client, is not allowed unless required by applicable legislation in the jurisdiction where client funds or financial instruments are held. If the Company is obligated to enter into agreements that establish such a right of redemption, pledge, or set-off, it must inform clients about this and provide them with information about the risks associated with these agreements.

If the Company has granted the right of redemption, pledge rights, or set-off rights against client financial instruments or funds, or if the Company has been informed that such rights have been granted, they must be recorded in client agreements and the Company's own accounts to clearly indicate the ownership status of client assets, for example in the case of insolvency.

The Company is obligated to provide information regarding client financial instruments and funds to the Securities Commission, appointed bankruptcy trustees, and individuals responsible for the recovery of distressed institutions, in accordance with applicable sub-regulations of the Securities Commission.

3.1. Handling Client Financial Instruments

The Company uses client-owned financial instruments only based on client orders.

The Company cannot:

- 1) Pledge or alienate client-owned financial instruments without the client's prior written authorization;
- 2) Use client financial instruments to settle its own obligations or the obligations of other clients.

3.2. Depositing Client Financial Instruments Abroad

The Company deposits financial instruments held on behalf of clients into accounts opened with third parties, provided that the Company exercises the care of a prudent expert when selecting, appointing, and periodically reviewing the third party, as well as the procedures for holding and safekeeping the mentioned financial instruments.

The Company pays particular attention to the expertise and market reputation of the third party, as well as all legally prescribed conditions related to the holding of the mentioned financial instruments, which could have negative effects on clients' rights.

If the Company intends to deposit client financial instruments with a third party, states ensure that the Company deposits financial instruments only with a third party in the jurisdiction of the state where the safekeeping of financial instruments on behalf of another entity is subject to special regulations and supervision, and that the third party is subject to such special regulations and supervision.

The Company is not allowed to deposit client-owned financial instruments with a third party in a foreign country where the safekeeping of financial instruments on behalf of another entity is not regulated unless one of the following conditions is met:

- 1) The type of financial instruments or related investment services requires them to be deposited with a third party in that foreign country;
- 2) When the financial instruments are held on behalf of a professional investor, that client requests in writing that the Company deposit them with a third party in that foreign country.

The requirements of paragraphs 3 and 4 of this clause also apply when the third party delegates any of its functions related to the holding and safekeeping of financial instruments to another third party.

3.3. Use of Client Financial Instruments

The Company is prohibited from entering into transactions involving the financing of securities for financial instruments held on behalf of clients or otherwise using such financial instruments for its own account or for the account of any other entity or client of the Company, unless the following conditions are met:

- 1) The client has given explicit prior consent for the use of the instruments under precisely defined conditions, which is confirmed by their signature or other equivalent mechanism;

- 2) The use of client financial instruments is limited to precisely defined conditions with which the client agrees.

The Company may not enter into transactions involving the financing of securities for financial instruments held on behalf of clients in a pooled account managed by a third party, or otherwise use financial instruments in such an account for its own account or for the account of any other entity, unless, in addition to the conditions stated in paragraph 1 of this clause, at least one of the following conditions is met:

- 1) Each client whose financial instruments are held together in a pooled account must provide explicit prior consent, in accordance with paragraph 1 point 1 of this clause;
- 2) The Company must have established systems and controls that ensure that only financial instruments belonging to clients who have given explicit prior consent are used, in accordance with paragraph 1 point 1 of this clause.

The Company's records must include data on the client on whose instructions the use of financial instruments was carried out, as well as the quantity of used financial instruments belonging to each consenting client, in order to facilitate the proper allocation of potential losses.

The Company must take appropriate measures to prevent unauthorized use of client financial instruments for its own account or for the account of any other entity, such as:

- 1) Entering into agreements with clients regarding the measures the Company will take in the event that the client does not have sufficient securities in their account on the settlement date, e.g. borrowing appropriate securities on behalf of the client or closing the position;
- 2) Closely monitoring its anticipated execution capability on the settlement date, and establishing corrective measures if this cannot be achieved; and
- 3) Closely monitoring and promptly requesting undelivered securities that remain unsettled on the settlement date and thereafter.

The Company is obligated to implement specific measures for all clients to ensure that the lender of client financial instruments provides adequate collateral and that the Company continuously assesses the appropriateness of such collateral, as well as taking necessary measures to maintain a balance with the value of the client's instruments.

The Company is required to introduce specific measures and mechanisms to ensure that it does not enter into agreements with retail investors to transfer ownership of financial collateral for the purpose of securing or covering existing or future, real, potential, or expected client obligations.

3.4. Handling of Client Funds

In handling client funds, the Company is obliged to open a separate bank account for client funds at a credit institution - a member of the Central Securities Depository.

The Company is obligated to ensure that funds from the client's bank account are:

- 1) Used only for the payment of obligations related to services provided for the client;
- 2) Not used to pay the obligations of other clients;

3) Not used to pay the Company's obligations.

If the Company deposits client funds with a foreign bank, it must apply the provisions of these rules relating to the deposit of financial instruments with a domestic depository.

3.5. Investor Protection Fund

To secure funds for the protection of retail investors, the Insurance Agency organizes and manages the Investor Protection Fund.

The protected claim includes funds deposited and/or resulting from investment services and activities and financial instruments of retail investors who are members of the Fund. The Agency provides coverage for the claims of a retail investor up to a maximum of EUR 20,000 in dinar equivalent, based on the official average exchange rate of the dinar against the euro determined by the National Bank of Serbia.

4. Information on Costs and Fees

Information about all costs and related fees includes details related to investment and additional services, including advisory costs if necessary, costs of recommended or sold financial instruments to the client, and information about possible payment methods by the client, including payments to third parties.

Information about all costs and fees, including those related to investment services and financial instruments not resulting from related market risks, is presented collectively so that the client can understand the total cost as well as the cumulative impact on investment returns. Upon request by the client, a breakdown by items is provided. If necessary, such information is provided to the client regularly, at least once a year, during the investment term.

Information about costs and fees that the Company is required to provide to the client before concluding an agreement or providing services includes notifications about:

- 1) The total price that the client is obliged to pay in connection with the financial instrument or service, including all related commissions, fees, and other costs, as well as all payments made through the Company;
- 2) The basis for calculating the price, in cases where the total price cannot be specified;
- 3) The currency and relevant exchange rate and costs, in cases where any part of the total price must be paid or represents an amount in a foreign currency;
- 4) The possibility of other costs, including taxes or other payments, related to transactions in connection with the financial instrument or service that may arise for the client and that are not payable through or imposed by the Company.

When it comes to information about the total price and its calculation method, the fee or commission charged by the Company must be specifically indicated for each individual case.

Data on the costs and fees charged by the Company to the client are contained in the Tariff Regulation of ABC BROKER AD Gandijeva 7/10, published on the Company's website and available in paper format at the Company's headquarters.

IV FINAL PROVISIONS

The information provided by the Company to retail clients related to information during the provision of order reception and transmission services, as well as the information collected by the Company during the provision of other investment services, are contained in the Rules and Procedures of Business of Tesla Capital AD Belgrade, of which this Regulation is an integral part.

The Rules and Procedures of Business and the Information provided to retail clients are published on the Company's website and are available on a durable medium at the Company's headquarters.