

Based on Article 191 of the Capital Market Law ("Official Gazette of RS (Službeni glasnik RS)", No. 129/2021) and Articles 7-11 of the Regulation on the Rules of Conduct of an Investment Company in Providing Services ("Official Gazette of RS (Službeni glasnik RS)", No. 77/2022), the shareholders' assembly of Broker-Dealer Company Tesla Capital JSC, Belgrade (hereinafter referred to as the "Company"), at a session held on December 28, 2022, enacts:

CLIENT CATEGORIZATION RULEBOOK

1. GENERAL PROVISIONS

Article 1.

In accordance with the Law, the Regulation on the Rules of Conduct of an Investment Company in Providing Services, and other subordinate regulations, the Company establishes through this Rulebook the criteria for categorizing clients into client categories, the method of providing services to different client categories, the level of protection for each client category, client notification, the procedure for changing categories, and other matters in compliance with relevant regulations.

Article 2.

The Company is obligated to inform each client, through a durable medium, about:

1. the client category to which they belong;
2. the level of protection that will be provided to them;
3. the possibility of requesting re-categorization into another client category, as well as any changes in the level of protection resulting from such a decision.

Article 3.

When the Company determines that a client no longer belongs to the category in which they were categorized, it must take appropriate measures to change the client's category as prescribed by this Rulebook.

2. CLIENT CATEGORIES

Article 4.

Before providing services, the Company must categorize a client as either a professional or a retail client.

The categorization referred to in paragraph 1 of this Article is carried out by the Company in accordance with its internal rules and procedures, based on information available to the Company regarding the client's:

1. investment objectives;
2. knowledge and experience;
3. financial position.

3. PROFESSIONAL INVESTOR

Article 5.

Professional investors, concerning all investment services, activities, and financial instruments, are considered to be:

1. entities subject to the requirement of obtaining permission or supervision to operate in the financial market, including:
 - (1) credit institutions;
 - (2) investment companies;
 - (3) other financial institutions subject to the requirement of obtaining permission or supervision;
 - (4) insurance companies;
 - (5) collective investment institutions and their management companies;
 - (6) voluntary pension funds and management companies for voluntary pension funds;
 - (7) commodity dealers and commodity derivatives dealers;
 - (8) other institutional investors;
 - (9) other investors classified as professional in accordance with EU regulations;
2. legal entities that meet at least two of the following criteria:
 - (1) total assets amount to at least EUR 20,000,000 in the dinar equivalent at the official middle exchange rate of the dinar to the euro set by the National Bank of Serbia;
 - (2) annual business income amounts to at least EUR 40,000,000 in the dinar equivalent at the official middle exchange rate of the dinar to the euro set by the National Bank of Serbia;
 - (3) own capital of at least EUR 2,000,000 in the dinar equivalent at the official middle exchange rate of the dinar to the euro set by the National Bank of Serbia;
3. the Republic of Serbia, autonomous provinces and local self-government units, as well as other states or national and regional bodies, the National Bank of Serbia and central banks of other states, international and supranational institutions, such as the International Monetary Fund, the European Central Bank, the European Investment Bank, and other similar international organizations;
4. other institutional investors whose main activity is investing in financial instruments, including entities engaged in asset securitization or other financing transactions.

The Company may, at the request of an entity referred to in paragraph 1 of this Article, grant a higher level of protection treatment, or treatment that other non-professional investor clients have.

Professional clients are obliged to timely inform the Company whose services they use about all facts that could affect a change in their client category with the Company.

Article 6.

When a client is a professional investor, the Company is obligated to inform them, prior to providing services and based on the available client information, that they are considered a professional investor and will be treated as such, unless otherwise agreed between the Company and the client.

The Company must inform the professional investor about the possibility of changing the agreed terms in order to secure a higher level of protection for their interests. However, the responsibility lies with the client to request a higher level of protection when they believe they are unable to adequately assess or manage the risks inherent in an investment.

A higher level of protection of interests is mandatory when the Company enters into a written agreement with a professional investor that specifies the investor's wish not to be treated as a professional investor. Such an agreement must clearly state whether it applies to one or more services, transactions, or types of products or transactions.

Article 7.

The Company may treat clients who are not listed in Article 5 of this Rulebook as professional investors upon their request, based on an appropriate assessment of the client's knowledge and experience, which provides reasonable assurance that the client is capable of making their own investment decisions and understanding the related risks, given the nature of the envisaged financial transaction or service.

The assessment referred to in paragraph 1 of this Article includes verifying whether the professional investor meets at least two of the following criteria:

- (1) the investor has carried out significant volume transactions on relevant markets, with an average frequency of at least ten transactions per quarter over the last four quarters;
- (2) the size of the client's financial portfolio, which includes cash deposits and financial instruments, exceeds EUR 500,000 in the dinar equivalent at the official middle exchange rate of the dinar to the euro set by the National Bank of Serbia;
- (3) the investor has worked or has been working for at least one year in the financial sector in positions requiring knowledge of the envisaged financial transactions or services.

For legal entities that do not meet the conditions of Article 5, paragraph 1, point 2 of this Rulebook, the entity whose knowledge and abilities are assessed is the entity authorized to conduct financial transactions on behalf of that legal entity.

Clients treated as professional investors at their personal request may waive the higher level of protection implied by their status following this procedure:

- (1) the client informs the Company in writing that they wish to be treated as a professional investor, with respect to all or a specific investment service, transaction, or for a specific type of transaction or product;
- (2) the Company is obligated to clearly and in writing inform the professional investor about the protection of their interests and their right to compensation, which they may lose through this waiver;

(3) the professional investor must declare in a separate document, separate from the contract, that they are aware of the consequences of losing protection.

Before granting a client's request to waive the higher level of protection, the Company takes all reasonable measures to ensure that the client requesting to be treated as a professional investor meets the conditions prescribed for this purpose.

4. RETAIL INVESTOR

Article 8.

All clients of the Company who are not classified as professional investors are considered retail investors.

Article 9.

A retail investor who wishes to be treated as a professional investor can request a lower level of protection for their interests in relation to all or specific services, types of transactions, or financial instruments in writing from the Company.

In the case of a request as per paragraph 1 of this Article:

- (1) The Company is obligated to:
 - clearly and in writing warn the client about the reduction of the protection of their interests and the loss of their right to compensation from the Investor Protection Fund,
 - assess whether the client possesses sufficient knowledge and experience to make independent investment decisions and accurately assess the risks related to investments,
 - enter into a written contract with the client or conclude an annex to the contract specifying the services, transactions, or financial instruments with respect to which the client wishes to be treated as a professional client or reject the client's request to be recognized as a professional investor;
- (2) The client must declare in a separate document, distinct from the contract, that they are aware of the consequences of losing the protection level.

The assessment referred to in paragraph 2, point 1, sub-point 2 of this Article implies that the client meets at least two of the following conditions:

- (1) the investor has conducted transactions on financial markets with an average frequency of at least 10 transactions per quarter in the last year, with a total value of EUR 50,000 per quarter;
- (2) the size of the financial instrument portfolio, including cash, exceeds EUR 500,000 in the dinar equivalent;
- (3) the investor has worked or has been working for at least one year in the financial sector in positions requiring knowledge of securities investments.

Financial markets as per paragraph 3, point 1 of this Article are considered markets where financial instruments are traded for which the client wants professional investor status.

5. PROVISION OF SERVICES TO SPECIFIC PROFESSIONAL INVESTORS

Article 10.

Certain professional investors, for the purposes of this Article of the Rulebook, include investment firms, credit institutions, insurance companies, UCITS funds and their management companies, other financial institutions subject to the obligation of obtaining a license or supervision in accordance with the laws of the Republic of Serbia, national governments and their offices, including public bodies dealing with national public debt, central banks, and supranational organizations (hereinafter referred to as "**certain professional investors**").

The Company may initiate transactions or enter into transactions with certain professional investors without being obligated to fulfill the conditions stipulated in Article 177, Article 179, paragraph 1, and paragraphs 5-17, Article 180, Article 181, paragraph 1, and paragraph 6, Article 186, and Article 187, paragraphs 3-5 of the Law regarding these transactions or additional services directly related to these transactions.

In its relations with certain professional clients, the Company acts fairly, equitably, and professionally, and communicates in a fair, clear, and non-misleading manner, taking into consideration the nature of the certain professional investor and their activities.

The status of a certain professional investor as per paragraph 1 of this Article does not exclude the right of these entities to request, either in general or for each transaction individually, to be treated as investors whose business with the Company is regulated in accordance with Article 177, 179, 180, 181, 182, 186, and 187 of the Law.

In the case of a transaction involving certain professional investors situated in jurisdictions other than the Republic of Serbia, the Company recognizes the status of the other legal entity as regulated by the laws of the Member State in which the company is established.

When the Company concludes transactions in accordance with paragraphs 1 and 2 of this Article with such clients, it is obligated to obtain consent from the potential certain professional investor to treat them as a certain professional investor. The Company can obtain this consent in the form of a general agreement or the consent can be given for each individual transaction.

The Company can treat entities from third countries as certain professional investors if they are identical to the categories of entities as specified in paragraphs 3 and 4 of this Article.

The Company can also treat entities from third countries as certain professional investors, in accordance with paragraphs 5 and 6 of this Article, under the same conditions and criteria set out in paragraphs 5 and 6 of this Article of the Rulebook.

6. INFORMATION

Article 11.

All information, including marketing materials, that the Company directs to retail or professional clients, or distributes in a way that it is certain that they will be received by existing or potential retail or professional clients, must be truthful, clear, and not misleading, and marketing material must be clearly labeled as such.

Information from paragraph 1 of this Article must:

- (1) contain the business name and registered office of the Company;
- (2) the size of the lettering when stating relevant risks in the information must be at least equal to the size of the lettering predominantly used for the provided information, and the page layout must ensure that this statement is highlighted;
- (3) be sufficient and presented in a way that an average client or potential client to whom they are addressed or who is likely to receive them will likely understand them;
- (4) not hide, diminish, or obscure important details, statements, or warnings;
- (5) be consistently presented in the same language in all forms of information and marketing materials delivered to each client, unless the client agrees to receive information in more than one language;
- (6) be up-to-date and relevant to the communication means used;
- (7) not include the name of any competent authority in a manner that would indicate or suggest approval of the Company's instrument or service by that authority.

Article 12.

The Company informs new and existing clients that the Company, in accordance with the Law, has re-categorized clients as retail investors, professional investors, or certain professional investors in accordance with the Law's provisions.

The Company informs clients on a durable medium about each client's right to request a different categorization and about all limitations concerning the level of client protection that a different categorization would entail.

The Company can, at its own initiative or upon the client's request, treat that client in one of the following ways:

- (1) as a professional or retail investor if that client could otherwise be classified as a certain professional investor;
- (2) as a retail investor if that client is considered a professional investor.

7. FINAL PROVISIONS

Article 13.

This Rulebook is an integral part of the Company's Rules and Procedures and comes into effect on the eighth day from the date of publication on the Company's website.

This Rulebook will be published on the next business day following the receipt of approval from the Securities Commission for the Company's Rules and Procedures.

CHAIRMAN OF THE GENERAL ASSEMBLY OF SHAREHOLDERS

Sergejs Lukaševičs