

# RULES OF OPERATION OF OTP BANKA SRBIJA - DEPOSITORY OF ALTERNATIVE INVESTMENT FUND

## 1 INTRODUCTORY NOTES

### 1.1 Purpose, Application and Competence

The Rules of Operation of OTP banka Srbija - Depository of Alternative Investment Fund (hereinafter: **Rules of Operation**), regulate the type and manner of performing operations, rights and obligations between OTP banka Srbija and an alternative investment fund management company (hereinafter referred to as: **Management Company**), which will be undertaken by OTP banka Srbija for an alternative investment fund (hereinafter referred to as: **AIF**), pursuant to the Law on Alternative Investment Funds (hereinafter referred to as: the Law) with accompanying by-laws, under the conditions stated herein and concluded Alternative Investment Fund Depository Contract (hereinafter referred to as: **Contract**) and provisions of the General Terms and Conditions of OTP banka Srbija, which are displayed in all Bank business premises intended for clients and on the Bank's website.

These Rules of Operation shall apply to the above stated activities by virtue of concluded Contract.

In the event of discrepancies between provisions of the Contract and these Rules of Operation, the provisions of the Contract shall apply. The provisions of these Rules of Operation shall apply to all that has not been previously defined by the Contract.

Should an issue regulated by the Rules of Operation be resolved otherwise by imperative provisions of applicable regulations, the provisions of such relevant regulation shall apply.

The Depository shall reserve the right to supplement or amend the Rules of Operation in accordance with applicable regulations and its business policy.

Should the Management Company disagree with these Rules of Operation, as well as with their amendments and supplements, such Management Company shall be entitled to inform the Depository in writing on the termination of business cooperation and Contract termination as envisaged by the Contract and applicable regulations, where it is understood it is obliged to settle all its obligations towards the Depository until expiry of notice period, i.e. deposit with the Depository outstanding liability amounts, if any.

OTP banka Srbija akcionarsko društvo Novi Sad (hereinafter referred to as: The Depository), performs Depository functions by virtue of the prior consent of the Securities Commission, through its separate organisational area – Depository Services Support and Custody Bank Unit in the Market Operations Administration Support Department, Back Office Directorate, by also using its other systems and resources, if necessary, in order to provide a certain service.

In order to avoid conflicts of interest between the Depository, Management Company and/or AIF, in no case whatsoever will the Depository act as both the Management Company and the Depository. AIF has solely one Depository. The Securities Commission shall give consent to the Depository selection for AIF as part of the procedure for issuing licence for AIF establishment, and shall also grant prior consent for any subsequent substitution of Depository. The Management Company shall submit a request to the Securities Commission for granting consent to the appointment, i.e. substitution of Depository.

### 1.2 Terms and Definitions

Certain phrases and abbreviations that are used in these Rules of Operation shall have the following meaning:

- **Alternative Investment Fund** (hereinafter referred to as: **AIF**) - means an investment fund established pursuant to the Law that raises capital from investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors, which does not require an operating licence pursuant to the law governing the establishment and operation of open-ended investment funds subject to public offering;
- **Management Company of Alternative Investment Funds** (hereinafter referred to as: **Management Company**) - means a legal person having its registered office in the Republic of Serbia (hereinafter referred to as: **RS**) whose regular business is managing one or more AIFs pursuant to the operating licence issued by the Commission, pursuant to the Law;
- **Large Management Company** (hereinafter referred to as: **Large AIFMC**) is a category of Management Company that manages AIFs, total assets of which exceed the threshold as prescribed by the Law on Alternative Investment Funds;
- **Small Management Company** (hereinafter referred to as: **Small AIFMC**) is a category of Management Company that manages AIFs, total assets of which do not exceed the threshold as prescribed for Large AIFMC. A small AIFMC may offer shares in AIFs it manages solely to professional and/or semi-professional investors. *Provisions of the Law which govern the due diligence duties of depositories and compliance audit for depositories shall not apply to a Small AIFMC.*
- **Open-ended AIF** - means a separate set of assets that does not have legal personality and is set up and managed by a Management Company in its own name and on behalf of the AIF members, pursuant to provisions of the Law, operating rules, and/or prospectus of such AIF, where one is required to be published. Investment units of an open-ended AIF may be redeemed at the request of its members, either directly or indirectly, from assets of the open-ended AIF as envisaged in the operating rules and/or prospectus of the AIF, where one is required to be published, prior to the completion of the winding-up procedure or termination of the AIF;
- **Closed-ended AIF** means:
  - closed-ended AIF without legal personality - a separate set of assets without legal personality and is set up and managed by a Management Company on its own behalf and for the joint account of members of the AIF, pursuant to provisions of the Law and operating rules of the AIF, the investment units of which may not be redeemed from assets of the AIF at the request of the members. A closed-ended AIF without legal personality shall always be managed by a Management Company,
  - closed-ended AIF with legal personality - a legal person incorporated as a joint-stock company or limited liability company, established and managed by a Management Company on its own behalf and for its account, pursuant to the provisions of the Law, operating rules, and/or prospectus of the AIF, where one is required to be published, the AIF's Articles of Association, the shares or shares of stock of which may not be redeemed from the assets of the AIF at the request of the members,
  - internally-managed closed-ended AIF with legal personality - a closed-ended AIF with legal personality which manages its assets internally rather than through a Management Company, which is at the same time also a Management Company;
- **Issuer** - means a legal person as provided for by legislation governing the capital market, the securities or other financial instruments of which are traded in a regulated market, as provided for by legislation governing the capital market;
- **Client (or AIF)** means an AIF for which the Depository and Management Company conclude the Alternative Investment Fund Depository Contract;
- **UCITS** - means an undertaking for collective investment in transferable securities authorised in accordance with the law governing open-ended investment funds subject to public offering;
- **Prospectus** - means the basic document of an AIF which provides complete and clear information to prospective investors for making an informed decision to invest in the AIF;
- **AIF portfolio** - means the assets into which AIF invests in accordance with the provisions of the Law;
- **Law** means the Law on Alternative Investment Funds;
- **D-AIF Rulebook** means the Rulebook of the Securities Commission for performance of activities of the Alternative Investment Fund Depository;
- **AIF Rulebook** means the Rulebook of the Securities Commission on Alternative Investment Funds;

- **Rulebook - AIF Types** means the Rulebook of the Securities Commission on types of Alternative Investment Funds;
- **By-laws** are the D-AIF Rulebook, AIF Rulebook, Rulebook - AIF Types, as well as any other by-laws adopted by virtue of the Law;
- **Depository (Bank)** means the bank/credit institution - OTP banka Srbija akcionarsko društvo Novi Sad, abbreviated business name: OTP banka Srbija, address: Novi Sad, Trg slobode 5, (address for receiving post mail: Novi Sad, Trg slobode 7), company registration number: 08603537, providing Depository services defined by the Law, and, in respect of the AIF's assets, acts only upon the Management Company's orders that are in compliance with the Law, the rules and prospectus of the AIF;
- **LCM** means the Law on Capital Market;
- **NBS** means the National Bank of Serbia;
- **SC (Commission)** means the Securities Commission of the Republic of Serbia;
- **CSDCH** means the Central Securities Depository and Clearing House of the Republic of Serbia;
- **Financial instruments** are transferrable securities, money market instruments, units of collective investment undertakings and other derivative financial instruments, defined by the LCM, which are kept by the Depository for the client on its account;
- **Share in an AIF** - means a share (equity interest) i.e. share of stock in an closed-ended AIF with legal personality, i.e. an investment unit in an open-ended AIF, i.e. a closed-ended AIF without legal personality;
- **Custody account** - account with the CSDCH or in the Depository's records wherein financial instruments owned by the AIF are kept;
- **Orders** mean all instructions and other requirements received by the Depository from the Management Company, which are in line with the Law, the present Rules of Operation and concluded Contract;
- **Sub-Depository** means another credit institution to which the Depository delegated activities of keeping assets of an AIF, which in the role of a supplier renders to the Depository services of keeping assets of an AIF, clearing and settlement of transactions in financial instruments for own and/or other markets, in accordance with the Law and by-laws, AIF's acts, the Contract;
- **Central Depository** means a foreign registrar of financial instruments, clearing house or settlement system, services of which are mandatorily used on the subject market for central handling of financial instruments and subject accounting items;
- **Investment company** is a broker-dealer company or an organisational area of a credit institution (bank) having the authorisation of the SC for professional rendering of one or more investment services to third parties;
- **Permanent medium** is any means enabling the company to save information addressed to it in a manner of being available in the future period for informative purposes and which allows accurate reproduction of information saved;
- **CSDR** (Central Securities Depositories Regulation) – Legal Framework for Central Depositories in the European Union, created to increase efficiency in settlement of financial instrument transactions through enhanced Settlement Discipline Regime (SDR). This legal framework also envisages, inter alia, the penalties-costs for the party in transaction due to which settlement was not realised within the prescribed timeframe.

## 2 TYPES OF FUNCTIONS PERFORMED BY THE DEPOSITORY

Pursuant to the Law, the Depository shall perform the following functions for an AIF:

- 1) Oversight and control functions;
- 2) Cash flow monitoring;
- 3) Safe-keeping functions.

### 2.1. Control Functions

Depending on the type of assets in which the AIF invests, the Depository shall perform the following oversight and control functions for that AIF:

- 1) ensuring that the issue, re-purchase and pay-out of shares in the AIF comply with the Law, operating rules of the AIF, and prospectus of the AIF, where one is required to be published;
- 2) ensuring that the net asset value of the AIF and the asset value per unit or share of the AIF are calculated pursuant to its accounting policies, i.e. valuation methodologies, the Law, operating rules of the AIF, and prospectus of the AIF, where one is required to be published;
- 3) executing Orders of the Management Company in connection with transactions involving financial instruments and other assets making up the portfolio of the AIF, provided that they do not contravene the Law, the operating rules of the AIF, and prospectus of the AIF, where one is required to be published;
- 4) ensuring that in transactions involving the AIF's assets any consideration and other rights are remitted to the AIF's account within the usual time limits;
- 5) ensuring that income of the AIF are used as envisaged by the Law, operating rules of the AIF, and prospectus of the AIF, where one is required to be published;
- 6) verifying that assets of the AIF are invested pursuant to pre-established objectives and provisions of the operating rules of the AIF, prospectus of the AIF, where one is required to be published, and the Law;
- 7) reporting to the Commission and the Management Company of the conducted control and calculation process of net asset value of the AIF;
- 8) notifying the Commission of any material or grave breaches of the Law and the Contract by the Management Company.

The Depository shall control collection of fees that are directly collected by the Management Company from members, i.e. AIF shareholders, pursuant to the operating rules of the AIF and prospectus of the AIF where one is required to be published, as well as fees collected by the Management Company from AIF pursuant to the operating rules of the AIF, prospectus of the AIF, where one is required to be published.

Depository's control functions may be exempted if conditions envisaged by the Law are met.

## **2.2. Cash Flow Monitoring**

The Depository shall ensure that an AIF's cash flows are efficiently and properly monitored, and shall in particular ensure that all payments made by members to issue share in AIF, as well as all other AIF funds, are recorded in cash accounts:

- 1) opened in the name of the AIF or in the name of the Management Company acting on behalf of the AIF or in the name of the Depository acting on behalf of the AIF;
- 2) opened with a bank having its registered office in the Republic or a Member State or a bank having its registered office in a third country with operating licence issued by a competent authority, in a market where such cash accounts are required for the operation of the AIF and are subject to regulations which have the same effect as regulations of the Republic governing banks and the capital market and which are efficiently overseen; (to be applied once the RS enters the EU);
- 3) Maintained pursuant to client asset protection principles envisaged by the law governing the capital market.

By concluding the Alternative Investment Fund Depository Contract with the Management Company, the Depository shall be authorised on behalf of the AIF to:

- 1) Open and maintain all types of cash accounts (current, special-purpose, deposit) in dinars or foreign currency, necessary to enable to the AIF:
  - a. Receipt of incoming payments for purchase of share, as well as for any other AIF's funds;
  - b. Transfer of money in order to term deposits, as well as return of assets upon maturity and derecognition;
  - c. Cash settlement of transactions with financial instruments, as well as assets arising from maturity;

- d. Collection of income and expenses arising from financial instruments (dividends, principal, interest, coupons, ADR/GDR and CSDR cost, as well as other income and expenses arising from financial instruments);
  - e. Payment of AIF's costs in accordance with these Rules of Operation, the Contract, the Law and by-laws;
- 2) Execution of all types of cash transfers from the AIF's account under the Order, i.e. instruction of the Management Company, provided that they are not in contravention of the Law.

Fees and costs to be paid to the Depository may be paid from the AIF's assets directly. When the AIF's cash account is opened with the Depository, only with the permit of the Management Company may the Depository pay out from that account the fee for performed Depository functions as prescribed by Law.

Assets on cash accounts of the AIF, as well as assets under the process of transfer may not be included in the liquidation or bankruptcy estate of the Depository or Management Company, nor may they be used for payment of their liabilities.

Where the cash accounts are opened in the name of the Depository, on behalf of the AIF, such accounts may not contain the own cash of the Depository.

### 2.3. Safe-keeping Functions

The assets of an AIF shall be entrusted to the Depository for safe-keeping, as follows:

- 1) for financial instruments that can be held in custody, the Depository shall:
- a) Register all financial instruments that can be registered in a financial instruments account opened in the Depository's books and all materialized financial instruments that can be physically delivered to the Depository;
  - b) Ensure that all those financial instruments that can be registered in a financial instruments account opened in the Depository's books are registered in the Depository's books within segregated accounts as prescribed by the law governing the capital market, opened in the name of the AIF or the Management Company acting on behalf of the AIF, so that they can be clearly identified as belonging to the AIF;
- 2) for other assets of the AIF, the Depository shall:
- a) Check and verify the ownership of the AIF, i.e. the Management Company acting on behalf of the AIF, based on the information or documents provided to the Depository by the AIF or Management Company or based on the information from publicly available registers and records and other external sources, where available,
  - b) Keep its records of such assets up-to-date.

The Depository shall regularly provide a complete list of the assets of the AIF to the Management Company, for each AIF it performs Depository functions, or, as appropriate, allow the Management Company permanent insight into the AIF's open positions with the Depository.

The Depository shall notify the Management Company about any key events that occur with the issuers of securities and other financial instruments related to the AIF's assets entrusted to it for safe-keeping, and shall execute Orders of the Management Company arising from such key events.

For the purpose of performing these functions the Depository shall:

- Open and maintain financial instruments accounts constituting the assets of the AIF with the CSDCH and Sub-Depository, in its name and on behalf of the members of the AIF (custody account);
- Inform the Management Company of:
  - Orders executed and other activities undertaken with reference to the Fund's assets;
  - Transactions, balance and changes on account;

- Corporate activities with reference to the Fund's assets;
- Performs other activities for which it is authorised by virtue of the Contract with the Management Company, which are in compliance with the Law.

### **3. SEGREGATION OF DEPOSITORY AND MANAGEMENT COMPANY FUNCTIONS, AND MANAGEMENT OF ASSETS OF AIFS**

In the performance of its functions and duties, the Depository shall act with due professional care, fairly, honestly, independently, and solely in the interest of AIFs and their members.

The Depository shall not carry out other activities with regard to the AIF that may create conflict of interest between the AIF, the members of the AIF, or the Management Company and the Depository, unless the Depository has functionally and hierarchically separated the performance of its Depository tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the members of the AIF.

The chief officer of the Depository may not be a person employed by the AIFMC.

Members of management of the AIFMC may not be employed by the Depository.

The Depository shall at all times keep and maintain assets of the AIF clearly segregated from those belonging to the Depository and AIF, i.e. other clients of the Depository.

Assets of the AIF entrusted to the safe-keeping of the Depository in the name of an AIF or in the name of a Management Company and for the account of an AIF shall not be property of the Depository and shall not be deemed assets of the Depository; such assets do not enter the liquidation or bankruptcy estate of the Depository and may not be used for settlement of liabilities by the Depository to third parties.

A Depository, the consent of which for performing the Depository function, operating licence has been withdrawn or that is the subject of bankruptcy or liquidation proceedings, shall immediately transfer assets of the AIF to the Depository with which the Management Company has concluded a contract.

The Commission may propose that the Management Company, i.e. internally-managed closed-ended AIF with legal personality substitute the Depository where actions of the Depository have materially threatened the interests of the members, i.e. shareholders of the AIF.

In the event of the insolvency of the Depository or third party referred to in Article 163 of the Law to which the Depository has delegated safe-keeping functions, the assets of the AIF entrusted to the safe-keeping of the Depository shall not enter the bankruptcy or liquidation estate of the Depository or the third party, nor may it be subject of forced collection of any claims owed by the Depository or the third party.

### **4. DELEGATION OF FUNCTIONS OF DEPOSITORY TO A THIRD PARTY**

Part of AIF assets - Financial instruments that can be kept and are registered abroad, are kept by the Depository with a selected third party - Under the Depository, which can be a domestic or foreign bank.

The availability of safekeeping of AIF assets in foreign markets varies depending on the activities of the Sub-Depository and its business relationship with third parties. The Depository shall inform the Management Company of the available foreign markets.

The Depository may delegate solely the safe-keeping functions (under 2.3) to a third party,

Delegation shall be permitted subject to the following conditions (pursuant to the Law):

- 1) the tasks are not delegated with the intention of avoiding the obligations and requirements of the Law;
- 2) there is an objective reason for the delegation and its purpose is to enhance the efficiency of the functions;

- 3) the Depository will exercise all due diligence in the selection of the third party;
- 4) the Depository must at all times be able to exercise all due diligence and efficiency in the ongoing monitoring of the performance of the delegated functions;
- 5) the Depository ensures that the third party meets the following conditions at all times during the effectiveness of the delegation contract:
  - (1) the third party has the internal structure and the expertise that are adequate and proportionate to the nature and complexity of the assets of the AIF which have been entrusted to it,
  - (2) for the delegation of functions of Depository, the third party must be subject to:
    - prudential supervision and supervision according to provisions of the governing law (including minimum capital requirements), aligned to the relevant EU legislation;
    - periodic independent external audit to ensure and verify that that the financial instruments entrusted to its safe-keeping are in its possession and/or subject to its supervision,
  - (3) the third party segregates the assets of the Depository's clients from its own assets and from the assets of the Depository in such a way that they can at any time be clearly identified as belonging to clients of a particular Depository;
  - (4) the third party takes any and all actions necessary to ensure that in the event of insolvency of the third party the assets of the AIF entrusted to the safe-keeping of the third party do not enter the insolvency and/or liquidation estate of the third party;
  - (5) the third party does not make use of the assets of the AIF entrusted to the safe-keeping of the third party without the prior approval of the AIF or the Management Company acting on behalf of the AIF and prior notification to the Depository;
  - 6) the third party complies with the general obligations and prohibitions set out in Articles 161 and 162 of the Law (above stated 2.3 and Article 3).

The Depository shall be liable to the Management Company and the members, i.e. shareholders of the AIF for the selection of the third party.

The Depository will file a request for obtaining prior consent of the Commission for delegating functions to third parties in accordance with the D-AIF Rulebook.

Where the Depository delegates functions to a third party, the operating rules of the AIF, i.e. the prospectus of the AIF, where one is required to be published, must contain in the part relating to the Depository, the following:

- 1) description of all functions delegated by the Depository to the third party, list of all third parties with which the Depository has a concluded delegation contract, as well as prospective conflicts of interest that may arise from such delegation;
- 2) Depository's Statement that updated information referred to in Point 1) of this paragraph, will be available to members, i.e. shareholders of the AIF upon request.

## 5. DEPOSITORY CONTRACT

The Depository shall conclude an Alternative Investment Fund Depository Contract with a Management Company for each AIF separately. If an *internally-managed* closed-ended AIF with legal personality is the user of Depository's services, the Contracting Parties in such a case shall be the Depository and internally managed AIF. The Contract shall contain important elements as prescribed by the Law and D-AIF Rulebook.

By virtue of the Contract, the Depository shall perform all functions for the AIF in accordance with the Law and collect its fees for such functions from the AIF's assets, pursuant to the Law.

Procedures (technical instructions) for evaluating the assets' value (submission of data and methodologies for value calculation) and manner of reconciling differences in such calculation, shall constitute an integral part of the Contract if applicable in accordance with the Law, i.e. if Depository's control services have been contracted.

The Contract shall contain all elements as prescribed by the D-AIF Rulebook as well as the statement of the Management Company of being familiarised with the Rules of Operation prior to conclusion of the Contract.

The Depository shall receive and execute Orders of the Company only in line with the concluded Contract and the present Rules of Operation.

By virtue of the concluded Contract, the Depository shall be authorised to open, maintain and close on behalf of the AIF all types of cash accounts and financial instruments accounts that are necessary for the provision of Depository's contracted service.

The Management Company undertakes to timely inform the Depository of all data necessary for Depository's conduct in line with the Contract and applicable regulations, i.e. to submit data significant for conducting the functions stated in the Contract upon Depository's request.

Immediately upon the occurrence of a change, the Management Company is obligated to inform the Depository in writing of the following:

- 1) Amendments, i.e. supplements to the memorandum of incorporation, articles of association,
- 2) Amendments of the prospectus, rules of operation, investment objectives and policies for the AIF,
- 3) Change of managers and other persons authorised to perform operations with the Bank,
- 4) Status changes,
- 5) Increase, i.e. decrease of the Initial capital,
- 6) Change of majority owners,
- 7) When the Management Company becomes insolvent,
- 8) When the bankruptcy or liquidations procedure has been initiated against the Management Company,
- 9) Other data important for the functions conducted by the Depository for the AIF,
- 10) Establishment of a new fund,
- 11) Merger of the AIF with another AIF,
- 12) Procedure of closing down the AIF,
- 13) Decisions issued by the SC in connection with the AIF or Management Company, as well as of all measures of the SC in connection with the AIF or Company,
- 14) All other activities and changes concerning status and identification data of the Management Company and AIF, as well as data that may affect their change of business operations.

## **6. FEES AND COMMISSIONS**

The Depository shall not adopt a general Fee Schedule for AIF Depository's services. Due to the diversity of services and depending on the type of the AIF, fees and commissions shall be defined under individual Contract with the AIFMC, i.e. with the internally managed AIF.

Foreign markets are classified by tariff groups. The Depository informs the Management Company about the classification and modification of tariff groups.

## **7. TYPES OF AIF, AIFM CATEGORIES AND ASSETS ELIGIBLE FOR INVESTMENTS AND INVESTMENT LIMITATIONS**

The following may be established, i.e. organised in the RS:

- AIFs subject to public offering,
- AIFs subject to private placement,

namely either as open-ended or closed-ended AIFs.



The Rulebook - AIF Types, provisions of which are applied directly, govern in more detail AIF types, into which assets certain AIFs may invest, as well as investment limitations.

The Law defines the following AIF categories:

- Large AIFM,
- Small AIFM

## **8. DEALING WITH FINANCIAL INSTRUMENTS, CASH AND OTHER ASSETS OF THE AIF**

### **8.1. Financial Instruments, Cash and other Assets**

For each Client, i.e. for each AIF, the Depository shall keep a segregated electronic register of assets, which may be accessed solely by employees authorised by the Bank's organisational area which performs the Depository function.

The Depository shall safe-keep funds on accounts that it has opened for AIF as well as financial instruments that may be safe-kept. Other assets shall not be safe-kept, but only recorded upon check and verification of being in the ownership of AIF.

The Depository may dispose with the assets of the AIF solely by virtue of an Order of the Management Company.

The financial instruments' account represents an account in the Depository's electronic register wherein domestic and foreign financial instruments are recorded.

The Depository shall open and administer a custody account in the CSDCH for domestic financial instruments, as well as an account for foreign financial instruments that is kept with the Sub-Depository or Central Depository, on behalf of the Depository and for the account of the AIF or on behalf of the Management Company for the account of the AIF.

Within the meaning of the definition of a lawful holder, shareholder and indirect owner laid down in the LCM, financial instruments on custody accounts that are opened on behalf of the Depository, for the account of the AIF, with the CSDCH, shall be recorded in the name of the Depository as the shareholder, but not as the lawful holder or indirect owner of such financial instruments. Foreign financial instruments that are kept by the Depository for the account of an AIF with a selected Sub-Depository shall be kept in the internal electronic records of the Depository for each AIF separately, ensuring thereby that the Depository may at any moment segregate assets of one AIF from the assets of another AIF and assets of other clients. The assets of the AIF with a Sub-Depository shall be kept on a summary account in the name of the Depository or Sub-Depository, whereby the Sub-Depository may at any moment segregate the assets kept for Depository's clients from its assets and assets of other clients.

In the event of inflow or outflow of cash to the Depository's account with the Sub-Depository, realised under transactions in financial instruments for the AIF or maturity, upon receipt of statements from the Sub-Depository the Depository shall perform proportionate booking, i.e. proportionately credit or debit assets from the special-purpose account for settlement of transactions of the AIF, adjusted for fees and commissions from the Order received from the Management Company.

Domestic and foreign financial instruments of the AIF shall be kept separately from accounts containing Depository's assets.

In addition to the current-transaction accounts, necessary for regular operations of the AIF, the Depository shall open and maintain for the Client a special-purpose cash account for recording all deposits and transactions, pertaining to main and additional investment services with domestic and foreign financial instruments, in line with the LCM. All cash accounts opened by the Depository for an AIF shall be segregated from Bank's assets and exempted from forced collection in line with LCM.

By virtue of the Contract, and with the aim of safeguarding rights of its clients, in line with the demands of its clients, the Depository shall open a separate account segregated from accounts of other clients and

Bank's account in which it will record Client's financial instruments and cash transactions in financial instruments and name it in a manner clearly distinguishing assets of one AIF from another AIF.

The Depository shall settle transactions in financial instruments with payment, i.e. effect payments and transfers of cash from Client's special-purpose accounts intended for trade in financial instruments, ensuring for the Client timely payment of liabilities and collection of receivables.

The Depository shall transfer financial instruments without payments between accounts of the same Client.

When providing settlement services with payment, the Depository is obligated to control that the Client's cash account, i.e. financial instruments account contains sufficient funds, i.e. financial instruments on the settlement date.

The Management Company shall be responsible for coverage of the given trading orders for the AIF.

Should there be insufficient cash or financial instruments on the AIF account, necessary to execute the Order or transaction, the Depository shall not execute the Order of the Management Company, i.e. verify the transaction, nor shall it be liable for damage caused by this action towards the Client or other investment company that inserted the trading order without coverage.

Pursuant to its policy, legal regulations and business customs of individual and each designated foreign market, the Depository will offer the services of safekeeping assets of the AIF on those markets, wherein services may be rendered in the Client's best interest and due professional care, using its network of appointed Sub-depositaries or Central depositaries. Availability of certain foreign markets may vary depending on available network of the Bank's Sub-depositaries and level of services provided for certain markets. Prior to concluding a transaction the Management Company may verify the list of available markets by sending a direct inquiry to the official e-mail address of the Depository, pursuant to the Law and by-laws.

The Depository shall take into account the expertise and market reputation when selecting a Sub-Depository as well as all regulatory requirements that may adversely reflect on a Client's rights.

Assets of an AIF that are kept abroad with a Sub-Depository are under the influence of regulations, rules and market practice of the competent foreign country and institutions thereof. Maximum tax rates shall be applied to financial instruments abroad and regulations of competent tax institutions applied on that market on positions on non-documented non-resident accounts shall be valid. The Depository shall not guarantee to the Client the application of a lower tax rate on income arising from financial instruments even in the case when there is a ratified bilateral agreement between the Republic of Serbia and competent foreign country on avoiding double taxation. Should the Company be interested to provide to the Client application of the tax rate according to the bilateral agreement between the Republic of Serbia and country-issuer of financial instrument, the Company should inform the Depository in written form thereof, so as to verify with its Sub-Depository the possibility and costs of fulfilling such a request and undertake all necessary activities. For this service the Company shall pay a fee from the Client's account according to the Depository's Fee Schedule, as well as all administrative costs arising from realisation of this request.

The Depository will ensure settlement of transaction with foreign financial instruments with due professional care, where the Client will be able to dispose of foreign financial instruments upon receipt of the confirmation on settled transactions, which the Depository receives from the Sub-Depository or Central Depository.

The Depository shall settle financial instruments between Client's account and records with the CSDCH, Central Depository or Sub-Depository on a regular basis.

The Depository shall not entrust the function of safe-keeping Client's financial instruments to the Sub-Depository, which is not able to separately identify Client's financial instruments from own assets or Depository's assets according to local law. Should it be required to deposit abroad Client's cash with a Sub-Depository, the Depository shall ensure that such cash is maintained on an account or accounts separately from accounts that belong to the Depository.

As of the date of collection-maturity, the Depository shall debit the account of the AIF and for all “pass through fees”, as third party fees for which the AIF obliged itself by the act of acquiring a certain financial instrument (such as ADR/GDR, CSDR costs and other fees defined by the issuer/administrator of the financial instrument or other market participants). Such fees shall not arise from the contractual relationship between the Depository and the Management Company and may not be treated as fees for services of the Depository or its Sub-Depository. Fees of this type shall be defined by the financial instrument issuer/administrator by setting the amount per unit at the expense of each holder-owner, who as of a certain record date has in possession the financial instrument in question. With the act of acquiring such a financial instrument, the AIF undertakes to also pay appertaining third party fees borne by such instrument. The Depository shall have no influence on defining and the frequency of collecting third party fees. The Depository shall inform the Company on the day of receiving the notification on fee payment date from the Sub-Depository. According to the Order, the Depository shall on payment date debit the account of the AIF, which at record date had in its possession the financial instrument in question on its account with the Depository.

The Depository shall collect income and revenues, i.e. principal, interest, coupons, dividends, ADR cost and other receivables and liabilities arising from financial instruments and shall record thereof on Client's account. Tax rates prescribed in the RS shall be applied to realised income in the event of local financial instruments, while maximum tax rates prescribed for non-residents by tax authorities of the competent country shall be applied in the event of foreign financial instruments.

## **8.2. Interest rate**

Due to the need to adapt to market trends or competition offer, the Depository may define a new or revise an existing passive interest rate, which is paid to sight funds from certain AIF accounts.

Conclusion of a separate contract or annex is unnecessary thereby. Prior to application of the new interest rate it shall be sufficient that the Depository sends a Notice to the Management Company, which shall contain as follows:

- Amount of established interest rate with list of AIF accounts to which it applies
- Calculation method,
- Beginning of application and deadline.

## **8.3. Exchange rate**

For the purpose of converting the currency from AIF account at the request of the Management Company, the Depository may apply:

- System exchange rate - exchange rate as of conversion date from the Bank's-Depository's official exchange rate list published on its website or;
- Flexible exchange rate - specially quoted or defined, more favourable than the system exchange rate.

Transactions in domestic market shall be settled in the currency stated in the contract note of the CSDCH.

Transactions in foreign market shall be settled in the currency stated in the signed settlement order. If the Bank has received an Order from the Management Company to settle the transaction or contract note, and there is no amount available in the appropriate currency on the AIF account to cover the transaction, the Depository is authorized by these Rules of Operation to provide the missing amount by converting the available amounts from other AIF accounts, by applying the Bank's System or Flexible Rate on the day of conversion.

The available currencies in which the Bank may settle transactions concluded in foreign markets with the AIF are: EUR and USD. Transactions concluded in foreign markets in other currencies may be settled by the Bank to the Client only in EUR or USD. Therewith, the Bank has no influence on the exchange rate applied by its Sub-Depositors when converting the value of transactions from third currencies into EUR or

USD. The exchange rate risk is borne by the Client - AIF. The AIF account with the Depository can be debited only in the above two currencies, regarding settling transactions in foreign markets.

## **9. RECORDS AND DATA CONFIDENTIALITY**

The Depository shall keep separate records on cash, financial instruments and other assets, to safe-keep data from such records as a business secret and safeguard thereof from unauthorised use, modification or loss.

The Depository is obliged to keep business books, records and documentation determined by the Law and Rules of Operation for at least 5 years from the end of the business year to which the documentation refers, i.e. longer if prescribed by law and bylaws.

Pursuant to the provisions of the D-AIF Rulebook, the Depository and Management Company shall regulate all details related to the data confidentiality obligation by a Contract.

## **10. CORPORATE SERVICES**

The Depository shall provide corporate services to Clients regarding the exercise of rights under financial instruments, which the Client holds on the custody account on behalf of the Depository, and on its behalf, i.e. shall inform the Management Company about corporate events and carry out necessary activities upon the Order of the Management Company.

The Depository shall adhere to the provisions of the applicable Company Law, that govern provision of the power-of-attorney and special rules related to custody accounts maintained in the name of the Bank.

Should it be instructed in the order for corporate activity that the executor of activity stated in the Order - proxy for representation at the Shareholders' Assembly or before the issuer, is a person employed with the Bank, the Depository may without special explanation refuse the Order but is obliged to inform the Ordering party thereof. If it accepts the Order, it shall be obliged to provide and submit to the Management Company relevant information and data, which are stated in the Order, upon execution. If the order for corporate activity states as the proxy a person who is not employed with the Bank, the Depository shall have no obligation to notify the Management Company of the execution of the Order and of related results.

If the proxy for the execution of corporate activity is not an employee of the Bank, the Ordering Party shall submit a photocopy of the identification document of that person jointly with the Order. Legal representatives of the Bank shall determine the list of persons authorised for signing the power-of-attorney.

The Depository shall collect information for domestic corporate activities from public sources published by institutions of the domestic market: CSDCH and Belgrade Stock Exchange.

For corporate activities abroad the relevant source of information are notifications received from Sub-Depository or Central Depository.

The Depository shall not send to the Management Company materials and notifications on scheduled and held meetings of the Shareholders' Assembly of foreign issuers, unless it has received timely notification of such corporate event from its Sub-Depository or Central Depository. For foreign financial instruments, the Management Company shall receive notices from the Depository or Central Depository in English or in the language officially used on the market of the subject financial instrument.

In order to preserve the accuracy and reliability of information, the Depository shall not translate the notifications received from the Sub-Depository or the Central Depository, but adapt them to the name of the account, available amount of the instrument and forward them to the Management Company.

The Depository considers that, before acquiring the financial instrument for the account of the AIF, the Management Company was aware of all characteristics and risks of the relevant instrument, i.e. whether such financial instrument involves additional expenses or obligations not agreed with the Depository.

If the Management Company or AIF member initiates a court dispute against a third party, such court dispute shall not be conducted on behalf of the Depository, and the AIF, as well as the AIF Management Company, shall be identified before the court as the legal holder, with corresponding Depository confirmation.

## 11. ORDERS

### 11.1. Manner and Deadlines for Issuing Orders

The Depository will receive Orders from the Management Company in connection with disposal of financial instruments and funds, as well as related rights, at its registered office, and shall act exclusively on the basis of the Order and in accordance with the concluded Contract and these Rules of Operation.

The Management Company is the Ordering Party for each AIF it manages.

Upon conclusion of the Contract, the Management Company shall submit for each AIF a depo card on which it must indicate the person or persons authorized to issue Orders and requests to the Depository regarding assets and funds on the AIF account, whose signatures are deposited on the Specimen Signature Card. The identity of the stated persons shall be determined in a corresponding manner (identity card, passport and the like). The Management Company is obliged to ensure that authorised persons on Orders issued in hard copy place their signature identically to the deposited signature and with using thereby the stamp, imprint of which is deposited on the Specimen Signature Card, if the Company opted for using the stamp in operations with the Bank in connection with the account.

The Specimen Signature Card shall be verified by the signatures of persons authorised at the Management Company and Depository.

Deposited signatures of authorized persons are valid until revocation in writing to the satisfaction of the Bank. The Management Company shall bear all damage due to failure of reporting the change to the Depository and in the event that changes in authorisations have been published in a corresponding register or otherwise. With the issuance of a new Specimen Signature Card and its verification by the Depository, the previously valid Specimen Signature Card shall cease to exist automatically.

The Depository and Management Company may also contract the use of Direct Channels (e-banking), as well as a fee for their utilisation. The Depository will collect a Direct Channels (e-banking) utilization fee in the amount stated in the Contract. The fee shall not be collected if its amount is not defined by the Contract. The terms and conditions of disposing with funds on the account through Direct Channels (e-banking) are defined by the General Terms and Conditions of the Bank, which regulate the use of Direct Channels for legal entities.

Authorised persons and disposal manner related to cash (individually or collectively, with or without restrictions) specified on the Specimen Signature Card may differ from persons and disposal manner in e-banking.

The Depository may dispose of Client's financial instruments solely based on the Order of the Management Company.

The Management Company shall be responsible for the accuracy and completeness of data stated in the Orders, as well as for all consequences that may arise in the event of giving false or incomplete Orders.

The Depository shall receive Orders in the following manner:

- a) directly or by mail, where the address for receiving mail is: OTP banka Srbija, 21000 Novi Sad, Bulevar oslobođenja 80, with designation „Kastodi/Depozitar“ (engl. “Custody/Depository”);
- b) by e-mail: [depozitar@otpbanka.rs](mailto:depozitar@otpbanka.rs);
- c) otherwise contracted with the Depository.

Orders shall be issued to the Depository in writing, either in paper-based or electronic form.

According to these Rules of Operation, *Paper-based Orders* are all Orders originally created on paper, containing a handwritten signature and stamp, if the Management Company stated of using the stamp. The Depository receives Paper-based Orders either directly or via mail. Paper-based Orders must be signed as on the Specimen Signature Card with the Depository. Certifications of Paper-based Orders with stamp are mandatory only if the Management Company opts for it by placing its stamp on the Specimen Signature Card with the Depository.

According to these Rules of Operation, *Electronic Orders* are all Orders created in electronic form. The electronic data form is a digital data record eligible for electronic processing and transfer by means of electronic communication. An order created by digitalisation of the source document, form of which is not electronic, shall be deemed a copy of the source document. Such Order shall not be considered an Electronic Order and shall be treated as a *copy of the Paper-based Order* (e.g. Scanned Order). Electronic Orders must be signed by a qualified electronic signature based on a qualified certificate issued by the competent verification body from the territory of the Republic of Serbia. . The Depository shall receive Electronic Orders, as well as copies of Paper-based Orders by e-mail from the registered e-mail address of the Management Company.

The Management Company is not obliged to use the standardized form of the Depository form, when this is not foreseen for the issued Order. The Depository will provide standardised forms to the Management Company, which it is required to use when issuing Orders.

If the Management Company has technical capacities to send orders via SWIFT, such Orders must comply with international SWIFT standards.

A valid Order is considered to be one that contains elements that are essential for its execution.

The deadlines for issuing the Order to the Depository are regulated by the Term Schedule of the Depository/Custody Bank ID 12967 with which the Management Company is obliged to become familiar at the time of Contract conclusion with the Depository.

The Depository will take into processing the orders received following expiry of the term envisaged by the Term Schedule in line with its abilities ("best effort principle"), but cannot guarantee for its execution in the manner required and without incurrance of additional costs.

The Depository shall inform the Management Company about changes in the Term Schedule of the Depository/Custody Bank ID 12967 by e-mail or by publishing it on its website.

## **11.2. Type of Orders**

The Company shall give the following order types:

1. Order for settlement of transactions in financial instruments - Free of Payment (FOP)
2. Order for settlement of transactions in financial instruments - Receive/Delivery versus Payment (RvP/DvP),
3. Corporate Order,
4. Payment Orders,
5. Other Orders.

### **1. Order for settlement of transactions in financial instruments - Free of Payment (FOP)**

**Includes:**

- **Receipt order for financial instruments without payment (RF)**
- **Order for delivery of financial instrument without payment (DF)**

Order elements are as follows: Data on the Order and time of placing the order, data about Client, data on another participant in the transaction, data on financial instrument, details of the transaction, legal basis of the transaction, accounts of financial instruments, fees, signature of the Management Company and the Depository.

### **2. Order for settlement of transactions in financial instruments - Receive/Delivery versus Payment (RvP/DvP),**

**Includes:**

- **Order for settlement of financial instruments purchase - Receive versus Payment (RvP)**
- **Order for settlement of financial instruments sale - Delivery versus Payment (RvP)**

Order elements are as follows:

Information on the order and time of giving the order, information on the Client, information on the counterparty to the transaction, details on the transaction, fees, signature of the Management Company and Depository.

### **3. Order for Corporate Activities (representation)**

Order elements are as follows:

Information on the order and time, information on Client, information on the corporative event with cut-off of ownership and number of shares, instructions for proceeding, signature of the Management Company and signature of the Depository.

Amendments and Recall of the Order shall contain elements identical to the Order.

By virtue of the Client's Order, and for the purpose of giving authorisation and representation at Shareholders' Assemblies, the Depository shall issue a power-of-attorney for representation, either on its form or issuer's form if so regulated for the Assembly in question.

Elements of a power-of-attorney on the Depository's memorandum are as follows: Name and surname/name of the proxy, UPIN/CRN, address, custody account number, corporate event for which the power of attorney has been issued, number of voting shares, ISIN code, instructions, note for validity of power of attorney, regulation note and basis for granting power of attorney, issuer of power of attorney.

### **4. Payment orders**

The Management Company is obliged to issue payment orders under terms and in a form agreed with the Depository.

For execution of international payment transactions the Management Company shall issue payment orders and submit documentation in line with regulations governing the conditions and manner of performing international payment transactions.

The management company is responsible for controlling the accuracy of the entered data.

### **5. Other orders**

All other requests for action related to AIF assets, which are not included in the previous points, and are issued to the Depository, are considered Other Orders. It is necessary that they contain all the elements required by the Depository for implementation. Upon receipt of such an Order, the Depository will provide the Management Company with the necessary elements for its implementation.

### **11.3. Proceeding under Orders**

The Depository confirms to the Management Company the received Order on its own form when applied, no later than the next working day from the day of receipt of the Order, by enclosing signature on a copy of the received Order, which it delivers to the Management Company.

The Management Company may amend or revoke the Order if, by the time of receipt of such request, the Order has not already been executed, then that the Bank is able to stop execution and if such change or revocation will not cause any damage or expense to the Bank, being understood that the Ordering Party is obliged to fully refund such expense to the Depository.

In case that the Bank requests supplement or amendments of an unclear or incomplete Order, the time of receipt of the supplemented or amended Order shall be deemed to be the time of receipt of the correct Order.

The Depository shall refuse to accept the Order in case:

- 1) The Order is not made in accordance with the valid legal regulations or when the execution of the Order would be an act punishable by law as a criminal, economic offense or misdemeanour;
- 2) It is not specialized in or lacks technical ability to execute a specific Order;
- 3) The Order has not been signed by the Management Company or an authorized representative;
- 4) The AIF lacks sufficient financial instruments and/or funds on the Bank's account to execute the Order, including all related commissions;
- 5) The Order does not contain all the necessary elements for execution, is unclear or does not comply with Bank acts, the Rules of Operation or if the deadline for its submission has not been honoured;
- 6) The Order was not sent from the registered address of the Management Company (swift, fax, e-mail), in which case an additional examination of the authenticity of the Order is required;
- 7) The execution of the Order may cause damage to the Depository.

The Depository may refuse to receive the Order if the Client has failed to settle liabilities falling due from the same or other performed services.

When the Bank declines to receive the Order for the Client, it is obliged to inform the Management Company - the Ordering Party accordingly immediately upon receiving the Order and to state the reason for this decline.

The Depository may let a third party execute the Order, which is authorized to perform the tasks to which the Order of the Management Company pertains, if it is authorized to do so under the Contract.

On the next working day from the day of the Order execution, the Depository shall submit to the Ordering Party a confirmation of the Order execution in the manner provided in the Contract.

## **12. CONTROL OF CALCULATION OF NET VALUE OF ASSETS AND AIF SHARE**

The Depository is obliged to keep a separate electronic register of assets for each AIF, which can be accessed only by employees in the organisational area which performs the Depository function and by other authorised persons.

In case of a legal or contractual obligation, the Depository controls and confirms the calculated net asset value and the share price in accordance with the AIF Rules of Operation, individually for each AIF which it provides services to.

The Depository shall calculate data, i.e. values from the previous paragraph independently from the Management Company, respecting the methods and timeframes prescribed by the Law and by-laws.

The Depository shall use financial information services (Teletrader, LSEG - Refinitiv, Bloomberg, stock exchange websites, etc.) to provide information on the market value of financial instruments and other assets that form the assets of the AIF and perform a control function.

The Depository may request the Management Company to provide it with information that the Bank cannot obtain, in a manner specified in the previous paragraph, as well as evidence confirming such information.



The Depository compares its data with the obtained data of the Management Company on the net asset value and the share price.

The Depository shall submit the reconciled data on the stated values to the SC, no later than the next working day from the day on which the calculation is made, if applicable under the Law and by-laws.

Should it detect differences in calculation, the Depository shall immediately inform the Management Company thereof in order to determine the reasons for non-compliance and verifications whether errors have been made in one of the previous calculations.

In all cases of establishing non-compliance and inconsistencies in determining the value of assets and the price of shares in the AIF, in accordance with the AIF Rules, the Company, i.e. the Depository at the request of SC, shall correct the valuation of AIF assets and submit a report on the reasons and consequences of deviations from the valuation principle of AIF assets and liabilities, as well as a report on the new calculation of the net value of the AIF assets and the share price in the AIF.

The Management Company, i.e. Depository, are obliged to correct the observed errors on the same day when the difference in calculation, i.e. the reason for non-compliance is determined. If it is not possible, the Depository shall immediately inform the SC of the non-compliance, and of the reasons and measures taken for ensuring compliance.

When the Depository, in performing functions under the Law, determines irregularities and/or illegalities resulting from the activities of the Management Company, which constitute a violation of the Management Company's obligations under the Law, AIF rules or prospectus, it is obliged to notify the SC in writing immediately. The Depository is obliged to keep documentation and records of identified irregularities and/or illegalities resulting from the activities of the Management Company, as well as information on the manner and time of eliminating the identified irregularities and/or illegalities.

### **13. OBLIGATIONS OF THE DEPOSITORY IN CASE OF WITHDRAWAL OF SC CONSENT TO THE CHOICE OF DEPOSITORY AND CHANGE OF DEPOSITORY, AS WELL AS IN CASE OF TRANSFER OF AIF MANAGEMENT RIGHT**

In case the SC withdraws the consent to the selection of a depository in accordance with the Law, the Management Company is obliged to conclude a contract with another Depository within 30 days from the day of delivery of the SC Decision and submit to the SC a request for giving consent to the selection of the Depository in accordance with the provisions of the Law and D-AIF Rulebook.

In such case, the Depository is obliged to transfer all AIF assets for safekeeping and administration to another Depository with which the Management Company has concluded a contract, immediately after obtaining the consent of the SC, and is additionally obliged to submit books of accounts, records and all other documents and materials of importance for the operations of the AIF for which it has previously performed the Depository functions, in paper-based or electronic form, depending on the manner of keeping these data.

The Management Company is obliged to suspend the issuance and redemption of shares in the AIF, in accordance with the Law, until the conclusion of a contract on the performance of depository functions with another Depository and obtaining the consent from the SC.

The Management Company shall notify the person to whom the tasks of the Depository have been delegated of the withdrawal of consent to the selection of the Depository.

In the event that the Depository intends to cease performing the functions of the AIF Depository, it shall be obliged to notify accordingly the SC and the Management Company that manages the AIF for which it performs the Depository functions no later than three months before termination of those functions.

In such a case, the Management Company is obliged to conclude a contract with another Depository and submit to the SC a request for giving consent to change the depository no later than 30 days before the Depository ceases to perform the Depository functions.

In case the Management Company does not conclude a contract with the new Depository within the legal term, or if the SC does not consent to change the Depository before the Depository ceases to perform the Depository functions, the Depository may continue providing depository services within an additional period of 60 days from envisaged cessation date of the Depository functions.

In case the contract on the performance of depository functions with the new Depository is not concluded within the additional period of 60 days and the consent of the SC is not obtained, the AIFs for which the Depository performed the Depository functions must be liquidated i.e. dissolved in accordance with the Law.

In the event that the Management Company wishes to change the Depository with the prior consent of the SC in accordance with the provisions of the Law, the Depository must notify the SC within three days from receiving the Management Company's notice of Contract termination, i.e. cancellation, on whether, according to its knowledge, there are unresolved violations of the Law or of other regulations.

On the day when the Depository's contract concluded with the new Depository stipulates that the new Depository shall start performing the Depository functions, the Depository is obliged to transfer all AIF assets for safekeeping and administration to the new Depository with which the Management Company has concluded a contract on providing Depository functions and for which it receives a licence from the SC.

The Depository must also submit to the new Depository the books of accounts, records and all other documents and materials relevant to the operations of the AIF for which it has previously performed the Depository functions, either in paper-based or electronic form, depending on the manner of keeping this information.

In case of Contract termination, dissolution of the AIF, monetisation of assets, as well as in case of dispute over creditors' claims against the AIF's assets, the Depository shall apply the provisions of the Law, Law on Companies, i.e. by-laws prescribed by the SC regulating Depository actions in such situations.

In the event of a transfer of AIF management rights, unless otherwise provided in the AIF's business rules and the AIF prospectus when there is an obligation to publish it, the Depository shall proceed to liquidation or dissolution of the AIF:

- 1) If no Management Company that meets the conditions for managing that AIF responds to the bid collection procedure during the enforced transfer of AIF management;
- 2) If the Management Company - acquirer does not submit a request for the issuance of approval for taking over the management of the AIF within three days from the conclusion of the contract with the Depository, i.e. the supervisory board of the AIF;
- 3) If the SC declines or rejects the request of the Management Company - acquirer for the issuance of approval for taking over the management of the AIF;
- 4) If the supervisory board of the AIF makes a decision on the transfer and selection of the Management Company - acquirer, but the Assembly of the Management Company - acquirer does not accept it;
- 5) if the Supervisory Board fails to make a decision within the required period, and the AIF Assembly does not do so either.

## **14. REPORTING**

For each AIF, the Depository notifies the Management Company of transactions conducted with financial institutions and of related funds, and provides statements of balance and changes on financial instruments and money accounts.

1. For transactions with financial instruments performed by the Bank:

- a) The Depository submits to the Management Company, no later than the subsequent working day from implementation of the transaction, in the contracted manner, by a permanent medium, a notice

confirming the execution of the transaction. The Notice contains data about the order under which the transaction has been implemented, details of AIF i.e. Ordering Party, details on implemented transactions, collected fees,

b) Upon written request of the Management Company the Depository shall provide additional information on the status of its Order, as well as other requested reports and information.

2. For transactions executed by a third party or Sub-Depository, the Depository shall send a notice to the Management Company no later than by the next working day following receipt of confirmation on the execution of transaction by a third party or Sub-Depository.
3. The Depository shall provide the Management Company with specific information on their transactions or portfolio status, upon receipt of a written request from the Management Company. In cases where data is provided to the Client directly by a third party or Sub-Depository, the Depository shall ensure that the third party or Sub-Depository adheres to the relevant external engagement procedures.

#### **14.1. Report of Certified Auditor**

Upon meeting conditions foreseen by the Law, the Depository appoints a certified auditor, who drafts a report on the fulfilment of obligations of the Depository in accordance with the Law, about which it shall promptly inform the SC.

The audit of fulfilment of Depository obligations is a procedure of verification and assessment of:

- 1) Adequacy of fulfilment of duties and obligations of the Depository,
- 2) Adequacy of policies, procedures and other internal acts of the Depository which regulate duties and obligations of the Depository,
- 3) Proceeding of Depository in accordance with Article 11 of the D-AIF Rulebook.

Based on the performed audit of fulfilment of obligations of the Depository, the certified auditor shall draft a report on completed audit, i.e. fulfilment of obligations of the Depository in accordance with the Law, the regulations governing audit and rules of the audit profession.

The content of the report of certified auditor is prescribed by the D-AIF Rulebook.

The report of certified auditor is drafted and signed by the certified auditor on his/her own behalf and by a responsible person in the audit company on behalf of the company.

The Depository submits the report of authorized auditor to the SC no later than within four months following expiry of the financial year for which the report has been drafted.

Pursuant to Article 15 of the Law, the audit over performing Depository activities shall not be carried out where Depository services are rendered for an AIF managed by small AIMMC.

#### **15. TRANSITIONAL AND FINAL PROVISIONS**

The present Rules of Operation shall start to apply as of 10.01.2025.

The Depository shall make available the Rules of Operation, as well as any amendments and supplements thereto, to the Management Companies, by publishing them on the Bank's website at least eight days prior to their implementation.

The Rules of Operation of OTP banka Srbija - Alternative Investment Fund Depository as of 29.10.2021, shall cease to exist with the beginning of applying the present Rules of Operation.