

Pursuant to Article 42 of the Agreement on Establishing Slovenian Investment Fund Association, the General Meeting of the Slovenian Investment Fund Association has adopted the following

**RULES OF ARBITRATION
of Slovenian Investment Fund Association**

1. GENERAL PROVISIONS

Arbitration

Article 1

- (1) The permanent and independent Arbitration is established and operates within the Slovenian Investment Fund Association (hereinafter referred to as: "ZDU").
- (2) The Arbitration exists under the name: the Arbitration of the Slovenian Investment Fund Association (hereinafter referred to as: the "Arbitration").
- (3) The corporate seat of the Arbitration is registered at the registered seat of ZDU.

Responsibilities of Arbitration

Article 2

The Arbitration is responsible for settling disputes arising between a management company, of the one part, and investors which have invested in investment funds which are managed by the management company and non-professional parties which have entered into a contractual relationship in connection with the management of financial instruments and ancillary services, of the other.

Language

Article 3

- (1) The Arbitration operates in Slovenian.
- (2) A request for arbitration may also be filed in English.
- (3) When either an instrument of accession or the Agreement on Financial Instruments Management Services is entered into in a foreign language, the translation and/or interpreting is provided for.

Confidentiality

Article 4

- (1) The work carried out by the Arbitration is of confidential nature which must be observed in any respect by everybody who participates in it.
- (2) The arbitration procedure shall provide for the protection of personal data in accordance with the rules for the protection of personal data and business secrets.
- (3) All data arising from the arbitration procedure or in connection with the arbitration procedure shall be confidential, except when otherwise agreed upon by the parties, or when their disclosure is required by the law or when the disclosure is required for complying with or for enforcing the award settling a dispute.

Methods of communication

Article 5

The communication between the Arbitration and the parties to the procedure shall be carried out by using the ordinary or electronic mail, in accordance with the method selected by the parties.

Authorised representatives and experts

Article 6

- (1) In any phase of the arbitration procedure, the parties shall hold the right to be represented by an authorised representative or be assisted by a third party.
- (2) An authorised representative should demonstrate the party's powers of attorney.

2. ARBITRATORS

List of Arbitrators

Article 7

The List of Arbitrators is published on the web site of the Arbitration.

Composition and Constitution of Arbitration

Article 8

A dispute shall be decided upon by a sole arbitrator.

Independence and Impartiality of Arbitrator

Article 9

- (1) Every arbitrator must be and remain independent when making decisions in regard to a dispute.
- (2) From the notification on appointment all to the closing of the arbitration procedure, every arbitrator must be vigilant of any facts and circumstances which might affect his or her impartiality.
- (3) An arbitrator must immediately notify the Secretary of the Arbitration of any facts or circumstances which may affect his or her impartiality in decision making and the Secretary must inform the parties in the procedure to submit any potential objections in the time period stipulated. The arbitrator may only proceed with his or her work when this is not precluded by any of the parties.

Challenge of Arbitrator

Article 10

- (1) Every Party may challenge an arbitrator. A duly reasoned challenge of an arbitrator must be submitted in writing to the Secretary as soon as a party becomes aware of the reason justifying the challenge, however, not later than by the conclusion of the hearing before the Arbitration, and when no hearing is held, not later than by the issue of the award. The party's challenge of an arbitrator must state the circumstances which justify the challenge of an arbitrator.
- (2) The challenge referred to in the preceding paragraph of this Article shall be submitted by virtue of a decision to the parties and to the arbitrator who is being referred to in the challenge.
- (3) When an arbitrator, who is being challenged, does not resign from his or her position or when no Agreement on Arbitrator can be reached between the parties, the Arbitration Agreement is deemed to be cancelled.
- (4) It is deemed that no Agreement on Arbitrator may be reached by and between the parties when such agreement fails to be reached within the period of 30 days from when the notification is received by a party which states that the opposite party has challenged an arbitrator, or from the date when a notification on the arbitrator's resignation is received by the parties.

3. REQUEST FOR ARBITRATION

Initiation of the arbitration procedure

Article 11

- (1) The procedure before the Arbitration shall be initiated by filing a request for arbitration (hereinafter referred to as: "the Request").
- (2) When the Request for initiating the arbitration procedure is submitted by ordinary mail, the procedure is deemed to commence when the mail is received by the Arbitration, and when the Request is submitted by registered mail it is deemed to commence on the date when sent by the registered post.
- (3) When the Request for initiating the arbitration procedure is submitted by electronic mail, the procedure is deemed to commence when the receipt of the Request is confirmed by the Arbitration by way of the automatic electronic acknowledgement of receipt.

- (4) When the Request by a consumer for initiating the arbitration procedure is lodged on the web site of the Arbitration, the procedure is deemed to commence when the receipt of the Request is confirmed by the Arbitration by way of the automatic electronic acknowledgement of receipt.

Content of Request

Article 12

The Request for a dispute to be referred to the Arbitration should include:

- personal name;
- residence address;
- electronic mail when it is desired by a claimant for communication to take place through electronic mail;
- information about a claimant;
- facts in connection with the alleged violations having been made to a claimant;
- proposal of any evidence upon which the Request is based;
- a signed statement that no administrative procedure or judicial proceedings or a procedure before other provider for out-of-court settlement of consumer disputes (hereinafter referred to as: "the OCS"), and a statement that no final decision has been made in any other administrative procedure or judicial proceedings or in a procedure before any other provider for out-of-court settlement of consumer disputes;
- a final answer by a claimant which has been provided in the internal appellate procedure for dealing with appeals or an instrument of proof that more than 30 days have passed from the filling of an appeal;
- a definite claim in regard to the main issue and secondary claims;
- the value of a dispute when a claim does not refer to a monetary claim;
- a statement on the selection of an arbitrator (name and surname of an arbitrator)
- an explicit consent stating that the arbitration award is legally binding;
- a statement in regard to the method of communication to be used by the Arbitration and by the opposite party;
- the instrument of proof in regard to the payment of the charge in the amount of EUR 20.

Procedure following Receipt of Request

Article 13

- (1) After the Request for initiating the arbitration procedure is received, the Secretary checks whether the Request includes all the elements referred to in the preceding Article and, when necessary, invites a claimant to supplement or correct it within the

period of 15 days and warns the claimant of the consequences of failing to properly supplement the Request.

- (2) When, in spite of the invitation to supplement the Request for initiating the arbitration procedure, a claimant fails to supplement the Request or fails to pay the charge for the procedure, the Request is deemed to be withdrawn.

Reasons for Rejecting the Request

Article 14

- (1) The Request for initiating the arbitration procedure shall be rejected when:
 - the administrative procedure or judicial proceedings have been commenced and are in progress before other provider for out-of-court settlement of consumer disputes;
 - when an administrative or judicial body or other provider for out-of-court settlement of consumer disputes have already made a decision in regard to the same claim;
 - the consumer has failed to previously enforce a complaint directly before the provider against which the Request has been filed;
 - the Request is not serious or it means a clear misuse of the procedure;
 - the value of the dispute does not amount to EUR 30;
 - a claimant has failed to issue the Request for initiating the arbitration procedure within the time period of one year from the date when the claimant has filled the complaint before the provider;
- (2) When the claimant's Request for initiating the arbitration procedure is rejected by the Arbitration and the written statement of reason for the rejection of the Request is submitted to the claimant within three weeks after the receipt of the Request, the charge paid is recovered to the claimant.

Service of Request to Respondent

Article 15

Within eight days from the receipt of the complete Request for initiating the arbitration procedure, the Secretary shall inform a respondent about the Request which has been filled and shall invite the respondent to make a statement in regard to comments made in the Request and sign a consent that the arbitration award is final. The notification is sent by e-mail to the address specified on the respondent's web site or by ordinary mail to the respondent's registered seat.

Answer by Respondent

Article 16

- (1) A respondent must make a statement in regard to the Request and in regard to the evidence proposed by a claimant within fifteen days from the receipt of the notification referred to in the preceding paragraph. The answer to the Request must include all the significant data which enable expeditious and full resolution of a dispute.
- (2) Upon the respondent's request, the Secretary may extend the deadline for submitting the answer for another eight days.
- (3) In the answer to the Request, the respondent may challenge the proposal by an arbitrator, and state reasons for such challenge.
- (4) When, within fifteen days from the receipt of the notification referred to in the preceding paragraph, the respondent fails to make a statement in regard to the Request and the evidence provided by a claimant, and fails to request for the extension of the deadline, it is deemed that the respondent has refused to grant a consent for hearing the dispute before the Arbitration.
- (5) When the respondent agrees with the Request that the case is decided upon by the Arbitration, the respondent shall submit to the Arbitration its consent for a hearing to be held before the Arbitration.

Notification on Procedure Continuation or Suspension

Article 17

- (1) When a respondent agrees with the Request for initiating the arbitration procedure, within eight days from the receipt of the respondent's reply, the notification is submitted by the Secretary to both participants in the procedure on further conduct of the procedure and its duration.
- (2) When no Agreement on Arbitrator is reached between the Parties to the procedure, it is deemed that no agreement on the arbitration procedure has been reached and as a result, the procedure shall be terminated and the charge paid by a claimant is restored.

4. PROCEDURE BEFORE ARBITRATION

Rules of Procedure before Arbitration

Article 18

Unless otherwise determined by the parties to the procedure or when the provisions of these Rules fail to regulate certain individual issues, the provisions of the law regulating the arbitration shall apply *mutatis mutandis*, together with the provisions of the law regulating contentious proceedings and the provisions of the law regulating out-of-court settlement of consumer disputes.

Hearing

Article 19

- (1) The procedure before the Arbitration shall be conducted at a closed hearing.
- (2) The minutes shall be taken at the hearing.

Principles of Efficiency and Declaratory Proceedings

Article 20

- (1) An arbitrator must deal with the Request in an expeditious manner and within the time period which must not be longer than stipulated by the sectoral legislation.
- (2) An arbitrator must research and determine the facts and evidence which are significant for settling the dispute.
- (3) An arbitrator may at any time request from the parties to the procedure to provide additional statements or documentation when it is assessed that this is necessary for the clarification of the state of affairs.

Settlement Hearing

Article 21

- (1) An arbitrator may schedule a settlement hearing.
- (2) At the settlement hearing, an arbitrator must discuss with the parties to the procedure about the factual considerations and the legal aspects of a dispute in order to define disputed issues, together with key issues, and to examine the possibilities for reaching the settlement and to strive for the settlement to be reached.

- (3) An arbitrator shall not schedule the settlement hearing when it is assessed that there are no possibilities for the settlement to be reached or that the settlement does not present a suitable method for settling the dispute.
- (4) When the settlement hearing fails, an arbitrator shall proceed with the handling of the case and shall make a decision on the dispute.

Costs of Arbitration Procedure

Article 22

- (1) The costs of the arbitration procedure are defined in the Articles of Association of the Arbitration.
- (2) In addition to the charge referred to in the last indent of Article 12 of these Rules, a claimant shall also bear the costs of services incurred by its authorised representative or a third person when appointed, and the costs of an expert opinion when required even though it has been assessed by an arbitrator that a dispute must be resolved without the expert opinion.
- (3) The claimant shall bear the costs of its authorised representative or a third person when appointed, the costs of the expert opinion when required, the costs of translation or interpreting services, all fees and expenses of an arbitrator and any other potential costs incurred which cannot be considered to be administrative costs of the Arbitration nor the costs referred to in the Paragraph 2 of this Article.
- (4) The costs of the arbitration procedure shall be decided upon by an arbitrator in the arbitration award.

5. ARBITRATION AWARD

Issue of Award

Article 23

The award is deemed to be issued when executed by an arbitrator.

Time Period for issuing Award

Article 24

- (1) An arbitrator shall issue the award not later than within ninety days from the receipt of the complete Request for initiating the arbitration procedure.
- (2) When the dispute is of a more complex nature, at his or her own discretion, an arbitrator shall extend the time period referred to in the preceding paragraph. An arbitrator shall inform a claimant and a respondent on the extension of the time period and on the time expected to be needed for the dispute to be resolved.

Service of Award to Parties

Article 25

When the award is issued, it shall be submitted to the parties by the Secretary via registered mail.

Enforceability of Award

Article 26

- (1) In the Arbitration Agreement, the parties to the procedure shall bound themselves to observe and enforce the final arbitration award.
- (2) No appeal can be filed against the arbitration award, except for the challenging action before the court in cases set forth by the Arbitration Act.

Publication of Rules

Article 27

- (1) These Rules shall be published and put on display in the business premises of ZDU and on the ZDU's web site.
- (2) ZDU shall publish information on out-of-court settlement of disputes provided within the scope of the Arbitration on its web site in a clear and understandable language.
- (3) ZDU shall specify management companies which provide for the out-of-court settlement of disputes within the scope of the Arbitration on its web site.

6. TRANSITIONAL AND FINAL PROVISIONS

Article 28

- (1) These Rules shall enter into force when adopted by the General Meeting of ZDU and shall apply from 10 November 2016 onwards.
- (2) With the commencement of the application of these Rules, the Rules of Arbitration of 19 April 2012 shall cease to apply, which, however, shall apply for the completion of arbitration procedures in regard to which the action has been filed prior to 10 November 2016.

Done in Ljubljana, on 20 July 2016

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President of General Meeting of
Slovenian Investment Fund Association