

SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana, Ulica Josipine Turnograjske 6, SI-1000 Ljubljana (registration number: 5665493000; VAT reg. no.: SI82155135), represented by Sibil Svilan, MSc, Chairman of the Board, and Goran Katušin, Member of the Board ("SID Bank" or the "Contracting Entity"),

and

(registration number: _____; VAT reg. no.: _____), represented by
_____ (the "Contractor" or "Auditor"),

hereby make and enter into the following

**Service agreement
no. JN 142/2020
for - Pillar Assessment**

Article 1 - Preliminary provisions

The Parties agree and acknowledge that:

- SID bank intends to apply for funding under the Financial Regulation applicable to the General Budget of the European Union (EU). Pillar Assessment is used to assess whether the protection of the EU's financial interests when budget implementation tasks are entrusted to certain entities is equivalent to that under direct management. Based on the results of the Pillar Assessment the European Commission will decide whether it can entrust budget implementation tasks to SID bank.
- pursuant to the Article 47 of Public Procurement Act (Official Gazette of the Republic of Slovenia No. 91/15; the "ZJN-3") SID Bank carried out a call for tenders for the award of a low-value public contract for "Pillar Assessment under the conditions specified in the European Commission" under the procedure number JN 142/2020;
- pursuant to the contract award decision of _____, SID Bank hereby makes and enters into this public contract/Service agreement (hereinafter: Agreement) with the Contractor;
- the terms used in this Agreement have the same meaning as given to them in the procurement documentation and the Contractor's tender documentation, unless otherwise provided for in this Agreement;
- reference to any statute, enactment, order, regulation or other similar instrument (or a provision thereof) shall be construed as a reference to such statute, enactment, order, regulation or other similar instrument (or a provision thereof) as amended, supplemented, modified, consolidated, superseded or re-enacted;
- the headings in this Agreement are inserted only for convenience and shall not affect its construction.

Article 2 – Provision of Services

SID bank engages the Auditor to (hereinafter: “Engagement”) to do the following services as defined under the following point a) and point b):

a) Pillar Assessment

The auditor shall assess the systems put into place and the controls, rules and procedures applied by SID bank in the following areas (i.e. pillars):

- Pillar 1 - the internal control system,
- Pillar 2 - the accounting system,
- Pillar 3 - an independent external audit,
- Pillar 5 - procurement,
- Pillar 6 - financial instruments (including sections 6A – budgetary guarantees, 6B - tax avoidance and non-cooperative jurisdictions and 6C - anti-money laundering and countering terrorism financing),
- Pillar 7 - exclusion from access to funding,
- Pillar 8 - publication of information on recipients and
- Pillar 9 - protection of personal data.

against the criteria and in the manner set by the European Commission for each pillar in the Commission Decision of 17 April 2019 on establishing new terms of reference for the pillar assessment methodology to be used under Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹ (hereinafter: “ToR”).

Based on the above assessment the Auditor should in line with ToR requirements and in English language :

- (i) report on whether SID bank fulfils the requirements set out in points (a) to (f) of Article 154(4) of the Financial Regulation applicable to the General Budget of the European Commission and in Article 29(1) of the Financial Regulation applicable to the European Development Fund for each relevant pillar; and
- (ii) express a conclusion as to whether SID bank:
 - has set up and ensures the functioning, in all material respects, of an effective, efficient and economical internal control system based on international best practices and in line with the criteria set by the European Commission;
 - uses an accounting system that provides in all material respects accurate, complete and reliable information in a timely manner, based on international accounting standards and in line with the criteria set by the European Commission;
 - is subject to an independent external audit, required to be performed in all material respects in accordance with internationally accepted auditing standards by an audit service functionally independent of the entity concerned and in accordance with the criteria set by the European Commission;
 - applies appropriate rules and procedures in all material respects for providing financing from EU funds / budgetary guarantees through financial instruments / budgetary guarantees and in line with the criteria set by the European Commission;
 - applies appropriate rules and procedures for excluding third parties from access to funding through procurement, grants and/or financial instruments;
 - makes public information on the recipients of funds in an appropriate and timely manner;
 - ensures protection of personal data equivalent to that referred to in Article 5 of the Financial Regulation;
 - applies standards equivalent to applicable EU legislation and agreed international and EU standards regarding controls related to tax avoidance and non-cooperative jurisdictions, anti-money laundering and countering terrorism financing.

¹ OJ C 191, 6.6.2019, p. 2–136.

When providing the Pillar Assessment services the Auditor needs to take into account following points as defined in the ToR:

- For each pillar, the Auditor must assess the design of relevant systems, controls, rules and procedures. This means that the Auditor shall perform procedures and tests on the basis of which it shall arrive at a conclusion whether the system, controls, rules and procedures are present i.e. existing.
- Moreover, the Auditor must assess the operating effectiveness of systems, controls, rules and procedures for all relevant pillars except for the 'independent external audit' pillar, for which the Auditor only assesses the design of the procedures for external audit.
- The design and operating effectiveness of relevant systems, rules and procedures must be assessed against the criteria defined by the European Commission for each pillar. For this purpose, the Auditor must use the questionnaires provided by the European Commission in the ToR.
- The Auditor determines the nature, extent and timing of all the procedures and tests it deems necessary to perform in order to arrive at a conclusion with regard to the design and operating effectiveness of systems, controls, rules and procedures.

The assessment procedures are defined in the ToR and need to be followed when providing the services, among the others:

- The Auditor should perform the assessment in accordance with Annex 3 to ToR (*Assessment procedures*), which cover documentation and evidence, planning, fieldwork and reporting. Annex 3 includes assessment procedures that the Auditor should apply and procedures that the Auditor may opt to use. The Auditor's attention is drawn to the specific aspects set out in Sections 6.1 to 6.3 of Annex to ToR (*Terms of reference for a pillar assessment of an entity requesting to be entrusted with implementation of the EU budget under indirect management*). The Auditor should exercise due professional care and judgement and determine the nature, timing and extent of assessment procedures to fit the objectives, scope and context of the assessment.
- The Auditor should, in accordance with ISAE 3000, prepare documentation and obtain sufficient appropriate evidence to support assessment findings and to draw reasonable conclusions on which to base the conclusion of the assessment for each pillar. The Auditor uses professional judgement to determine whether evidence is sufficient and appropriate.
- The Auditor's procedures should include obtaining an understanding of the engagement context, which is sufficient to design and perform further assessment procedures. This includes:
 - obtaining evidence regarding the design of systems, controls, rules and procedures;
 - performing tests of the operational effectiveness of systems, controls, rules and procedures;
 - sampling and other means of selecting items for testing where appropriate;
 - using the work of internal auditors where applicable.

In support of the Engagement deliverables the Auditor shall among others:

- provide an experienced team that meets ToR requirements;
- apply best practices, approaches and models to the engagement;
- bring insights to the content and approach of the assignment;
- provide practical direction and progress monitoring to the Contracting entity;
- provide reports to the European Commission and to the Contracting entity;
- prepare together with SID bank an Engagement plan listing more in detail all the steps that have be done within the Engagement and their deadlines;
- review relevant existing documentation (among others of European Commission and of the Contracting entity);
- conduct interviews;
- prepare for and facilitate meetings and workshops, including kick-off workshop and discussion around best practices in relevant areas;
- analyse the results of the assessment at various stages and communicate them to the Contracting entity;

- prepare findings and recommendations together with SID bank;
- provide Contracting Entity on monthly basis with reports on the progress of the audit findings, recommendations and assessment reports (draft, preliminary and final) and other work as defined above;
- assure that all audit findings, recommendations, assessment reports (draft, preliminary and final) and all other communication Commission with the shall be *ex ante* reviewed or carried out by the Category 1 auditor who has experience with pillar assessment as required in the tender documentation;
- provide all other services that are reasonably ancillary and incidental to the Engagement.

b) Consultancy

The auditor shall provide SID bank on its written demand given no later than one year after the issuance of Pillar Assessment Final report additional explanations of pillar assessment procedures, findings and recommendations and participate in meetings, including on-line meetings, with relevant bodies in maximum amount of forty (40) consulting hours.

All of the services as defined above under point a) and b) of this article shall be done in professional manner and in accordance with standards, which are required by the ToR and the standards generally applicable in the industry for similar services.

Article 3 - Access to information and place of Fieldwork

For the proper execution of the Engagement SID bank shall provide the Auditor promptly with all the necessary information.

Likewise, SID bank shall ensure the availability of its personnel to the extent required (e.g. interviews with key personnel). However, Contracting Entity is not obliged to make available any translation of its documents or internal rules and relevant national regulations originally written in Slovene that the selected Tenderer might have to examine in the course of Pillar Assessment.

All the fieldwork that is required for the proper execution of the Engagement shall be carried out at the SID bank headquarter. If that would not be possible due to COVID-19 measures (social distancing) the Contracting Entity and the Auditor may agree to carry out the fieldwork on alternative methods to prepare the assessment (e.g. conference calls and/or secured file sharing website).

Article 4 – Work product

The Auditor acknowledges and agrees that ownership of all written output (in whatever format) created by the Auditor and provided to SID bank in relation to the Engagement will vest in SID bank so that SID bank may at any time use, copy and distribute part or all of such work product. Upon written request and to the extent not already provided to SID bank, the Auditor shall deliver to SID bank any such work product (in such a manner as to be “unlocked”, readily accessible and useable for any reasonable purpose).

Article 5 - Time Schedule and updating the Contracting Entity on the progress

The Engagement related to the services defined in the point (a) of the article 2 (Pillar Assessment) starts on the date of execution of the Agreement and ends as determined by the Engagement plan, but not later than in seven (7) month time after the date of execution of the Agreement.

The Engagement related to the services defined in the point (b) of the article 2 (Consultancy) starts in 3 business days after the Contracting Entity has sent a notice to the Authority requiring that such services are provided.

More specified time schedule will be agreed by the Parties at the beginning of the each part of the Engagement by a separate Engagement plan.

The Auditor shall report in written form and by a conference call on monthly basis to the Contracting Entity on progress made in providing the services as defined under point a) of the article 2. Progress reports have to be carried out by Category 1 auditor who has experience with pillar assessment as required in the tender documentation. On occasion the Contracting Entity might require updates more frequently.

Article 6 – Engagement team

The Engagement team members (i.e. members of the team engaged in service as defined in point (a) of the article 2 (Pillar Assessment)) as stated in the Auditor's tender documentation cannot be added and/or changed without prior consent of SID bank. The consent of SID bank shall not be required if a member of the Engagement team becomes unavailable by reason of (i) long term sickness, (ii) absence or (iii) any external law or regulation requiring his/her removal from the Engagement.

In the event that any member of the Engagement team ceases to be involved in the Engagement, the Auditor shall at no additional cost to SID bank provide a replacement whose qualifications and experience are to the satisfaction of SID bank (acting reasonably) and correspond as closely as practicable to the qualifications and experience of that member of the Engagement team whom he/she is required to replace. The composition of the Engagement team regarding the categories and experiences of the auditors as required in the procurement documentation must remain unchanged.

The Auditor shall cease to utilise for the provision of the Engagement any person whose performance is deemed by SID bank (acting reasonably) to be unsatisfactory and provide a replacement whose qualifications and experience are to the satisfaction of SID bank (acting reasonably).

SID bank may, at any time during the Engagement, check the qualification of the Engagement team and the members of the Engagement team shall for this purpose give SID bank proper data concerning their qualification.

Article 7 – Payment

The Engagement as defined in point (a) of the article 2 (Pillar Assessment) shall be performed for a fixed fee of EUR _____ (net of VAT).

The fixed fee shall be the full remuneration for the full and proper performance of Pillar Assessment and shall cover the entire cost of the Auditor that might arise in relation to the performance of the service (labour costs, equipment costs, travel and lodging costs and all other costs).

The Engagement as defined in point (b) of the article 2 (Consultancy) shall be performed for a fixed hourly rate considering following hourly rates:

Category 1 Audit partner	EUR _____ (net of VAT) per hour
Category 2 Audit manager	EUR _____ (net of VAT) per hour
Category 3 Senior auditor	EUR _____ (net of VAT) per hour
Category 4 Assistant auditor	EUR _____ (net of VAT) per hour

The fixed hourly rates shall be the basis for the full remuneration for the proper performance of Consultancy and shall cover the entire cost of the Auditor that might arise in relation to the performance

of the service (labour costs, equipment costs and others) except travel and lodging costs. The Contracting Entity shall pay travel and lodging costs related to the Consultancy provided the Auditor clearly defines such costs upfront and acquires a written consent from the Contracting Entity prior to actually incurring them.

For each part of the Engagement (i.e. Pillar Assessment and Consultancy) the Auditor shall issue a separate invoice to SID bank (complying with SID bank's invoicing system; preferably e-invoice), setting out the fee payable after the completion of the relevant part of the Engagement. If SID bank so requests, each invoice shall be supported by a detailed breakdown of hours worked, personnel carrying out such work and a description of the services provided.

Provided the Auditor has performed the relevant part of the Engagement in accordance with the Agreement, SID bank shall pay to the Auditor's bank account number: _____ with _____ any amount properly due within 15 days following receipt of an invoice from the Auditor. If the last day of the payment term is not a business day, SID bank shall make the payment on the following business day.

If the Contractor's tender includes or the SID bank subsequently receives a subcontractor's request for direct payment in the prescribed form, the SID bank shall pay invoices issued by subcontractors and approved by the Contractor for individual types of works directly to the bank account(s) of the relevant subcontractor(s) by the payment deadline laid down in the preceding paragraph.

For nominated subcontractors that will not require direct payment, the Contractor shall send to the SID bank within 60 days of payment of the final invoice or payment certificate: its own written declaration and the written declaration of the subcontractors stating that they have received payment for the work performed. Should the Contractor fail to act in accordance with this provision, the SID bank will submit a proposal to the National Review Commission to initiate offence proceedings under point 2 of the first paragraph of Article 112 of the ZJN-3.

Article 8 - Assignment and Sub-Contracting

Unless given a prior consent of the SID bank the Contractor cannot transfer its rights and obligations from this Agreement to another party.

Likewise, the Contractor shall not subcontract without the prior written consent of the SID bank. In this regard, the Contractor undertakes to at least 30 days prior to subcontracting, in writing, notify the SID bank of planned subcontracting or significant changes to subcontracting. The written consent of the SID bank shall apply only to the specific subcontracting business. The Parties shall execute an addendum to this Agreement for any replacement of a subcontractor or engagement of a new subcontractor.

If the Contractor intends to replace the subcontractor with whom it fulfilled the Procurement documentation requirements, such new subcontractor must, in addition to other requirements, also fulfil the said requirements.

In the case of subcontracting, all provisions applicable to Contractor also apply to subcontractors.

The Contractor undertakes to:

- supervise the performance of the services it subcontracted to ensure the continued and timely fulfilment of all contractual obligations;
- ensure the continuous fulfilment of obligations to the SID bank;
- ensure that the SID bank has the right to terminate the contract in case of inadequate subcontracting (i.e. if the subcontracting risks increase significantly; if the subcontractor further subcontracts without SID Bank's prior written consent ...).

Where the Contractor intends to perform the public contract with a subcontractor requiring direct payment in accordance with this article:

- the lead contractor must authorise the SID bank in the contract to pay the subcontractor directly on the basis of an invoice or statement approved by the lead contractor;
- the subcontractor must provide a letter of consent on the basis of which the SID bank will settle the subcontractor's claims against the lead contractor;
- the lead contractor must enclose the invoices or payment certificates of each subcontractor as approved by the lead contractor to its own invoices or payment certificates.

During the performance of this Agreement, the lead contractor shall previously notify the SID bank of any changes relating to subcontractors and provide information on the new subcontractors it intends to engage subsequently to perform of the works. If a replacement of the subcontractor or a new subcontractor is to be engaged, the Contractor shall include in its notice information and documents required in accordance with Article 94, paragraph 2, indents 2, 3 and 4 of the ZJN-3.

The SID bank may at any time inspect the workers of any of the subcontractors performing the work at the place where the work is carried out. All workers are obliged to provide the SID bank with credible information.

The Contractor is fully liable to the SID bank for the performance of this Contract.

Article 9 – Limitation of Liabilities

The Auditor shall not be liable for any damage caused by the implementation of its instructions or recommendations to the SID bank, unless it can be shown that such Auditor's instructions or recommendations are result of its negligence, breach of contract, breach of duty or intentional misconduct. The Parties agree that limitation of liability specified in the third paragraph of Article 57 of the Slovenian Companies Act applies in connection with claims arising out of this Agreement or otherwise relating to the Services.

The SID bank shall not be liable to the Auditor for any losses suffered or incurred by the Auditor arising out or in connection with the termination of this Agreement in accordance with this Agreement for any reason or performance of this this Agreement in accordance with its terms.

Article 10 - Penalties for late or no performance

If the Contractor due to its fault fails to perform services within time limits set in article 5 of this Agreement and as further specified in time schedule agreed by the Parties at the beginning of the Engagement, SID bank is entitled to claim a contractual penalty in amount of 0,5% of the fixed fee as defined in the first paragraph of the article 7 of this Agreement for each started day of delay up to a maximum of 10% of the said fee.

If the Contractor unjustifiably terminates this Agreement, SID bank is entitled to claim a contractual penalty in an amount equal to ten percent (10%) of the fixed fee as defined in the first paragraph of the article 7 of this Agreement.

Payment of the above agreed penalties does not free the Contractor from its obligation to perform the agreed service.

SID bank's right to claim a contractual penalty due to a delay or the unjustified termination of the Agreement is not conditional upon the SID bank incurring any actual damage. SID bank may claim reimbursement for any damages incurred under the general principles of liability for damages and independently of claiming any contractual penalty for delays.

SID bank shall set off any contractual penalty and any damages incurred as a result of a delay against the next payment to the Contractor under this Agreement or, if that is not possible, issue a separate invoice, which the Contractor shall pay within fifteen (15) days of receipt.

If a delay in the performance of services under this Agreement is such that it might result in damage to the SID bank or render the performance of the services meaningless, the SID bank may order a replacement service from another contractor at the Contractor's expense and may claim compensation for the actual damage incurred.

The Contractor shall pay any resulting damages incurred by SID bank within fifteen (15) days of receiving its written demand.

Article 11 - Anti-corruption clause

This Agreement is null and void if it is determined that, in accordance with Article 14 of the Integrity and Prevention of Corruption Act (Official Gazette of the Republic of Slovenia No. 45/10, as amended; the "ZIntPK"), the Contractor itself or another person on its behalf or for its account promised, offered or provided any undue advantage to a representative or agent of the Contracting Entity in order to obtain this business or transact this business on more favourable terms or in exchange for committing any other act or omission resulting in damage to the Contracting Entity or enabling a representative or agent of the Contracting Entity or the other party or its representative or agent to gain any undue advantage.

Pursuant to the sixth paragraph of Article 14 of the Integrity and Prevention of Corruption Act, and in order to ensure the transparency of the transaction and prevent the risk of corruption, a Contractor is obliged to submit to the Contracting Entity a declaration or information on the participation of natural persons and legal entities in the ownership of the Contractor, including the participation of silent partners, and on any economic operators that, in accordance with the provisions of the law governing companies, are deemed affiliates of the Contractor, prior to entering into any contract valued at over EUR 10,000 net of VAT. For natural persons, such a declaration must include their name and surname, their residential address and their share of ownership. If a Contractor delivers a false declaration or provides false information in this regard, this Agreement is null and void.

Article 12 - Social clause

This Agreement is null and void if one of the following conditions occurs:

- if the Contracting Entity learns that a court has found in a final decision that the Contractor or its subcontractor has committed any breach of labour, environmental or social laws (second paragraph of Article 3 of the ZJN-3); or
- if the Contracting Entity learns that a competent government authority has determined during the performance of this Agreement that the Contractor or its subcontractor has committed two or more breaches in connection with:
 - remuneration for work;
 - working hours;
 - rest periods;
 - the performance of work under civil-law contracts despite the existence of elements of employment or in connection with undeclared work, for which a fine for a minor offence was imposed pursuant to a final decision or several final decisions;

and under the condition that there are still at least six months from the time the Contracting Entity learns of the violation to the expiry of the Agreement or, if the Contractor has engaged a subcontractor, after establishing a violation on the part of the subcontractor the Contractor fails to substitute or replace such subcontractor in the manner laid down in Article 94 of the ZJN-3 and in accordance with this Agreement within 30 days of learning of such violation.

In case of the preceding paragraph the Agreement is deemed null and void as of the date on which a new public contract is executed. The Contracting Entity shall notify the Contractor of the date on which the new public contract is to be signed. If the Contracting Entity fails to initiate a new public procurement procedure within 30 days of learning of the violation, this Agreement is deemed null and void as of the thirtieth day of the date on which the Contracting Entity learned of the violation.

Article 13 - Protection of business secrets and personal data

During and after the performance of this Agreement as well as after its termination the Parties hereby undertake to protect all personal information, business secrets, classified information and other confidential information (hereinafter: confidential information) contained in this Agreement or in connection with this Agreement, or will become aware of them during the performance of this Agreement, as information subject to the rules on the protection of confidential information, depending on the type of individual confidential information, and will not be used for themselves or by third parties or transmitted to third parties. The obligation does not apply to information that is considered public in accordance with applicable regulations.

The Contractor will use the Contracting Entity's confidential information solely for the performance of contractual obligations under this Contract. The Contractor shall extend the data protection obligation under the first paragraph of this article to all the subcontractors listed in its tender and engaged in the performance of this Agreement in any way.

For the purpose of this Agreement and for the fulfilment of contractual obligations, the Contractor will process the following personal data of the employees of SID Bank to the extent of: name and surname of the employee, telephone number and e-mail address of the employee of SID Bank.

The Contractor undertakes, prior to the commencement of the works, to provide the Contracting Entity with a list of persons who will directly perform the works and acquaint themselves with the Contracting Entity's confidential information if there will be some other persons than team members stipulated in tender. The obligation to protect the confidential information will be extended by the Contractor to all those who will directly perform the works under this Agreement in such a way that before the work begins, the Contractor will provide a signed Non-Disclosure Agreement from them.

The Contractor will ensure that persons directly implementing the contractual obligations are made aware that they have to protect the confidentiality of the data at all times, even after the termination of their employment or other legal relationship with the Contractor. The Contractor is responsible if, through his or her fault or the fault of the persons who will directly perform the work, unauthorized use or disclosure of confidential information under this Agreement occurs.

The Contractor undertakes to:

- carry out all activities necessary to ensure that confidential information remains confidential and secure from theft or any unlawful appropriation;
- use any information it receives solely for the purpose of performing this Contract;
- return to the Contracting Entity or destroy all information obtained from the Contracting Entity during the term of this Agreement, including any copies thereof, after the Agreement expires.

If the Parties become aware of personal data during the performance of this Agreement, each contracting party shall be obliged to protect and process such personal data held by it as a manager in accordance with European and national data protection laws. Each contracting party must guarantee to the individual whose personal information it has available, the rights of the individual in accordance with the legislation which it is bound by. The Parties agree not to process personal data obtained under this Agreement on behalf of the other Party and that neither Party is a processor of the other Party as the subject matter of this Agreement is not the processing of personal data. The personal data of individuals involved in the performance of the Agreement or otherwise relevant to the performance of the Agreement are exchanged between the Parties to enable each party to fulfil its contractual obligations or exercise its rights under that Agreement (i.e., each party processes personal data in its own name).

Each contracting party shall process personal data only in the ways strictly necessary for the implementation of this Agreement and shall retain it only for such time as is strictly necessary for the implementation of this Agreement and its legal protection and shall protect them by appropriate technical and organizational measures protecting against unauthorized or unlawful treatment, accidental loss, destruction or damage. Each contracting party shall ensure that it has a legitimate legal basis for the transfer of the personal data of an individual to the other contracting party.

The General Privacy Statement (on Personal Data Protection) of the Contracting Entity is published on its website at <https://www.sid.si>.

At the Contracting Entity's request, the Contractor is also obliged to carry out additional procedures that represent a necessary safety standard for the Contracting Entity's work needs. The Contracting Entity has the right to record and monitor all activities performed by the Contractor in connection with the Contract.

The Contractor hereby declares that it has been apprised that records are kept of the use of the Contracting Entity's information or information resources and that persons authorised by the Contracting Entity may use such records as evidence in the event of a breach in accordance with the relevant commercial and security provisions.

Upon signing this Agreement, the Contracting Entity will inform the Contractor in writing of the contents of its security policy and data protection procedures in communication with each other to ensure the effective performance of contractual obligations and the protection of confidential information. In the case of finding or amending legislation that would require the signing of a special contract for the processing of personal data, the Contractor undertakes to sign such a contract. The Contractor undertakes to comply with the security policies and data protection procedures communicated in accordance with the preceding sentence.

The Contracting Entity may provide the competent authorities and organizations with the information relating to this Agreement and the Contract for the processing of personal data which they require under the regulations. The Contracting Entity may publish the full contents of the Agreement, if required by the regulations.

The Parties will, for the purposes of business communication under this Agreement, exchange and process information about the Contracting Entity or the Contractor and their contact persons or contract administrators (Employee with the Contracting Entity or Contractor or other persons with the contractual / business partners). The Parties process the personal data (name and surname of the person, official e-mail address, telephone number, etc.) on the basis of a contractual relationship. This personal data remains under the management right of the party whose employees it employs, while the counterparty may only manage and store it for as long as the contractual relationship applies and is legally required in terms of managing and keeping business records together with personal data. After this deadline, the Parties are obliged to delete personal data or to anonymize them in documents, except in the case of their permanent or archival storage.

In case of breach of personal data protection, the Contractor will immediately notify the Contracting Entity of the breach by notifying the Contract Administrator on the Contracting Entity's page and sending an e-mail to the Personal Data Protection Authorized Person on the Contracting Entity's site (povop@sid.si) and provide all necessary information and information regarding the violation.

The Contractor is obliged to immediately warn the Contracting Entity about breaches or security incidents related to the unauthorized use or disclosure of personal data and other confidential information from this contract. In the event of breach of the obligation to protect confidential information, the Contractor shall be obliged to pay the Contracting Entity the contractual penalty in the amount of ten percent (10%) of the fixed fee as defined in the first paragraph of the article 7 of this Agreement, and in the event of damage, any direct damage exceeding the stated amount.

The Contractor agrees that in the event of insolvency, settlement or abandonment of the Contractor's business activities, the Contracting Entity may freely access the data owned by the Contracting Entity and pass it on to third parties for verification purposes.

Article 14– Modifications

A modification of this Agreement is valid only if it is in writing and signed by an authorised representative of each Party.

Article 15 – Termination

This Agreement may be terminated by SID bank immediately in writing (without prejudice to any other rights and remedies it may have) if:

- in the reasonable opinion of SID bank, there has been material breach, default or negligence by the Auditor of its obligations under this Agreement, which have not been remedied by the Auditor within 10 (ten) days (or such longer period notified by SID bank) of SID bank notifying the Auditor of such breach, default or negligence; or
- the Auditor has conducted itself in a manner tending to bring itself or SID bank into disrepute; or
- significant changes have been made to the Agreement, requiring a new procurement procedure;
- at the time of the award of this public contract the Contractor was subject to circumstances due to which the Contractor should have eliminated it from the procurement procedure, but the Contracting Entity was not aware of that fact during the procurement procedure;
- the public contract should not have been awarded to the Contractor due to material breaches of obligations under the Treaty on European Union, the Treaty on the Functioning of the European Union (the "TFEU") or the ZJN-3 identified by the Court of Justice of the European Union in a procedure in accordance with Article 258 of the TFEU.

This Agreement may be terminated by the Contractor immediately in writing (without prejudice to any other rights and remedies it may have) if, in the reasonable opinion of the Contractor, there has been material breach, default or negligence by SID bank of its obligations under this Agreement, which have not been remedied by the SID bank within 10 (ten) days (or such longer period notified by the Contractor) of the Contractor notifying SID bank of such breach, default or negligence.

Article 16 – Contact person

Each Party shall appoint a contact person who shall handle matters concerning this Agreement.

Contact person of the SID bank: _____; e-mail address: _____; Postal Address: _____

Contact person of the Auditor: _____; e-mail address: _____; Postal Address: _____

Contact person for a Party and/or contact address may be replaced subject to prior notification of the other Party.

Article 17 - Notices and language of communication

Any communication to be made under or in connection with this Agreement shall be made in writing among contact persons. Contractor might choose to communicate with the Contracting Entity in Slovenian or English. Final reports, however, shall be done in English.

All notices are deemed received on the day they are delivered in person, or on the day they are dispatched by email if sent to the addresses specified above by 5 pm. on a business day in the country of the receiving Party; otherwise, notices are deemed received on the following business day in the said

country. Any shipment delivered by registered mail is deemed delivered at the end of the eighth (8th) day after the day of posting by registered mail if sent to the address last provided by the receiving Party.

Article 18– Enclosures

The following documentation are attached to this Agreement and shall apply to the contractual relationship between the Parties:

- Procurement documentation as published on public procurement portal including all subsequent clarification and amendments
- Tender documentation of the Auditor.

In the case of any ambiguity or discrepancy between the provisions of this Agreement and the provisions of the documents listed in the above paragraph (listed documents), the provisions of this Agreement shall prevail, except to the extent that the application of the provisions of the listed documents will, in the opinion of SID bank, give rise to a higher standard of service than that contemplated by this Agreement in which case the provisions of the listed documents shall apply. In the case of any ambiguity or discrepancy between any parts of the listed documents to this Agreement, the ambiguity or discrepancy shall be determined and resolved by SID bank, at its absolute discretion.

Article 19 - Counterparts

This Agreement shall be executed in two counterparts of which each Party receives one. Each of the counterparts when executed shall be deemed to be an original and all of the counterparts together shall constitute one and the same agreement.

Article 20 – Governing Law & Jurisdiction

This Agreement is governed by and shall be construed in accordance with the laws of Republic of Slovenia.

Any matters not specifically covered by this Contract are subject to the provisions of the Code of Obligations (Official Gazette of the Republic of Slovenia No. 83/01, as amended) and the applicable regulations governing the subject of this Contract.

Each of the Parties hereto submits to the exclusive jurisdiction of the Courts in Ljubljana.

IN WITNESS of which this document has been executed on the date when signed by both Parties and upon a condition that the Auditor has delivered to the Contracting Entity within eight (8) days after the signature of the Agreement a performance guarantee for an amount equal to 10% of the fixed fee as defined in the first paragraph of the article 7 of this Agreement, with a validity period of eighteen (18) months after the signature of the contract.

Signed for and on behalf of the

SID bank

Authorized Signatory

Authorized Signatory

Signed for and on behalf of the
Auditor

Authorized Signatory

Authorized Signatory