

## GENERAL TERMS AND CONDITIONS for Real Estate Brokerage (1 / 2020)

### 1. INTRODUCTORY PROVISIONS

1.1 The General Terms and Conditions for Real Estate Brokerage (hereinafter: General Conditions) regulate the legal relations between the real estate company and the client.

1.2 The General Conditions are an integral part of any brokerage contract concluded by the real estate company with the client. The applicable price list for the services of the real estate company as well as a copy of the insurance policy are also integral parts of each brokerage contract.

1.3 In case the brokerage contract contains provisions that are contrary to these General Conditions, the terms of the brokerage contract shall prevail.

1.4 The real estate company has made a commitment to respect the Code of Good Business Practices in Real Estate, which was adopted on 17.05.2018 by the Association of Real Estate Brokers at the Chamber of Commerce and Industry – Real Estate Association of Slovenia.

### 2. TERMS USED

2.1 The terms used in these General Conditions have the following meaning:

- A **real estate agent** is a private person with a license issued by the competent Ministry for performing brokerage activities who performs brokerage activities for a real estate company on the basis of an employment contract or other legal basis and is entered in the Real estate agents directory kept by the competent Ministry.
- **Real estate brokerage** means performing a registered profitable activity of brokerage in real estate transactions, whereby individual brokerage activities include all activities in establishing contact between the client and the third party and in negotiating and preparing the conclusion of legal transaction whose object is a certain real estate, such as purchase, sale, rent, lease or other contract for a particular real estate.
- A **client** is a private or legal person who concludes a brokerage contract with a real estate company and for whom the real estate company provides real estate brokerage services.
- A **third party** is a person who the real estate agent attempts to bring into contact with a client in order to negotiate the conclusion of a particular contract in respect to a real estate.
- The **client's immediate family members** are the client's spouse or the person with whom the client lives in a non-marital union, in accordance with the regulations on marriage and family relations, their children or adopted children, their parents or adoptive parents, and persons they are legally obligated to support.
- The **related parties** are persons who, in accordance with the law governing corporate income tax, are considered to be related parties.
- The **brokerage contract** is a written contract signed by a real estate company and a client, by which the real estate company commits on behalf of the client to strive to find a third party and establish contact between them in order to negotiate on a conclusion of a particular contract, the object of which is the real estate, and the client is obliged to pay the real estate company a brokerage commission if the contract is concluded.
- The **real estate contract** is a purchase, sale, lease, chartering or other contract for a specific real estate at the conclusion of which the real estate company is brokering.
- The **real estate** is the real estate defined in the brokerage contract.

### 3. BROKERAGE SERVICES

3.1 A real estate company carries out real estate brokerage services and professional process guidance for:

- sale or purchase,
- rent, lease, charter or
- other contracts, of which the object is the real estate.

3.2 The brokerage services referred to in point 3.1 shall cover in particular the following activities performed by the real estate company for the client, if and as far as the circumstances of a particular transaction so require:

- accepting an order for brokerage of a legal transaction, such as a purchase, sale, lease, charter or other contract for a specific real estate;
- identification of the client with insight into an identity document and public records;
- obtaining contact information about the client for the purpose of establishing contact with a third party (personal name / company, address / headquarters, telephone, fax, e-mail, etc.);
- obtaining personal information or identification data of the client or third party for the preparation of the real estate contract (personal name / company, address / seat, registration, tax number, personal account number or transaction account);

- preparing the brokerage contract by determining the range of brokerage services, proposal of the brokerage commission, payment terms and other elements in accordance with the law governing real estate brokerage;
- explaining the market conditions relevant for determining the price or rent of the real estate to the client and the third party;
- explaining the content of regulations that are important for the valid conclusion of the real estate contract to the client and the third party;
- informing the client and the third party about the amount and type of tax obligations, the possible costs of notary services, the costs of registration in the land registry and any other costs related to the conclusion of the contract;
- determining the actual condition of the real estate by a careful inspection;
- determining the information, telecommunication and communal equipment of the real estate as well as the ambient orderliness and other characteristics of the property;
- determining the legal status of the real estate using official records data and public books (especially land registry, land cadastre, building cadaster) or, in case the real estate is not entered in the land registry, other documents proving property rights, other real and obligation rights and other legal facts;
- notifying the client and third parties of obvious actual and legal errors found with the inspection of the actual and legal status of the real estate in written form;
- informing the client and the third party of the risks arising from an incomplete registration of real estate, especially the rights of third parties, public restrictions, etc.;
- preparing an appropriate advertising strategy and implementing ordinary advertising of the real estate;
- informing the third party about the real estate and its key features, organizing and conducting visits, organizing meetings between the client and the third party, providing the contact information specified by the party to which the data relates to the other party, when both express a serious interest in negotiating the conclusion of the real estate contract; prompt and up-to-date telephone, written and online communication with the client and third parties and prompt information to the client on the provided brokerage services;
- participation in negotiations with the aim to concluding the real estate contract.

3.3 The brokerage commission shall cover the costs of activities referred to in point 3.2.

3.4 Upon written notice from the Real Estate Company about the contact with a third party, the Client must notify the Real Estate Company in writing within 3 (three) working days of the fact that the contact with the same third party has been previously established by a competing real estate company. Otherwise it is considered the contact with the third party was established by the Real estate company.

3.5 The same as in point 3.4 applies in case client himself finds and contacts the third party.

### 4. ADDITIONAL SERVICES

4.1 The real estate company has the right to payment for additional services, if they are agreed with the brokerage contract, and the contract must specify the quantity and price of the services.

4.2 The following are mainly considered as additional services:

- preparation of the real estate draft contract or contract by a law graduate, lawyer or notary public;
- representation in the procedures aimed at obtaining approvals, permits and other documents necessary for the conclusion of the real estate contract;
- organization of the production of an energy certificate for real estate;
- organization of real estate appraisal;
- representation in the taxing procedure;
- representation in notarial certifications and other transactions performed by a notary;
- regulation of the legal status of the real estate;
- safekeeping of funds in a fiduciary account;
- safekeeping of documents;
- storage of pictorial material;
- translations of documents into foreign languages;
- preparation of handover record upon acquisition or surrender of real estate;
- execution of the handover upon acquisition or surrender of the property;

- informing the condominium manager and suppliers about the change of the owner or the payer;
- negotiating related transactions;

4.3 Prices for additional services are specified in the applicable price list of the real estate company and/or the price list of the external contractor.

4.4 The real estate company is entitled to payment for the additional services provided even if the real estate contract has not been concluded.

## 5. BROKERAGE COMMISSION

5.1. The real estate company and the client agree on the amount of the brokerage fee with the brokerage contract.

5.2 In case of purchase or sale of the same real estate the agreed brokerage commission cannot exceed 4% of the contract price. However, this limit shall not apply if the contractual value of the real estate is less than 10,000.00 euro.

5.3 In case of lease or rent of the same real estate the brokerage commission cannot exceed 4% of the contract value, whilst it cannot exceed the amount of one month's rent and not be lower than 150 euros, but the restriction does not apply when the client is a company. The contract price for rental transactions is the product of the amount of the monthly rent and the number of months for which the property is rented out.

5.4 The brokerage commission does not include value added tax (hereinafter: VAT), and it is therefore necessary to increase the invoice amount accordingly.

5.5 In the event that the real estate company does not perform any of the transactions referred to in point 3 of these General Conditions due to the circumstances of the individual case or at the express request of the client, the client cannot request a reduction of the brokerage commission.

5.6 Notary fees, taxes, court and administrative fees, fees for certificates and licenses required for a valid conclusion of the real estate contract, and the costs of additional services referred to in point 4 of these General Terms are not included in the brokerage commission.

5.7 The real estate company acquires the right to the brokerage commission when the real estate contract is concluded.

5.8 The real estate company cannot demand even a part of the brokerage commission before conclusion of the real estate contract.

5.9 The real estate company charges the brokerage commission to the client based on the concluded brokerage contract.

5.10 The real estate company has the right to a full payment even if the client or the third party subsequently withdraw from the concluded real estate contract.

5.11 The real estate company and the client may agree that the real estate company, in accordance with the conditions referred to in Article 25.a of the Real Estate Brokerage Act (Official Gazette of the Republic of Slovenia, No. št. 72/06 – officially consolidated text, 49/11 and 47/19), has the right to the brokerage commission, even when the client itself finds a third party to conclude the real estate contract with.

5.12 The real estate company is entitled to the brokerage commission also in cases where the client or his close family member or related party concludes the real estate contract with a third party with whom the contact was established by the real estate company and the contract was concluded within six months of termination of the brokerage contract.

## 6. EXPENSES REIMBURSEMENT

6.1 If the real estate company does not have the right to the brokerage commission, they may agree with the client in the brokerage contract on the reimbursement of the actual expenses incurred to the real estate company in connection with provided brokerage services, in case the client:

- establishes contact with the third party, with whom he concludes the real estate contract, itself,
- concludes the real estate contract with the brokerage of other real estate companies,
- unilaterally terminates the brokerage contract before the expiration of its validity period.

6.2. The actual costs charged by the real estate company to the clients for the real estate brokerage services may not exceed 150 euros, excluding VAT.

## 7. PROTECTION OF THE INTEREST OF THE CLIENT AND THE THIRD PARTY

7.1 When providing real estate brokerage services, the real estate company must properly inform the client of all circumstances that are relevant to the realization of the client's interests.

7.2 The real estate company must adequately protect also the interests of the third party with whom it has established contact with the client for the purpose of negotiating the real estate contract and act impartially, unless it represents only the client's interests by express agreement with the client. When a real estate company, through agreement with a client or investor only protects the interests of its client, it must clearly and in written notify the third party with whom it established contact about that fact.

7.3 When a real estate company performs brokerage services for a client who wishes to remain anonymous, the real estate company is not obliged to reveal the client's identity to a third party who wishes to enter into a legal transaction with the client, until the conclusion of the real estate contract.

## 8. FIDUCIARY ACCOUNT

8.1 The real estate company may only accept funds for safekeeping from the client or the third party in connection with the execution of the real estate contract if it has

a concluded contract with the bank for the management of a fiduciary account and if the client or the third party authorizes it in writing.

## 9. LIABILITY INSURANCE

9.1 The real estate company has insured professional liability for damages. The insurance covers the liability for damage that could occur to the client or the third party by violating the brokerage contract in the territory of the Republic of Slovenia. The name of the insurance company, the number of the insurance policy and the sum insured are stated in the brokerage contract.

## 10. EXCLUSIVE BROKERAGE CONTRACT

10.1. In case the client and the Real Estate Company conclude an exclusive brokerage contract for a specific real estate, the client may not conclude a brokerage contract with a competing real estate company or advertise or sell the same real estate to anyone else during the validity period of the contract.

## 11. TRANSFER OF BROKERAGE SERVICES

11.1 The real estate company may, with the agreement of the client, transfer the brokerage services to other real estate companies.

11.2 In case of transferring brokerage services to another real estate company, the client remains in a contractual relationship only with the real estate company with which he concluded the brokerage contract, and the real estate company must provide the client with a list of real estate companies to which the services are transferred.

## 12. OTHER OBLIGATIONS OF THE CLIENT

12.1 The client must provide the real estate company with all available documentation related to the subject real estate (especially proof of ownership, land registry statement, contracts, building permit, location information and all other documents).

12.2 The client guarantees the truthfulness, accuracy and completeness of the data or documentation provided.

12.3 The client must notify the real estate company in writing immediately, but within 8 (eight) days after the change at the latest, of any change of its interests (asking price, date of availability of the real estate, etc.) and of any change in the actual or legal condition of the real estate.

12.4 In case the client also markets the property himself or with competing real estate companies, the client will market the property under the same conditions as agreed with the brokerage contract.

12.5 In case the client itself or through a competing real estate company finds a third party with whom he concludes the real estate contract or pre-contract, he should inform the real estate company about the fact and hand it over a copy of such contract without delay but no later than within 8 (eight) days after the conclusion of such contract.

## 13. UNFAIR ACTIONS OF THE CLIENT

13.1 The client is obliged to compensate the real estate company for any damage that it incurs as a result of the client's breach of contractual obligations.

13.2 The following actions of the client are mainly considered as serious violations of the brokerage contract:

- the client prevents the real estate company from conducting viewing of the real estate without reasonable grounds;
- the client violates the exclusivity agreement of the brokerage contract;
- the client markets the real estate himself or with other real estate companies on terms more favorable than those agreed with the brokerage contract;
- the client does not inform the real estate company in time about the conclusion of the real estate contract or pre-contract with the third party he finds, or fails to deliver in time a copy of the said contract;
- the client, contrary to good faith and honesty, does not enter into negotiations for the conclusion of the real estate contract or refuses, without good reason, to conclude the contract with a third party with whom the real estate company established contact;
- the client provides to the third parties information and data which are confidential and considered professional secrecy.

## 14. THE RIGHT TO OBTAIN INFORMATION

14.1 In case the client withdraws from the brokerage contract or does not conclude the real estate contract, the real estate company can make inquiries about a potentially concluded other real estate contract.

## 15. OBLIGATIONS UNDER THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING ACT

15.1 In accordance with the Prevention of Money Laundering and Terrorist Financing Act in case of concluding business relationships and transactions above the statutory amount and in other cases stipulated by regulations, a real estate company must carry out a client review which includes:

- identifying the customer and verifying its identity;
- determining the actual owner of the client if the client is a legal person;
- obtaining information on the purpose and intended nature of the business relationship or transaction and other information required by law;
- regular careful monitoring of the client's business activities with the real estate company.

15.2 The client is notified that in order to fulfill its obligations under the previous paragraph, the real estate company has the right to obtain and verify (including by accessing the identity document) the following personal data of the client and the client's legal representative:

- personal name,
- address of permanent or temporary residence,
- date and place of birth,
- tax number and
- the number, type and the issuer of the official identity document.

## 16. PROTECTION, PROCESSING AND USE OF PERSONAL AND CONFIDENTIAL DATA

16.1 All information and data obtained by the client from the real estate company is confidential and considered to be a professional secrecy, except for information and data that is publicly accessible.

16.2 In order to fulfill the obligations of the brokerage contract and the obligations imposed on the real estate company by the Prevention of Money Laundering and Terrorist Financing Act the real estate company may inspect and copy information from an identity document (personal name, address of permanent or temporary residence, date and place of birth, tax number and the number, type and the issuer of the official identity document) in accordance with the regulations governing the identity card and passports.

16.3 Where this is explicitly dictated by the nature of the individual transaction (eg. authentication of the client's signature or the signature of the third party, etc.), the real estate company may copy the holder's identity document, upon the written consent of the holder with evidently stated predetermined purpose.

16.4 The real estate company must note the following on the photocopy of the identity document:

- the fact that it is a photocopy,
- company name,
- explicit purpose of photocopying,
- legal basis for photocopying - clear written consent of the holder of the identity document.

16.5 The real estate company will not make further copies of the client's identity document. The real estate company may not keep a digital copy of the identity document.

16.6 The real estate company is committed to protecting all personal data in accordance with the rules on personal data protection. All personal data will only be used for the purpose of entering into, executing, modifying and terminating the brokerage contract and the real estate contract. For any other use of personal data, the real estate company will obtain a prior written consent of the client.

16.7 The person whose personal data is being kept has the right to:

- obtain confirmation from the real estate company about the fact that it processes personal data,
- access the personal data and the purpose of its processing, the type of personal data concerned; users or categories of users in third countries or international organizations; the estimated retention period of the personal data or the criteria used to determine that period.

16.8 The person whose personal data is being kept has the right to:

- demand a correction or deletion of personal data from the real estate company,
- demand a restriction of processing of personal data from the real estate company,
- object to the processing,

- demand that the real estate company corrects inaccurate personal data without delay,
- demand that the real estate company completes incomplete personal data,
- demand a direct transfer of personal data from one real estate company to another where technically feasible,
- file a complaint with the supervisory authority.

16.9 Where personal data are transferred to a third country or an international organization, the person shall have the right to be informed of appropriate safeguards regarding the transfer.

16.10 Where personal data are processed for direct marketing purposes, the person has the right to object at any time to the processing of personal data concerning him for the purposes of such marketing, including the creation of profiles insofar as such direct marketing is concerned.

## 17. DURATION AND TERMINATION OF THE CONTRACT

17.1 The brokerage contract is concluded for a fixed period of nine (9) months, unless the parties agree on a shorter period.

17.2 After the expiration of the period referred to in the previous paragraph, the parties may conclude a new brokerage contract.

17.3 The brokerage contract expires:

- with expiration of the agreed period,
- by termination,
- by fulfillment and
- in other cases prescribed by law.

17.4 The parties may terminate the brokerage contract at any time, provided this is not contrary to good faith and honesty. The termination notice must be given in writing.

## 18. APPLICABLE LAW

18.1 The Code of Good Business Practices in real estate transactions, adopted by the Association of Real Estate Companies at the Chamber of Commerce and Industry of Slovenia – Real Estate Association of Slovenia, and Slovenian law without conflict of laws rules, shall be used to evaluate the brokerage contract and the General Conditions and for matters not regulated by the brokerage contract and the General Conditions.

## 19. DISPUTE RESOLUTION

19.1 Any disputes arising out of or in connection with the brokerage contract shall be settled by mutual agreement between the parties.

19.2 If no amicable settlement of the dispute is possible, the court in Koper has jurisdiction in the case of consumer contracts.

19.3 Where no amicable settlement of the dispute is possible, in the case of contracts between business entities, the parties agree that any disagreement, dispute or claim arising out of or in connection with the brokerage contract or its violation, termination or invalidity, will be finally resolved by a panel of three arbitrators or an individual arbitrator appointed on the basis of the Rules on Arbitration Procedure before the Permanent Arbitration at the Chamber of Commerce and Industry of Slovenia.

## 20. VALIDITY AND PUBLICATION OF THE GENERAL CONDITIONS

20.1 This General Conditions are valid from 21. 1. 2020.

20.2 The applicable general terms and conditions are published on the premises of the Real Estate Company, in a prominent place and on the official website of the Real Estate Company.

In Piran on 21. 1. 2020

CASABELA d.o.o./s.r.l.  
Director  
Daniel Lovšin