

Ljubljana Stock Exchange Rules

Consolidated Version



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange

Ljubljana, 25 March 2024

The LJSE Rules - consolidated version, dated 25 March 2024, were posted on the Ljubljana Stock Exchange website on 25 March 2024 and enter into force and use on 9 April 2024.



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Disclaimer

All effort has been made to ensure the accuracy of this translation, which is based on the Slovene original. Translations of this kind may nevertheless be subject to a certain degree of linguistic discord; in case of doubt or misunderstanding, the Slovenian text, being the official version, shall thus prevail.



On the basis of Article 385 of the Market in Financial Instruments Act (Ur. l. RS No 77/18 and 17/19 – correction hereafter “ZTFI-1”) and provisions of the Ljubljana Stock Exchange Inc. Articles of Association, and Supplements to the Stock Exchange Rules, dated 20 February 2024, to which the Securities Market Agency issued its consent, reg. 40211-2/2023-5, dated 28 February 2024,. Based on the above, the Ljubljana Stock Exchange Management Board on 25 March 2024 adopted

STOCK EXCHANGE RULES

1. GENERAL PROVISIONS

Content of the Rules

Article 1

The Ljubljana Stock Exchange Rules (hereafter: Rules) govern primarily the following areas:

- rules on securities, where they govern primarily:
 - conditions for listing of securities on the stock exchange market;
 - conditions and criteria for the classification and transfer of securities within the stock exchange market;
 - obligations to disclose regulated and other information, and to report to the Exchange;
 - conditions for a temporary halt of trading and withdrawal of securities from the stock exchange market;
 - the Exchange's measures related to issuers of securities;
 - the Exchange's decision-making procedure in individual matters related to issuers;
- rules on member firms, where they govern primarily:
 - conditions for admission of a member firm and for termination of membership; the organisational, technical and staffing conditions as well as the conditions for the settlement of exchange trades that a member firm must meet;
 - other mutual rights and obligations of the Exchange and Member firm;
 - surveillance of Member firms;
 - measures the Exchange may impose on a member in breach of its obligations;
 - the Exchange's decision-making procedure in individual matters related to Member firms;
- rules on stock exchange trading, where they govern primarily:
 - the manner of making public the offers to buy or sell securities on the stock exchange market;
 - the manner and conditions for trade execution on the stock exchange market and for the fulfilment of obligations from exchange trades;
 - ensuring transparency of securities trading;
 - other mutual rights and obligations of Member firms in relation to trades executed on the stock exchange market.

Definitions

Article 2

- (1) The terms used in the Rules and other general bylaws of the Exchange, used in the appropriate number, have the following meanings:
1. The term **Exchange** means the Ljubljana Stock Exchange Inc.
 2. The term **regulated market** has the same meaning as defined in Article 32 (1) of the ZTFI-1.



3. The term stock **exchange market** has the same meaning as defined in Article 33 (1) of the ZTFI-1.
4. The term Exchange **markets** means all markets operated by the Exchange on the basis of an obtained authorisation from the Agency.
5. The term **Guidelines** means the Guidelines on Disclosure for Listed Companies, adopted by the Exchange Management Board.
6. The term **Instructions** means the instructions for using these Rules, issued by the Exchange Management Board.
7. The term **fee schedule** means the Ljubljana Stock Exchange, Inc. Services Fee Schedule.
8. The term **fee schedules** means Fee Schedules which the Exchange issues for the provision of the services provided by the Exchange.
9. The term **Code** is the Corporate Governance Code that applies to a company or that a company has voluntarily decided to comply with.
10. The term **trading system** means the Exchange trading system.
11. The term **SEO** means the electronic dissemination system.
12. The term **OAM** means the officially appointed mechanism for the central storage of regulated information.
13. The term **Management Board** means the Exchange Management Board.
14. The term **MAR** means **Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)**.
15. The term **MiFIR** means **Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments**.
16. The term **ZTFI-1** means the Slovenian Market in Financial Instruments Act.
17. The term **ZBan-3** means the Slovenian Banking Act.
18. The term **ZISDU-3** means the Slovenian Investment Funds and Management Companies Act.
19. The term **ZGD-1** means the Slovenian Companies Act.
20. The term **ZPre-1** means the Slovenian Takeovers Act.
21. The term **ID** means a close-end (investment) fund, pursuant to the ZISDU-3.
22. The term **VS** means an open-end (investment) fund, pursuant to the ZISDU-3.
23. The term **DZU** means an ID or PID management company, pursuant to the ZISDU-3.
24. The term **SP** means structured product.
25. The term **Agency** means the Securities Market Agency or another competent supervisory body of a member state.
26. The term **member state** means the member state as defined in Article 5 (3) of the ZTFI-1.
27. The term **Exchange general acts** refers to the Rules and the SI ENTER Rules, the Instructions issued on the basis of rules, the General Terms and Conditions, the Fee Schedules, and the binding provisions of the Guidelines.
28. The term **application for listing** means an application for the admission of a financial instrument to trading on the stock exchange market pursuant to Article 409 (1) of the ZTFI-1. The application for listing consists of the application form and the Stock Exchange Listing Agreement ("Listing Agreement"), as stipulated for shares in Article 12 hereunder, unless stipulated otherwise in the Rules or in the Instructions.
29. The term **application for membership** means an application for the admission of a trading member to membership of the Exchange. The application for membership consists of the application form and the Stock Exchange Membership Agreement ("Membership Agreement"), as stipulated by the Instructions.



30. The term **conditions for trading** means conditions which are verified when monitoring issuers in accordance with Article 4 of Decision regulating detailed rules for the stock market (Ur. l. RS No 72/2016) and in accordance with Article 63 hereunder.
 31. The term **ESMA Guidelines** means *Guidelines: Systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities* dated 24 February 2012 (ESMA/2012/122), as issued by the European Securities and Markets Authority.
 32. The term **ZPPDFT-1** means the Prevention of Money Laundering and Terrorist Financing Act,
 33. The term **ZFPPIPP** means the Financial Operations, Insolvency Proceedings and Compulsory Winding-up Act.
 34. The term **LEI** (Legal Entity Identifier) means a 20-digit, alpha-numeric code based on the ISO 17442 standard, which enables the identification of legal entities/funds participating in financial transactions in Slovenia and abroad.
 35. The term **Commission Delegated Regulation (EU) 2017/584** means a Commission Delegated Regulation (EU) 2017/584 dated 14 July 2016 about supplementing Directive 2014/65/EU of the European Parliament and the Council in regards to regulatory technical standards that mandate organisational requirements for trading places.
 36. The term **Commission Delegated Regulation (EU) 2017/578** means a Commission Delegated Regulation (EU) 2017/578 dated 13 June 2016 about supplementing Directive 2014/65/EU of the European Parliament and the European Securities and Markets Authority Council in regards to regulatory technical standards that mandate requirements for agreements about market maintenance and scheme for market maintenance.
 37. The term **Regulation 909/2014** means Regulation (EU) 909/2014 of the European Parliament and Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (Text with EEA relevance).
 38. The term **Commission Delegated Regulation (EU) 2018/1229** means Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline (Text with EEA relevance).
 39. The term **Commission Delegated Regulation (EU) 2016/957** means the Commission Delegated Regulation 2016/957 dated 9 March 2016 about supplementing the Directive 596/2014 of the European Parliament and Council in regards to regulatory technical standards for relevant arrangements, systems and procedures and proposals for notifications for the prevention, detection and reporting of abusive or suspected contracts or transactions (Text with EEA relevance).
 40. The term **Commission Delegated Regulation (EU) 2017/565** means the Commission Delegated Regulation 2017/565 dated 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Text with EEA relevance).
- (2) Provisions from the above Acts, as referred to by the Rules, are used in their currently valid wordings at the relevant time.



- (1) Terms related to security listings used in the Rules and other general bylaws of the Exchange, used in the appropriate number, have the following meanings:
 - The term **person that applied for listing** means an issuer, or another person, provided the issuer consents, or yet another person, where the issuer does not consent but where the following condition is met – the relevant securities are admitted to trading on another stock exchange market in the Republic of Slovenia or on another regulated market in a member state.
- (2) Terms related to security listings used in the Rules have the same meanings as those defined in the following provisions of the ZTFI-1, unless stated otherwise in a particular instance:
 - **transferrable securities** in Article 7 (3) of the ZTFI-1;
 - **equity securities** in Article 49 (2) of the ZTFI-1;
 - **debt securities** in Article 49 (3) of the ZTFI-1;
 - **depository receipt** in Article 7 (9) of the ZTFI-1;
 - **prospectus** in Article 68 of the ZTFI-1;
 - **issuer** in Article 51 (1) of the ZTFI-1;
 - **central registry** and **central securities clearing corporation (KDD)** in Article 35 of the ZTFI-1;
 - **central depository** in Article 36 (1) of the ZTFI-1;
 - **regulated information** in Article 130 of the ZTFI-1;
 - **money market instruments** in Article 7 (4) of the ZTFI-1;
 - **financial instruments** in Article 7 (2) of the ZTFI-1.
- (3) For money market instruments (e.g. treasury bills and certificates of deposit), the same provisions apply *mutatis mutandis* as for securities listed on the stock exchange market, unless provided otherwise by the Rules.

Definitions of Terms Related to Trading

Article 4

- (1) Terms related to trading used in the Rules and other general bylaws of the Exchange, used in the appropriate declination and number, have the following meanings:
 - The term **member firm** means a legal person that the Exchange admitted to membership of the Exchange upon its meeting the requirements stipulated by the ZTFI-1, the bylaws and the Exchange.
 - The term **trader** means a natural person authorised by a member firm to enter orders to trade into the trading system in its name.
 - The term **lot** means the minimum amount of a security bought or sold in an exchange trade.
 - The term **exchange trade** means an ordinary or a block trade executed in a security listed on the stock exchange market, executed through the trading system pursuant to these Rules.
 - The term **trading station** means computer equipment with installed software solution (application) which enables independent access to the trading system.
 - The term **electronic interface** means the connection of the member firm's information system to the trading system for purposes of the member firm's trading or a client's direct access to the stock exchange market.
 - The term **settlement member** means an entity who is a member of the settlement system and who clears and settles executed stock exchange deals for a member firm.



- (2) Terms related to trading used in the Rules have the same meanings as those defined in the following provisions of the ZTFI-1, unless stated otherwise in a particular instance:
- **trade settlement** in Article 37 of the ZTFI-1;
 - **settlement system** in Article 38 of the ZTFI-1;
 - **investment firm** in Article 20 (1) of the ZTFI-1;
 - **brokerage firm** in Article 20 (2) of the ZTFI-1;
 - **bank** in Article 4 (2) of the ZBan-3;
 - **liquidity provider** means a liquidity provider as defined in Article 34 (1) of the ZTFI-1;
 - **client's direct access** to the stock exchange market means direct electronic access as defined in Article 16 of the ZTFI-1;
 - **functionality for algorithmic trading** means algorithmic trading as defined in Article 15 (2) of the ZTFI-1.

Compliance with the Rules, and the Contractual Relationship

Article 5

- (1) On the day that the person having asked for admission to listing and the Exchange Management Board enter into the Listing Agreement, the two parties enter into a contractual relationship which imposes on both parties the rights and obligations stipulated in the Exchange general acts.
- (2) On the day that the person having asked for admission to membership and the Exchange Management Board enter into the Membership Agreement, the two parties enter into a contractual relationship which imposes on both parties the rights and obligations stipulated in the Exchange general acts.
- (3) On the day that parties enter into the Listing Agreement and the Membership Agreement, persons having asked for admission to listing and trading members, respectively, accept all the provisions of these Rules and other general acts issued on their basis, as well as the amendments and supplements of these Rules and other general acts issued on their basis, and commit to comply with them and implement them.
- (4) The Exchange adopts decisions on the basis of its general acts in the form of resolutions that are binding for the other party.
- (5) On the day they enter into the Listing Agreement and the Membership Agreement, the persons having asked for admission to listing and trading members, respectively, commit to reimburse the Exchange for fees pursuant to the Fee Schedules.

2. STOCK EXCHANGE MARKET

Structure of the Stock Exchange Market

Article 6

- (1) Stock exchange market is the regulated market operated by the Exchange, and consists of the following market segments:
 - equity market;
 - debt instruments market;
 - structured products market.



- (2) Pursuant to Chapter 3 hereunder, the equity market lists shares and depositary receipts representing shares.
- (3) Pursuant to Chapter 4 hereunder, the debt instruments market lists bonds, money market instruments (such as e.g. treasury bills and commercial papers) and depositary receipts representing debt instruments.
- (4) Pursuant to Chapter 5 hereunder, the structured products market lists units in collective investment undertakings, , warrants, freely transferrable rights upon increases of share capital, and depositary receipts representing these securities.
- (5) Equity market, debt instruments market and structured products market have sub-segments, as stipulated in Articles 7, 39a and 46 hereunder.
- (6) Each segment of the stock exchange market lists also financial instruments that, in addition to the basic conditions for listing specific type of financial instrument, meet additional criteria related to environmental protection, sustainable development, and social justice pursuant to Chapter 5.a hereunder. All these financial instruments are collectively forming the so-called Sustainable Financing Market (hereinafter: Sustainable Financing Market).
- (7) These market segments and sub-segments may be given additional names or labels in the Instructions, if this is required for the purpose of marketing the Exchange services, for the operative implementation of these Rules, in the English translations of the expressions, and other.

3. SHARES

3.1. LISTING AND CLASSIFICATION OF SHARES ON THE STOCK EXCHANGE MARKET

3.1.1. CONDITIONS AND CRITERIA FOR LISTING AND CLASSIFICATION OF SHARES ON THE STOCK EXCHANGE MARKET

Segmentation of the Equity Market

Article 7

- (1) The equity market has the following sub-segments:
 - Standard Market;
 - Prime Market.
- (2) The Standard Market is a sub-segment of the stock exchange market, where those shares are traded that meet the conditions for the listing of shares, as stipulated in Articles 8 and 9 hereunder, while the person that applied for listing also meets the obligations pursuant to the law.
- (3) The Prime Market is a sub-segment of the stock exchange market where those shares are traded that meet – along with meeting the conditions for listing from paragraph 2 of this Article – the additional



criteria for their classification onto Prime Market, as stipulated by the Rules in Articles 11, while their issuers comply with the obligation to disclose information pursuant to the law as well as commit to comply with additional disclosure obligations pursuant to the Rules.

- (4) Aside from shares, depositary receipts related to shares are also listed onto the sub-segments from paragraph 1 above.

Conditions for Listing Shares on the Stock Exchange Market

Article 8

- (1) Conditions to be met for shares to be eligible for listing on the stock exchange market are – in relation to:

- the issuer's legal status:
 - the issuer's incorporation and legal status comply with the regulations of the country of its registered office;
 - the issuer has obtained a LEI;
- the publication of the prospectus and other information stipulated in Chapter 2 of the ZTFI-1:
 - in case of the obligation to publish the prospectus pursuant to the ZTFI-1: the person that applied for listing has obtained a decision approving the prospectus, issued by the Agency or another competent supervisory body;
 - in case of an exemption from publication of the prospectus pursuant to the ZTFI-1: the person that applied for listing has signed the statement on making use of the exemption from publication of the prospectus, and has notified thereof the Agency, pursuant to Article 75 of the ZTFI-1;as detailed in Article 9 hereunder;
- transferability:
 - shares are freely transferable;
- the issuance of shares and settlement of trades in these shares:
 - the issued shares are valid and the conditions for a reliable settlement of trades in these shares are met, whereby for issuers with registered offices in the Republic of Slovenia this condition is met if the shares are issued in dematerialised form and entered into the central registry.

- (2) Issuers and their shares must meet the conditions to be eligible for listing on the stock exchange market from paragraph 1 of this Article throughout the trading of their shares on the stock exchange market. In addition, the entire time their shares are included into trading on the stock exchange market, the issuers must also meet obligations in accordance with the Listing Agreement, especially the following:

- compliance with and enforcement of provisions of the Rules and other general acts of the Ljubljana Stock Exchange and amendments and supplements to the Rules and other general acts of the Exchange;
- compliance with the Resolution adopted by the Exchange on the basis of the general acts of the Exchange and the Listing Agreement.

Conditions for Publishing the Prospectus and other Information

Article 9

- (1) Prior to the beginning of trading, the person that applied for listing must meet its obligations regarding the publication of:



- the prospectus, or its obligations related to making use of the exemption from publishing the prospectus, and
 - other information stipulated by Chapter 2 of the ZTFI-1.
- (2) After the prospectus is approved, the person that applied for listing must provide the Exchange with a finalised version of the prospectus in electronic form, publish it and inform the Exchange of the time and place of publication, not later than by the day the relevant shares are listed on the stock exchange market.
- (3) Should exemptions apply to the composition and publication of the prospectus, pursuant to the ZTFI-1, the person that applied for listing must provide the Exchange with a statement on making use of the exemption from publication of the prospectus, together with a notice of having presented such a statement to the Agency or another competent body.
- (4) Should the prospectus have been supplemented after the application for listing had been filed, the person that applied for listing must provide the Exchange with the supplement to the prospectus in electronic form, as approved by the Agency or another competent body, prior to the beginning of trading. The manner in which it is presented is stipulated in the Instructions.

Conditions for Listing Shares on the Standard Market

Article 10

The conditions for listing shares on the Standard Market are the conditions for listing shares on the stock exchange market, from Articles 8 and 9 hereunder.

Conditions and Criteria for Listing Shares on the Prime Market

Article 11

- (1) In order to be listed on the Prime Market, shares and their issuers must meet the following conditions and criteria:
- conditions for listing on the stock exchange market:
 - conditions for listing shares on the stock exchange market, stipulated in Articles 8 and 9 hereunder, are met;
 - class of shares:
 - ordinary shares giving holders only one vote each;
 - quantitative criteria:
 - audited annual reports for three financial years;
 - minimum size of capital: EUR 10 million or an equal amount in another currency;
 - dispersion of the class of shares in public: min. 25%;
 - disclosure criteria:
 - the issuer's statement on committing to disclose information and report pursuant to International Financial Reporting Standards (IFRS);
 - the issuer's statement on committing to provide the publication of the summaries of its public announcements in English (as well as Slovenian);
 - the issuer's statement on committing to publish updates on interim operations, the financial calendar and a publication of a statement of compliance with a Code, pursuant to Article 24 hereunder;
 - the issuer's statement on committing to strive to the best of its abilities to meeting the good practices of disclosure, pursuant to the Guidelines.



- (2) If the criterion for the number of audited annual reports, from item 3 of paragraph 1 of this Article, is not met, the Exchange can decide that this criterion is considered met if it assesses that the investors are otherwise provided with the information they need for an informed assessment of the issuer and the shares. More detailed criteria for the Exchange's evaluation shall be stipulated in the instructions.
- (3) If the percentage of the class of shares in public hands, from item 3 of paragraph 1 of this Article, does not reach 25%, the Exchange can decide that the condition regarding the percentage of the class of shares in public hands is met if it assesses that, due to the large number of shares of the same class and their sales volume to the public, the market will also function properly at a lower percentage of sales referred to in item 3 of paragraph 1 of this Article.
- (4) The content of the statements from item 4 of paragraph 1 of this Article and the detailed criteria from item 3 of paragraph 1 of this Article shall be stipulated in the Instructions.

3.1.2. DECIDING ON THE LISTING AND CLASSIFICATION OF SHARES ON THE STOCK EXCHANGE MARKET

Deciding about an Application for Listing Article 12

- (1) The Exchange decides about the listing of shares on the stock exchange market on the basis of a filed application for listing. The application for listing consists of a signed and completed application form for the listing of shares, and the Listing Agreement. The content of the application for listing shall be stipulated in the Instructions. The Exchange decides on admitting shares to trading on the stock exchange market in line with the procedure stipulated in Chapters 12.1. and 12.2. hereunder.
- (2) Provided that the procedural conditions for decision making from Article 195 hereunder are met, that the conditions for the listing of shares on the stock exchange market, from Article 8 hereunder, are met, and that the conditions on the publication of the prospectus and other information, from Article 9 hereunder, are met, the Exchange:
 - signs the Listing Agreement, a component part of the application for listing;
 - issues a resolution on the listing of shares on the stock exchange market (hereafter: resolution on listing), which makes the shares effectively listed on the stock exchange market pursuant to the ZTFI-1.
- (3) The Exchange dismisses an application for listing if the terms from paragraph 2 of this Article are not met.
- (4) Notwithstanding paragraphs 2 and 3 of this Article, the Exchange may – in the event of the condition on the issue of shares in dematerialised form not yet being met – decide on a listing, on the basis of a filed application for listing, even prior to the shares being issued in dematerialised form, as well as enter into the Listing Agreement and issue a resolution on listing, both subject to the suspensive condition.
- (5) To meet the suspensive condition from paragraph 4 of this Article, the person that is applying for listing must provide the Exchange, no later than within the deadline from Article 14 (3) of the Rules, with a certificate evidencing that shares were issued in dematerialised form, immediately after receiving it. The Listing Agreement shall become effective from the moment the suspensive condition is met. After



the suspensive condition is met, the Exchange issues a declaratory resolution and serves it onto the person that applied for listing.

- (6) The Exchange communicates its having issued the resolutions from this Article to member firms, the public and the Agency.

Deciding on the Classification of Shares

Article 13

- (1) In the application for listing, the person that is applying for listing must state which sub-segment of the stock exchange market the application refers to. Only the issuer of these shares can further apply for the classification of the relevant shares onto the Prime Market.
- (2) The Exchange decides on the classification of a share into a sub-segment by issuing a resolution on listing from Article 12 hereunder, or by issuing a special resolution on classification, in both cases applying the procedure stipulated in this Article and in Chapter 12 hereunder.
- (3) The Exchange allocates shares into the requested sub-segment provided that the application for listing into this sub-segment is justified and that all the conditions and criteria for such a classification are met.
- (4) If on the basis of the application from paragraph 1 of this Article the Exchange finds the shares not to meet the conditions for classification into the requested sub-segment, it informs thereof the person that had applied for listing in writing, and invites it to comment, whereupon it adopts a resolution classifying the relevant shares into the highest possible sub-segment for which they meet the requisite conditions and criteria.
- (5) Notwithstanding the meeting of the conditions and criteria for the Prime Market, from Article 11 hereunder, the Exchange may – if the listing of the relevant shares on the Prime Market could compromise Prime Market standards in the manner as stipulated in the Instructions – dismiss an issuer's application for listing onto the Prime Market, and adopt a resolution classifying such shares into the highest possible sub-segment for which they meet the requisite conditions and criteria.
- (6) A more detailed procedure of share classification is stipulated in the Instructions.

Beginning of Trading in Shares

Article 14

- (1) The person that applied for the listing of shares on the stock exchange market must:
 - meet its obligations regarding the publication of a supplement to the prospectus, pursuant to Article 9 (4) hereunder, prior to the beginning of trading,
 - pay the relevant fee, pursuant to the Fee Schedule, within the time period stipulated in the operative part of the resolution on listing.
- (2) If the person that applied for listing meets the conditions from paragraph 1 of this Article before the resolution on listing is issued, the Exchange stipulates the first trading date in the resolution on listing, or else it stipulates it after the conditions from paragraph 1 of this Article have been met, in a resolution on the commencement of trading. It informs thereof member firms, the public, the Agency and the



issuer or the person that applied for listing, normally three (3) days and not later than one (1) day prior to the beginning of trading.

- (3) Should the person that applied for listing fail to meet its obligations under paragraph 1 of this Article and thus delay trading in the relevant shares for more than three (3) months from their listing on the stock exchange market as stipulated in the resolution on classification, the Exchange may suspend such shares from trading on the stock exchange market, pursuant to Chapter 3.6. hereunder, while the Listing Agreement and the resolution on classification shall turn ineffective.

3.2. TRANSFER OF SHARES ON THE STOCK EXCHANGE MARKET

Transfer at the Issuer's Request

Article 15

- (1) The transfer procedure may be initiated at the issuer's request, whereby it files an application for the transfer of its shares onto another sub-segment. The application form for transfer is stipulated in the Instructions.
- (2) In adopting decisions about share transfers, the Exchange considers the provisions governing its decision making on share classification, from Article 13 (2) (3) (5) hereunder.
- (3) If, on the basis of the application from paragraph 1 of this Article, the Exchange finds that the relevant shares do not meet the conditions for transfer onto the requested sub-segment, it informs thereof the issuer and invites it to comment. If the application remains poorly-grounded, the Exchange adopts a resolution dismissing the application for the transfer of shares.
- (4) The Exchange decides on matters related to transfers of shares within thirty (30) days after receiving a complete application. The date on which the transfer becomes effective is stipulated in the Exchange's resolution on transfer.
- (5) If the issuer's shares, for which it has filed an application for transfer onto the Prime Market, had previously been transferred off the Prime Market, the issuer may file for a transfer onto the Prime Market only after six (6) months have passed from the initial transfer. The Exchange may transfer the relevant shares onto the Prime Market provided that the relevant conditions and criteria are met, and if it estimates that the listing of these shares on the Prime Market will not compromise the standards of this market sub-segment.

Share Transfer on the Basis of Reviewed Criteria

Article 16

- (1) Every twelve (12) months, the Exchange conducts a periodic review to check whether shares meet the criteria for their listing on the Prime Market. Details on how the review is to be conducted are stipulated in the Instructions.
- (2) Such a periodic review of whether shares meet the criteria for their listing on the Prime Market, from paragraph 1 of this Article, encompasses the examination of whether the following criteria are met:
 - quantitative criteria from item 3 of Article 11 (1) hereunder,
 - disclosure criteria from item 4 of Article 11 (1) hereunder.



- (3) Due to non-compliance with the criteria from paragraph 2 of this Article over two (2) consecutive review periods specified in paragraph 1 of this Article, the Exchange may adopt a resolution on the transfer of the relevant shares to the Standard Market. The shares are transferred on the first trading day in the month following such a periodic review, pursuant to the Instructions.
- (4) Notwithstanding the provision of paragraph 1 of this Article, the Exchange may examine the meeting of the criteria from paragraph 2 of this Article also in case of exceptional events, whereby it adopts a resolution on transfer and states therein the effective date of the transfer. Detailed reasons for conducting a special review are stipulated by the Instructions.
- (5) If on the basis of paragraphs 3 or 4 of this Article the Exchange establishes non-compliance with the relevant criteria, it informs the issuer – prior to adopting a resolution on transfer – within the time period stipulated in the Instructions, and invites it to comment.
- (6) Notwithstanding the provision of paragraph 3 of this Article, the Exchange may decide not to carry out the transfer despite non-compliance with the criteria from paragraph 2 of this Article in case of exceptional circumstances on the market and to ensure orderly trading. The conditions for this may be stipulated in more detail in the instructions.
- (7) The Exchange decides on share transfers on the basis of liquidity criteria reviews, applying the procedure stipulated in Chapter 12 hereunder.

3.3. CHANGES IN SHARES

Definition of Change and Applicability of Provisions on Procedure

Article 17

- (1) Chapter 3.3. hereunder applies to cases of changes in shares, predominantly to:
 - changes in the number of shares listed on the stock exchange market, whereby this can mean:
 - an increase in the number of shares, effected in the central registry or central depository through the entry of the additional quantity of shares (e.g. in the event of a share-capital increase, merger by acquisition, share split, etc.) or
 - a decrease in the number of shares, effected in the central registry or central depository through the deletion of a particular quantity of shares (e.g. in the event of a decrease in share capital, withdrawal of treasury stock, spin-off, combining shares, etc.);
 - changes in the features of shares listed on the stock exchange market, effected in the central registry or central depository through the changing of their ISIN code, security symbol, etc. (e.g. in the event of a changed nominal value of shares, etc.).
- (2) The Exchange decides on changes in shares applying the procedure stipulated in Chapters 3.3. and 12.1. hereunder.

Application for a Change in Shares

Article 18

- (1) The change-in-shares procedure is initiated by an application filed by the person that applied for listing. The application must be supplemented by the relevant general meeting resolution which served as the basis for the change in shares, or by other documentation evidencing well-grounded reasons for the



application. The content of the application and documentation to be supplemented is stipulated in the Instructions.

- (2) The application from paragraph 1 of this Article is to be filed at the latest when the relevant order is filed for effecting the change in the central registry or central depository.

Conditions and Obligations for a Change in the Number of Shares

Article 19

- (1) The conditions to be met for an increase in the number of shares on the stock exchange market are:
 - conditions for the listing of shares on the stock exchange market, from Article 8 hereunder;
 - conditions on the publication of the prospectus and other information, from Article 9 hereunder.
- (2) Prior to the beginning of trading in the increased number of the relevant shares, the person that applied for listing must meet its obligations pursuant to Article 14 (1) hereunder.
- (3) In the process of a decrease in the number of shares the conditions on the publication of the prospectus and other information related to the prospectus provided for in Articles 8 and 9 of the Rules are not required.

Deciding on an Application for a Change in Shares

Article 20

- (1) On the basis of a received application for a change in shares, the Exchange issues a resolution on the change in a relevant share, provided that it finds the application for change well-grounded.
- (2) The Exchange may decide on the change in a share on the basis of an application for the relevant change in a share even before the change in a share is effected in the central registry or central depository, thus adopting a resolution on the change in the relevant share subject to the suspensive condition.
- (3) To meet the suspensive condition from paragraph 2 of this Article, the issuer is obliged to provide the Exchange with a certificate evidencing that the changes in individual shares have been affected in the central registry or central depository, as soon as it receives it and at the latest within the time limit from Article 14 (3) of the Rules.
- (4) When the suspensive condition is met, the Exchange issues a declaratory resolution and serves it on the person that filed the application within eight (8) days.
- (5) The Exchange communicates its having issued the resolutions from paragraphs 1, 2 and 4 of this Article to member firms, the public and the Agency.
- (6) A detailed procedure of change is stipulated in the Instructions.

Exchange Actions in the Event of a Non-Filed Application

Article 21

- (1) If the Exchange finds, when monitoring compliance with the criteria for trading in shares on the stock exchange market, pursuant to Chapter 7.1. hereunder, that a particular share is non-compliant with the criteria for trading due to a change in the relevant share, as effected in the central registry or central



depository, and the person that applied for listing did not file an application for a change in the number and/or features of the relevant shares on the stock exchange market in due time, the Exchange suspends trading in these shares for three (3) days, and informs thereof the person that applied for listing, member firms, the public and the Agency.

- (2) In the event from paragraph 1 of this Article, the Exchange invites the person that applied for listing to immediately file the relevant application for a change in the number and/or features of the relevant shares on the stock exchange market or an application for the renewal of the temporary suspension of trading.
- (3) If the person that applied for listing files the application from paragraph 2 of this Article in due time, the Exchange decides accordingly. If the person that applied for listing does not file the application from paragraph 2 of this Article in due time, the Exchange:
 - resumes trading in the same number of shares that were traded prior to the suspension, in case of a change in the number of shares;
 - renews the temporary suspension until it receives the relevant application, in case of a change in the features of the relevant shares (substitutions of shares and other).

3.4. OBLIGATIONS TO DISCLOSE INFORMATION

Obligations to Disclose Information

Article 22

- (1) The obligations of issuers whose shares are listed on the stock exchange market, regarding the disclosure of regulated and other information, are stipulated by the MAR, the ZTFI-1 and other laws and executive regulations.
- (2) If shares were listed on the stock exchange market at the request of a person and without the issuer's consent, the obligations to disclose, publish and store regulated information from paragraph 1 of this Article do not bind the issuer but rather the person that applied for listing.

Disclosure Obligations of Standard Market Issuers

Article 23

The disclosure obligations of Standard Market issuers are stipulated by the statutory provisions and executive regulations from Article 22 (1) hereunder.

Disclosure Obligations of Prime Market Issuers

Article 24

- (1) Prime Market issuers are obliged to disclose:
 - information pursuant to the statutory provisions and executive regulations from Article 22 (1) hereunder;
 - updates on business operations pursuant to the International Financial Reporting Standards (IFRS);
 - summaries of their public announcements in English (as well as Slovenian);
 - updates on business operations for the first three months of the financial year or the first nine months of the financial year (interim reports) or key information on business operations and explanations for the specified periods of the financial year, pursuant to IAS 34 and the Guidelines



- on Disclosure for Prime Market Issuers, not later than within 2 months after the relevant period has elapsed;
- statement on compliance with a code as part of the Corporate Governance Statement, not later than upon the publication of the annual report;
 - their financial calendar, pursuant to the Guidelines binding for Prime Market Issuers, which they must disclose no later than 1 month prior to the beginning of the relevant financial year.
- (2) Prime Market issuers must strive to the best of their abilities to meet the additional disclosure obligations which the Exchange defines in the Guidelines under the good practices of disclosure. The Guidelines as adopted by the Management Board do not constitute a binding regulation, and are used – in the sections and manner stipulated by the Rules – as a criterion for the classification of shares into sub-segments of the equity market.

Issuer Disclosure Obligations Related to Insolvency Proceedings

Article 25

- (1) Issuers whose shares are listed on the stock exchange market and are in an insolvency proceeding must also immediately make public all relevant information, which is published on AJPES in accordance with ZFPPIPP, in the manner prescribed by ZTFI-1 for making regulated information public.
- (2) Relevant public announcements from previous paragraph are predominantly those which are related to the issuer and information which can influence the content of rights of the shares, which are listed on the stock exchange market (e.g. information regarding the outcome of negotiations with creditors and consequences of adopted decisions, as well as information regarding all important events, decisions and expected consequences related to the insolvency proceedings, etc.).
- (3) Prior to the initiation of insolvency proceedings, an issuer whose shares are listed on the stock exchange market must make public at least the following information, within the below time frames:
- information that the company has become insolvent, including the proposed measures of financial restructuring or other consequences of the established insolvency – immediately when this is established by the management and the supervisory board of the issuer has been informed;
 - information on the creditor filling the application for the initiation of compulsory settlement – immediately after the issuer's management is informed about this fact;
 - information related to the preventive process of restructuring, concluded agreement on financial restructuring – upon conclusion of the agreement.

Making Information Public

Article 26

- (1) The issuer must make public the regulated information from Articles 22, 23, 24 and 25 hereunder in the manner stipulated in the ZTFI-1, MAR and in the executive regulations issued on their basis. Any publications made in a manner different from that specified in the first sentence of this paragraph will not be considered as public announcements by the Exchange.
- (2) The other information that an issuer is obliged to disclose pursuant to Articles 22 (1) and 25 hereunder the issuer must make public in the manner specified in those special regulations.



In its application for the listing of its shares on the stock exchange market, an issuer must state in which manner or through which medium it intends to publish its information.

- (3) An issuer planning to change the medium of its public announcements must make public a notice on the change of its publication venue, pursuant to the law and executive regulations, and inform the Exchange thereof in advance.

Providing the Exchange with Information
Article 27

- (1) An issuer whose shares are listed on the stock exchange market and who has just published a regulated piece of information must provide the Exchange with the content of this publication as well as inform the Exchange of the time and place of publication. A detailed manner of providing regulated information to the Exchange is stipulated in the Instructions.
- (2) An issuer whose shares are listed on the stock exchange market must also provide the Exchange with the following information, within the below time frames:
 - data on the proposed and adopted dividend amount; the record date, on which those entitled to dividend payment are established, whereby the ex-dividend date (considering the records in the shareholders' register) set by the issuer cannot be sooner than two (2) business days after the general meeting was held, which decided on the allocation of distributable profits; and the date of payment – as soon as possible;
 - in the event of changes to the articles of association due to share splitting of no-par shares where the share capital remains unchanged, data on the record date or the date set for the share split of the relevant no-par shares, and on the split ratio – as soon as possible;
 - on any change as to the chosen home member state to which it discloses regulated information – in the same period as is required for informing the Agency;
 - on all expected corporate actions of the issuer and on all changes which have an effect on the status of the issuer and its shares (such as for example changes in share capital, changes in the content of the share rights, statutory restructuring or winding-up of the issuer's company, etc.) – as soon as possible;
 - data on the percentage of shares in public hands for issuers of bearer shares, namely: Once a year – no later than until 15 December;
 - 4 weeks after the start of trading on the stock exchange market;
 - immediately after the corporate action changing this data;
 - on circumstances which could have or have brought about insolvency proceedings or compulsory winding-up – as soon as possible;
 - on recorded negative capital – together with publicly available financial report from which the negative capital of the issuer results.
- (3) An issuer whose shares are listed on the stock exchange market must provide the Exchange with any other information and documents required by the applicable legislation.
- (4) Issuers must also promptly inform the Exchange of entering into any agreements with liquidity providers or of terminations of such agreements.



- (5) If shares have been listed on the stock exchange market at the request of a person and without the consent of the issuer, pursuant to the condition from item 3 of Article 194 (1) hereunder, the issuer has no such obligations to the Exchange as indicated in paragraphs 1–4 of that Article.
- (6) The announcements and documents, which the issuer is required to provide to the Exchange on the basis of legislative requirements and requirements of the Rules, are considered as provided if they are submitted through the SEO system and submitted into the OAM system.
- (7) Irrespective of the fact that the issuer provided the Exchange information in accordance with this Article, the issuer must also submit the appropriate request if so determined by the Rules.
- (8) If the issuer does not submit information to the Exchange regarding the cut-off date of or provides information on the date of crossing which does not comply with point 1 of the second paragraph of this Article, the Exchange does not assume any responsibility for determining the day of entitlement to the dividend.

Language

Article 28

- (1) Issuers whose shares are listed on the stock exchange market must provide the Exchange with the information from Article 27 hereunder in Slovenian or English, or supply it with a certified translation thereof into Slovenian or English.
- (2) Notwithstanding the provisions of Article 157 of the ZTFI-1 on the use of language in public announcements of regulated information, Prime Market issuers must draw up their announcements in Slovenian or English.

Storage of Regulated Information

Article 29

- (1) In its application for the listing of its shares on the stock exchange market, the issuer must state which OAM it has chosen for the storage of its published regulated information.
- (2) An issuer planning to change its chosen OAM must inform the Exchange thereof in advance.

Informing Member Firms of the Possibilities to Access Regulated Information

Article 30

- (1) The Exchange promptly informs its member firms of the possibilities to access the regulated information made public by issuers, pursuant to Chapter 3 of the ZTFI-1 or the MAR, in a manner that enables member firms to:
 - obtain information on the issuer's chosen place of publication of regulated information;
 - obtain information on the issuer's chosen OAM for the storage of regulated information.
- (2) A detailed manner of informing member firms of the possibilities to access the regulated information made public by issuers is stipulated in the Instructions.

3.5. TEMPORARY SUSPENSION OF TRADING IN SHARES ON THE STOCK EXCHANGE MARKET



Reasons for a Temporary Suspension of Trading in Shares on the Stock Exchange Market

Article 31

- (1) The Exchange temporarily suspends trading in a share on the stock exchange market:
 - if the suspension of or ban on trading was imposed by the Agency or another competent supervisory body as a control measure;
 - if the shares no longer meet the conditions to be traded from article 63 hereunder, unless such a suspension could significantly damage investors' interests and the normal operations of the stock exchange market;
 - if this is necessary due to procedures in the central registry or central depository, specifically in relation to changes in capital, mergers and restructuring of the issuer's company;
 - if it receives a well-founded written application from the issuer for a temporary suspension of trading in its securities.
- (2) The Exchange may suspend trading in shares on the stock exchange market:
 - provided there are well-founded circumstances that require the safeguarding of investors' interests in relation to the proper publication of a supplement to the prospectus, or to regulated information in accordance with section 3 of the ZTFI-1 or the MAR;
 - in relation to other facts and circumstances.
- (3) The Exchange may stipulate more detailed criteria for assessment of circumstances that require the safeguarding of investors' interests from item 2 of paragraph 1 hereunder in the Instructions, whereby it shall at least take into account the circumstances from Article 80 of Commission Delegated Regulation (EU) 2017/565.
- (4) Notwithstanding the provision from item 3 of paragraph 1 of this Article, the Exchange does not temporarily suspend trading in shares on the stock exchange market in the event of a share split where the share capital remains unchanged, provided that the issuer of these shares files a written application and the Exchange estimates the interests of investors not to be compromised.

Resumption of Trading in Shares

Article 32

- (1) In the events from items 1 and 2 of Article 31 (1) hereunder, the Exchange:
 - resumes trading – after having received a notice or having learned in another manner that reasons for the suspension have terminated, or after three (3) days from the suspension in case of a late application for the change in the number of shares, from Article 21 hereunder, or
 - acts in accordance with Chapter 3.6. hereunder.
- (2) In the event from item 3 of Article 31 (1) hereunder, a temporary suspension of trading continues either – until the Exchange receives from the central registry or central depository a notification and an assurance that the conditions for trading in the shares that are the subject of the notification are met – or for three (3) days, in case of a late application for the change in the number of shares, from Article 21 hereunder.
- (3) In the event from item 4 of paragraphs 1 and 2 and the event from Article 31 (2) hereunder, a temporary suspension of trading in particular shares continues until the relevant public announcement, or for up



to one (1) trading day, unless the circumstances of a particular case or the issuer call for a longer suspension.

- (4) Resumption of trading in shares is carried out in the manner specified in Article 141 hereunder. When the resumption of trading in shares is carried out prior to the end of the trading day – due to the issuer having provided for adequate informing of the public in the requisite manner – at least fifteen (15) minutes must elapse between the public announcement and resumption of trading.

Applicability of Provisions on Procedure

Article 33

The Exchange decides on the suspension and resumption of trading in shares on the stock exchange market applying the procedure stipulated in Chapter 12.1. hereunder.



3.6. DELISTING OF SHARES FROM THE STOCK EXCHANGE MARKET

Reasons for the Delisting of Shares from the Stock Exchange Market

Article 34

- (1) The Exchange delists shares from the stock exchange market:
 - if the delisting was imposed as a control measure by the Agency or another supervisory body from the issuer's home member state;
 - if the shares or their issuer no longer meet the conditions to be traded on the stock exchange market, pursuant to Articles 63 hereunder in accordance with Article 35 hereunder;
 - if it received a well-grounded application from the issuer for the delisting of its shares, due to the taking effect of a resolution on the delisting of these shares from the regulated market, pursuant to Article 36 hereunder;
 - if the delisting is requested by the person that applied for the listing of these shares on the stock exchange market without the issuer's consent, pursuant to Article 37 hereunder;
 - if the person that applied for listing fails to comply with the listing conditions, pursuant to Article 14 hereunder.
- (2) On the day shares are delisted from the stock exchange market, the Listing Agreement terminates.

Delisting of Shares due to Non-Compliance with the Conditions for Trading

Article 35

- (1) If shares or their issuer do not meet the conditions for share trading (e.g. statutory restructuring, winding-up of the issuer's company, finality of a legal decision on a commencement of bankruptcy proceedings, etc.), the issuer must submit to the Exchange a relevant request. The delisting of shares due to non-compliance with the conditions for trading may also be applied for by the person that applied for listing. The content of such an application is stipulated in the Instructions.
- (2) Should the Exchange in monitoring compliance with the conditions for share trading on the stock exchange market, pursuant to Chapter 7.1. hereunder, find that shares or their issuer do not meet the conditions for share trading (e.g. in case of a merger, statutory restructuring or winding up of the issuer's company, finality of a legal decision on a commencement of bankruptcy proceedings, etc.), the Exchange delists the relevant shares from the stock exchange market not later than within three (3) days following the day on which the resolution on delisting was issued, unless such a delisting could significantly damage the interests of investors or normal operations of the stock exchange market. When evaluating the delisting, the Exchange takes into account potential existence of circumstances from Article 80 of Commission Delegated Regulation (EU) 2017/565.

Delisting of Shares due to a Resolution on the Delisting of Shares from the Regulated Market

Article 36

- (1) An issuer whose shares are listed on the stock exchange market and were the object of a resolution on delisting from the regulated market must provide the Exchange with an application for delisting from the stock exchange market, along with a notice about the resolution on the delisting of shares from the regulated market having been entered into the court register, on the business day after it has received the relevant notice. The content of the application for delisting and the documentation to be attached is stipulated in the Instructions.



- (2) The Exchange delists shares from the stock exchange market on the basis of the application of an issuer from paragraph 1 of this Article in three days after receiving the application but not before the day following the day when the resolution on the delisting of shares from the regulated market takes effect in accordance with Article 125 (8) of ZTFI-1.
- (3) In accordance with Article 125 (8) of ZTFI-1 the resolution on the delisting of shares from the regulated market takes effect:
 - if the resolution on delisting was adopted by a majority vote representing at least 9/10 of the company share capital (disregarding treasury stock): upon being entered into the court register, except if the resolution states that it takes effect after a specified period has elapsed from when the resolution was entered into the court register;
 - in other cases: after two years have passed from when the resolution was entered into the court register.

Delisting of Shares due to an Application by the Person that Applied for Listing without the Issuer's Consent

Article 37

- (1) Should the shares have been listed on the stock exchange market without the consent of their issuer, the person that applied for the listing of these shares on the stock exchange market may file an application for the delisting of these shares from the stock exchange market. The content of the application is stipulated in the Instructions.
- (2) The Exchange delists shares from trading on the stock exchange market on the basis of a filed application for delisting, from paragraph 1 of this Article, after three (3) months have passed from its receipt of the application for delisting.

Procedure of Delisting Shares from the Stock Exchange Market

Article 38

- (1) In delisting shares from the stock exchange market, not only the provisions stated in this Chapter apply, but the provisions on the Exchange decision-making procedure in individual matters, as specified in Chapter 12.1. hereunder. The delisting procedure is detailed in the Instructions.
- (2) The delisting of shares from the stock exchange market is effectively also their delisting from the sub-segment where they were listed.

Making Public the Delisting of Shares from the Stock Exchange Market

Article 39

If under items 1 or 2 of Article 34 (1) hereunder the Exchange delists shares from the stock exchange market, the announcement on delisting includes an instruction to the shareholders on their right to an adequate cash indemnity and manner of enforcing this right, unless the shares were listed on the stock exchange market at the request of another person without the consent of the issuer.



4. DEBT INSTRUMENTS

Segmentation of Debt Instruments Market

Article 39 a

- (1) The Debt Instruments Market has the following market subsegments:
 - bonds;
 - money market instruments, on which the following instruments are traded:
 - treasury bills,
 - commercial papers.
- (2) Aside from securities, depositary receipts related to these securities are also listed into the sub-segments from paragraph above.

Listing of Bonds on the Regulated Market

Article 40

- (1) For the listing of bonds on the Exchange, the conditions for listing stipulated in Article 8 hereunder must be met, while the issuer or person that applies for listing must meet the obligations of publishing the prospectus and other information, pursuant to Article 9 hereunder, as well as the obligations prior to the beginning of trading, pursuant to Article 15 hereunder.
- (2) The procedure of listing bonds on the Exchange is governed by the provisions of Articles 12 and 14, as well as the provisions of Article 26 (3) and Article 29 (1) hereunder.

Disclosure of Regulated and Other Information by Issuers of Bonds, and Reporting to the Exchange

Article 41

- (1) The obligations of issuers whose bonds are listed on the stock exchange market or of persons that applied for listing, regarding the disclosure of regulated and other information, are stipulated by the MAR, the ZTFI-1, and other laws and executive regulations.
- (2) The issuers whose bonds are listed on the stock exchange market, or persons that applied for the listing of these bonds, are obliged to inform the Exchange of any public announcements of regulated information, pursuant to Article 27 (1) hereunder, and of entering into any agreements with liquidity providers, pursuant to Article 27 (4) hereunder, and provide the Exchange with the requisite information and documentation as laid down in the applicable legislation. Regarding the language in which information is to be provided to the Exchange, the provision from Article 28 (1) hereunder applies.
- (3) Regarding the change of the chosen publication venue and OAM in case of bonds, the provisions from Article 26 (4) and Article 29 (2) hereunder apply.
- (4) Regarding disclosure of information of bond issuers in insolvency proceedings the provisions from Article 25 hereunder apply.
- (5) Pursuant to Article 30 hereunder, the Exchange regularly informs its members of where they can access publicly released regulated information.



Changes in Bonds
Article 42

- (1) Changes in bonds refer to:
 - changes in the number of bonds (increase or decrease in the number of bonds) and
 - changes in the features of bonds.
- (2) Changes in the features of bonds listed on the stock exchange market apply predominantly to:
 - Changes in the features of bonds which are provided in the prospectus or in conditions of bonds and not effected in the central registry or central depository through the changing of their ISIN code, security symbol, etc. (e.g. change in amortization schedule in accordance with prospectus);
 - Changes in the features of bonds adopted according to the procedure and in a manner provided in prospectus, in conditions of bonds or insolvency law applicable to the bond (e.g. technical replacement of bonds in central registry or central depository with replacement bonds of the same issuer);
 - Changes in the features of bonds which, under the applicable law, result in expiration of the existing liabilities arising from bonds and formation of new liability, mainly the following:
 - Changes in the features of bonds for which the procedure of adopting a decision on this change is not provided in prospectus, conditions or insolvency law applicable to bonds,
 - Conversion of qualified liabilities, which are represented in bonds and are listed on the stock exchange market, in accordance with Resolution and Compulsory Dissolution of Credit Institutions Act (ZRPPB).
- (3) Persons that applied for the listing of bonds are obliged to inform the Exchange of any changes in bonds which affect the position of bondholders in relation to the issuer and provide the Exchange with a relevant application depending on the effect that this change has on trading in bonds on the stock exchange market. The content of the application and documentation to be supplemented is stipulated in the Instructions.
- (4) The application from paragraph 3 of this Article is to be filed at the latest when the relevant order is filed for effecting the change in the central registry or central depository.
- (5) The Exchange decides on changes in the features of bonds on the basis of received application from paragraphs 3 and 4 of this Article:
 - in cases from items 1 and 2 of paragraph 2 of this Article, in line with the procedure of changes in bonds in accordance with this Article;
 - in cases from item 3 of paragraph 2 of this Article, in line with the procedure of temporary suspension of trading in and delisting of bonds in accordance with Article 43.
- (6) On the basis of a received application for a change in bonds, the Exchange issues a resolution on the change in a relevant bond, provided that it finds the application for change well-grounded.
- (7) Notwithstanding the provision of Article 19 (1) hereunder, in the event of a change in the features of bonds from item 2 of paragraph 2 this Article, due to which a technical replacement of bonds with replacement bonds of the same issuer is performed in central registry or central depository, the issuer, with regards to the replacement bonds, is not obliged to meet the obligations on the publication of the prospectus and other information, from Article 9 hereunder.



- (8) For certain debt securities issued by the Republic of Slovenia, for which obligations regarding the preparation and publication of a prospectus in accordance with the Prospectus Directive do not apply, there may be a discrepancy between the number of debt securities traded on the stock market and the number recorded in the central registry of dematerialized securities at KDD if it involves a deviation under the conditions of the temporary sale of the Republic of Slovenia's own debt securities. In this case, the exchange does not decide on a change in accordance with the provisions of this article and does not reconcile the records of the number of debt securities traded on the stock market with the records of their number in the central registry of dematerialized securities at KDD; instead, it involves an acceptable deviation of records.
- (9) A detailed procedure of change can be stipulated in the Instructions.
- (10) The procedure of changes in bonds listed on the stock exchange market is governed by the provisions of Chapter 3.3. hereunder unless provided otherwise by this Article.

Temporary Suspension of Trading in Bonds

Article 43

- (1) In the event of changes in the features of bonds from item 3 of Article 42 (2) hereunder, it is considered that the bonds no longer meet the conditions for trading.
- (2) The Exchange temporarily suspends trading in bonds on the stock exchange market and issues a resolution on suspension:
 - If reasons for suspension from Article 31 hereunder are present;
 - If the suspension is necessary due to procedures in central registry or central depository related to changes in bonds.
- (3) The procedure of a temporary suspension of trading in bonds is governed *mutatis mutandis* by the provisions of Chapter 3.5. hereunder.

Delisting of Bonds from the Regulated Market

Article 44

- (1) The Exchange delists bonds if all the liabilities under these bonds are due upon maturity. The Exchange may decide this as soon as when issuing the resolution on listing. The delisting date is determined by considering an appropriate number of settlement days required for all liabilities to be met, which the Exchange communicates through a public announcement.
- (2) The Exchange delists bonds and issues a resolution on delisting if reasons for delisting from Article 34 (1) hereunder are present.
- (3) An issuer whose bonds are listed on the stock exchange market and were the object of a resolution by bondholders on delisting from the regulated market in accordance with Article 125 (11) of the ZTFI-1 must provide the Exchange with an application for delisting of bonds from the stock exchange market, along with a notice about the public announcement of notary's minutes from the bondholders' meeting, which contains the resolution on the delisting of bonds from the regulated market, on the business day after the public announcement of the notary's minutes. The content of the application for delisting and the documentation to be attached is stipulated in the Instructions.



- (4) The Exchange delists bonds from the stock exchange market on the basis of the application of an issuer from paragraph 3 of this Article in three days after receiving the application but not before the first business day following the day when the resolution on the delisting of bonds from the regulated market takes effect in accordance with Article 125 (8) of the ZTFI-1.
- (5) In accordance with item 8 of Article 125 (11) of the ZTFI-1 the resolution on the delisting of bonds from the regulated market takes effect when consent is given by the bond issuer and:
 - if the resolution on delisting was adopted by a majority vote representing at least 9/10 of all obligations contained in bonds: upon public announcement of the notary's minutes from the bondholders' meeting, except if the resolution states that it takes effect after a specified period has elapsed from the public announcement of the notary's minutes from the bondholders' meeting;
 - in other cases: after six months have passed from the public announcement of the notary's minutes from the bondholders' meeting.
- (6) The Exchange delists bonds from the stock exchange market pursuant to paragraphs 3, 4 and 5 of this Article only if the prospectus or conditions of bonds do not stipulate otherwise. In latter case the procedure of the delisting of bonds is performed in accordance with the provisions in the prospectus or conditions of the bonds. The Exchange delists bonds from the regulated market in three days after receiving substantiated application of the issuer for delisting, which was submitted on the basis of validly adopted resolution on delisting of bonds from the regulated market.
- (7) The procedure of delisting bonds is governed by the provisions of Articles 35, 37 and 38 hereunder, applied *mutatis mutandis*.
- (8) On the day bonds are delisted from the stock exchange market, the Listing Agreement terminates.

Listing, Temporary Suspension of Trading and Delisting of Money Market Instruments

Article 45

- (1) Money market instruments (such as e.g. treasury bills and commercial papers) are listed with an Exchange resolution based on the issuer's application or notice, provided that the following conditions are met:
 - they are freely transferrable;
 - they are validly issued and the conditions for a reliable settlement pursuant to item 4 of Article 8 (1) hereunder are met;
 - the basic information regarding the money market instrument has been published,
 - the listing fee, pursuant to the Fee Schedule, has been paid.
- (2) In case the condition of money market instruments being issued in dematerialised form has not yet been met, the Exchange may, on the basis of a filed application and notwithstanding the previous paragraph, decide on listing even before the money market instruments are issued in dematerialised form, and may adopt a resolution on listing subject to the suspensive condition, whereby the suspensive condition is met on the day the money market instruments are entered into the central registry. When the suspensive condition is met, the Exchange adopts a declaratory resolution.
- (3) With the person that applied for the listing of money market instruments the Exchange enters into a Listing Agreement pursuant to the Rules.



- (4) The Exchange may stipulate the content of the announcement from item 3 of paragraph 1 hereunder in the instructions.
- (5) The procedure of changes in money market instrument is governed by the provisions of Article 42 and Chapter 3.3. hereunder, applied *mutatis mutandis*.
- (6) The Exchange decides on the listing, temporary suspension and delisting of money market instruments in summary proceedings, which are explained into detail in the Instructions.
- (7) The Exchange decides on delisting money market instruments due to an early fulfilment of obligations by issuing a resolution on delisting.
- (8) The Exchange communicates its having adopted the resolutions from paragraphs 1, 2 and 6 of this Article to member firms, the public and the Agency.



5. STRUCTURED PRODUCTS

5.1. SEGMENTATION OF STRUCTURED PRODUCTS MARKET

Segmentation of Structured Products Market

Article 46

- (3) The market in structured products has the following market segments:
- units in undertakings for collective investment in transferable securities (hereinafter: UCITS units);
 - units in alternative investment funds (hereinafter: AIF units);
 - close-end fund shares;
 - investment certificates;
 - warrants;
 - freely transferrable rights upon increases of share capital.
- (4) Aside from securities, depositary receipts related to these securities are also listed into the sub-segments from paragraph above.

5.2. UCITS UNITS

Conditions for Listing UCITS units on the Stock Exchange Market

Article 47

- (1) For the listing of UCITS units on the stock exchange market, the following conditions must be met:
- the incorporation and legal status of the issuer comply with the regulations effective in the country of its registered office;
 - the issuer has obtained a LEI;
 - publication of the prospectus;
 - UCITS units are freely transferrable;
 - UCITS units are valid, and the conditions for a reliable settlement of trades in them are also met;
 - investors have access to information about the investment strategy of the fund,
 - for the UCITS units an agreement on liquidity provision has been concluded or other mechanisms are in place for investors to be able to redeem them;
 - the issuer will regularly publish the net asset value of the fund.
- (2) Along with the conditions from paragraph 1 of this Article, the conditions in respect of the DZU managing the UCITS must also be met, namely it must have obtained from the Agency or another competent supervisory body of a member state the following:
- approval for performing investment fund managing services;
 - licence to manage the UCITS whose units are the object of the application for listing on the stock exchange market;
 - approval for the publication of the prospectus pursuant to the ZISDU-3;
 - consent to the UCITS Rules of Management.



Deciding on the Listing of UCITS units

Article 48

- (1) The application for the admission of UCITS units to trading on the stock exchange market may be filed by the DZU managing the fund or by the fund itself, which, according to the legislation of its country, has legal personality.
- (2) The Exchange lists UCITS units to trading on the stock exchange market provided that the listing conditions from Article 47 hereunder are met.
- (3) The Exchange may also decide to admit UCITS units that are recorded on the floating account in the central registry and that do not meet the conditions from items 4 and 5 of Article 47 (1) hereunder through a resolution on listing subject to the suspensive condition. This suspensive condition is met when the UCITS units in the central registry are transferred from the floating account to the accounts of holders.
- (4) The procedure of listing UCITS units to trading on the stock exchange market is governed by the provisions from Articles 12 and 14 hereunder, applied *mutatis mutandis*.

Disclosure of Regulated and Other Information by Issuers UCITS units, and Reporting to the Exchange

Article 49

- (1) The obligations of UCITS or DZUs managing an UCITS, regarding the disclosure of regulated and other information, are stipulated by the ZISDU-3 and other laws and executive regulations.
- (2) As to the chosen publication venue and the chosen OAM, and any related changes, the provisions of Article 26 (3) (4) and Article 29 hereunder apply in respect of UCITS units.

Changes in, Temporary Suspension of Trading in, and Delisting of UCITS Units

Article 50

- (1) The procedure of changes in UCITS units is governed by the provisions of Chapter 3.3. hereunder, which govern changes in securities. Due to the particular nature of trading in UCITS units, those provisions of this Chapter that relate to changes in the number of securities in the central registry or central depository do not apply.
- (2) The procedure of a temporary suspension of trading in UCITS units is governed by the provisions of Chapter 3.5. hereunder.
- (3) The Exchange delists UCITS units:
 - if reasons for delisting from items 1, 2, 4 and 5 of Article 34 (1) hereunder are present;
 - if it receives a well-grounded application from the issuer of the relevant UCITS units for their delisting from the Exchange, whereby the UCITS units are to be delisted after three (3) months have passed from the day the resolution on delisting was issued.
- (4) The procedure of delisting UCITS units from the Exchange is governed by the provisions of Articles 35, 37 and 38 hereunder, applied *mutatis mutandis*.
- (5) On the day UCITS units are delisted from the stock exchange market, the Listing Agreement terminates.



5.3. AIF UNITS AND CLOSED-END FUND SHARES

Listing of AIF units on the Stock Exchange Market

Article 51

- (1) For the listing of AIF units on the stock exchange market, the following conditions must be met:
- the AIF is created as a separate asset in accordance with Chapter 2.2 of the ZOAIS,
 - the AIF operator corresponds to one of the categories referred to in Article 38(1) of the ZOAIS,
 - the units are freely transferable,
 - the units are validly issued and the conditions for the reliable settlement of trades in them are also met,
 - information on the investment strategy of the fund is made available to investors,
 - public information is made available to investors on the possibilities of exiting the investment, in addition to the sale of units on the regulated market,
 - investors are provided with an independent valuation of the fund's assets at least once a year,
 - it is made clear to the public what type or category of investors the units are intended for and to whom they may be marketed,
 - the manager has submitted to the stock exchange the rules governing the management of the AIF and the offer document or prospectus of the AIF,
 - the percentage of the total number of AIF units issued to the public, calculated in the same way as for issuers of shares on the Prime Market, is at least 25%.
- (2) The operator of AIF shall provide public information on the fulfilment of the conditions referred to in paragraph 1 of this Article. At the same time, the operator shall publicly provide any other information as required by the regulations relevant to the AIF or the operator, including Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012. The operator shall be obliged to provide the information in the same manner as regulated information pursuant to Chapter 3 of the ZTFI-1, or in such a manner publish the place where this information will be accessible at all times.

Listing of Close-end Fund Shares on the Stock Exchange Market

Article 52

- (1) For the listing of close-end fund shares on the stock exchange market, the following conditions must be met:
- the close-end fund shares have been issued by an investment company established and operating in accordance with Chapter 2.4 of the ZOAIS,
 - the shares are freely transferable,
 - the shares are validly issued and the conditions for the reliable settlement of trades in them are also met,
 - the manager has submitted to the Stock Exchange an approved prospectus in accordance with Regulation (EU) 2017/1129 or a declaration of exemption in accordance with that Regulation.



- (2) The operator shall provide public information on fulfilment of the conditions referred to in paragraph 1 of this Article. At the same time, the operator shall publicly provide any other information as required by the relevant rules for the investment company or the operator. The information shall be published in accordance with Chapter 3 of the ZTFI-1.

Deciding on the Listing, Changes, Suspension and Delisting of AIF Units and Close-end Fund Shares
Article 53

- (1) The procedural rules applicable to shares in Chapter 3 of the Rules shall apply *mutatis mutandis* to the procedures of the listing, changes, suspension and delisting of AIF units and close-end fund shares.
- (2) The AIF and the Investment Company shall at all times be represented by the Operator.
- (3) In addition to other grounds for delisting, the Exchange shall delist AIF units or close-end fund shares if the operator so requests without giving reasons and the units are to be delisted after three (3) months have passed from the day the resolution on delisting was issued.

5.4. OTHER STRUCTURED PRODUCTS

Listing of Other Structured Products on the Stock Exchange Market
Article 54

- (1) For the listing of structured products (hereafter: SP) from items 3–5 of Article 46 (1) hereunder on the stock exchange market, the following conditions must be met:
 - for the listing of shares, from Article 8 hereunder,
 - the issuer of SP or person that applied for the listing of SP on the stock exchange market must meet its obligations:
 - in respect of the prospectus, pursuant to Article 9 hereunder;
 - prior to the beginning of trading, pursuant to Article 14 hereunder.
- (2) The procedure of the listing of SP on the stock exchange market is governed by the provisions from Articles 12 and 14, applied *mutatis mutandis*, as well as Article 26 (3) and Article 29 (1) hereunder.

Disclosure of Regulated and Other Information by Issuers of SP, and Reporting to the Exchange
Article 55

- (1) The obligations of issuers of SP or of the person that applied for the listing of SP, regarding the disclosure of regulated and other information, and the obligation to report to the Exchange, are stipulated by the ZTFI-1 and other laws and executive regulations.
- (2) Regarding reports to the Exchange in case of SP, the provisions of Article 26 (3) (4) apply *mutatis mutandis* as well as Article 27 (1) (3) (4) (5) (6) (7), Article 28 (1) and Article 29 hereunder.



- (3) Pursuant to Article 30 hereunder, the Exchange regularly informs its members of where they can access publicly released regulated information.

Changes in, Temporary Suspension of Trading in, and Delisting of SP

Article 56

- (1) The procedure of changes in SP is governed by the provisions of Chapter 3.3. hereunder, unless a change in SP (due to the characteristics and legal nature of SP) is such that this is inappropriate.
- (2) The procedure of a temporary suspension of trading in SP is governed by the provisions of Chapter 3.5. hereunder, applied *mutatis mutandis*.
- (3) The Exchange delists SP:
- if reasons for delisting from items 1, 2, 4 and 5 of Article 34 (1) hereunder are present;
 - if it receives a well-grounded application from the issuer of the relevant SP for their delisting from the Exchange, whereby the SP are to be delisted after three (3) months have passed from the day the resolution on delisting was issued;
 - in case of the SP being a debt instrument, if all the liabilities under these securities are due.
- (4) The procedure of delisting SP from the stock exchange market is governed by the provisions of Articles 35, 37 and 38 hereunder, applied *mutatis mutandis*.
- (5) On the day SPs are delisted from the stock exchange market, the Listing Agreement terminates.

Freely Transferrable Rights upon Increases of Share Capital

Article 57

- (1) In cases of new issues of shares by an issuer whose shares are already listed on the stock exchange market, freely transferrable rights to purchase new shares may be listed on the stock exchange market – from the day they are granted by the issuer until they fall due – if these rights meet the conditions for listing on the stock exchange market.
- (2) When issuing rights, the issuer informs the Exchange and files an application for listing on the Exchange.
- (3) Each time, the Exchange specifies the exact time of listing for such rights.
- (4) Freely transferrable rights are governed by the provisions hereunder applying to shares, applied *mutatis mutandis*.

5.a SUSTAINABLE FINANCING MARKET

Conditions for Listing on the Sustainable Financing Market

Article 57 a

- (1) The Sustainable Financing Market consists of all financial instruments that meet the basic conditions for listing of a financial instrument on the relevant segment of the Stock Market, and whose issuers have committed to one or more of the sustainability objectives related to environmental, social justice and/or corporate governance issues - ESG criteria - and have been listed by the Stock Exchange on the



Sustainable Financing Market (hereinafter: ESG instrument). ESG instruments are listed on a specific segment of the stock exchange market and, by virtue of meeting the ESG criteria, are given the additional label of ESG instrument, which also qualifies them for being listed on the Sustainable Financing Market.

- (2) For listing of financial instrument on the Sustainable Financing Market, both the issuer and the financial instrument must meet the following conditions and criteria:
- Basic condition:
 - the financial instrument is already listed or meets the conditions for listing on the relevant segment of the stock exchange market.
 - ESG criteria:
 - a statement from the issuer committing to fulfilling to one or more of the sustainability objectives related to environmental, social justice and/or corporate governance issues (hereinafter: ESG commitments), as stipulated by the Exchange in more detail in the Instructions.

Procedure for Listing on the Sustainable Financing Market
Article 57 b

- (1) The procedure for listing on the Sustainable Financing Market begins upon the issuer's request, which may be submitted together with the request for listing (for a financial instrument not yet listed on the Stock Exchange Market) or as independent request (for financial instruments already listed on the Stock Exchange Market).
- (2) A prerequisite for initiating the process for listing on the Sustainable Financing Market is that financial instruments meet the conditions for listing on the Stock Exchange Market, as specified in the Rules for specific type of financial instrument.
- (3) Based on the issuer's request in the first paragraph of this article, the Exchange decides on the listing of the financial instrument in the Sustainable Financing Market if the conditions and criteria from the second paragraph of Article 57a are met.
- (4) The Exchange may prescribe the procedure for listing on the Sustainable Financing Market in more detail in the Instructions.

Obligations and Monitoring of Issuers and Financial Instruments on the Sustainable Financing Market
Article 57 c

- (1) Issuers on the Sustainable Financing Market must disclose, in addition to basic disclosure obligations applicable to specific segment of financial instruments, information about fulfilling commitments related to environmental protection, social justice, and / or governance (ESG reporting).
- (2) The Exchange monitors the fulfillment of basic disclosure obligations of issuers, which apply to specific market segment, in accordance with the Rules for that specific segment of the Stock Exchange Market.



- (3) The disclosure obligations and procedure for monitoring the issuers regarding the fulfillment of criteria and disclosure obligations on the Sustainable Financing Market the Exchange prescribes in more detail in the Instructions.

*Transfer of a Financial Instrument from the Sustainable Financing Market
Article 57 č*

- (1) The exchange may transfer a financial instrument from the Sustainable Financing Market if:
- it receives a justified request from the issuer,
 - in the process of monitoring the issuer, it determines the non-fulfillment of obligations from the item 2 of Article 57.a (2) of the Rules.
- (2) If, during the monitoring process, the Exchange finds that the issuer does not meet the obligations from the Item 2 of the previous paragraph, the Exchange may decide to transfer the financial instrument from the Sustainable Financing Market in one of the following ways:
- if the financial instrument continues to meet the listing conditions for the basic segment, it is transferred to the basic segment.
 - if the financial instrument does not meet the basic conditions for listing, it is delisted from the Stock Exchange Market.
- (3) In special circumstances, the Exchange may decide not to carry out the transfer from the Sustainable Financing Market and listing on the basic segment despite the identified non-fulfillment of criteria, in accordance with the conditions specified in more detail in the instructions.
- (4) If a financial instrument is delisted from the Stock Exchange Market, it is automatically delisted from the Sustainable Finance Market at the same time.

*Application of Rules for the Sustainable Financing Market
Article 57.d*

- (1) In procedures of listing, temporary suspension, transfer, change in the number and/or characteristics, and delisting of financial instruments from the Sustainable Financing Market is governed *mutatus mutandis* by the provisions of the Rules and other Exchange general acts applicable to the basic segment for which an individual financial instrument meets the basic listing conditions.
- (2) All provisions of the Rules and Exchange general acts regarding the trading and settlement of stock market transactions applicable to the basic segment for which an individual financial instrument meets the basic listing conditions apply *mutatus mutandis* to the Sustainable Financing Market.



6. SECURITIES BY ISSUERS FROM MEMBER STATES AND THIRD COUNTRIES, AND DEPOSITARY RECEIPTS

6.1. SECURITIES BY ISSUERS FROM MEMBER STATES AND THIRD COUNTRIES

Special Rules for Securities by Issuers from Member States and Third Countries

Article 58

- (1) The procedures of the listing, classification and transfer of, as well as changes in, temporary suspensions and delistings of securities by issuers from member states or third countries are governed by those provisions hereunder that govern the respective securities, unless otherwise stipulated in this Chapter hereunder.
- (2) With regard to the conditions for the listing of securities on the stock exchange market, the condition – that securities by issuers who do not have their registered offices in the Republic of Slovenia are validly issued and that the conditions for a reliable settlement of trades in these securities are met, from item 4 of Article 396 (1) of the ZTFI-1 – is considered met if the securities have either been issued in dematerialised form and entered into the central depository or if they have been issued in paper form and are collectively held in the central depository, and if the conditions for the clearing and settlement of exchange trades in these securities, from Article 448 of the ZTFI-1, are met. The conditions for the settlement of stock exchange trades, from Article 448 of the ZTFI-1, are met when the settlement system operated by KDD, or another settlement system chosen by the Exchange pursuant to the law, facilitates trade settlement for these securities.
- (3) For the listing of securities by issuers from member states, those conditions from the Rules must be met that stipulate the listing of respective types of securities, while the person that applied for listing must also – when filing an application for listing – inform the Exchange of:
 - the issuer's legal situation (as regards its incorporation and its legal status) being in compliance with the regulations effective in the member state of its registered office;
 - which is its home and host member state; and
 - whether the securities for which it is applying for listing on the stock exchange market are already listed on another regulated market, and the name of this regulated market.
- (4) For the listing of securities by issuers from third countries, those conditions from the Rules must be met that stipulate the listing of respective types of securities, while the person that applied for listing must also – when filing an application for listing – inform the Exchange of:
 - information from items 1 to 3 of paragraph 3 of this Article; and
 - which investment company is authorised under Article 110 of the ZTFI-1 to carry out all actions related to the listing of the respective securities on the stock exchange market, including the drawing up and publication of the prospectus.
- (5) Should the securities that are already listed on another stock exchange market in the Republic of Slovenia or on another regulated market in a member state be listed on the stock exchange market at the request of a person and without the consent of the issuer, the Exchange informs thereof the issuer.
- (6) The securities by issuers from paragraph 1 of this Article are listed on an appropriate stock exchange market segment according to their type.



Special Rules for Listing Shares by Issuers from other Member States and from Third Countries to Prime Market

Article 59

- (1) For shares issued by companies from other member states and by companies from third countries to be listed to Prime Market, the shares and companies must meet the conditions and criteria from Article 11 hereunder. Companies also publish the valid provisions of commercial law that apply to them and that include at least the provisions stipulated by the Instructions.
- (2) In classifying shares issued by companies from other member states and from third countries to Prime Market, the Exchange examines the following criteria in particular:
 - size of class of shares being listed, or its capitalisation in member states in case of double listing in a member state and third country;
 - percentage of shares traded on the Exchange as opposed to the percentage of shares traded on the domestic regulated market;
 - listing onto another regulated market;
 - the company's core business.

Disclosure by Issuers from Member States and Third Countries

Article 60

Issuers of securities from other member states and third countries must meet the reporting and disclosure obligations pursuant to the regulations pertaining to these issuers and pursuant to the obligations stipulated by the ZTFI-1 and other laws and executive regulations. They must also meet the additional reporting and disclosure obligations pertaining to individual types of securities or to individual sub-segments of the Exchange equity market, as stipulated by the Rules.

6.2. DEPOSITARY RECEIPTS

Special Rules for Depositary Receipts

Article 61

- (1) The procedures of the listing, classification and transfer of, as well as changes in, temporary suspensions and delistings of depositary receipts are governed by those provisions hereunder that govern the securities underlying the respective depositary receipts, unless otherwise stipulated in this Chapter hereunder.
- (2) Depositary receipts are listed on an appropriate stock exchange market segment according to the type of securities underlying depositary receipts.
- (3) The application for a classification and transfer of depositary receipts in respect of shares onto or from the Prime Market may only be filed by the issuer of the shares underlying the respective depositary receipts or by the issuer of the respective depositary receipts.

Duties to Disclose Information

Article 62

- (1) Issuers of securities underlying depositary receipts must meet the reporting and disclosure obligations pursuant to the regulations pertaining to these issuers and pursuant to the obligations stipulated by the



ZTFI-1 and other laws and executive regulations. They must also meet the additional reporting and disclosure obligations pertaining to individual types of securities or to individual sub-segments of the Exchange equity market as stipulated by the Rules.

- (2) Instead of the issuer of the securities underlying depositary receipts, the obligations to disclose information may alternatively be fulfilled by the person who applied for the listing of the depositary receipts on the stock exchange market.

7. MONITORING ISSUERS OF SECURITIES

7.1. MONITORING COMPLIANCE WITH CONDITIONS FOR TRADING ON THE STOCK EXCHANGE MARKET

Scope of Monitoring Compliance with the Conditions for Trading on the Stock Exchange Market
Article 63

In relation to securities listed on the stock exchange market, the Exchange monitors and checks compliance with the conditions for trading on the stock exchange market, checking predominantly:

- compliance with the criteria for listing securities on the official market, as stipulated for individual types of securities in Articles 8, 40, 47, 51 and 54 hereunder;
- whether the conditions for a temporary suspension of trading are met, as stipulated for individual types of securities in the Rules;
- whether the conditions for the delisting of a security from the official market are met, as stipulated for individual types of securities in the Rules.

Data Acquisition in Monitoring and Checking Compliance with the Conditions for Trading on the Stock Exchange Market
Article 64

The Exchange monitors and checks compliance with the conditions for trading in securities on the stock exchange market, from Article 63 hereunder, predominantly by:

- reviewing the contents of the resolutions received from the central securities clearing corporation on the issuance of dematerialised securities in the central registry, or by reviewing the contents of comparable documents by other central depositories;
- comparing records and data on the number of individual securities in the trading system with the records and data on these securities kept in the central registry;
- reviewing the contents of the decisions received from the Agency, which could affect securities trading;
- reviewing the notices received from issuers on the intended changes of the conditions for trading, or by reviewing the applications filed for temporary suspensions of trading or applications filed for delistings;
- applying other appropriate procedures necessary to check whether listed securities meet the conditions for trading, which may be stipulated by the Instructions.



Measures of Checking and Ensuring Conditions for Trading on the Stock Exchange Market
Article 65

- (1) The methods of checking and ensuring the conditions for securities trading on the stock exchange market are mainly:
 - inviting the issuer to explain the reasons and circumstances related to its not complying with the conditions for trading, or inviting them to file an application for an appropriate action or measure;
 - implementing appropriate changes in the securities in the trading system, or coordinating them with the records and data from the central registry, pursuant to Chapter 3.3. hereunder;
 - a temporary suspension of trading in securities, pursuant to Chapter 3.5. hereunder, i.e. Articles 43, 50, 53 and 56 hereunder;
 - the delisting of securities from the stock exchange market, pursuant to Chapter 3.6. hereunder, i.e. Articles 44, 50, 53 and 56 hereunder;
 - other appropriate measures necessary for ensuring that securities meet the conditions for trading, which may be stipulated by the Instructions.
- (2) The Exchange applies the measures stipulated in paragraph 1 of this Article to all types of securities listed on the stock exchange market, unless in cases where a measure is inappropriate due to the characteristics or legal nature of a security.
- (3) The invitation to the issuer from item 1 of paragraph 1 of this Article is considered served on the day it is delivered in the manner stipulated in the Instructions.
- (4) The detailed manner of imposing measures for the purposes of checking and ensuring compliance with the conditions for securities trading on the stock exchange market may be stipulated in the Instructions.

7.2. MONITORING COMPLIANCE WITH THE OBLIGATION TO DISCLOSE REGULATED INFORMATION

Manner of Monitoring and Checking Compliance with the Obligation to Disclose Regulated Information
Article 66

- (1) Issuers of securities are monitored as to their complying with the obligation to disclose regulated information, as stipulated in Chapter 3 of the ZTFI-1, MAR and other regulations, predominantly on the basis of a risk assessment for the entire stock exchange market, whereby the following criteria are mainly considered:
 - past findings of such check procedures;
 - amendments to regulations on the obligation to disclose regulated information;
 - type of security;
 - trading volumes in a security and its liquidity;
 - dispersion of ownership;
 - allocation of a security into a particular stock exchange market segment;
 - any potential guidelines from the Agency.
- (2) Based on the risk assessment and the criteria from paragraph 1 of this Article, the Exchange adopts an annual check plan, and adapts it appropriately considering any potential changes of the risk assessment, if this is necessary due to changed circumstances on the stock exchange market.



Data Acquisition in Monitoring and Checking Compliance with the Obligation to Disclose Regulated Information
Article 67

The Exchange monitors and checks compliance with the obligation to disclose regulated information predominantly on the basis of:

- notices from issuers;
- publicly available announcements by issuers;
- significant information available in the media;
- potential warnings by issuers or third persons;
- above-average deviations in trading in a security.

Measures for Checking Compliance with the Obligation to Disclose Regulated Information
Article 68

- (1) The methods of checking compliance with the obligation to disclose regulated information are mainly:
 - inviting the issuer to explain the reasons and circumstances related to its not complying with the obligation to disclose regulated information;
 - issuing recommendations or instructions to the issuer for purposes of ensuring good information practices in accordance with the Guidelines on Disclosure;
 - a temporary suspension of trading at the request of the issuer, in cases when there exists the possibility of a breach of the provisions on the obligation to disclose regulated information;
 - informing the Agency of any deviations from the good practices of reporting on regulated information, as stipulated in the Guidelines on Disclosure, when learning thereof through notices on a suspected breach of the obligation to disclose regulated information, received from third persons;
 - informing the Agency of any discovered non-compliance with the obligation to disclose issuer's regulated information.
- (2) In selecting the measure(s) from paragraph 1 of this Article to be imposed on an issuer, the Exchange also considers:
 - the type of the issued security (e.g. shares, bonds, etc.);
 - the type of regulated information (e.g. annual and semi-annual report, information on major holdings, other regulated information, inside information, etc.);
 - the risk assessment for the entire stock exchange market from Article 66 hereunder.
- (3) Additional measures for checking compliance with the obligation to disclose regulated information may also be implemented at the request or recommendation of the Agency.
- (4) The detailed manner of implementing checks of compliance with the obligation to disclose regulated information may be stipulated in the Instructions.

Exemptions in Checking Compliance with the Obligation to Disclose Regulated Information
Article 69

Pursuant to the provisions of ZTFI-1, MAR and other regulations, the provisions of this Chapter shall not apply in case of a valid exemption in the aforementioned acts regarding the obligation to disclose regulated information..



8. MEMBER FIRMS AND TRADERS

8.1. MEMBER FIRMS

8.1.1. CONDITIONS FOR ADMISSION TO MEMBERSHIP OF THE EXCHANGE

Persons Eligible to Become Member Firms

Article 70

- (1) It is possible for brokerage companies, investment firms, banks or special financial institutions from Article 411 (1) of the ZTFI-1 to become member firms.
- (2) Other entity that meets the conditions from Article 411 (2) of the ZTFI-1 and the special conditions referred to in Article 70 a of these Rules may also become a member firm.
- (3) Republic of Slovenia and the Bank of Slovenia may also become member firms.

Special Conditions for Other Members

Article 70 a

- (1) Other person from Article 70 (2) of these Rules must in addition to the general conditions for admission to membership stipulated in these Rules also meet the following special conditions from Article 411 (2) of the ZTFI-1 related to:
 - reputation and goodwill:
 - the establishment of its company and its status structure is in accordance with the regulations of the country of its incorporation;
 - it is a financial institution which, in its country of incorporation or in a country other than the Republic of Slovenia, is entitled to provide services that are meaningfully identical to the investment services and transactions referred to in points 2, 3 or 4 of the Article 11 (1) of the ZTFI-1 and is duly authorized by the competent supervisory authority;
 - no criminal sanction or other measure was imposed against the company and its statutory representatives, which would prohibit them from rendering their services or otherwise affect their reputation and goodwill;
 - no insolvency proceedings have been initiated against the company,
 - relevant trading experience and skills:
 - has been in business for at least three years;
 - persons, who shall be authorized to perform the duties of a trader, mutatis mutandis fulfill the conditions, determined by the regulations of the country of its incorporation, for conducting the activities of a trader;
 - other conditions:
 - has established sound and reliable mechanisms and technical conditions for providing data to the Exchange for reporting purposes in accordance with Article 26 of the MiFIR Regulation, as well as for fulfilling other obligations imposed on the member or the Exchange by binding legislation arising from his membership;
 - the exchange must be able to carry out effective detection and prevention of potential acts of market abuse.



Technical Conditions

Article 71

- (2) A member firm must have in place an information system which enables the use of the Exchange trading system via an appropriate connection. Access to the trading system is possible either via a trading station or an appropriate electronic interface.
- (3) A member firm is provided, upon request, with system identification codes enabling its system a unique identification in accessing the Exchange trading system, market depth operations and access to data it is authorised to access. System identification codes may only be used for types of access authorised by the Exchange.
- (4) With its information system and internal organisation of operations, a member firm must set up and maintain:
 - mechanisms designed to control the pre-trade price, volume and value of orders, and use of the pre-trade controls system, and post-trade activities, if stipulated;
 - testing the technical and functional compliance of its trading systems;
 - the 'kill functionality' policy;
 - internal acts with clearly defined conditions for allowing clients direct access to the stock exchange market, which at the very least include the conditions laid down in Article 22 of the Commission Delegated Regulation (EU) 2017/589.
- (5) A member firm must ensure and maintain that its information system, upon using a trading station or electronic interfaces, meets the conditions and other requirements stipulated by the Instructions.

Staffing Conditions

Article 72

- (1) A member firm must have at its disposal at least one person authorised to act as trader, either through employment or on another legal basis.
- (2) A member firm must continuously maintain an appropriate level of expertise of its traders in compliance with the Rules and Instructions. The Instructions stipulate the paper form for authorising traders.
- (3) For the key staff heading its departments dealing with order management and the management of information systems related to trading, a member firm must verify that said staff have the relevant know-how and skills for the management of orders, work and information processes, internal control systems, etc.
- (4) If member firms would like to assign identification elements and the levels of trading system user rights directly in the trading system by themselves, they must authorise or designate at least one person who performs the duties of a trading system supervisor with the member firm. Otherwise, the assignment of trading system user rights is performed by the Exchange on behalf of the member firm and no supervisor authorisation from the member firm is needed. The Instructions stipulate the paper form for authorising trading system supervisors, the methodology for defining identification elements and the method for assigning trading system user rights.

Settlement of Exchange Trades



Article 73

- (1) A member firm must ensure the settlement of exchange trades in one of the following ways:
 - through membership in a settlement system where it settles executed exchange trades,
 - through an agreement with a settlement member that ensures the settlement of exchange trades executed for the account of the respective member firm.
- (2) During trading a member firm must – in the case of item 2 of paragraph 1 of this Article – consistently abide by the rule on the use of accounts from Article 118 hereunder.

Admission Procedure

Article 74

- (1) The Exchange decides on admission to membership on the basis of a filed application. The application for membership consists of a completed and signed form 'admission to membership' and the Membership Agreement. The content of the application for membership is stipulated by the Instructions.
- (2) Unless provided otherwise in this Chapter, the provisions of Chapter 12 hereunder apply to the procedure of admission to membership of the Exchange.
- (3) Provided the condition for admission to membership from Article 70 hereunder is met:
 - the Exchange signs the Membership Agreement, which was an integral part of the application for membership;
 - the Exchange issues a resolution on admission to membership, granting a member firm access to all Exchange markets.
- (4) Provided the condition for admission to membership from Article 70 hereunder is not met, the Exchange rejects the application for membership.
- (5) The Exchange communicates the admittance of a member firm to membership of the Exchange to member firms, the public and the Agency.

Conditions for admission of a Member Firm to Trading

Article 75

- (1) Within three months after entering into the Membership Agreement, by which a member firm was admitted to membership of the Exchange, the member firm must comply with the following conditions for admission to trading:
 - provide access to the trading system from Article 71 (1) hereunder, by providing evidence of guaranteed access to the Exchange trading system;
 - ensure the conditions from Article 71 (3, 4) hereunder are met;
 - comply with the minimum staffing conditions from Article 72 hereunder by submitting a requisite authorisation for at least one trader, in compliance with the Rules and Instructions;
 - submit evidence of ensuring settlement for concluded exchange trades, in compliance with Article 73 (1) hereunder;
 - submit evidence of having paid the annual membership fee under the Fee Schedule.



- (2) Before issuing a resolution on admission of a member firm to trading, the Exchange assesses the due diligence of the new member, verifying in particular the fulfilment of conditions from Article 71 (3, 4) of the Rules.

Procedure of Admission of a Member Firm to Trading

Article 76

- (1) After the conditions from Article 75 hereunder have been met, the Exchange issues a resolution on admission of a member firm to trading.
- (2) On the day the resolution on the admission of a member firm to trading takes effect, the member firm acquires the right to access and conclude trades on all Exchange markets and is assigned the "active" status under Article 160 (1) hereunder.
- (3) Rights and obligations of member firms and traders stipulated in these Rules apply to all Exchange markets.
- (4) The Exchange communicates its having admitted a member firm to trading to member firms, the public and the Agency.

Procedure of Readmission of a Member Firm to Trading

Article 76a

- (1) After the settlement member revokes the suspension from trading as provided for in Article 84 (5) hereunder, the member firm for which it clears and settles deals can again use all trading functionality. The procedure of readmitting the non-settlement member to trading is stipulated in detail in the Instructions.
- (2) After the reasons from Article 84 (1) or (2) hereunder, which caused a member firm's suspension from trading, terminate, the Exchange readmits the member to trading pursuant to the Rules.

Granting the Right to Provide Clients with Direct Access to All Exchange Markets

Article 77

With a procedure laid down in the Instructions, the Exchange grants a member firm the right to provide their client direct access to all Exchange markets, provided this is a member firm from Article 70 (1) hereunder and provided the client meets the minimum standards and criteria of eligibility as specified in the Instructions.

8.1.2. RIGHTS AND DUTIES OF MEMBER FIRMS

Rights of Member Firms

Article 78

- (1) Member firms have the following rights:
 - to access the trading system;
 - to access reports with data summarising daily trading;
 - to use the trading system and trades concluded therein;
 - to concurrently receive the information provided by the Exchange to member firms, which could impact trading;



- to be familiar with the possibilities to access regulated information;
 - to receive information on the listing and delisting of financial instruments from trading on-exchange;
 - to receive information on suspensions and resumptions of trading in a security;
 - to receive information on admission of a member firm to membership of the Exchange and on termination of membership;
 - to submit to the Exchange proposals, initiatives and comments on on-exchange trading;
 - to cooperate in training courses organised by the Exchange;
 - to provide their clients with direct market access to all Exchange markets.
- (2) The member firms exercise their right to information through access to the trading system, Exchange's announcement to the member firms or through public announcements on the SEOnet.

Duties of Member Firms
Article 79

- (1) Member firms have the following duties:
- to act in accordance with the Exchange Rules and Instructions, and ESMA Guidelines, when trading on the Exchange market;
 - to make sure, for the entire duration of their membership at the Exchange, that the organisational, technical, staffing conditions and conditions of settlement, as stipulated by these Rules, and other conditions from Article 70 a of these Rules for members from Article 70 (2), are regularly met;
 - to promptly notify the Exchange of insolvency, compulsory settlement, commencement of bankruptcy or liquidation proceedings, as well as of any other events that affect or could affect their financial status or operations;
 - to notify the Exchange of a merger, split or another form of corporate restructuring and change of registered business activity;
 - to notify the Exchange of any finalised proceedings before the Agency or another authorised supervisory body regarding measures to be imposed on the respective member firm or its traders due to their actions on the Exchange market;
 - to safeguard their system and user identification codes for access to the trading system;
 - to notify the Exchange of having concluded compliance tests of their systems with the new version of the trading system before any installation or major upgrade of the trading system;
 - to harmonise business hours, which record dates and times used for reporting of individual facts required by regulations, with the hours in the Exchange trading system;
 - upon request by the Exchange, to enable an extraordinary audit of their information system in the part related to the use of electronic interfaces and their connection with the information system of a member firm;
 - to pay a membership fee and other fees pursuant to the Fee Schedule;
 - to regularly comply with their duty of reporting on their meeting the conditions for membership, pursuant to the Instructions;
 - to notify the Exchange of any other circumstances which prevent or could prevent them from fulfilling their essential obligations;
 - to be able to use the "kill function" mechanism at any time in accordance with the policy regulating its use;
 - to immediately inform the Exchange of a non-settlement member being suspended from trading, as provided for in Article 84 (5) hereunder, and of this trading suspension being revoked, as provided for in Article 76 (2) hereunder.



- (2) Member firms providing their clients with direct access to all Exchange markets have the following duties:
- they must immediately inform the Exchange and submit the requisite authorisation or withdrawal of authorisation for providing direct market access to a client;
 - direct access to Exchange markets may only be provided to clients that meet the minimum standards and criteria of eligibility as specified in the Instructions;
 - direct access to all Exchange markets may only be provided to clients via separate identification elements as specified in the Instructions;
 - they are fully responsible for orders and trading of their clients via direct access to Exchange markets;
 - they must apply great scrutiny in treating clients they provide direct access to Exchange markets to;
 - they must implement regular controls of clients' direct access to Exchange markets, as specified in the Instructions.
- (3) Member firms making use of algorithmic trading have the following duties:
- they must immediately inform the Exchange and provide the relevant authorisation or withdrawal of authorisation for setting up functioning of algorithmic trading;
 - they must adequately test the functioning of algorithmic trading in the testing environment of the trading system in the manner specified in Articles 9 and 10 Commission Delegated Regulation (EU) 2017/584;
 - they must confirm to the Exchange that functioning of algorithmic trading has been successfully tested and clarify the means used for testing.
- (4) Member firms are obliged to report the following data on orders to the Exchange:
- Identification of the entity that submitted the order;
 - client identification code;
 - investment decision within firm;
 - execution within firm.
- (5) Member firms are obliged to report independently on executed trades in the manner specified in Article 26 of the MiFIR. Transactions, executed on the stock market by members referred to in the Article 70 (2), shall be reported by the Exchange.
- (6) Member firms, their traders and employees are responsible for protecting all data designated as confidential or as business secret by the Instructions as confidential.
- (7) A member firm is responsible to the Exchange for any misuse of system identification codes. In the event of misuse of system identification codes, the Exchange terminates system identification codes immediately upon receiving note of a misuse. The termination of system identification codes does not affect the validity of trades executed prior to termination.
- (8) A member firm is responsible for all trades executed and orders managed under its trading ID, including messages and orders placed via direct market access, and for ensuring adequate systems for and supervision over direct market access.



8.1.3. SUSPENSION FROM TRADING ON-EXCHANGE AND TERMINATION OF MEMBER FIRM STATUS

Suspension from Trading Article 80

- (1) The Exchange must suspend a member firm from trading on-exchange:
 - immediately upon receiving note of the existence of a cause from Article 81 (1) hereunder;
 - immediately upon receiving note of the Agency – or the Bank of Slovenia, or an authoritative supervisory body of a member state or the home country of the respective member – having imposed a measure on the member firm, thus temporarily banning it from rendering investment services;
 - immediately upon receiving notice from a settlement member or settlement system administrator on the member firm failing to comply with its settlement obligations;
 - immediately upon receiving notice of the member firm having entered insolvency proceedings;
 - immediately when it finds that the member referred to in the Article 70 (2) of the Rules does not provide the Exchange with all data for reporting purposes in accordance with Article 26 of the MiFIR Regulation;
 - if this be necessary to ensure fair and orderly trading on the stock exchange market.

- (2) The Exchange may suspend a member firm from trading on-exchange:
 - should the member firm submit to the Exchange a reasoned request for suspension from trading;
 - in the event of circumstances offering reasonable suspicion that the member is in serious breach of the Rules or other Exchange acts;
 - should the reason from item 2 of Article 82(2) hereunder occur once during a continuous period of six months;
 - should the reason from item 3 of Article 82(2) hereunder be given;
 - should the member not meet the staffing conditions from Article 72 hereunder;
 - should the member not meet the technical conditions from Article 71 hereunder;
 - in case of reasonable suspicion that the member is causing disorderly trading conditions in respect of one or several securities by exceeding the minimum/maximum ratio from Article 135 (3) hereunder and if the member, after being asked by the Exchange, does not clarify reasons for the exceeded minimum/maximum ratio;
 - should the member not report to the Exchange the relevant data from Article 79 hereunder in the requisite manner.

- (3) While the measure of suspension from trading is inflicted upon a member firm, it maintains its status of member firm and remains liable to fulfil its duties under this status but it is not able to enforce its rights under the status of a member firm.

- (4) The suspension from trading remains in force until such time as the reason for a member firm's suspension from trading is eliminated and the Exchange readmits a member to trading, or until the suspension from trading results in the infliction of the measure of suspension from membership at the Exchange.

- (5) A settlement member may immediately and autonomously stop the trading activities of its non-settlement member for which it clears deals when this non-settlement member has not settled its



obligations or if it has exceeded its agreed trading limits, as provided for in item 2 of Article 73 (1). Such a suspension from trading remains effective until the settlement member does not revoke it or until the non-settlement member is not suspended from membership, as provided for in the previous paragraph of this Article. The procedure of suspending a non-settlement member from trading is stipulated in detail in the Instructions.

- (6) The Exchange's decision on suspension of a member from trading in accordance with this Chapter applies to all Exchange markets.

Manner of Termination of Member Firm Status

Article 81

- (1) A member firm's status as member terminates on the basis of:
 - suspension, or
 - written resignation.
- (2) Should a member firm's status terminate, all their authorisations also terminate (the right to access the trading system via electronic interfaces, traders' authorisations to operate the trading system, clients' direct access if enabled, etc.).
- (3) The Exchange's decision on terminating a member firm's status in accordance with this Chapter applies to all Exchange markets.

Suspension of Member Firm from Membership

Article 82

- (1) If due to waiver or termination of authorisation to perform investment services and trades, or due to other reasons, a member firm loses the status of a person from Article 70 (1) hereunder, which had served as the basis for obtaining member firm status, the Exchange must suspend it from membership of the Exchange.
- (2) The Exchange may suspend a member firm from membership of the Exchange if:
 - in due time the member firm does not meet its duties under Article 75 hereunder;
 - the member firm does not meet its contractual obligations with the Exchange and this reason is given twice in an uninterrupted period of six months;
 - the member firm does not inform the Exchange of events or circumstances stipulated by the Rules and Instructions and this reason is given twice in a row;
 - the member firm is in serious breach of the Rules;
 - this be necessary to ensure fair and orderly trading on-exchange;
 - the member firm had been continuously suspended from trading for over six (6) months;
 - if the member referred to in the Article 70 (2) of these Rules does not fulfill all special conditions of Article 70 a of these Rules.
- (3) A person having been suspended from membership of the Exchange cannot apply for admission to membership for two (2) years following termination of membership. In the event of a re-application for admission to membership, the Exchange may dismiss the application should the admission of such a person to membership compromise fair and orderly trading on-exchange.



Duties of a Member Firm upon Suspension or Resignation from Membership

Article 83

Should a member firm be suspended from membership or submit a written resignation, it must nevertheless fulfil all its duties to the Exchange.

Termination of Member Firm Status and Termination of Contractual Relationship

Article 84

- (1) A trading firm's status of a member of the Exchange terminates on the day stipulated in the Exchange's resolution.
- (2) The date of termination shall be stipulated by the Management Board in its resolution on suspension from membership or in the resolution on the termination of membership. In case a trading firm resigns from membership by filing a written statement, its status of a member firm of the Exchange terminates no sooner than 30 days after receiving a complete application of a member firm for termination of membership, filed on a form prescribed by Instructions. On the day the status of a member of the Exchange terminates, the Membership Agreement shall also terminate.

8.2. LIQUIDITY PROVIDER

Definition, and Admission of Liquidity Providers

Article 85

- (1) Liquidity providers make a market for a given security by providing two-way quotes in the order book and by concluding trades on the basis of these quotes, in their name and for their account.
- (2) Upon meeting the requisite requirements, the Exchange may grant a member firm the status of a liquidity provider for one or more securities on a given segment of the regulated market.
- (3) The Exchange will impose no limitations as to several liquidity providers simultaneously making the market for a given security.
- (4) Should a member firm meet the criteria from Article 1 of Commission Delegated Regulation (EU) 2017/578 in making the market for a given security, they must immediately inform the Exchange and apply for the status of liquidity provider, by submitting a written application detailing which securities the application refers to.
- (5) A member firm obtains the status of a liquidity provider for one or more securities if it meets the criteria stipulated in the Instructions, by:
 - entering into a Liquidity Provision Agreement with the Exchange;
 - the Exchange issuing a resolution on granting the status of liquidity provider.
- (6) The Liquidity Provision Agreement determines:
 - obligations of the liquidity provider in terms of providing liquidity, and, if appropriate, other obligations arising from item 2 of Article 374 (1) of the ZTFI-1;
 - incentives in the form of discounts or other benefits which the liquidity provider receives for the provision of liquidity, and, if appropriate, other rights arising from item 2 of Article 374 (1) of the ZTFI-1.



- (7) The Exchange posts a list of liquidity providers and the securities for which they make a market on its website.
- (8) The Exchange notifies the Agency about the contents of the concluded agreements with liquidity providers.
- (9) The detailed procedure of granting the liquidity provider status and market making criteria are specified in the Instructions.

Duties and Rights of Liquidity Providers

Article 86

- (1) Liquidity providers are bound to daily enter limit two-way quotes into the order book and conclude trades on the basis of such orders, pursuant to these Rules and on the basis of requirements stipulated by the Instructions.
- (2) The Exchange grants special benefits to liquidity providers who meet specified performance criteria.
- (3) Detailed requirements for liquidity providers, performance criteria and respective benefits are stipulated by the Instructions, where especially the following factors may be considered:
 - type of security,
 - maximum spread,
 - minimum quantity of firm two-way quotes,
 - minimum period of keeping quotes in the order book,
 - issuer's consent.

Termination of Liquidity Provider Status

Article 87

- (1) A liquidity provider may waive its status in full or only for a given security on the basis of a written resignation. After the Exchange has received its written resignation and after the period stipulated in the Instructions the liquidity provider is no longer required to carry out its duties as liquidity provider.
- (2) The Exchange may withdraw the liquidity provider status from a member that fails to fulfil its duties as liquidity provider.



8.3. TRADERS AND ELECTRONIC INTERFACES

8.3.1. ADMISSION OF A TRADER AND ELECTRONIC INTERFACE TO TRADING ON-EXCHANGE

Trader
Article 88

- (1) A trader is a natural person authorised by a member firm on the basis of the Membership Agreement to enter orders to trade into the trading system in its name. The authorisation form is stipulated by the Instructions. It is deemed that a trader, within the authority given to them by a member firm for entering orders for trading, has a right to access all Exchange markets and the right to enter orders for trading into all Exchange markets.
- (2) A member firm may only authorize a person to act as trader:
 - if it has filed a written statement with the Exchange on this person's knowledge of the works of the stock market, the Rules and Instructions, and on its being properly trained to work on the trading system, and
 - if this person holds a valid licence to perform the tasks of a stock broker, from item 1 of Article 219 (1) of the ZTFI-1.
- (3) A person may obtain and display its competence to work on the Exchange trading system by showing experience in operating the system, by taking part in the simulation held by the Exchange or member firm, and by taking part in trainings organised by the Exchange. More detailed criteria for determining the work competence, procedure and content of the statement from this Article are stipulated in the Instructions.
- (4) A trader authorised by a member firm that has its registered office in a member state other than Slovenia or in a third country:
 - must evidence their competence for working with the trading system by providing a written statement on their knowledge of the works of the stock market, the Rules and Instructions and on their being properly trained to work on the trading system; and
 - instead of meeting the condition from item 2 of paragraph 2 of this Article, they must comply with the conditions for acting as stock broker, as laid down by the regulations of the relevant member state.
- (5) A trader may only be authorised to enter orders to trade on behalf of one member firm.
- (6) The Exchange may examine the competence of a member's traders, either at the member's initiative or its own. In the event of major amendments to the trading system or these Rules, the Exchange may require the traders' competence for work with the trading system to be re-examined.
- (7) A member firm may submit to the Exchange a change in authorisation given to a trader, on the basis of which the Exchange decides on a change with regards to trader. A more detailed change procedure with regards to traders is stipulated in the Instructions.



Assignment of Status and Admission of a Trader or Electronic Interface to Trading on-Exchange
Article 89

- (1) On the basis of an authorisation or a change in authorisation from a member firm, the Exchange makes a decision on assigning the status of an authorised trader, if:
 - all prescribed conditions from Article 88 of the Rules are met by the individual trader;
 - all required information is duly provided.
- (2) On the day specified in the decision referred to in the preceding paragraph, the trader acquires the right to exercise all entitlements from Article 91 of the Rules through the member firm's allocated infrastructure. If the trader wants to exercise his/her entitlements through the trading station, s/he must obtain the appropriate code or identification code on the basis of an authorisation from a member firm, as stipulated in paragraph 3 of this Article.
- (3) Where, in accordance with the preceding paragraph of this Article and Article 72 (4) of the Rules, the trader is assigned identification code(s), the Exchange, in the decision on assigning the status from paragraph 1 of this Article:
 - examines whether their personal identification codes adhere to the requisite methodology when assigned by the member firm or the the Exchange assigns the personal identification code by itself, and
 - changes the traders' status to "active", pursuant to Article 107 (1) hereunder.
- (4) As to the safeguarding of identification codes and responsibility carried for the truth value and accuracy of data entered into the trading system by traders or electronic interfaces, the provision of Article 79 (7) hereunder applies.
- (5) In relation to members' electronic interfaces the Exchange implements mutatis mutandis item 2of paragraph 1 and paragraph 3 of this Article.

Decision-Making Procedure in Matters Related to Traders or Member Firms' Electronic Interfaces
Article 90

Chapter 12 hereunder is applied subsidiarily to the decision-making procedure in matters related to traders and electronic interfaces.

8.3.2. RIGHTS AND DUTIES OF TRADERS

Rights of Traders
Article 91

Traders have the right to:

- use the trading system and enter orders to trade on behalf of a member firm;
- receive information communicated to other traders by the Exchange.

Duties of Traders
Article 92

The duties of traders are to:

- respect and enforce the Rules and Instructions as well as the operative instructions issued by the Exchange Management Board and its employees;



- not allow access to and use of the trading system to third parties through their personal identification codes;
- notify the Exchange of any recorded irregularities in the trading system (technical defects or weaknesses).

8.3.3. SUSPENSION OF A TRADER OR ELECTRONIC INTERFACE FROM TRADING ON-EXCHANGE

Temporary Suspension of a Trader or a Member Firm's Electronic Interface from Trading on-Exchange Article 93

- (1) The Exchange may resolve on temporarily suspending a trader from trading on the Exchange particularly in the following cases:
 - if they are justly suspected to be performing actions prohibited by the Rules or Instructions;
 - immediately upon finding out that a trader has enabled access to and use of the trading system to third parties through their personal identification codes;
 - in case of reasonable suspicion that the trader is causing disorderly trading conditions;
 - in other cases which may be stipulated in the Instructions.
- (2) The Exchange may resolve on temporarily suspending an electronic interface from trading on the Exchange particularly in the following cases:
 - if they are justly suspected to be creating market conditions prohibited by the Rules or Instructions;
 - should the Exchange find non-compliance with the Rules and Instructions regarding direct access to Exchange markets granted to a member firm's client;
 - in the event of maximum trading thresholds being exceeded, as specified by the Instructions;
 - should the Exchange find trading via the electronic interface to be creating disorderly trading conditions;
 - in other cases which may be stipulated in the Instructions.
- (3) The suspension and reasons for the temporary suspension of a trader or a member's electronic interface from trading on-exchange are communicated to the respective member firm and the Agency.
- (4) The Exchange's decision on temporarily suspending a trader or a member's electronic interface from trading on-exchange applies to all Exchange markets.

Suspension of Trader or Member's Electronic Interface from Trading on-Exchange Article 94

- (1) The Exchange suspends a trader from trading on-exchange:
 - if the member firm having authorised the trader cancels its authorisation;
 - if the trader submits to the Exchange a written application to be suspended from trading;
 - if the trader is in serious breach of the Rules or Instructions;
 - if such a measure was imposed by the Agency.
- (2) The Exchange suspends a member's electronic interface from trading on-exchange:
 - if the member firm cancels its authorisation for the electronic interface;



- should the Exchange find major non-compliance with the Rules and Instructions or should it find that the conditions for enabling direct access to Exchange markets to a member firm's client are not met;
 - in the event of trading thresholds being repeatedly exceeded, as specified by the Instructions;
 - in the event of the repeated creation of disorderly trading conditions as a result of order management via the electronic interface;
 - in the event of serious breaches of the Rules and Instructions;
 - if such a measure was imposed by the Agency.
- (3) The suspension and reasons for the suspension of a trader or member's electronic interface from trading on-exchange from paragraphs 1 and 2 of this Article are communicated to the respective member firm and the Agency.
- (4) In the event from item 3 of paragraph 1 of this Article, a trader cannot resubmit another authorisation to work on the trading system for the period of two years after suspension. After two years had expired, the Exchange may, in the event of a resubmitted authorisation to work on the trading system on behalf of a member firm, dismiss admission.
- (5) The Exchange's decision on suspending a trader or member's electronic interface from trading on Exchange applies to all Exchange markets.

9. TRADING IN SECURITIES LISTED ON THE STOCK EXCHANGE MARKET

9.1. EXCHANGE TRADES

Exchange Trades

Article 95

- (1) Exchange trades are purchases and sales of securities listed on the stock exchange market, effected through the trading system in a manner stipulated by these Rules and Instructions.
- (2) Unless otherwise stated in the Rules, the provisions that stipulate trading in securities listed on the stock exchange market also apply to trading in money market instruments (such as e.g. treasury bills and commercial papers).
- (3) Exchange trades can only be executed by member firms.

Object of Exchange Trades

Article 96

The object of exchange trades is dematerialised securities admitted to the stock exchange market, such as an issuer's statement registered in the KDD central registry, binding the issuer to meet its obligations from the dematerialised security.

Price

Article 97

- (1) In exchange trading, the price of securities is expressed in values higher than zero (0).



- (2) The price of shares, investment certificates, warrants and units in investment funds (UCITS / AIF) is given in euros (EUR) for one lot.
- (3) The price of bonds and other debt securities as well as money market instruments, with the exception of investment securities and warrants, is expressed as a percentage of the nominal value or as a percentage of the not yet paid-out principal (annuity bonds), without accrued interest.
- (4) In addition to the purchase price from paragraph 3 of this Article, the buyer of bonds and other debt securities as well as money market instruments, except investment certificates, is also obligated to pay the accrued but not yet due interest, pursuant to the rules of the settlement system. The accrued interest that the buyer of bonds owns to the seller is calculated in accordance with the rules of the settlement system.

Quantity in Executing Exchange Trades

Article 98

- (1) In the trading system securities are traded in lots, which is stipulated by the Instructions. One (1) lot is a quantity unit of exchange trading.
- (2) For bonds and money market instruments one (1) lot is the nominal value of the non-past-due principal.

Execution Time of Exchange Trades

Article 99

Execution time of an exchange trade is the moment when the trading system matches the bid and ask sides in compliance with the Rules. Execution time is the time recorded by the trading system.

Execution Venue of Exchange Trades

Article 100

The execution venue of an exchange trade is considered to be the Exchange registered office.

Dividend Entitlement and Coupon Expiration

Article 101

- (1) The Exchange specifies the ex-coupon or ex-dividend date, or the date when any other rights and liabilities cease, for the object of exchange trades.
- (2) Bonds are admitted ex-coupon one business day prior to the record date. The record date is a date determined by the issuer as the date when the right to the coupon can no longer be transferred to a new holder together with the transferred bond. If the issuer fails to communicate the record date to the Exchange, the information on record dates communicated by the settlement system is applied.
- (3) The date when shares are traded ex-dividend is determined with regard to the record date on which persons entitled to the dividend are identified. The announcement on the beginning of trading ex-dividend also states the dividend amount and the payment period.



No-Par Share Split

Article 102

- (1) For share splits of no-par shares where the share capital remains unchanged, the (max. three) trading days on which the split ratio is taken into account in the settlement of trades executed in the respective shares on the respective days is specified considering the record date, in compliance with Article 165 hereunder.
- (2) On the trading days specified in line with paragraph 1 of this Article, the volume of shares traded is that prior to the share split. For the settlement of the respective concluded trades, the Exchange provides the KDD with information in such a manner so as to multiply the volume of each concluded trade by the multiple from the split ratio, while the prices will be divided by the multiple from the split ratio.
- (3) Trading days from paragraph 1 of this Article are only specified if all of the following conditions be met:
 - the split ratio is such that when rounded it does not cause a discrepancy between the actual value of the concluded trade and the value of the concluded trade as calculated by means of the split ratio in compliance with paragraph 2 of this Article, and
 - the conditions from Article 101 (3) hereunder are met.

9.2. GENERAL TRADING RULES

Trading Days

Article 103

Stock trading operates every working day. There is no trading at the Exchange on national and other public holidays, and in case of special circumstances. The Exchange adopts a resolution to determine the time schedule of trading sessions. Any changes are publicly announced at least five (5) days prior to them taking effect.

Trading Procedures

Article 104

- (1) The trading system allows a security to be traded in the continuous or auction trading procedure.
- (2) The continuous trading procedure begins with an opening auction and allows immediate execution of trades from orders entered into the trading system, according to the matching of their terms, pursuant to these Rules. In the continuous trading procedure, the price of a concluded trade results from the current best ask and bid, and is normally determined by the order that had been entered into the trading system first. The continuous trading procedure ends in a closing auction.
- (3) In the auction trading procedure, a security is traded in one auction daily, where all trades are concluded at the same moment and at the same price (auction price). This price forms on the basis of orders that are entered into the trading system up until the beginning of trade execution, according to the matching of their terms, pursuant to these Rules and so as to achieve the highest executable volume.
- (4) Criteria for the inclusion of securities into one of the trading procedures depends on the nature and features of trading with this security and are specified in the Instructions, whereby the primary criteria to be considered are that of liquidity.



Order Book Phases and Duration of on-Exchange Trading
Article 105

- (1) The order book can be in the following phases:
 - closed– order management, trade execution and viewing orders in market depth are not possible;
 - book – order management is possible, trade execution and viewing orders in market depth are not possible;
 - auction – order management, trade execution and viewing orders in market depth depend on the phase of the auction;
 - continuous trading– order management, trade execution and viewing orders in market depth are possible;
- (2) In the continuous trading procedure, the order book passes through the following sequence of phases:
 - closed;
 - book;
 - auction (opening auction);
 - continuous trading;
 - auction (closing auction);
 - book;
 - closed.
- (3) In the auction trading procedure, the order book passes through the following sequence of phases:
 - closed;
 - booke;
 - auction;
 - book;
 - closed.
- (4) The order book phases from paragraphs 2 and 3 of this Article may be interrupted by additional auctions or volatility interruptions related to the safeguards from Chapter 9.6. hereunder.
- (5) The Instructions stipulate into more detail the market depth data visible during each order book phase.
- (6) The Instructions determine the duration of order book trading in both continuous and auction trading procedures, as well as the time schedule of auctions for individual securities in the auction trading procedure.
- (7) To ensure the minimum smooth operability of the order book, the Exchange may adopt a resolution to change the trading procedure and specific order book phase.

Member Firm Trading Status
Article 106

- (1) A member firm may have either of the following statuses in the trading system:
 - active – the member firm can conclude trades and manage orders in the trading system; or
 - inactive – the member firm cannot conclude trades or manage orders in the trading system.
- (2) A member firm's status may change under a resolution adopted by the Exchange, when the requirements stipulated by the Rules are met and, also, when a member is suspended from trading by



the settlement member that clears its deals as well as when such a suspension is revoked pursuant to Articles 84 (5) and 76 (2) hereunder.

Trading Status of Traders and Electronic Interfaces

Article 107

- (1) A trader or electronic interface may have either of the following statuses in the trading system:
 - active – the trader or electronic interface can conclude trades and manage orders in the trading system; or
 - inactive – the trader or electronic interface cannot conclude trades or manage orders in the trading system.
- (2) The status of a trader or electronic interface may change under a resolution adopted by the Exchange, when the requirements stipulated by the Rules are met.

Security Status

Article 108

- (1) In the trading system, securities may be in the following statuses:
 - traded – trade execution and order management are possible;
 - halted – trade execution and order management are not possible;
 - suspended - trade execution and order management are not possible; when establishing the “suspended” status, the trading system automatically removes all orders;
 - delisted – the security is delisted, whereby trade execution and order management are not possible.
- (2) The status of a security changes on the basis of a resolution adopted by the Exchange when the conditions from the Rules are met, with the exception of the event from Article 140 hereunder.

9.3. ORDERS TO TRADE

Order Management

Article 109

- (1) Member firms execute buy and sell orders in the trading system by entering the requisite bid or ask to the order book and by further managing such orders in the order book.
- (2) Order management includes: the entry, change, halt, release or deletion of an order.
- (3) Order management allows for specific combinations of types of orders and their execution restrictions, whereby order management restrictions depend on the trading procedures, order book phases and phases in auctions, as well as on the functionality of the used interface, as stipulated in Articles 71, 104, 105 and 127 hereunder.
- (4) A special manner of order entry applies to quotes – simultaneous two-side orders to buy and sell –, which can only be used on liquidity provider accounts from Article 117 (4) hereunder.

Types of Orders

Article 110

- (1) With respect to price, orders are divided into the following types:



- market order – limit is not set;
- limit order – the final acceptable buy (highest) or sell (lowest) limit is set.

Limit orders are buy or sell orders to be executed at the set limit price or better.

- (2) Market orders are unlimited buy or sell orders (orders to buy or sell at the best available price) to be executed at the next price that is determined. The trading system highlights market orders so that they stand out in the order book.
- (3) The Instructions stipulate additional sub-types of orders and their manner of execution and functionality.

Orders with Execution Restrictions

Article 111

- (1) Orders with execution restrictions are orders which are executed in the manner and under conditions defined by such an order.
- (2) The Instructions stipulate detailed execution conditions for the orders from paragraph 1 of this Article.

Orders with Trading Restrictions

Article 112

- (1) Orders with trading restrictions are orders, which may have a certain trading restriction linked to a market condition or to a particular trading phase in which such order can be executed.
- (2) Orders with trading restrictions and their functionality are stipulated in more detail in the Instructions.

Orders with Validity Restrictions

Article 113

- (1) Orders with validity restrictions are orders whose validity is linked to the date such an order defines. In the event that the validity restriction is not met, the order is automatically removed from the system.
- (2) Orders with validity restrictions and their functionality are stipulated in more detail in the Instructions.

Article 114

(deleted)

Obligatory Order Attributes

Article 115

- (1) The following data are obligatory upon order entry into the trading system:
 - type of order (buy or sell);
 - ticker code;
 - quantity;
 - type of account.
- (2) The trading system rejects orders that do not contain all obligatory order attributes from paragraph 1 of this Article.



- (3) For orders entered for the custody account, the account number from item 5 of paragraph 1 of this Article is an obligatory order attribute. Should it not be provided or should a non-existent custody account number be provided, the entered order is treated as an order entered for the proprietary account, which is stipulated in detail in the Instructions. The account number from item 5 of paragraph 1 of this Article is checked for accuracy only if this be necessary to ensure the adequate operation of the settlement system, which is stipulated in detail in the Instructions.

Optional Order Attributes

Article 116

- (1) In addition to obligatory order attributes from Article 115 hereunder also optional order attributes defined in the Instructions may be entered upon order entry into the trading system.
- (2) The trading system rejects orders containing ineligible optional attributes.
- (3) Different types of access to the trading system may enable a member firm to use also other order types and optional attributes. However, before actually being entered in the trading system, such orders may be modified and additionally transformed into one or more sequences of orders that correspond to a form as stipulated by these Rules. Notwithstanding the possible different interfaces, types of available orders and optional order attributes, an order is always considered accepted for execution by the Exchange in the moment the interface transfers it into the Exchange trading system with the attributes as stipulated by these Rules and the Instructions.

Types of Accounts

Article 117

- (1) The trading system allows for the use of the following types of accounts:
 1. proprietary account,
 2. agent account,
 3. liquidity provider account.
- (2) A proprietary account is an account used by a member firm to keep a record of the securities it owns on its own account. A member firm may execute orders for its own account only through its proprietary account, except in case of liquidity provision from paragraph 4 of this Article.
- (3) An agent account is an account used by a member firm to keep a record of the securities held by a client of the respective member. A member firm may execute orders to trade for its clients only through its agent account.
- (4) A liquidity provider account is an account used by a member firm to provide liquidity, as stipulated in Chapter 8.2 hereunder.
- (5) The use of types of accounts from this Article may be stipulated into more detail by the Instructions.

Use of Accounts in Settling via another Settlement Member

Article 118

- (1) A member firm that would like to transfer the liabilities and obligations from stock trades onto another settlement member in compliance with the KDD Operations Rules must specify the custody account



number it was assigned by KDD for this purpose upon each order entry. This custody account is a sub-type of the agent account from Article 117 (3) hereunder.

- (2) A member firm settling its trades through another settlement member may only use the accounts specified for this purpose by its settlement member.
- (3) When using accounts from paragraph 1 of this Article, a member firm must keep two separate sets of securities accounts – for securities it owns for its proprietary account, and for securities it owns for its clients' accounts – by using one account for orders executed in its own name and for its proprietary account, and another account for orders executed in its own name and for the accounts of its clients.
- (4) The manner in which the accounts from paragraph 1 of this Article are to be used, are detailed in the Instructions.

Time of Order Entry
Article 119

- (1) The time of order entry is the time designated to the order by the trading system when it registers it. When the order enters the order book it is assigned a unique time stamp.
- (2) When the time stamp is assigned, it is considered that a sell or a buy bid has been entered into the trading system.

Tick
Article 120

- (1) Tick denotes the smallest allowed upward and downward buy or sell price movement in a security upon order entry.
- (2) The system for determining and monitoring tick sizes for individual listed securities are determined in accordance with the Delegated Commission Regulation (EU) 2017/588 in the Instructions.

Order States
Article 121

- (1) In the trading system, orders may be in the following states:
 - active – the order may be executed;
 - halted – the order cannot be executed. Pursuant to the Rules, orders may be halted by the Exchange or a member firm, and may only be reactivated by the member. Upon reactivation the order receives a new time stamp;
 - deleted – the order has been deleted from the system after being executed or having expired, or it has been cancelled by the Exchange or a member.
- (2) After trading close on each trading day, the trading system shifts all orders the validity of which had expired into the "deleted" state.
- (3) In the event of the termination of individual types of orders or in the event of changed order operations, the Exchange may – upon the transition to the new system – delete from the trading system the orders sitting on the order book, which are bound to be affected by the new system of orders. The Exchange must give written notice thereof to all member firms in advance.



- (4) An order is considered to be placed on the order book if it is active and can be executed, considering its special terms (trading restrictions, stop limit, etc.).

Sequence of Orders

Article 122

- (1) When an order is entered into the trading system, it is designated a unique time stamp equal to the time of order entry.
- (2) Orders on the order book are placed into sequence considering the following criteria, applied consecutively:
 - market orders take priority over limit orders;
 - limit orders on the order book are placed into sequence so that in executing buy orders those with a higher price take priority, and in executing sell orders those with a lower price take priority;
 - if several orders have the same price, they are placed into sequence by prioritising orders with an older time stamp.
- (3) In cases when the price changes a market order changes to limit order or vice versa, or order quantity increases, the system automatically assigns the order a new time stamp.
- (4) The Instructions stipulate in more detail the changes in the sequence of orders caused by changes of optional order attributes.

Order Entry in Different Order Book Phases and Trading Procedure

Article 123

Orders may be entered into the trading system in different order book phases. The Instructions stipulate in more detail which orders can be entered in individual order book phases or individual trading procedures.

Withdrawal of Orders in Case of Special Circumstances

Article 124

- (1) In cases of delisting a security from a stock exchange market, suspending a member from membership, suspending a trader or electronic interface from trading, changing tick size for a security, changing the nominal value of the principal for a bond, changing the ticker symbol of a security, or changing the trading currency, the Exchange deletes all orders for a security on the order book.
- (2) In case of corporate actions that cause changes in securities (such as stock splits, stock mergers and similar), before a trading system upgrade and in other similar events, the Exchange may decide to delete all orders that were entered into the order book before the suspension of trading, either when trading resumes or before the trading system is upgraded.
- (3) When the events from paragraph 1 of this Article can be expected to have a major influence on security prices, the Exchange may decide on a case by case basis to adjust the reference price in the trading system.
- (4) For the purposes of Article 135 (1), the Exchange may use the 'kill functionality' and delete all member's orders sitting on the order book.



- (5) For the purposes of Article 135 (1) or in case it finds that the conditions for enabling a client's direct access are not met, the Exchange may the 'kill functionality' and delete all orders sitting on the order book that were submitted via the direct access provided to a particular client.
- (6) The Exchange may delete all orders from the trading system (before their expiry) in cases where this is necessary and appropriate to ensure the functioning of the stock market and to protect the interests of investors.
- (7) In case of failure of the trading system or in case of other major problems referred to in Article 157 of these Rules, all "impersistent" orders and all simultaneous two-side orders of liquidity providers referred to in the Article 109 (4) of these Rules (i.e. "quotes") shall be deleted. The Exchange informs all members about the deletion of orders.
- (8) With reference to Trading Instructions, orders may be "persistent" or "impersistent". "Impersistent" orders get automatically deleted from the order book if a security becomes "halted" or "suspended", while "persistent" orders are automatically deleted if the security becomes "suspended".
- (9) The criteria for deciding to adopt the measures pursuant to the provisions of this Article are stipulated into more detail in the Instructions. The Exchange informs member firms of all taken measures.

9.4. EXECUTION OF EXCHANGE TRADES

Order Management and Trade Execution

Article 125

Order management and trade execution depend on the trading procedure, order book phase, security state, order state, the status of a member firm and trader, as well as on the functionality of the used interface.

Auctions

Article 126

- (1) In the continuous trading procedure, the auction is the transition between the book phase before the beginning of trading and the continuous trading phase (opening auction), and the transition between the continuous trading phase and the book phase before the end of trading (closing auction).
- (2) In the auction trading procedure, the auction is the transition between the book phase before the auction and the book phase after the auction.
- (3) A special auction (volatility interruption) occurs when the safety mechanisms from Chapter 10.6 hereunder are triggered.

Phases in Auctions

Article 127

- (1) The auction from Article 126 hereunder may have the following consecutive phases:
 - call phase – order management is possible;
 - price determination phase – order management is possible until the auction price is determined and orders can be matched, which happens at a random moment.



- (2) The price determination phase from item 2 of the previous paragraph depends on the market situation; the following can happen:
- if best ask surpasses best bid, trades are not executed,
 - if best bid equals or surpasses best ask, or
 - if the only active orders on the order book are market orders, trades are executed at the auction price from Article 128 hereunder and according to the sequence of orders from Article 122 hereunder.

Auction Price
Article 128

- (1) The auction price is a price at which orders are matched in an auction from Article 126 hereunder, so as to achieve the highest executable volume and the lowest volume surplus of participating orders.
- (2) When the auction price cannot undisputedly be determined on the basis of paragraph 1 of this Article due to the existence of several available prices, when taking into account the tick size, the following occurs:
- if there is order surplus on the bid side only or on the ask side only, , when there are no market orders in the order book, the auction price is the highest or the lowest of the possible prices;
 - if there is order surplus on the bid side only or on the ask side only resulting from one or more market orders, the auction price is determined according to reference price 1 from Article 134 (5) hereunder in the following way:
 - in the event of order surplus on the ask side:
 - when the reference price 1 is higher than the lowest possible price, auction price is reference price 1;
 - when the reference price 1 is lower or the same as the lowest possible price, auction price is the highest possible price;
 - in the event of order surplus on the bid side:
 - when reference price 1 is higher than or the same as the lowest possible price, auction price is the lowest possible price;
 - when reference price 1 is lower than the lowest possible price, auction price is reference price 1;
 - when the surplus on the bid and ask sides are the same or when there is no surplus, the auction price is determined, when taking into account the tick size, according to reference price 1 from Article 134 (5) hereunder in the following way:
 - If two prices are possible:
 - if reference price 1 is higher than or the same as the highest possible price, auction price is the highest possible price;
 - if reference price 1 is lower than or the same as the lowest possible price, auction price is the lowest possible price;
 - If at least three prices are possible:
 - if reference price 1 is higher than or the same as the highest possible price, auction price is for tick size lower than the highest possible price;
 - if reference price 1 is lower than or the same as the lowest possible price, auction price is for tick size higher from the lowest possible price;
 - if reference price 1 is between the lowest and the highest possible price, auction price is reference price 1.



- (3) If only market orders are active on the order book, trades executed upon price determination are executed at reference price 1.

Sequence of Trade Execution

Article 129

Trade execution in the trading system is carried out in such a manner that ensures, considering each buy and sell offer in market depth, the application of the sequence of orders as stipulated in Article 122 (2) hereunder.

Terms of Order Execution

Article 130

- (1) In the main trading phase in the continuous trading procedure, the trading system automatically executes active orders with matching terms against each other, pursuant to Articles 105 and 127 hereunder and the sequence from Article 122 hereunder.
- (2) In an auction from Article 126 hereunder, trade execution is possible during the price determination phase, pursuant to Articles 105 and 127 hereunder and the sequence from Article 122 hereunder.

Price of Executed Trade

Article 131

- (1) In the continuous trading procedure, a trade is executed during the main trading phase, at the price of the order with the older time stamp. The following applies to trade execution of a market order:
- if a market and limit order are matched, the trade is executed at the price of the limit order;
 - if two market orders are matched, the trade is executed at reference price 1; except in the following cases:
 - there is best bid but no best ask on the order book, with at least one buy market order, and then a sell market or limit order with a price lower or equal to best bid enters the order book:
 - the trade is executed at the price equal to reference price 1, if reference price 1 is higher than or the same as the highest buy price;
 - the trade is executed at the price equal to the highest buy price, if reference price 1 is lower than the highest buy price;
 - there is best ask but no best bid on the order book, with at least one sell market order, and then a buy market or limit order with a price higher than or equal to best ask enters the order book:
 - the trade is executed at the price equal to reference price 1, if reference price 1 is lower than or the same as the lowest sell price;
 - the trade is executed at the price equal to the lowest sell price, if reference price 1 is higher than the lowest sell price.
- (2) In the auctions in the continuous trading procedure, from Article 126 (1) (3) hereunder, trades are executed at the auction price.
- (3) In the auction trading procedure, each trade is executed at the auction price.

Cross Trade

Article 132



- (1) A cross trade is a trade in which the same member firm acts as buyer and as seller.
- (2) Cross trades can be transacted in the trading system by the two orders being entered separately, pursuant to Chapter 9.2 hereunder and its implementation as stipulated in Article 130 hereunder.

9.5. PRICE PUBLICATION

Closing Price

Article 133

- (1) The official price of a security on a given trading day is the closing price.
- (2) Closing price in the continuous trading procedure is the auction price formed during the closing auction. If there were no trades executed in a given security during the closing auction, closing price is the price of the last trade of the day.
- (3) Closing price in the auction trading procedure is the auction price formed during the auction.
- (4) If there are no trades executed in a given security on a given day, the closing price for the day is the closing price of the previous trading day.
- (5) The closing price of a security is published in the Exchange Price List.

Securities Prices

Article 134

- (1) The pre-opening price of a security is the indicative price in the auctions from Article 140 hereunder and equals at a given moment the auction price that would form if the price determination phase occurred at that very moment and trades were matched.
- (2) The opening price of a security on a given trading day is the price of the first trade of that day.
- (3) Best ask is the price of the best active limit order on the ask side, according to the sequence from Article 122 hereunder.
- (4) Best bid is the price of the best active limit order on the bid side, according to the sequence from Article 122 hereunder.
- (5) Reference price 1 is the last trade price.
- (6) Reference price 2 is the last auction price formed in one of the auctions during the trading day. In case such an auction price did not form, reference price 2 is the price of the last trade of previous trading days.



- (7) The Instructions may also stipulate other prices as well and define their calculation and use.
- (8) On the first day of trading in a security, the initial reference price 1 and reference price 2 are set at a value proposed by the issuer during the flotation procedure or else the Exchange sets it in compliance with the Instructions.

9.6. PREVENTING DISORDERLY TRADING CONDITIONS

Arrangements Preventing Disorderly Trading Conditions

Article 135

- (1) For the purposes of preventing disorderly trading conditions, the Exchange has set up:
 - limits per member of the number of orders sent per second;
 - mechanisms to manage volatility;
 - pre-trade controls;all of which are specified in the Instructions.
- (2) For the purposes of the previous paragraph, the Exchange may request information from any member on their organisational requirements and trading controls.
- (3) For the purposes of preventing disorderly trading conditions, the Exchange calculates the ratio of unexecuted orders to transactions per each member, specifying the minimum/maximum ratio. The calculation and minimum/maximum ratio are specified in the Instructions.

Pre-Trade Controls

Article 136

- (1) The trading system has the following pre-trade controls, adjusted to every financial instrument traded in Exchange markets:
 - price collars;
 - maximum order value;
 - maximum order volume.
- (2) The Exchange sets the thresholds from paragraph 1 of this Article. A member firm may set their own thresholds if lower from those set by the Exchange.
- (3) The trading system facilitates controls from paragraph 1 of this Article in the following manner:
 - an order is rejected when the threshold from paragraph 2 of this Article is exceeded;
 - procedures and arrangements are in place to temporarily and in exceptional circumstances override controls if a member firm ask for this.

Automatic Safeguards

Article 137

- (1) The purpose of safeguards in the stock market is to facilitate orderly price formation. This is achieved through a combination of the following measures:



- ensuring a longer exposure and concentration of orders;
 - the Exchange's active guidelines regarding order management;
 - temporary suspensions of trading in cases of major price fluctuations.
- (2) Safeguards are used primarily in the following situations:
- major price fluctuations between consecutive stock exchange trades;
 - major price fluctuations of trades respective to the last auction price;
 - unfilled market orders at the end of an auction;
 - potential major price fluctuations within an auction;
 - potential major auction price fluctuations during auction trading or a closing auction.
- (3) Safeguards can be applied in two ways:
- automatic safeguards or auctions from paragraph 2 of this Article;
 - additional operative procedures enforced by the Exchange to ensure orderly price formation.
- (4) The trading system automatically triggers the following auctions:
- volatility interruptions;
 - extended volatility interruptions.

Volatility Interruption

Article 138

- (1) A volatility interruption in a security is carried out if the trade is concluded at a price outside the following corridors:
- dynamic price corridor – includes prices that deviate from reference price 1 by less than a percentage stipulate by the Instructions; or
 - static price corridor – includes prices that deviate from reference price 2 by less than a percentage stipulate by the Instructions.
- (2) Volatility interruptions occur in one of the following ways:
- trading in a security traded continuously is suspended through an auction; or
 - the call phase is extended:
 - in the opening/closing auction during continuous trading, or
 - in an auction during auction trading.
- (3) Volatility interruptions occur in compliance with Article 127 hereunder.
- (4) The detailed procedure of carrying out volatility interruptions is stipulated in the Instructions.

Article 139

(deleted)

Extended Volatility Interruption

Article 140

- (1) An extended volatility interruption is triggered in continuous and auction trading at the moment of potential trade matching in the price determination phase during a volatility interruption. The extended volatility interruption is triggered if the auction price that was to be determined is outside a multiple of



the dynamic price corridor from item 1 of Article 138 (1) hereunder, which is stipulated in the Instructions.

- (2) During extended volatility interruptions, the Exchange actively participates in the formation of the auction price by conducting one or several operative procedures:
 - extending the call phase,
 - asking member firms to manage orders in a way to facilitate better auction price formation,
 - temporarily assigning a security the »halted« status,
 - changing the security's status back to »traded«.
- (3) When a security is assigned the »halted« status during the closing auction:
 - in continuous trading the closing price equals the price of the last trade prior to the beginning of the closing auction,
 - in auction trading the closing price equals the closing price of the previous trading day.
- (4) In changing security status from »traded« to »halted« and back, as provided for by paragraph 2 of this Article, which is in compliance with the standardised and predefined procedures that apply to extended volatility interruptions pursuant to the Instructions, the Exchange does not impose the additional measures from Article 141 hereunder.
- (5) In conducting operative procedures and defining deviating orders from paragraph 2 of this Article, the Exchange primarily considers the following criteria:
 - the stock's trading volume,
 - the number of orders that cannot be executed if orderly trading is to be maintained,
 - the size of orders that cannot be executed if orderly trading is to be maintained,
 - trading procedure,
 - the deviation of indicative auction price from reference price 1.
- (6) The detailed procedure of carrying out extended volatility interruptions is stipulated in the Instructions

Temporary Suspensions of Trading and Measures in Cases of Major Price Fluctuations
Article 141

- (1) In the event of major price fluctuations or other unusual circumstances (e.g.: major volume variations, a market imbalance, etc.) at the beginning of or during trading, the Exchange may change the trading schedule or suspend trading in a security for a short period of time, until such circumstances have returned to normal.
- (2) In the event of possible major price fluctuations or other unusual circumstances (e.g.: major volume variations, a market imbalance, etc.), in the event of expected changes in a security (e.g.: share split, etc.) or in the event of changes related to an issuer of a security (e.g.: due to a corporate action, issue of a new security, beginning or end of a takeover bid, etc.), the Exchange may, with a view to facilitating orderly price formation, temporarily change the trading procedure of the security in accordance with Article 105 (7) hereunder or appropriately adjust price corridors from Articles 138 (1) and 140 (1) hereunder.
- (3) In the event of established disorderly trading conditions, the Exchange may for a reason of protection of safeguarding investors' interests temporarily suspend trading in accordance with chapter 3.5.



hereunder, if it establishes that the disorderly trading conditions on the stock exchange market (i.e. major price fluctuations, increased number of extended volatility interruptions or other unusual circumstances), which could be related to issuer circumstances or their securities, persist for a longer period of time. Temporary suspension in such an event lasts until the Exchange's decision to resume trading or until the issuer circumstances, which had led to the temporary suspension, have changed.

- (4) Should the value of the Exchange benchmark index deviate from the closing value of the respective index on the previous trading day by more than a percent stipulated by the Instructions, the Exchange may temporarily suspend trading on the stock exchange market. Securities that were *traded* become *halted*, while other securities do not change their status.
- (5) If reference prices from Article 134 hereunder need to be adjusted as a result of cancellation of a trade from Article 142 hereunder, the Exchange may suspend trading in the security for a short period until such prices are adjusted.
- (6) Upon the resumption of trading in a security, the Exchange enables member firms to manage orders that refer to securities from paragraph 1, 3 and 4 of this Article for the min. period of 10 (ten) minutes. This 10-minute period encompasses the book phase from item 2 of Article 105 (1) and the call phase from item 1 of Article 127 (1) hereunder. After that, the other phases of the auction follow, in compliance with Article 127 (1) hereunder.
- (7) The Exchange may discontinue trading in a security by halting or suspending the security. Halting is carried out by changing the status of a security from *traded* to *halted*, suspending is carried out by changing the status from *traded* to *suspended* in accordance with Article 108 hereunder. As a rule, the Exchange halts trading in the event of short trading interventions, and suspends trading in the event of delisting of securities from the stock exchange market, corporate actions or other activities from Article 124 hereunder.
- (8) In cases of greater imbalances in the stock market the Exchange may adopt a resolution to temporarily restrict the use of certain types of orders, with a view to facilitating orderly market operations.
- (9) The Exchange lays down the decisions from paragraphs 1–4 of this Article in a resolution, of which member firms, the Agency and the public are thereupon notified.
- (10) The Exchange notifies member firms and the public of the decision from paragraph 5 of this Article.
- (11) Detailed procedures are stipulated in the Instructions.

9.7. CANCELLATIONS OF EXECUTED STOCK EXCHANGE TRADES

Cancellation of an Executed Trade *Article 142*

- (1) An exchange trade executed due to an error on part of one of the member firms may be cancelled upon agreement of both members. An exchange trade is cancelled if the respective members provide the



Exchange with an application for cancellation of the trade, in the manner and within the time frames specified in the Instructions.

- (2) The Exchange may cancel a stock exchange trade not executed under the provisions of the Rules and Instructions without the consent of member firms.

Article 143
(deleted)

9.8. BLOCK TRADES

9.8.1. GENERAL RULES ON BLOCK TRADES

Block Trades
Article 144

- (1) Listed securities traded on any segment of the stock exchange market and money market instruments can also be subject to regulated block trading.
- (2) A block is an exchange trade executed in compliance with the provisions of this Chapter hereunder, whereby it is also subject to value restrictions pursuant to this Article.
- (3) A block of securities from paragraph 2 of this Article is that quantity of securities where:
 - the price of an equity, units in investment funds (UCITS / AIF), investment certificate or warrant, multiplied by the number of lots or
 - the price of a bond or money market instrument multiplied by the principal value of one lot of the bond or money market instrument and the number of lots equals or exceeds the minimum value of the block trade.
- (4) The minimum value of a block trade is specified by the Instructions.

Types of Block Trades
Article 145

The following types of block trades can be transacted on the Exchange:

- bilaterally negotiated block trades – trades transacted by two member firms;
- cross block trades – trades transacted by a single member firm.

Price of a Block Trade
Article 146

- (1) Prices of block trades are not considered in calculating the prices from Articles 133 and 134 hereunder.
- (2) For block trading, the Exchange does not calculate official prices.

Transacting Block Trades
Article 147



- (1) A block trade is a trade executed either by two member firms or a single member firm, by both parties to the trade confirming the obligatory block order attributes from Article 148 hereunder.
- (2) Block transactions involve offers for block trades submitted to the counterparty, and those offers being confirmed in the trading system.
- (3) The time and date of block trade execution are the time and date when the trade is confirmed by both parties to the trade.
- (4) A block transaction is not allowed if:
 - the block order does not contain all obligatory attributes from Article 148 hereunder;
 - the value of the block trade is lower from the value set out in Article 144 (4) hereunder;
 - the block order was entered for a security that is halted or delisted;
 - the block order was entered outside the designated trading time specified in the Instructions.

Block Orders

Article 148

- (1) A block order transferred to the counterparty must contain all the obligatory block order attributes from paragraph 2 of this Article.
- (2) Obligatory block order attributes are:
 - type of order (buy or sell);
 - block code;
 - ticker code;
 - quantity;
 - price;
 - time of trade;
 -
 - account type;
 - code of counterparty trader.
- (3) Optional block order attributes are stipulated in the Instructions.
- (4) In addition to order attributes from paragraph 2 of this Article, account number is also an obligatory order attribute for custody accounts from Article 118 (1) hereunder.

9.9. TRANSPARENCY OF TRADING IN LISTED SECURITIES

9.9.1. TRANSPARENCY OF TRADING FOR THE PUBLIC

Transparency of Information on Ask and Bid on the Stock Exchange Market

Article 149

To make it publicly available, the Exchange discloses information on the ask and bid in listed securities in the following manner:



- for continuously traded securities – by providing information on the aggregate number of orders and the aggregate volume of securities for at least five best bid and ask price levels;
- for securities traded in the auction trading procedure – by providing information on:
 - the pre-opening price, and
 - the quantity that would be executed at the moment of trade matching in the price determination phase pursuant to Chapter 9.4 hereunder.

Transparency of Information on Executed Exchange Trades

Article 150

- (1) To make it publicly available, the Exchange discloses information on all trades in listed securities executed on the stock exchange market, by enabling access to the following data on executed trades:
- date and time of trade execution,
 - ticker code,
 - price for one lot of the traded security in which the trade was executed,
 - currency of the price,
 - quantity of securities in which the trade was executed,
 - place or venue of trade execution,
 - date and time of trade publication,
 - venue of trade publication,
 - trade ID,
 - code of trade type.
- (2) For debt securities, the Exchange discloses the following data on executed trades in addition to those from paragraph 1 of this Article:
- type of ticker code;
 - price format;
 - notional amount;
 - notional currency.

- (3) Should the previously disclosed data on executed trades be cancelled, the Exchange publishes new trade data with the same details as originally, together with the ID of the cancelled trade.

Manner of Ensuring Trade Transparency

Article 151

- (1) The Exchange ensures the availability of data from Articles 149 and 150 to the public by continuously publishing this information during regular trading hours as soon as the orders are entered or executed in the trading system pursuant to the Rules and Instructions.
- (2) The Instructions and Fee Schedule stipulate in detail the manner of publication, and terms and conditions for access and use of the data from Articles 149 and 150.



9.9.2. TRADING TRANSPARENCY FOR MEMBER FIRMS

Available Data on Ask and Bid, Executed Exchange Trades and Security Status
Article 152

- (1) All member firms have access to the following data on a security in the trading system:
 - type of order (buy or sell);
 - ticker code;
 - trading procedure;
 - prices of individual trades;
 - quantities of individual trades;
 - time of trade execution;
 - trade ID;
 - reference price 1;
 - reference price 2;
 - total quantity of executed trades;
 - order book phase;
 - security status.

- (2) The trading system must restrict access to the following confidential data:
 - number of account for individual orders and trades;
 - type of order account;
 - reference for individual orders;
 - total quantity for iceberg orders;
 - code of trader or electronic interface for individual orders and trades;
 - code of member firm for individual orders and trades;
 - time stamp of order;
 - time of entry of order.

- (3) The Instructions stipulate into more detail the level of available data on orders, executed trades and security status, predominantly with reference to the type of order, trading procedure, order book phases and type of security.

9.9.3. THE EXCHANGE PRICE LIST AND EXCHANGE INDICES

Exchange Price List
Article 153

- (1) The Exchange Price List is drawn up after on-exchange trading closes. Subsequent corrections of the Price List are possible in cases of an erroneous calculation or (printer's) errors. If the published closing price is incorrect, the public and the Agency are informed. The closing price becomes official on the day it is published or on the day its corrected value is published.

- (2) Details on the data contained in the official Price List are stipulated by the Instructions.



Exchange Indices

Article 154

Aside from prices, the Price List may also contain exchange indices. The type, composition and manner of index calculation are stipulated by the Instructions.

9.10. PROCEDURES WHEN TRADING SYSTEM IS OUT OF ORDER

Member Firm's Failure to Access the Trading System

Article 155

If a member firm's primary access to the trading system fails and its back-up access to the trading system is out of order, the member notifies the Exchange as soon as possible of such a failure (problems) and may request its orders in the trading system to be deleted.

Suspension of Trading

Article 156

If several member firms are unable to connect to the trading system and thus minimum conditions for orderly market operations are prevented, the Exchange suspends trading through the trading system for all members, effective until the respective members can re-connect. A detailed procedure is stipulated by the Instructions.

Malfunction of the Trading System and Other Technical Problems

Article 157

- (1) In the event of a malfunction of the trading system or other major problems preventing proper operations of the trading system, electronic trading is suspended for all member firms. When trading has been re-established, the Exchange promptly notifies members.
- (2) Trading system operations are returned to normal by enabling all member firms to execute their essential volumes of orders that would otherwise have been executed during the period when the system was out of order. Details are given in the Instructions.

Measures upon a Longer Suspension of Trading

Article 158

If the malfunction that caused the interruption of electronic trading is not removed in a reasonable period, the Exchange notifies member firms of further activities related to the launch of the trading system. The members with trading stations or electronic interfaces out of operation receive information from the Exchange in a manner specified in the Instructions.

Reporting Faults and Trading Halts

Article 159

- (1) To enable the Exchange to react promptly, members report all technical faults and problems related to the trading system by phone. They are also liable to provide the Exchange with a description of their problems and faults in writing, as soon as possible.
- (2) The Exchange immediately notifies the public, member firms and the Agency about every serious trading halt from this chapter which is not the consequence of market volatility, and about any other significant disruptions of connectivity.



Faulty Operations of the Trading System

Article 160

- (1) Should a trade have been executed due to a faulty trading system operation, where the trading system had matched orders opposite to the provisions hereunder or where a trade had a significant impact on the formation of the closing price, such a trade is cancelled and is not considered executed, unless this is no longer possible under the KDD Operations Rules and Regulations, given the time at which the error is established. The Exchange immediately communicates the potential trade cancellation to the member firm whose orders were incorrectly matched by the trading system, the KDD, the Agency and other member firms.

- (2) If the fact that a trade had been concluded as a result of a faulty trading system operation as given in paragraph 1 of this Article is discovered only after trade settlement has been completed pursuant to the KDD Rules and Instructions, the concluded trade is not cancelled.



10. SETTLEMENT OF EXCHANGE TRADES

10.1. GENERAL RULES ON THE SETTLEMENT OF EXCHANGE TRADES

Delivery Versus Payment

Article 161

Exchange trades are settled in a single manner, namely so that the obligations of the transfer of securities from trades executed on the stock exchange market are fulfilled simultaneously with the payment of the purchase price for the respective securities. In this way, no party to a trade is exposed to the risk of a decrease in value of the object of the exchange trade due to the opposite party not meeting its obligations.

Fulfilment of Obligations from Exchange Trades

Article 162

The settlement of exchange trades in dematerialised securities entered into the central securities registry is carried out through the KDD, unless the Exchange enters into an agreement with another settlement system administrator pursuant to Section 13.4. of the ZTFI-1.

Transmission of Data on Executed Exchange Trades

Article 163

- (1) After trading hours and after the period for potential cancellations of trades has expired, exchange trades are electronically transmitted to the settlement system for settlement.
- (2) The transfer of claims and liabilities for exchange trades to another settlement member is conducted in compliance with the rules of the settlement system. The manner of transmitting executed trades to the settlement system in such events is stipulated in the Instructions.

Transfer Order for a Security

Article 164

- (1) A client's order to sell listed securities is considered to include an order for these securities to be transferred from its account in order to meet the obligations from the exchange trade that the member firm executed in carrying out the client's order.
- (2) Under these Rules, the member firm authorises the Exchange to transmit, on the basis of data on trades executed in the name and for the account of the respective member, liabilities from exchange trades executed in its name and for its account or the liabilities from exchange trades executed in its name and for the accounts of its clients, for fulfilment.
- (3) The member firm authorises the Exchange to change (correct) – in its name for its account – the account code in the manner stipulated in the Instructions, when an entered account number is incorrect and cannot be unambiguously recognised by the information system.
- (4) The settlement system transfers securities on the basis of a notice from the Exchange on executed exchange trades.



Transfer Order for Securities in the Event of a Share-split of No-Par Shares

Article 165

- (1) In the event of trading in no-par shares, as laid down in Article 102 hereunder, the Exchange provides, in its notice to the settlement system from Article 163 (1) hereunder, orders in such a manner as to enable the split ratio to be taken into account in the settlement of concluded trades.
- (2) In the event from paragraph 1 of this Article, the order for every concluded trade contains the share volume as multiplied by the multiple from the split ratio and the share price as divided by the multiple from the split ratio.
- (3) In the event from paragraph 1 of this Article, the member firm participant of trading is considered to have authorised the Exchange to carry out the fulfilment of its obligations or the obligations of its trading clients by transmitting the notice on executed trades from Article 163 (1) in compliance with paragraphs 1 and 2 of this Article.
- (4) In the event from paragraph 1 of this Article, it is considered that the security holder has issued the trading participant managing the holder's account with orders to transfer the shares from Article 102 hereunder from their account to the account of the new holder, so that the split ratio is taken into account in the settlement of concluded trades.

Settlement Date

Article 166

Exchange trades must be settled on the second business day following their execution (T+2).

Notice on Fulfilment of Obligations from Exchange Trade Settlement

Article 167

- (1) A member firm is obliged to provide the Exchange with the data on the trade settlement on the date of settlement.
- (2) A member firm's obligation from paragraph 1 of this Article is considered met even if the Exchange receives data on settled trades from the settlement system. The detailed manner of transmitting trade settlement data is stipulated in the Instructions.

Measure in Case of Exchange Trade Settlement Fail

Article 167a

- (1) If exchange trade has not been fully settled as stipulated in Article 166 hereunder and is considered as settlement fail in accordance with Article 2 (15) of Regulation (EU) No 909/2014, member firms are obliged to act in accordance with this Article.
- (2) In the event of settlement fail, the member firms involved in the fail shall initiate a buy-in process after the expiry of the extension period. The extension period is 4 business days for liquid equity instruments and 7 business days for non-liquid equity instruments. Instruments which are designated as such in the ESMA registers or assigned such a designation by the Agency are considered liquid. The extension period for debt instruments is 7 business days.



- (3) The purpose of the buy-in in accordance with this Article is to ensure that, instead of a member firm which fails to fulfill its obligations, an agent member firm fulfils this obligation for the recipient member firm. This applies only when settlement fail occurred due to lack of financial instruments that would have to be delivered to the recipient member firm. In case of fail due to lack of cash the missing cash is provided by the KDD Guarantee Fund in accordance with KDD rules.
- (4) Member firms are obliged to carry out the buy-in process pursuant to Article 29 of the Commission Delegated Regulation (EU) 2018/1229. For payment of the costs of the buy-in and payment of the price difference Articles 34 and 35 apply. If the buy-in is not possible, member firms are obliged to account for and pay cash compensation in accordance with Articles 32 and 33 of this Delegated Regulation.

10.2. SELECTING ANOTHER SETTLEMENT SYSTEM

Choice of a Settlement System

Article 168

- (1) The Exchange may select any settlement system for the clearing and settlement of exchange trades, insofar as the following conditions are met:
 - the settlement system is operated by a person from Article 448 (1) of the ZTFI-1;
 - the settlement system meets the conditions for the settlement of exchange trades pursuant to Regulation (EU) No 909/2014;
 - the Exchange has obtained authorisation from the Agency to choose a settlement system meeting the conditions from items 1 and 2 of this Article.
- (2) The Exchange notifies members on:
 - a new, additional settlement system, thirty (30) days prior to the actual beginning of settlement by the respective settlement system;
 - the termination of settlement by a settlement system, three (3) months prior to the actual termination of settlement by the respective settlement system.

Settling through another Settlement System at the Request of a Member Firm

Article 169

- (1) A member firm may request that the Exchange enable it to settle its exchange trades through a settlement system from an EU member state other than that chosen by the Exchange or other than that through which exchange trades are settled, provided that conditions from Article 449 (1) of the ZTFI-1 are met.
- (2) The member submits a written application and supplements it with:
 - evidence of meeting the conditions from Article 449 (1) of the ZTFI-1;
 - the scheme of operations of the settlement system of the member firm's choice, evidencing that it meets the condition of efficient and economic settlement of exchange trades.
- (3) The scheme of operations evidencing that the settlement system meets the condition of efficient and economic settlement of exchange trades contains:
 - a general presentation of how settlement is carried out;
 - a description of the manner in which it can connect to the settlement systems currently effecting the settlement of exchange trades, and its effect on the other market participants;



- the legal framework of its settlement;
 - a specification of the required technological and procedural adaptations on part of the Exchange;
 - the proposed time schedule for the transfer of settlement to the selected settlement system.
- (4) All potential costs that the Exchange may be faced with due to the implementation of any such adaptations are settled by the member firm having filed the application. If several members file such an application, costs are distributed among them on a proportionate basis.
- (5) After receiving a complete application and all supplements from paragraph 2 of this Article, the Exchange confirms it has received it within fifteen (15) days, and passes a resolution on it not later than within six (6) weeks, whereby it also delineates the initial and recurring costs of the set-up and operability, as well as the expected time needed to modify the system, if this is necessary.
- (6) Provided that the conditions from Article 449 (1) of the ZTFI-1 are met, the Exchange enables a member firm to settle its obligations from exchange trades through the settlement system of its choice.
- (7) The Exchange may dismiss a member firm's application solely in the event of the conditions from Article 449 (1) of the ZTFI-1 not being met, whereby such a resolution must be substantiated.
- (8) Should the Exchange grant a members' application, it enables it to settle through the selected settlement system within the agreed time schedule, whereby it does not bear responsibility for any legal, technical or operative obstacles on part of the selected settlement system.



11. MONITORING OF MEMBER FIRMS

11.1. RULES AND PROCEDURES ON DETECTION AND PREVENTION OF MARKET ABUSE

Applicability of Chapter 11 of the Rules

Article 170

The provisions of Chapter 11 hereunder apply to member firms, to the management of orders to trade on the stock exchange market, and to trades executed by member firms on the stock exchange market through the trading system, for their account or for the account of their clients.

Prohibition of Market Abuse on the Stock Exchange Market

Article 171

Pursuant to the provisions of the MAR, prohibited acts of market abuse are:

- market manipulation, and
- insider dealings.

Prevention of Money Laundering

Article 172

Should the Exchange, during the performance of its activities and/or business operations, discover facts that indicate or may indicate money laundering or terrorist financing as defined by ZPPDFT, the Exchange shall immediately notify in writing the Office for Money Laundering Prevention of the Republic of Slovenia.

Prevention and Detection of Market Manipulation

Article 173

With a view to examining whether trading on the stock exchange market is fair and orderly, and in order to detect any potential acts of market abuse, the Exchange implements activities for the prevention and detection of market abuse, pursuant to the rules and procedures laid down in Chapter 11 hereunder.

Rules and Procedures for Prevention of Market Manipulation

Article 174

The rules and procedures for the prevention of market manipulation are predominantly the provisions of those Articles hereunder or Instructions drafted on their basis that provide for the prevention of market manipulation, along with other Exchange rules, procedures and activities from this area, thus mainly:

- raising awareness of market participants and educating them on market manipulation;
- examining future Traders' familiarity with the rules on prohibition of market manipulation at BTS proficiency examinations;
- adequate information system and trading mechanisms;
- analyses of conditions on the stock exchange market in light of the adequacy of its trading mechanisms;
- informing stock exchange market participants of the conditions on the stock exchange market;
- implementing suspensions of trading in cases of information asymmetry on the stock exchange market.



Rules and Procedures for Detection of Market Manipulation

Article 175

The rules and procedures for the detection of market manipulation are predominantly the provisions of those Articles hereunder or Instructions drafted on their basis that provide for the detection of market manipulation, along with other Exchange rules, procedures and activities from this area, thus mainly:

- monitoring trends and detecting significant deviations in price movements or trading volumes of securities;
- monitoring trends and detecting significant deviations in the frequency of orders, their presence on the order book and their realisation through executed trades;
- monitoring and analysing price formation within individual trading phases in securities;
- monitoring cancellations and modifications to executed trades;
- monitoring the settlement of trades executed on the stock exchange market;
- monitoring the relation between issuers' announcements and price movements, before or after public announcements.

Assessment of Market Manipulation

Article 176

In assessing whether specific conduct by a member firm represents suspected market manipulation from Article 12 of the MAR, the Exchange considers, along with the indicators from Appendix 1 to the MAR, the following factors in particular:

- the level of transparency of stock exchange market practices;
- the required level of investor protection and protection of the operations of the stock exchange market, particularly the proper interplay of supply of and demand for securities;
- the effect on the market's liquidity and efficiency;
- whether the relevant practice takes into account the trading mechanism and trading system of the stock exchange market;
- whether the relevant practice allows market participants to react properly and in a timely manner to the new market situation created by that practice;
- whether such a practice presents a risk to market integrity;
- the Agency's findings and recommendations referring to the detection and prevention of market manipulation;
- the structural characteristics of the stock exchange market, the type of securities, and the characteristics of market participants;
- significant changes in the market environment, such as changes in trading rules or the trading system.

Role of Trading System in Prevention and Detection of Market Manipulation

Article 177

Within the framework of the trading system the rules and procedures for the prevention and detection of market manipulation are predominantly:

1. development and integration of controls and warnings into the trading system;
2. development and provision of adequate trading systems, mechanisms and algorithmic trading;
3. management of daily and dynamic price movement restrictions and other trading parameters;
4. development and provision of information support for monitoring compliance of trading with the rules on the prohibition of market manipulation;
5. development and provision of information support for detection of suspicious transactions.



11.2. MONITORING MEMBER FIRM, ORDERS TO TRADE AND CONCLUDED EXCHANGE TRADES

Monitoring Member Firms in Meeting their Duties

Article 178

- (1) Monitoring of members firms in meeting their duties under the Rules and Instructions applies predominantly to the monitoring and detecting of breaches of the following provisions from the Rules and Instructions:
- rules on member firms' duties, from Article 79 hereunder;
 - rules on the conditions for the settlement of exchange trades and management of orders to trade, from Chapter 10 hereunder;
 - rules on exchange trading, from Chapter 9 hereunder;
 - rules on the prevention and detection of market abuse from Subchapter 11.1 hereunder.
- (2) A suspected breach of the rules from item 4 of the previous paragraph constitutes a suspected significant breach of the Rules and Instructions. Noncompliance with their obligations, or breach of rules from items 1–3 of the previous paragraph does not constitute a significant breach of the Rules and Instructions, unless:
- the circumstances of a case
 - repetitions of breaches, namely two (2) identical or similar breaches within a 6-month period
 - simultaneous breaches of several provisions
 - the Agency's decisions
- demand otherwise. In deciding whether a breach is a significant breach of the Rules and Instructions, the possible impact of the breach on fair and orderly operations of the stock exchange market is considered.
- (3) Based on a risk assessment, the Exchange annually reviews its member firms' due diligence, whereby it reviews the members' meeting the organisational, technical and staffing conditions and conditions for settlement as stipulated by these Rules.

Scope of Monitoring Exchange Trades

Article 179

- (1) The Exchange monitors the execution of exchange trades in order to detect:
- breaches of trading rules, from paragraph 2 of this Article;
 - disorderly trading conditions, from paragraph 3 of this Article;
 - practices characteristic of market abuse, from paragraph 4 of this Article.
- (2) Breaches of trading rules are predominantly breaches of trading rules from Chapter 9 hereunder.
- (3) Disorderly trading conditions are predominantly disorderly trading conditions on part of the Exchange, a member firm and associated systems, which have a direct or indirect impact on the efficiency and quality of trade execution or price formation. Such conditions are typically repetitive in nature, but can also occur a single time and significantly compromise orderly and fair operations of the stock exchange market, such as:
- adequacy, efficiency and quality of the working and parameters of the chosen trading mechanism for a security;



- disturbances, delays or inaccuracies in the working of the exchange trading system or in a member firm's trading workstation;
- disturbances, delays or inaccuracies in the working of the information system of a member firm (or member firms), or the disconnection of the exchange information system and the information system of a member firm (or member firms);
- disturbances, delays or inaccuracies in the working of the information systems that ensure the smooth functioning of the stock exchange market (settlement system, payment transactions system, etc.);
- other disorderly trading conditions that could cause greater disturbances on the stock exchange market;
- all other signals of disorderly trading conditions and system disruptions from Section A of Annex III to Commission Delegated Regulation (EU) 2017/565.

(4) Member firms' practices typical of market abuse constitute breaches of Chapter 11.1 hereunder.

Methods of Monitoring Exchange Trades

Article 180

- (1) The monitoring of exchange trades aimed at detecting signals of market abuse is implemented chiefly on the basis of a risk assessment for the entire stock exchange market, thereby considering predominantly the following criteria:
- trading volumes and liquidity of a security;
 - segment of the stock exchange market hosting a security;
 - past findings of monitoring procedures;
 - changes of regulations relating to exchange trading and market abuse;
 - classification of a security into a trading procedure (continuous, auction);
 - type of traded security;
 - dispersion of ownership among investors who are not well-informed investors;
 - other signals that may indicate abusive behaviour from Section B of Annex III to Commission Delegated Regulation (EU) 2017/565;
 - detailed instructions from the Agency, if any.
- (2) Based on the risk assessment and criteria from paragraph 1 of this Article, an annual monitoring plan is adopted, which adjusts accordingly to a potentially changed risk assessment, if this is necessary due to new circumstances on the stock exchange market.

Data Acquisition in the Monitoring of Exchange Trades

Article 181

The Exchange monitors the execution of trades on the stock exchange market by member firms and normally acquires solely the data and information on orders placed and trades executed in the trading system, streaming them directly from the trading system.



11.3. EXCHANGE MEASURES AGAINST MEMBER FIRMS

Measures at the Exchange's Disposal against a Member Firm
Article 182

- (1) The Exchange may use the following measures against a member firm in breach of duties from the Rules and Instructions:
 - invitation to provide a written explanation of the reasons and circumstances causing the suspected breach;
 - invitation or request to immediately stop with the practices causing the suspected breach;
 - warning that the member firm is not meeting its obligations, and a setting of a time period in which it must ensure compliance of operations and notify the Exchange thereof;
 - issuing a recommendation or instruction to a member firm;
 - informing the Agency of suspected or established breaches;
 - suspending the member firm from trading;
 - suspending the member firm from membership.
- (2) The Exchange decides on the measures from paragraph 1 of this Article in the manner and applying the procedure specified in Chapter 12 hereunder.

Informing the Agency of Suspicious Trades
Article 183

- (1) If a member firm is found in breach of its duties from Chapter 11 hereunder, or if the Exchange assesses there is a just cause for suspecting that a given order or executed trade constitute banned insider dealing or an act of market manipulation (suspicious trade), the Exchange must implement the measure of reporting to the Agency of a suspected breach.
- (2) Reporting from paragraph 1 of this Article is carried out in the time periods and manner specified in the *Commission Delegated Regulation (EU) 2016/957 of 9 March 2016* supplementing the MAR.
- (3) If, after receiving a notice referred to in this Article, the Agency requests or proposes the *implementation* of additional monitoring of the relevant member firm or trade execution, the Exchange pursues it in the manner requested or proposed by the Agency. If the Agency likewise requests or proposes that the Exchange maintain its procedure against the relevant member firm, the Exchange may impose the following measures against the respective member:
 - issue the member with a censure;
 - suspend the member from trading.
- (4) The Exchange decides on the measures from paragraph 3 of this Article in the manner and applying the procedure *specified* in Chapter 12 hereunder.

Effects of Measures against Member Firms and Traders
Article 184

The pronounced measures of the Exchange against member firms and traders take effect on all Exchange markets.



12. EXCHANGE DECISION PROCEDURE IN MATTERS RELATED TO ISSUERS AND MEMBER FIRMS

12.1. GENERAL PROVISIONS ON THE PROCEDURE

Applicability of Provisions on the Procedure

Article 185

- (1) Unless provided otherwise by the Rules, the provisions of this Chapter apply to the following Exchange decisions with respect to issuers:
- on the listing of securities to the stock exchange market;
 - on changes in securities;
 - on the temporary suspension and resumption of trading in securities;
 - on the delisting of securities from the stock exchange market;
 - on the classification and transfer of securities.
- (2) Unless provided otherwise by the Rules, the provisions of this Chapter apply to the following Exchange decisions with respect to member firms:
- on the admission to membership of the Exchange, resignation from membership, and admission of traders to trading on the Exchange;
 - on the suspension from membership of the Exchange, and the temporary or permanent suspension of traders from trading on the Exchange;
 - on the identification of breaches of the Exchange Rules and Instructions, and imposing measures against member firms due to established breaches of the Exchange Rules and Instructions.
- (3) The Exchange serves resolutions and agreements normally by email and exceptionally also by registered mail in the manner specified in the Instructions. Other documents are served by ordinary mail, fax, e-mail and/or in the manner provided for by the Instructions.
- (4) The person that files an incomplete application for admission to membership of the Exchange may also be served the resolution from Article 190 (3) hereunder, asking them to eliminate deficiencies, in another appropriate manner provided for by the Instructions.

Agreement, Resolution and Decision Body

Article 186

- (1) Matters from Article 185 (1) (2) hereunder are decided by the Exchange Management Board on the basis of written documentation, with no scheduled hearings.
- (2) With the person that applied for the listing of a security to the stock exchange market, or with the person that applied for admission to membership, the Exchange enters into the Listing Agreement or Membership Agreement, respectively.
- (3) On the basis of signed Agreements and by virtue of the Exchange general acts, the Exchange Management Board adopts decisions on matters from Article 185 (1) (2) hereunder in the form of resolutions that are binding for the other party. Resolutions on listings, listing changes, classifications and transfers have the legal force of the Annex to the Listing Agreement.



- (4) The person that applied for admission to membership is granted the status of a member firm by signing the Membership Agreement.
- (5) A resolution becomes executable immediately upon the conditions for its execution, as stipulated by the Rules, being met. The date of execution is laid down in the operative part of the resolution. A resolution's executability does not depend on its being served to the client, unless stipulated otherwise by these Rules. The resolution shall be substantiated.
- (6) The Exchange Management Board is also competent for deciding on all other matters related to trading regulation and market participants on all Exchange markets that fall within the competence of the Exchange.

Initiation of the Procedure, and the Application

Article 187

- (1) The initiation of the procedure, and the application with respect to issuers:
 - The procedure from item 1 of Article 185 (1) hereunder may only commence on the basis of a filed application for listing.
 - The procedure from items 2, 3 and 4 of Article 185 (1) hereunder may commence on the basis of a filed application or, if provided for by the Rules, at the Exchange's initiative, especially in cases when the Exchange has imposed measures with respect to issuers.
 - The procedure from item 5 of Article 185 (1) hereunder may commence at the request of the person that applied for listing, or on the basis of the Exchange's review of the relevant criteria, conducted pursuant to the Rules.
- (2) The initiation of the procedure, and the application with respect to member firms:
 - The procedure from item 1 of Article 185 (2) hereunder may commence on the basis of a filed application or authorisation.
 - The procedure from items 2 and 3 of Article 185 (2) hereunder may commence at the initiative of a member firm or at the Exchange's own initiative, especially in cases when the monitoring of the member firms' meeting their duties and of the trades executed on the stock exchange market by member firms reveal breaches of the Exchange Rules or Instructions.
- (3) The application from paragraphs 1 and 2 of this Article shall be filed on a form stipulated by the Instructions. In addition to the form, the application for listing and the application for admission to membership includes the relevant agreement and shall be supplemented with:
 - the documents stipulated in the Instructions, evidencing the grounds for the application;
 - any other documents that the Exchange may explicitly ask for in order to judge the meeting of the criteria pursuant to the Rules or Instructions;
 - evidence of having paid the fee for adopting decisions pursuant to the Fee Schedule.
- (4) The application and documentation are to be drawn up in the Slovenian or English language. If the documentation supplemented to the application pursuant to the Instructions is in a language other than Slovenian or English, it must be filed together with a certified translation of the documentation into Slovenian or English.



Withdrawal of Application

Article 188

- (1) An issuer, member firm or other person may partially or completely withdraw their application any time during the procedure until the issuing of the resolution by the Exchange.
- (2) If the procedure was initiated upon the application of an issuer, member firm or other person and they withdraw their application, the Exchange issues a resolution to stop the procedure.

Statements

Article 189

- (1) Issuers, member firms and other persons make their statements in writing.
- (2) When not deciding on the basis of an application, the Exchange shall invite the issuer, member firm or other person to make a statement on the facts and circumstances relevant to its decision.
- (3) Prior to issuing a resolution on the classification or transfer that is contrary to the filed application, as well as when it transfers securities into a lower market sub-segment on the basis of a review of the relevant criteria, the Exchange shall invite the issuer or the person that applied for listing to make a statement, within a period not shorter than three (3) working days of being served the invite, on the facts and circumstances relevant to its decision.
- (4) Notwithstanding paragraph 2 of this Article, the Exchange is not obliged to ensure for the issuer or other relevant person to make a statement prior to its issuing a resolution on the temporary suspension of trading or a resolution on delisting if the execution of the resolution cannot be delayed on account of investor protection. The Exchange is also not obliged to ensure for the member firm or other relevant person to make a statement if the execution of the resolution cannot be delayed in order to ensure fair and orderly trading on the stock exchange market. In such an event, the resolution includes a substantiation of the reasons why statements could not have been made.
- (5) The Exchange can ensure the issuer the possibility from paragraph 2 of this Article by adopting a resolution on temporary suspension or delisting wherein it is decided that the issuer may before the execution of the pronounced measure lodge an appeal against the Exchange's resolution within 8 days after having been served the resolution. In a subsequent 8 days after the deadline for lodging an appeal, the Exchange:
 - in the event of a lodged appeal: issues a resolution by which it decides on the appeal by confirming, cancelling or postponing the already pronounced measure; or
 - in the event an appeal was not lodged: issues a resolution by which it decides on the finality of the issued resolution on pronounced measures.
- (6) Paragraphs 2 and 4 of this Article do not apply to the Exchange's declaratory resolutions.
- (7) The detailed manner of serving the Exchange's invite from paragraphs 2 and 3 of this Article and the detailed description of cases when the Exchange invites issuers, member firms and other persons to make statements are stipulated in the Instructions.



Decision Period

Article 190

- (1) The Exchange shall decide on the matter from item 1 from Article 185 (1) within thirty (30) days after receiving the application for listing.
- (2) The Exchange shall decide on the matters from Article 185 (2) within thirty (30) days after receiving the complete application or after receiving the statement.
- (3) The Exchange shall issue the resolution on eliminating deficiencies in an application within eight (8) days after receiving such an application.
- (4) If the Exchange issues, within the time frame stipulated in paragraph 3 of this Article, the resolution on eliminating deficiencies in an application, the time period from paragraphs 1 and 2 of this Article shall not begin from when the applicant is served the resolution and until:
 - the period for eliminating deficiencies, as stipulated in the resolution, has elapsed, or until
 - the Exchange has received the supplemented or amended application, when the supplement or amendment had been provided in the time frame stipulated in the resolution.
- (5) Paragraphs 3 and 4 of this Article also apply to the event from item 2 of Article 187 (3).

Correcting Mistakes in a Resolution adopted by the Exchange

Article 191

- (1) The Exchange may at any time correct any mistakes in names and numbers, written or billing mistakes and any other obvious mistakes in a resolution. The correction of the mistake has legal effect from the date on which the revised resolution has legal effect.
- (2) The Exchange issues a resolution on the correction of the mistake.

Settlement of Disputes

Article 192

- (1) All potential disputes arising from the parties' contractual relationships or the implementation of the provisions hereunder shall be resolved amicably.
- (2) In case an amicable solution is not possible, the jurisdiction will lie with the competent court in Ljubljana. In case court proceedings are initiated, parties are obliged to enter into a mediation procedure.
- (3) A complaint will not stay the execution of a resolution.
- (4) Should it be found that an adopted resolution on matters related to issuers, from Article 185 (1) hereunder, conflicts with the Exchange general acts and with the binding legislation, this will have no effect on the validity of stock exchange trades in securities.



12.2. SPECIAL PROVISIONS ON THE LISTING PROCEDURE

Applicability of Chapter 12.2. of the Rules Article 193

In deciding on the listing of securities to the stock exchange market, the Exchange applies the provisions of this Chapter, of Section 12.1. and of Section 3.1.2. hereunder.

Application for Listing Article 194

- (1) The procedure for listing is initiated by an application for listing, which may be filed by:
 - the issuer,
 - another person, if the issuer consents,
 - another person even if the issuer does not consent, whereby the necessary condition is that the relevant securities are listed on another stock exchange market in the Republic of Slovenia or on another regulated market in a member state.
- (2) In case an application is filed for listing on a stock exchange market segment that has sub-segments, the person that applied for listing must also apply for listing on a particular sub-segment of the stock exchange market.
- (3) If securities are listed on another stock exchange market pursuant to item 3 of paragraph 1 of this Article without the consent of the issuer, the Exchange communicates this to the issuer.

Procedural Conditions for Adopting Decisions Article 195

- (1) In the preliminary procedure of examining an application for listing, the Exchange examines whether the following procedural conditions for decision-making are met:
 - whether the application was filed by an eligible person;
 - whether the application contains the data stipulated by the Rules and Instructions;
 - whether the application is supplemented with the documentation pursuant to the Instructions;
 - whether the other necessary procedural conditions for decision-making are met.
- (2) If the Exchange finds that procedural conditions for decision-making are not met and that the deficiencies cannot be remedied, it adopts a resolution and thereby rejects the application.
- (3) If the Exchange finds that procedural conditions for decision-making are not met but that the deficiencies can be remedied, it adopts a resolution asking the person that applied for listing to remedy the deficiencies. Such a resolution contains a time period for remedying the deficiencies, which cannot be shorter than eight (8) days or longer than fifteen (15) days.
- (4) If the person that applied for listing does not remedy the deficiencies in due time, the Exchange adopts a resolution and thereby rejects the application.



13. COMMUNICATING THE EXCHANGE'S DECISIONS

Informing the Agency, and Making Decisions Public

Article 196

- (1) Pursuant to the Agency's "Resolution on detailed rules on the stock exchange market", the Exchange informs the Agency of:
- received applications for listing, within three (3) working days of receiving them;
 - decisions with respect to applications for listing, within three (3) working days of adopting them;
 - dismissed applications for listing, within three (3) working days of adopting the decision;
 - decisions to temporarily suspend trading, immediately or on the following working day, in accordance with the Commission Implementing Regulation (EU) 2017/1005;
 - decisions to delist securities, immediately or not later than on the following working day, in accordance with the Commission Implementing Regulation (EU) 2017/1005;
 - other matters stipulated by executive regulations, within three (3) working days of the decision (cancelling decisions with respect to applications for listing, commencement of trading, the listing of additional securities, transformation of classes of securities, mergers by acquisition, transfers of securities, decrease in the number of listed securities);
 - disorderly trading conditions, within three (3) working days of establishing reasonable grounds or of the decision,
 - system disruption regarding a financial instrument, within three (3) working days of findings regarding the disruptions,
 - other matters stipulated by laws and executive regulations.
- (2) The Exchange also informs the Agency of:
- admissions to membership within three (3) working days of the decision;
 - rejections of admission to membership applications within three (3) working days of the rejection;
 - terminations of member firm status within three (3) working days of the decision;
 - measures issued against member firms in cases of serious breaches of the Exchange Rules, within three (3) working days of the decision;
 - concluded agreements with liquidity providers.
- (3) The notice containing the information from items 1 and 3 of paragraph 2 of this Article is supplemented with the list of the member firms, as valid from time to time. The Exchange makes public the information from items 1 and 3 of paragraph 2 of this Article on its website.
- (4) In the manner stipulated in the Agency's Resolution from paragraph 1 of this Article, and in accordance with the Commission Implementing Regulation (EU) 2017/1005, the Exchange makes public on its website the information on:
- listings – not later than within three (3) working days after listing and before the start of trading;
 - temporary suspensions of trading – on the day of the suspension or on the day of adopting the relevant decision if this is in advance of the actual suspension;
 - delistings – on the day of the delisting or on the day of adopting the relevant decision if this is in advance of the actual delisting.
- (5) Within the same time frames as those in paragraph 4 of this Article, the Exchange also makes public on its website the information on classifications and transfers of securities in the stock exchange market.



14. TRANSITIONAL AND FINAL PROVISIONS

14.1. PROCEDURE OF ADOPTING THE RULES AND INSTRUCTIONS

Adoption of the Rules and Instructions, and their Amendments and Supplements
Article 197

- (1) The Rules and Instructions, and their amendments and supplements, are adopted by the Management Board.
- (2) The Management Board must provide the proposal for or draft of any expected amendments to the Rules (hereinafter "amendments to the Rules") affecting issuers to the issuers, and any amendments to the Rules affecting member firms to the member firms, not less than fifteen (15) days prior to the meeting at which it is to decide on the adoption of the planned amendments. In exceptional cases (urgent changes in the market, minor changes that do not require an adjustment period, editorial changes of the Rules, etc.) this period may be shorter than fifteen (15) days.
- (3) Issuers and member firms may provide their comments within 15 days after receiving the proposed amendments, which the Management Board may take into account when adopting amendments and supplements to the Rules. In exceptional cases (urgent changes in the market, minor changes that do not require an adjustment period, editorial changes of the Rules, etc.) this period may be shorter than fifteen (15) days.
- (4) Rules and their amendments and supplements only take effect after being approved by the Agency.

Effective Date of the Rules and Instructions
Article 198

- (1) These Rules and their amendments are published on the Exchange website and enter into effect on the fifteenth (15th) day following their publication, unless the Exchange decides otherwise, when in special cases due to justified reasons it stipulates an earlier effective date, or unless otherwise stipulated in the transitional provisions hereunder.
- (2) The Exchange publishes the Instructions and their amendments on the Exchange's website and notifies all member firms about the amendments by e-mail. The Instructions and their amendments enter into effect on the fifteenth (15th) day following their publication unless the Exchange decides otherwise, when in special cases due to justified reasons it stipulates an earlier effective date.



Transitional Provisions
Article 199

- (1) Amendments to the Rules adopted on 19 March 2020 relating to the admission of members referred to in Article 70 (2) of the Rules (ie amendments to Articles 70, 70a, 79, 80, 82 and 88 of these Rules) entered into force on 11 June 2020 and shall apply from the day determined by the resolution of the management board.
- (2) Amendments to the Rules related to the Sustainable Financing Market (i.e., changes to Articles 6 and 57.a – 57.d of the Rules) shall enter into force on the fifteenth (15th) day following their publication, and shall apply from the day determined by the resolution of the management board.
- (3) As of the effective date of the Amendments to the Rules adopted on 20 February 2024, it is considered that:
 - all bonds listed in the Bond Market are listed in the Debt Instruments Market, in the Bond Sub-segment,
 - all treasury bills and commercial papers listed in the Bond Market are listed in the Debt Instruments Market in the Money Market Instruments Sub-segment,
 - all open-end fund shares listed on the Structured Products market in the Open-end Fund Shares Sub-segment are listed in the UCITS Units Sub-segment,
 - all references in the Rules and other Exchange general acts related to:
 - the Bond Segment refers to the Debt Instruments Market;
 - the Open-end Fund Shares Sub-segment refers to the UCITS Units Sub-segment;
 - the Closed-end Shares Sub-segment refers to the AIF Units Sub-segment.
- (4) As of the effective date of the Amendments to the Rules adopted on October 13, 2023, the Exchange's Decision on the Procedures for Changes in the Number of Debt Securities issued by the Republic of Slovenia, reg. no.: 34/2022, dated May 6, 2022, shall cease to be valid.

Ljubljana, 25 March 2024

Ljubljana Stock Exchange

Nina Vičar, MSc
Member of the Management Board

Aleš Ipavec, MSc
President of the Management Board