



DUE DILIGENCE QUESTIONNAIRE FOR EXISTING AND NEW MEMBER FIRMS OF THE LJUBLJANA STOCK EXCHANGE FOR PURPOSES OF ARTICLE 7 OF COMMISSION DELEGATED REGULATION (EU) 2017/584 (FORM 09/MT)

Information on member firm

Firm:

LEI Code:

Company Status / Legal Form (please mark). We hereby confirm that we are registered as:

- Investment Firm
- credit institution
- Non-MiFID EEA Firm
- Non-EEA Firm

Clearing relation (please mark):

- clearing member
- non-clearing member

Member ID:

Company Address

Registered office and address:

Phone:

Fax:

Mail:

Contact information (please enter first and last names, job title, phone and e-mail):

Compliance Manager:

Head of Trading:

DUE DILIGENCE QUESTIONNAIRE

1. Pre-trade controls

In accordance with Article 15 of Commission Delegated Regulation (EU) 2017/589, member firms are obliged to use pre-trade controls.

Do you use pre-trade controls?

YES

NO



If yes, please specify which ones:

- price collars, which automatically block or cancel orders that do not meet set price parameters

- maximum Order Values, which prevent orders with an uncommonly large order value from entering the order book

- maximum Order Volumes, which prevent orders with an uncommonly large order size from entering the order book

- maximum messages limits, which prevent sending an excessive number of messages to order books pertaining to the submission, modification or cancellation of an order.

2. Post-trade controls

In accordance with Article 17 of Commission Delegated Regulation (EU) 2017/589, member firms are obliged to use post-trade controls.

Do you use post-trade controls? YES NO

If yes, please describe them in detail:

3. Algorithmic trading

Do you have algorithmic trading in place? YES NO

If you have algorithmic trading in place, also answer the following questions:

3.1. Qualification of Staff

In accordance with Article 3 of Commission Delegated Regulation (EU) 2017/589, member firms are required to employ a sufficient number of staff with the necessary skills to manage their algorithmic trading systems and trading algorithms.

Please confirm that you employ a sufficient number of staff in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/589 YES NO

3.2. Conformance testing

In accordance with Article 6 of Commission Delegated Regulation (EU) 2017/589, member firms are required to test the conformance of its algorithmic trading systems and trading algorithms.



Please confirm that technical and functional conformance testing according to the applicable rules is done on a regular basis as necessary according to Article 6 (1) of Commission Delegated Regulation (EU) 2017/589: YES NO

Please indicate which person(s) shall be authorized by you to confirm the performance of conformance tests as required from time to time (please note that only Conformance Test Readiness Statements signed by the person(s) mentioned herein shall be accepted):

Conformance test contacts (please enter first and last names, job title, phone and e-mail):

Authorised person 1

Authorised person 2

Authorised person 3

3.3. Kill functionality

In accordance with Article 12 of Commission Delegated Regulation (EU) 2017/589, member firms are obliged to have available a Kill Functionality.

Please confirm that you can use at any time a Kill Functionality in order to cancel unexecuted orders according to Article 12 of Commission Delegated Regulation (EU) 2017/589 and that there is in place a policy for the use of the Kill Functionality: YES NO

4. Direct Market Access (DMA) and Order Routing Systems (ORS)

Please indicate whether you provide DMA¹ as defined in Article 4 (1) No. 41 MiFID II and Article of 20 Commission Delegated Regulation (EU) 2017/565: YES NO

If you provide DMA, also answer the following questions:

4.1. Please confirm compliance with the provisions of the Ljubljana Stock Exchange Rules and Article 22 of Commission Delegated Regulation (EU) 2017/589 in the provision of the direct market access: YES NO

4.2. Which systems and processes are in place to monitor, filter and control the orders and trades of your DMA customers and which criteria are applied for this purpose?

¹ **Direct Market Access** means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue when that person uses the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders. A person shall be considered not capable of electronically transmitting orders relating to a financial instrument directly to a trading venue: where that person cannot exercise discretion regarding the exact fraction of a second of order entry and the lifetime of the order within that timeframe, or where such direct electronic order transmission takes place through arrangements for optimisation of order execution processes that determine the parameters of the order other than the venue or venues where the order should be submitted, unless these arrangements are embedded into the clients' systems and not into those of the member or participant of a regulated market or of an MTF or a client of an OTF.



4.3. Please describe your due diligence process of DMA customers serviced with focus on initial process and ongoing measures:

4.4. Please describe mechanisms which are in place to support the orderly provision of flow to the exchange (e.g. stop button, prevention of fictitious trades, detection of market manipulation) and how do they affect the order flow?

4.5. Please indicate whether you provide Order Routing System (Order Routing System – ORS): YES NO

5. Reporting according to Article 26 of MiFIR

Please indicate whether you are under the obligation to report transactions according to Article 26 (1) of MiFIR: YES NO²

6. Alignment of business clocks in accordance with Article 378 of ZTFI-1 and Commission Delegated Regulation (EU) 2017/574.

Please indicate whether your business clocks in your backoffice systems which record time and date used to report individual events and facts in accordance with the relevant regulations are in line with the trading system business clocks: YES NO

7. Compliance with the provisions of ZTFI-1 or ZBan-2, which apply for the member firms

We hereby declare that we are aware of the provisions of ZTFI-1 and ABan-2 applicable to member member firms and conform that:

- there are no facts that questions the required reliability of the member firm for participation in exchange trading;
- there are no circumstances that restrict the capacity of the member firm to carry on business transactions, especially due to insolvency; this also applies in the case of any similar circumstances outside the country;

² We are subject to Article 26 (5) of MiFIR.



- the member firm or one of its officers has not be sentenced by a court of law due to a criminal act or sentenced outside the country for a criminal act that may be deemed equivalent under these provisions;
- there are no facts that may be detrimental to the reputation, orderly trading or fairness of trading on domestic markets.

YES NO

We hereby confirm that the provisions of ZTFI-1 are met and complied with as of the date of record for all persons admitted as exchange traders of the member firm. We hereby explicitly confirm that concerning the persons named as exchange traders:

- no facts are known that might indicate that the Applicant is not as reliable as is required to be able to take part in trading on the exchange;
- there are no circumstances that restrict their capacity to carry on business transactions, especially due to insolvency; this also applies in the case of any similar circumstances that may apply outside the country;
- they have not be sentenced by a court of law due to a criminal act or sentenced outside the country for a criminal act that may be deemed equivalent under these provisions
- there are no facts that may be detrimental to the reputation, orderly trading or fairness of trading on domestic markets.

YES NO

We hereby acknowledge that we must immediately report to the Exchange any circumstances that may render the assurances given above as no longer being in accordance with the facts and provide evidence of said report, especially any pending as well as final legal proceedings before courts and administrative authorities against us and/or against our officers, legal representatives and exchange traders. The Exchange shall retain the right to review at any time compliance with the requirements for admission as an exchange member itself and to request the corresponding information of the exchange member.

YES NO

We hereby acknowledge and agree that when operation on the Exchange's organised market and SI ENTER we are bound by the provisions of the Exchange's acts and other rules of national and European legislation.

YES NO

By returning this Questionnaire we confirm that all information and statements herein have been made correctly and completely.

<i>(place, date)</i>	Legally binding signature(s) of member firm (with printed name(s) and corporate seal)
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Please return the scanned completed questionnaire to the following mail: upravljanje-trgov@ljse.si or to the following address: Ljubljana Stock Exchange Inc., Slovenska cesta 56, 1000 Ljubljana, Slovenia.