



REGULATIONS OF CLEARING AND DEPOSITORY CORPORATION ON MEMBERS

Consolidated text, which includes:

- *Instructions on members as accepted by the Management Board and the Board of Directors on 21 December 2004*
- *Changes and amendments of instructions on members as accepted by the Management Board and Board of Directors on 12 September 2007*

TABLE OF CONTENTS

1. GENERAL PROVISIONS	4
<i>Application of regulations.....</i>	4
<i>Definitions of terms</i>	4
<i>Manner of notification of KDD.....</i>	4
<i>Manner of notification of members.....</i>	4
2. ADMISSION TO MEMBERSHIP	6
2.1. COMMON PROVISIONS.....	6
<i>Application for membership</i>	6
<i>Documents enclosed to the application for membership</i>	6
<i>Procedure with incomplete application for membership</i>	6
<i>Time limit for decision of the Management Board on application</i>	7
<i>Time limit for decision of the Board of Directors on opposition</i>	7
<i>Rejection of application for membership.....</i>	7
<i>Contents of the decision on acceptance for a registry member and settlement member</i>	7
2.2. ACQUISITION OF REGISTRY MEMBERSHIP STATUS	8
<i>Execution of contract on accession to the system of dematerialised securities accounts maintenance and payment of compensation.....</i>	8
<i>Beginning of KDD's services.....</i>	8
2.3. ACQUISITION OF SETTLEMENT MEMBERSHIP STATUS	8
<i>Execution of contract on accession to the settlement system and payment of compensation</i>	8
<i>Beginning of KDD's services.....</i>	9
3. KDD`S OBLIGATIONS	10
<i>Ensuring requirements for operation and use of information system of central registry.....</i>	10
<i>Assignment of user names.....</i>	10
<i>Application for assignment of a user name.....</i>	10
<i>Procedure of assignment of a user name</i>	10
<i>Requirements for the use of user name.....</i>	11
<i>Cancellation of user names.....</i>	11
<i>User manual for the use of information system of central registry.....</i>	11
<i>Help for members by the use of information system of central registry</i>	11
<i>Training of member's users</i>	11
4. MEMBER`S OBLIGATIONS	12
4.1. GENERAL MEMBER`S OBLIGATIONS.....	12
<i>General provision.....</i>	12
<i>Requirements for the use of information system of central registry regarding human resources</i>	12
<i>Organisational requirements for the use of information system of central registry.....</i>	12
<i>Requirements regarding solvency of settlement members</i>	12
<i>Payment of compensation for KDD's services.....</i>	12
<i>Notification of KDD</i>	13

Member's contact person	13
4.2. TEMPORARY DISCONNECTION FROM THE INFORMATION SYSTEM OF CENTRAL REGISTRY	13
<i>Temporary disconnection from the information system of central registry due to supervisory authority's measure</i>	<i>13</i>
<i>Temporary disconnection from the information system of central registry due to late payment of compensation.....</i>	<i>13</i>
<i>Temporary disconnection from the information system of central registry due to breach of other obligations</i>	<i>14</i>
<i>Temporary disconnection from the settlement information system of central registry due to non-fulfilment of requirements regarding solvency.....</i>	<i>14</i>
<i>Notification of the member on temporary disconnection from the information system of central registry</i>	<i>14</i>
5. TERMINATION OF MEMBERSHIP STATUS.....	15
<i>Share of the guarantee fund by determination of reasons for exclusion of a settlement member</i>	<i>15</i>
<i>Time limit for decision of the Board of Directors on the opposition against exclusion</i>	<i>15</i>
<i>Member's cancellation statement.....</i>	<i>15</i>
6. TRANSITIONAL AND FINAL PROVISIONS	16
<i>Application of regulations.....</i>	<i>16</i>
<i>Termination of validity of provisions of membership contracts</i>	<i>16</i>
<i>Enforceability of regulations.....</i>	<i>16</i>

1. GENERAL PROVISIONS

Application of regulations

Article 1

These regulations apply to legal relationships between KDD and its members regarding the requirements for use of information system of central registry.

Definitions of terms

Article 2

(1) Terms used in these regulations have the following meaning:

1. **rules:** the Operations Rules of KDD – Central clearing and depository corporation Inc., Ljubljana,
2. **information system of central registry:** the information system comprising of:
 - the information system of dematerialised securities accounts maintenance (Point 2 Article 8 of the rules),
 - the information system for issue and deletion of dematerialised securities (Article 40 of the rules),
 - the settlement information system (Paragraph 3 Article 89 of the rules)
 - the information system for take-overs (Point 21 Article 146 of the rules),
3. **user manual:** the document comprising the description of the manner:
 - of data entry with respect to maintenance of dematerialised securities accounts, settlement of stock exchange transactions or take-over procedures executed by the member with the use of information system of central registry,
 - of transmission of these data and
 - of access to data required by the member by the use of information system of central registry for performing its services with respect to securities.

(2) Terms and abbreviations defined in the rules are applied in these regulations with the same meaning as in the rules.

(3) In case a member has its registered office on the territory of another EU member state, the provisions of these regulations on measures of the agency or the Bank of Slovenia apply also to control measures of the competent supervisory authority of the state where the registered office of the member is situated.

Manner of notification of KDD

Article 3

(1) All notifications that the member shall send KDD pursuant to these or other regulations, shall be sent by the settlement member as an e-mail message to the e-mail address [*clani@kdd.si*], except if these or other regulations set forth another manner of notification for a respective case.

(2) If the notification under Paragraph 1 of this Article can not be sent as a result of a failure in communications or other extraordinary circumstances, the member shall send KDD the notification by fax to number 01/3073506.

(3) In case under Paragraph 1 of this Article, the notification is deemed received by KDD when KDD receives the e-mail message with the contents of notification.

Manner of notification of members

Article 4

(1) All notifications that KDD shall send the member pursuant to these or other regulations, shall be sent by KDD as an e-mail message to the e-mail address notified by the respective member, except if these or other regulations set forth another manner of notification in a respective case.

(2) If the notification under Paragraph 1 of this Article can not be sent as a result of a failure in communications or other extraordinary circumstances, KDD shall send the respective member the notification by fax to the number notified by the respective member.

(3) If a member does not notify KDD of the fax number, KDD sends the member the notifications through the fax published in the phone book in all cases under Paragraph 2 hereof.

(4) In case under Paragraph 1 of this Article, the notification is deemed received by the member when the member receives the e-mail message with the contents of notification.

(5) If a member does not notify KDD of the e-mail address and if the notification can not be sent through fax because the fax is switched off, occupied or out of order, the notification is deemed received by the settlement member at the hour when KDD first tried to send the notification through fax.

2. ADMISSION TO MEMBERSHIP

2.1. COMMON PROVISIONS

Application for membership

Article 5

The application for membership shall comprise:

1. the data on the applicant:
 - the registered name, registered office and business address,
 - the registration number,
 - the tax number,
2. the data on legal status of the applicant pursuant to Article 14 of the rules:
 - the statement, if the applicant has the status of a stockbroking company, a bank or a person from respective Points of Paragraph 2 Article 14 of the rules,
 - the detailed description of legal status of the member,
 - if the requirement for acquisition of legal status is the ruling of a competent supervisory authority, also: the data of the number and date of issue of this ruling and of the authority issuing this ruling,
3. the data of the contact person of the applicant:
 - the name and surname,
 - the description of tasks or function performed by this person for the applicant,
 - the telephone number,
 - the e-mail address and
 - the fax number,
4. the type of membership to which the application refers.

Documents enclosed to the application for membership

Article 6

(1) The following documents shall be enclosed to the application for membership:

1. if the applicant is a legal person, entered in the court registry or another public record in the state of its registered office: the excerpt from court registry or another public record,
2. if the requirement for acquisition of legal status of applicant from Article 14 of the rules is the ruling of a competent supervisory authority: the copy of this ruling with the certificate of the issuing authority or the notary verifying identity with the original.

(2) If the document under Paragraph 1 of this Article is in foreign language, its duly authenticated translation shall be enclosed to the application.

(3) KDD may demand the applicant to submit other documents or proofs on whose basis it is possible to establish, if the applicant fulfils the requirements for KDD membership pursuant to Article 14 or 22 of the rules.

Procedure with incomplete application for membership

Article 7

(1) If the application for membership does not comprise all data from Article 5 of these regulations or if the documents from Article 6 of these regulations are not enclosed to the application, KDD invites the applicant to appropriately supplement the demand.

(2) In the appeal under Paragraph 1 of this Article, KDD shall set forth the time limit for supplement not shorter than eight days.

(3) KDD shall invite the applicant within eight days as of receipt of the application to supplement the incomplete application.

(4) The provisions of Paragraphs 1 to 3 of this Article apply to KDD's demand under Paragraph 3 Article 6 of these regulations.

Time limit for decision of the Management Board on application

Article 8

(1) Management Board of KDD shall decide upon the application for membership within fifteen days as of receipt of application.

(2) If KDD invited the applicant within the time limit under Paragraph 3 Article 7 of these regulations to supplement the incomplete application, the time limit under Paragraph 1 of this Article does not run from service of this appeal to the applicant:

1. until the expiration of time limit for supplement of application or
2. until receipt of an appropriate supplement of application, if it was supplemented within the time limit under Paragraph 2 Article 7 of these regulations.

Time limit for decision of the Board of Directors on opposition

Article 9

Board of Directors of KDD shall decide on the opposition of applicant against the rejection of its application for membership within fifteen days as of receipt of the opposition.

Rejection of application for membership.

Article 10

KDD rejects the application for membership:

1. if the applicant does not fulfil the requirements for a KDD member from Article 14 or 22 of the rules,
2. if the applicant did not appropriately supplement the incomplete application within the time limit under Paragraph 2 Article 7 of these regulations.

Contents of the decision on acceptance for a registry member and settlement member

Article 11

(1) If KDD accepts the applicant for a member, it determines the member's code with the ruling on acceptance into membership.

(2) If KDD accepts the person from Paragraph 2 Article 14 of the rules for a registry member with limited access, KDD determines the types of accounts this person may maintain with the ruling on acceptance into membership.

(3) If the applicant demands KDD to accept it for a registry member and settlement member, KDD simultaneously decides on the acceptance into both types of membership.

2.2. ACQUISITION OF REGISTRY MEMBERSHIP STATUS

Execution of contract on accession to the system of dematerialised securities accounts maintenance and payment of compensation

Article 12

(1) If KDD accepted the applicant for a registry member, KDD shall send the member within two working days as of decision on acceptance:

1. the ruling on acceptance into membership,
2. two copies of contract on accession to the system of dematerialised securities accounts maintenance, signed by the legal representative of KDD or his proxy,
3. the appeal for payment of:
 - the compensation for accession and
 - the compensation for membership for the first calculation period.

(2) The appeal from Point 3 Paragraph 1 of this Article shall comprise:

1. the name and the designation of the member,
2. the amount of compensation to be paid by the member,
3. the tariff number of KDD's tariff on whose basis the compensation was determined,
4. the maturity of obligation for payment of compensation,
5. the number of KDD's transaction account to whose credit the member shall pay compensation.

(3) The registry member shall within eight days as of receipt of documents under Paragraph 1 of this Article:

1. send KDD one copy of the contract from Point 1 Paragraph 1 of this Article, signed by the legal representative of the member or his proxy and
2. pay the compensation from Point 3 Paragraph 1 of this Article.

(4) If the registry member within the time limit under Paragraph 3 of this Article does not fulfil the obligations under Paragraph 3 of this Article and if the registry member does not fulfil these obligations within the additional time limit of eight days as of receipt of reminder, KDD may exclude the registry member from the system of dematerialised securities accounts maintenance.

Beginning of KDD's services

Article 13

KDD begins to perform services from Article 15 of the rules for the registry member when the registry member:

1. fulfils the obligations under Paragraph 3 Article 12 of these regulations and
2. ensures technical requirements for the use of information system of central registry pursuant to technical regulations.

2.3. ACQUISITION OF SETTLEMENT MEMBERSHIP STATUS

Execution of contract on accession to the settlement system and payment of compensation

Article 14

(1) If KDD accepted the applicant for a settlement member, KDD shall send to the member within two working days as of decision on acceptance:

1. the ruling on acceptance into membership,
2. two copies of the contract on accession to the settlement system, signed by the legal representative of KDD or his proxy,
3. the appeal for payment of:
 - the compensation for accession and

- the compensation for membership for the first calculation period,
- 4. the appeal for payment of basic contribution in the guarantee fund pursuant to regulations on settlement of stock exchange transactions.

(2) The appeal from Point 3 Paragraph 1 of this Article shall comprise:

1. the name and the designation of the member,
2. the amount of compensation to be paid by the member,
3. the tariff number of KDD's tariff on whose basis the compensation was determined,
4. the maturity of obligation for payment of compensation,
5. the number of KDD's transaction account to whose credit the member shall pay the compensation.

(3) The settlement member shall within eight days as of receipt of documents under Paragraph 1 of this Article:

1. send KDD one copy of the contract from Point 1 Paragraph 1 of this Article, signed by the legal representative of the member or his proxy and
2. pay the compensation from Point 3 Paragraph 1 of this Article and the basic contribution from Point 4 Paragraph 1 of this Article.

(4) If the settlement member within the time limit under Paragraph 3 of this Article does not fulfil the obligations under Paragraph 3 of this Article and if the settlement member does not fulfil these obligations within the additional time limit of eight days as of receipt of reminder, KDD may exclude the settlement member from the settlement system.

Beginning of KDD's services

Article 15

KDD begins to perform settlement services from Article 90 of the rules for the settlement member when the settlement member:

1. fulfils the obligations under Paragraph 3 Article 14 of these regulations and
2. if the settlement member simultaneously acquired the registry membership status: when the settlement member ensures technical requirements for the use of information system of central registry pursuant to technical regulations.

3. KDD`S OBLIGATIONS

Ensuring requirements for operation and use of information system of central registry

Article 16

KDD shall ensure the requirements for operation and proper use of information system of central registry.

Assignment of user names

Article 17

(1) KDD assigns upon member's application a user name that enables access to the information system of central registry to the person performing the tasks or the functions for the member, whose performance is related to the use of information system of the central registry.

(2) KDD shall organise a training programme for use of the information system of the central registry for the person under Paragraph 1 of this Article upon request by the respective member.

(3) KDD assigns in accordance with the member's application a user name for a respective type of use of information system of central registry determined in the user manual.

Application for assignment of a user name

Article 18

Application for assignment of a user name shall comprise:

1. the data on the person that shall be assigned a user name,
 - the name and surname,
 - the EMŠO,
 - the address of permanent residence,
 - the e-mail address,
 - the description of tasks or function performed by the person for the member to which the use of the information system of central registry is related,
2. the type of use of the information system of central registry,
3. the designation of the member.

Procedure of assignment of a user name

Article 19

(1) KDD shall within two working days as of receipt of application for assignment of a user name send:

1. a call for payment of compensation for assignment of a user name
2. in the case under Paragraph 2 Article 17 hereof also a call for payment of compensation for training programme for the use of information system of central registry.

(2) KDD shall assign a user name to the person under Article 17 hereof inform the respective member thereof within two working days

(3) The deadline from paragraph 2 hereof shall begin

1. In the case from Paragraph 2 of Article 17 hereof from the day after the person finished the training programme for use of information system of central registry, assign this person a user name and notify the member thereof;

2. In other cases from the payment of compensation for assignment of a user name.

(4) KDD shall send the notification under Paragraph 2 of this Article as an special delivery mail and write on the envelope »user name« together with the name and surname of the person this name was assigned to.

Requirements for the use of user name

Article 20

(1) KDD shall provide the person to whom a user name was assigned the use of information system of central registry the next working day after the day when this person fulfils the requirements with respect to the qualified certificate for electronic signature set forth in technical regulations.

(2) KDD assigns the person to whom a user name was assigned the user password for the first use of user name. KDD notifies the person to whom a user name was assigned of the user password from the previous sentence with a notification under Paragraph 2 Article 19 of these regulations.

(3) The person that KDD assigned the user name shall change its user password at least once a month.

(4) KDD prevents the use of information system of central registry to a person that ceases to fulfil the requirements with respect to qualified certificate for electronic signature set forth in technical regulations.

Cancellation of user names

Article 21

(1) The application of a member for cancellation of a user name shall comprise:

1. the data on the name and surname and the EMŠO of a person that shall be prevented from use of the assigned name,

2. if a person was assigned several user names and the member demands only the cancellation of a particular name, also: the user name to which the application refers.

(2) If KDD receives the member's application for cancellation of a user name after 3 pm, it is deemed that KDD received the application on the next working day after the actual receipt.

(3) KDD shall on the next working day after receipt of the member's application for cancellation prevent the access to the information system of central registry with the use of cancelled user name.

User manual for the use of information system of central registry

Article 22

(1) KDD shall publish the user manual on its web site and enable the access to user manual through appropriate help menus.

(2) If KDD upgrades or modifies the functionalities of the information system of central registry, KDD shall appropriately amend the user manual.

Help for members by the use of information system of central registry

Article 23

KDD shall provide members help by the use of information system of central registry through the electronic system for user support.

Training of member's users

Article 24

(1) KDD shall perform the training of person under Paragraph 2 Article 17 of these regulations for the use of information system of central registry within one month as of payment of compensation for this training.

(2) If KDD significantly upgrades or changes the functionalities of information system of central registry, it shall organise and perform appropriate training for all persons with a valid user name at least 15 days before the beginning of use of the additional or modified functionality of the information system of central registry.

4. MEMBER`S OBLIGATIONS

4.1. GENERAL MEMBER`S OBLIGATIONS

General provision

Article 25

Apart from obligations set forth by these regulations, the member shall also fulfil the obligations set forth by the rules or other regulations of KDD.

Requirements for the use of information system of central registry regarding human resources

Article 26

(1) Settlement member shall ensure that the user name for access to information system of central registry will only be used by the person this name was assigned to and that this person would not forward this name to any other person.

(2) If the person that was assigned a user name ceases to perform tasks for the member, related to use of information system of central registry, the member shall cancel the name the next working day after the occurrence of this fact.

Organisational requirements for the use of information system of central registry

Article 27

The member shall organise its operation in such a manner that only the persons that were assigned a user name pursuant to these regulations will have the access to computer software providing access to the information system of central registry.

Requirements regarding solvency of settlement members

Article 28

(1) The settlement member shall fulfil the requirements regarding solvency set forth in the rules of risk management:

1. pursuant to ZBan-1 and regulations adopted based thereon, if the settlement member has the status of a bank with its registered office in the Republic of Slovenia or bank from a third country conducting investment services and transactions through a subsidiary.

2. pursuant to ZTFI and regulations adopted based thereon, if a settlement member has the status of a stockbroking or investment company of a third country conducting investment services and transactions through a subsidiary,

3. pursuant to regulations adopted by the respective member state into its legal order based on the implementation of Directive 2006/48/EC and Directive 2006/49/EC.

(2) KDD may demand from the settlement member to submit a report on its operation by providing data that the settlement member shall include in the report for Bank of Slovenia, the agency or the competent authority of the member state where it is registered pursuant to regulations under Paragraph 1 of this Article.

Payment of compensation for KDD`s services

Article 29

The member shall pay compensation for KDD`s services in the amount and in the time limits set forth by the tariff.

Notification of KDD

Article 30

(1) Settlement member shall notify KDD:

1. on the control measure imposed on it by the Bank of Slovenia, the agency or another competent supervisory authority,
2. on the modification of data from Point 1 or 2 Article 5 of these regulations and
3. on other circumstances relevant for the use of information system of central registry or for performing KDD's services.

(2) Settlement member shall notify KDD on circumstance under Paragraph 1 of this Article on the next working day after the day when the settlement member learns thereof.

Member's contact person

Article 31

(1) The member shall appoint its contact person authorised for providing information, data and other notifications to KDD and for receiving information, notifications and appeals from KDD.

(2) If the member's contact person is absent, the member shall appoint its deputy and notify KDD thereof.

(3) The member shall immediately notify KDD on modification of contact person's data from Point 3 Article 5 of these regulations or of contact person's deputy under Paragraph 2 of this Article.

4.2. TEMPORARY DISCONNECTION FROM THE INFORMATION SYSTEM OF CENTRAL REGISTRY

Temporary disconnection from the information system of central registry due to supervisory authority's measure

Article 32

(1) If the agency, the Bank of Slovenia or another competent supervisory authority imposed upon the member a measure of temporary prohibition to perform investment services, KDD shall disconnect the member from the information system of central registry within the following time limits that run from the receipt of ruling on the measure:

1. from the information system of dematerialised securities accounts maintenance: within two working hours,
2. from the settlement information system: the next working day.

(2) KDD reconnects the member in the information system of central registry within the time limits under Paragraph 1 of this Article that run from the receipt of ruling on the cancellation of measure.

Temporary disconnection from the information system of central registry due to late payment of compensation

Article 33

(1) If a member does not pay the compensation for KDD's services at maturity, KDD may disconnect the member from the information system of central registry the next working day.

(2) KDD reconnects the member in the information system of central registry the next working day after receipt of payment of compensation.

Temporary disconnection from the information system of central registry due to breach of other obligations

Article 34

(1) If a member breaches the obligations pursuant to Article 26 or 27 of these regulations, KDD may disconnect the member from the information system of central registry the next working day.

(2) KDD reconnects the member in the information system of central registry the next working day after the member ceases the breach and submits to KDD proofs on measures taken to remedy the breach.

Temporary disconnection from the settlement information system of central registry due to non-fulfilment of requirements regarding solvency

Article 35

(1) If the agency, the Bank of Slovenia or a competent authority of a member state or a foreign country, where this member is domiciled, imposed upon the member a control measure due to breach of risk management rules, KDD may disconnect the member from the settlement information system of central registry.

(2) KDD reconnects the member in the information system of central registry the next working day after receipt of ruling on cancellation of the measure.

Notification of the member on temporary disconnection from the information system of central registry

Article 36

(1) KDD shall notify the member on temporary disconnection from the information system of central registry and on the reasons for such disconnection within two working hours as of disconnection.

(2) The provision of Paragraph 1 of this Article applies also to temporary disconnection pursuant to provisions of other regulations of KDD.

5. TERMINATION OF MEMBERSHIP STATUS

Share of the guarantee fund by determination of reasons for exclusion of a settlement member

Article 37

Share of the guarantee fund from Item 1 or 2 Point 3 Paragraph 1 Article 26 of the rules is 25 percent of the initial principal of the guarantee fund.

Time limit for decision of the Board of Directors on the opposition against exclusion

Article 38

Board of Directors of KDD shall decide on member's opposition against the decision of Management Board on exclusion of the member within 15 days as of receipt of opposition.

Member's cancellation statement

Article 39

Member's cancellation statement shall comprise:

1. the name and the code of the member,
2. the member's statement on cancellation from the system of dematerialised securities accounts maintenance or the settlement system.

6. TRANSITIONAL AND FINAL PROVISIONS

Application of regulations

Article 40

The application of these regulations begins with the application of rules pursuant to Paragraph 1 Article 189 of the rules.

Termination of validity of provisions of membership contracts

Article 41

With the day of application of these regulations, the provisions of membership contracts opposite to these regulations cease to be valid.

Enforceability of regulations

Article 42

These regulations become enforceable on 1 January 2005.

Transitional provision to the resolution on the change of regulations dated 12 September 2007

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The changes to the regulations become effective as of 1 November 2007.