The Trading Instructions dated 23 September 2016 were posted on the Ljubljana Stock Exchange website on 23 September 2016, and will enter into effect and into use on 14 November 2016.
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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 34 of the Ljubljana Stock Exchange Inc. Articles of Association and Articles 91, 98, 112, 115, 116, 119, 123, 125, 129, 130, 131, 132, 134, 137, 138, 150–156, 158–160, 163, 164, 168, 169, 170, 175, 176, 179, 180, 185 and 187 of the Ljubljana Stock Exchange Inc. Rules (Ur. l. RS, No. 88/10, with amendments and supplements), the Ljubljana Stock Exchange Inc. Management Board, composed of President Aleš Ipavec, MSc and Member Nina Vičar, MSc, adopted at its meeting on 23 September 2016 the following

**TRADING INSTRUCTIONS**

**1. GENERAL PROVISIONS**

*Applicability of Instructions*

**Article 1**

(1) These Instructions are used for trading in securities through the trading system and stipulate:

1. trading procedure;
2. trading sessions;
3. safeguards;
4. other trading parameters;
5. availability of data;
6. block trades;
7. procedure of trade cancellation and modification;
8. remote members.

(2) Unless otherwise stated in the Rules or Instructions, 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).

*Definitions*

**Article 2**

(1) Terms and expressions used in these Instructions have the following meanings:

1. the term **Rules** refers to the Ljubljana Stock Exchange Inc. Rules;
2. the term **Market Model** refers to the Ljubljana Stock Exchange Inc. Market Model;
3. the term **Instructions for Indices, Liquidity Criteria, Price List and Other Statistics** refers to the Ljubljana Stock Exchange Inc. Instructions for Indices, Liquidity Criteria, Price List and other Statistical Data.

(2) Terms, expressions and abbreviations defined by the Rules have the same meanings in these Instructions as in the Rules.
2. TRADING IN THE TRADING SYSTEM

2.1. TRADING PROCEDURES

Auction and Continuous Trading Procedure
Article 3

(1) In the trading system securities are traded in the continuous or auction trading procedure.

(2) In accordance with Article 118 (4) of the Rules, the criteria for allocating securities into one of the trading procedures as well as the related classification method are stipulated by the Instructions for Indices, Liquidity Criteria, Price List and other Statistical Data.

(3) A detailed description of the two trading procedures is provided in the Market Model.

2.2. TRADING SESSIONS

Duration of Order Book Trading
Article 4

(1) In accordance with Article 119 (6) of the Rules, the duration of order book trading is determined for the continuous and auction trading procedures as well as for block trading.

(2) In the continuous trading procedure, the order book is in the following phases each trading day:

1. the pre-trading phase – between 8.00 and 8:15;
2. the opening auction – between 8.15 and 9:15, during which time:
   ■ the call phase lasts 59 minutes,
   ■ the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched,
   ■ the order book balancing phase lasts 30 seconds;
3. the auction price is determined and orders can be matched between 9:14 and 9:15, and the main trading phase lasts until 14:20;
4. the closing auction:
   ■ for Prime Market – between 14:20 and 14:30, during which time:
     ■ the call phase lasts 9 minutes,
     ■ the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched,
     ■ the order book balancing phase lasts 30 seconds;
   ■ for Standard Market – between 14:20 and 14:33, during which time:
     ■ the call phase lasts 12 minutes,
     ■ the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched,
     ■ the order book balancing phase lasts 30 seconds;
   ■ for all other markets – between 14:20 and 14:35, during which time:
     ■ the call phase lasts 14 minutes,
     ■ the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched,
the order book balancing phase lasts 30 seconds;
5. the post-trading phase – until 16:00.

At all other times the order book is closed.

(3) In the auction trading procedure, the order book is in the following phases each trading day:
1. the pre-trading phase – between 8:00 and 11:00, or until the moment when the auction starts, in accordance with the schedule from par. 4 of this Article;
2. auction, conducted in accordance with the schedule from par. 4 of this Article – lasts 120 minutes for each group of securities, during which time:
   ■ the call phase lasts 118 minutes,
   ■ the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched,
   ■ the order book balancing phase lasts 90 seconds;
3. the post-trading phase – between 13:00 or the moment the auction ends, in accordance with the schedule from par. 4 of this Article, and 16:00.
At all other times the order book is closed.

(4) Auctions in the auction trading procedure follow the schedule below for groups of securities. Securities are allocated into groups according to the decision adopted by the Management Board upon reviews of liquidity criteria. Reviews of liquidity criteria, serving as the basis for the classification of securities into the two trading procedures, are carried out once a year in accordance with the Instructions for Index, Liquidity Criteria, Price List and other Statistical Data.

<table>
<thead>
<tr>
<th>GROUP</th>
<th>AUCTION SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>11:00:00 to 13:00:00</td>
</tr>
<tr>
<td>2.</td>
<td>11:10:00 to 13:10:00</td>
</tr>
</tbody>
</table>

2.3. SAFEGUARDS

Volatility Interruption
Article 5

(1) In accordance with Article 150 (3) of the Rules, a volatility interruption in a security is triggered if the trade is concluded at a price outside the following corridors:
1. dynamic price corridor: includes prices that deviate from reference price 1 by less than 4 per cent; or
2. static price corridor: includes prices that deviate from reference price 2:
   a. by less than 4 per cent in securities traded in auction trading method;
   b. by less than 6 per cent in securities from the Prime Market;
   c. by less than 8 per cent in securities from Standard and Entry Markets and the Structured Products Market segment, which are traded in the continuous trading method.

(2) Price corridors are not displayed in the trading system, but an initiated volatility interruption is.

(3) A volatility interruption can be triggered both in the continuous and the auction trading procedure.

(4) Volatility interruptions in the main trading phase in continuous trading occur like this:
1. incoming orders are executed until the next potential execution price leaves the static or dynamic price corridor (exception: fill-or-kill orders);
2. continuous trading is interrupted and auction begins, having the following phases (only orders intended for continuous trading are considered):
   - the call phase lasts 5 minutes,
   - the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched.

(5) Volatility interruptions in the opening and closing auctions in continuous trading occur like this:
1. the call phase is extended by 5 minutes;
2. the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched;
3. in case of a surplus of orders at the auction price, the order book balancing phase follows and lasts max 30 seconds.

(6) Volatility interruptions in the auction trading procedure occur like this:
1. the call phase is extended by max 5 minutes, ending prematurely if the surplus market orders can be executed;
2. the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched;
3. in case of a surplus of orders at the auction price, the order book balancing phase follows and lasts max 90 seconds.

(7) If the indicative trade price persists outside the static or dynamic price corridor after the volatility interruption, the auction price is nevertheless determined and trades matched.

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**Market Order Interruption**

**Article 6**

(1) In accordance with Article 151 of the Rules, a market order interruption is only triggered if at the moment of trade matching in the price determination phase market orders could not be completely filled.

(2) A market order interruption is only possible in continuous trading, in the opening and closing auction.

(3) An initiated market order interruption is displayed in the trading system.

(4) Market order interruptions occur like this:
1. the call phase is extended by max 5 minutes, ending prematurely if the surplus market orders can be executed;
2. the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched,
3. in case of a surplus of orders at the auction price, the order book balancing phase follows and lasts max 30 seconds.
Extended Volatility Interruption

Article 7

(1) In accordance with Article 152 of the Rules, an extended volatility interruption is triggered if the indicative auction price is outside multiple-times the dynamic price corridor from point 1 of Article 5 (1) hereunder, which is defined as follows:

- As three-times the dynamic price corridor in securities from the Prime Market and Bond Market segment;
- As five-times the dynamic price corridor in securities from the Standard and Entry Markets and Structured Products Market segment.

(2) 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 or market order interruption.

(3) An initiated extended volatility interruption is displayed in the trading system.

(4) During extended volatility interruptions, the Exchange may extend the call phase, determine the price determination phase or halt trading until the following trading day.

(5) During extended volatility interruptions, the Exchange actively contributes to orderly trading and price formation by conducting the operative procedures from Article 152 (2) of the Rules. In doing so the Exchange takes account of the following principles, in accordance with the criteria from Article 152 (4) of the Rules:

1. Depending on the extent of the indicative auction price's deviation from reference price 1 and taking into account the trading procedure, the Exchange extends the call phase and price determination phase appropriately (usually by a few minutes or until the completion of the closing auction or until the end of the trading day).

2. When the indicative auction price deviates significantly from reference price 1, the Exchange extends the call phase until the expected start of the closing auction then acts in accordance with point 3 of this paragraph. This applies to volatility interruptions in continuous trading.

3. When the indicative auction price deviates significantly from reference price 1, the Exchange transfers the security into the ‘halted’ status until the end of the trading day. This applies to auction trading and to closing auctions in continuous trading. The security is returned to the ‘traded’ status on the following trading day.

4. Primarily in closing auctions, in cases of significant price deviations and for securities with high trading volumes (Prime Market, Standard Market), the Exchanges can apply additional measures, such as asking members to examine and manage orders, halting or deleting orders or halting securities.

(6) In an extended volatility interruption in the auction trading procedure the Exchange extends the call phase until at least 14:20 and no longer than 14:40, when trading resumes, in accordance with the principles from par. 5 of this Article.

(7) In the continuous trading procedure when the extended volatility interruption does not coincide with the closing auction, the Exchange acts as follows, in accordance with the principles from par. 5 of this Article:
1 if the indicative auction price deviates from reference price 1 by less than 30%, the call phase is extended by approx. 10 minutes, when trading resumes,
2 if the indicative auction price deviates from reference price 1 by at least 30%, the call phase is extended until the expected start of the closing auction then it is proceeded in accordance with par. 8 or 9 of this Article.

(8) In the continuous trading procedure when the extended volatility interruption coincides with the closing auction, the Exchange acts as follows, in accordance with the principles from par. 5 of this Article:
1. If the indicative auction price deviates from reference price 1 by less than 30 per cent, the call phase is extended by approx. 10 minutes, when trading resumes;
2. If the indicative auction price deviates from reference price 1 by at least 30 per cent, the Exchange acts as follows:
   ■ If it is the first extended volatility interruption in a sequence of two trading days, the security is transferred into the ‘halted’ status and returned into the ‘traded’ status on the following trading day.
   ■ If it is the second extended volatility interruption in a sequence of two trading days and the security was not halted on the previous trading day, the security is transferred into the ‘halted’ status and returned into the ‘traded’ status on the following trading day.
   ■ If it is the second extended volatility interruption in a sequence of two trading days and the security was halted on the previous trading day, the security is halted again only if at least one trade was executed during the current trading day in such a way that it is returned into the ‘traded’ status on the following trading day. Otherwise trading with the security is resumed.

(9) In case of a takeover bid the Exchange may decide not to halt trading as stipulated in the second indent of points 1 and 2 of par. 6 of this Article and in point 2 of par. 8 and 9 of this Article.

(10) The Exchange informs all member firms and the public of extended volatility interruptions that include changes of security status from 'traded' to 'halted' and vice versa, and of extended volatility interruptions that differ from the standard procedures outlined in this Article as well as informs them in the cases from indent 2, par. 8 of this Article.

Trading Risk Limits
Article 7a

(1) For purposes of managing their operative and market risks, member firms have the possibility to define the following trading risk limits per individual trader subgroup:
   ■ Warning limit (or trading risk limit 1): should a predefined limit of turnover value for a specific trader subgroup be exceeded, the warning limit enables that a warning message is automatically sent to the member firm.
   ■ Halt limit (or trading risk limit 2): should a predefined limit of turnover value for a specific trader subgroup be exceeded, the halt limit enables that the following actions are automatically performed:
     ■ Halt of trading of all traders in the respective subgroup;
     ■ Deletion of all open orders of the traders in the respective subgroup from the trading system;
     ■ Notification of a member firm regarding the measures from previous bullets by a halt message.
(2) Member firms can configure trading risk limits in the WEB-Trader trading station or in the ETS interface by determining the limits of turnover value in EUR, whereby they must meet the following conditions:

- They must define both limits from Article 8 (1) hereunder;
- The warning limit of turnover value must be lower than the halt limit of turnover value.

(3) Member firms can configure different threshold values of trading risk limits and different calculation methods of turnover value per trader subgroup.

(4) The Exchange enables member firms the use of trading risk limits strictly on the grounds of their formal order of this functionality.

(5) A detailed explanation of trading risk limits operations and possible configurations of calculation methods of turnover value is given in the LJSE Xetra Market Model.

Temporary Suspensions of Trading and Measures Taken in Cases of Major Price Fluctuations

Article 8

(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 temporarily suspend trading in a security, in accordance with Article 153 of the Rules, until such circumstances have returned to normal.

(2) If a security is suspended, the suspension lasts at least 15 minutes. Before trading resumes, member firms have at least 15 minutes to manage their orders, so that the pre-trading phase lasts at least 5 minutes and the call phase at least 10 minutes.

(3) Should the value of the Ljubljana Stock Exchange blue chip index SBITOP deviate by more than 10 per cent from its closing value of the previous trading day, the Exchange may temporarily suspend trading on the stock exchange market.

Orders Deleted due to Special Circumstances

Article 9

(1) In accordance with Article 138 of the Rules, the Exchange may delete all orders sitting on the order book prior to a suspension of trading, either when trading resumes or when a security is delisted, if these orders could result in mistrades and misleading price formation (e.g. in cases of stock splits or mergers).

(2) Prior to deleting orders, as stipulated in the previous paragraph of this Article, the Exchange suspends or halts the respective security.

(3) When the Exchange expects a major influence on security prices, it may decide to adjust the reference price in the trading system prior to resuming trading in a security, whereby it takes into account all the relevant information, such as the split ratio.

(4) The Exchange informs all member firms of any activities from this Article that it decides to undertake.
2.4. TRADING PARAMETERS

In accordance with Article 112 (1) of the Rules, one (1) lot equals one (1) share, one (1) bond, one (1) open-end fund share, one (1) investment certificate or one (1) warrant.

(1) In accordance with Article 134 (2) of the Rules, ticks for securities in the trading system are the following:

1. for securities the prices of which are given in currency, tick is determined according to security price, as given in the table below:

<table>
<thead>
<tr>
<th>Price in EUR</th>
<th>Tick</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 10</td>
<td>0.001</td>
</tr>
<tr>
<td>from 10 to 50</td>
<td>0.005</td>
</tr>
<tr>
<td>from 50 to 100</td>
<td>0.01</td>
</tr>
<tr>
<td>more than 100</td>
<td>0.05</td>
</tr>
</tbody>
</table>

2. for securities the prices of which are given in per cent, tick is 0.01 of a percentage point.

(2) For blocks tick is EUR 0.0001 for all types of securities the prices of which are given in EUR and 0.0001 of a percentage point for all types of securities the prices of which are given in per cents.

Orders with Execution Restrictions

In accordance with Article 125 (2) of the Rules, the execution of orders with execution restrictions is explained in detail below:

1. Immediate-or-cancel order (IOC): a single entry enables the order to be filled at different prices up to the set limit, whereby any unfilled portions of an IOC order are not entered into the order book but deleted.

2. Fill-or-kill order (FOK): a single entry enables the order to be filled at different prices up to the set limit, whereby it is either executed immediately and in full (in either one trade or several trades) or not at all. If its immediate full execution is not possible, a FOK order is not entered into the order book but deleted.

3. Book-or-cancel order (BOC): the order is entered into the order book as a passive order. If partial or full execution is possible upon order entry, BOC is not executed but deleted from the system.

4. Stop market order: when the stop limit is reached, the stop market order is placed in the order book as a market order under the following conditions:
   - stop market orders are not placed in the order book but in a separate stop order book,
   - stop market orders are not visible to market participants,
stop limit of the sell stop market order must be below the price that was last determined for the respective security,

stop limit of the buy stop market order must exceed the price of the security that was last fixed by the system,

when the stop limit is reached the stop order is automatically placed in the order book as a market order and may be executed immediately,

stop limit is triggered by the price of an executed trade.

5. **Stop limit order**: when the stop limit is reached, the stop limit order is placed in the order book as a limit order under the following conditions:

- stop limit orders are not placed in the order book but in a separate stop order book,
- stop limit orders are not visible to market participants,
- stop limit of the sell stop limit order must be below the price that was last determined for the respective security,
- stop limit of the buy stop limit order must exceed the price of the security that was last fixed by the system,
- when the stop limit is reached the stop order is automatically placed in the order book as a market order and may be executed immediately,
- stop limit is triggered by the price of an executed trade.

6. **Market-to-limit order** has the following characteristics:

- orders are executed against the best limit on the opposite side of the order book,
- if an order cannot be executed in full, a new limit order is entered into the order book for the remaining portion that has the same limit as the part of the order already executed; new limit orders from partial executions receive a new time stamp,
- market-to-limit orders can only be placed in the order book if there are only limit orders on the opposite side (except in auctions),
- in auctions during continuous trading (opening auctions, volatility interruptions, extended volatility interruptions, market order interruptions, closing auctions) market-to-limit orders are treated and displayed as market orders, and can be placed in the order book even if there are market orders on the opposite side,
- after the surplus market-to-limit order is placed in the order book as a limit order its limit cannot be changed anymore.

7. **Iceberg order**: only the peak is displayed and market participants do not see the overall volume, whereby:

- it is executed gradually, as the iceberg supplies a new peak to be entered into the order book as soon as the previous peak has been fully executed, which is repeated until the order book contains any remaining undisclosed volume,
- each new peak receives a new time stamp (so that it can be executed only after the other existing orders on the same side of the order book and with the same price had been executed first),
- minimum peak size: 100 lots, minimum overall volume: 500 lots, whereby the peak must represent at least 5 per cent of the overall volume
- in auctions, iceberg orders appear and are displayed in their total volume (peak and undisclosed volume).
8. **TOP order**: placed on top of the order book, whereby:
   - order input only possible if no orders with the same limit or a limit better than the TOP order have been entered on the same side of the order book yet (the orders available on the same side of the order book with the same limit or a limit better than the TOP order must amount to EUR 0);
   - if the condition from the previous indent is not met, a top-of-the-book order is rejected;
   - management of TOP orders as stipulated in Article 123 (2) of the Rules depends on the functionality of the used interface.

9. **TOP+ order**: placed on the order book, whereby:
   - order input is only possible if the orders available on the same side of the order book with the same limit or a limit better than the TOP+ order have an overall volume lower than EUR 2,000;
   - if TOP+ does not meet the condition from the previous indent, the trading system rejects it;
   - order management in case of TOP+ orders, as defined in Article 123 (2) of the Rules, depends on the functionality of the used interface.

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**Order Types According to Types of Securities**

**Article 13**

Debt securities (e.g. bonds, treasury bills, commercial papers) do not allow for iceberg orders.

**Ex-Coupon and Ex-Dividend**

**Article 14**

(1) Ex-coupon and ex-dividend dates are determined in accordance with Article 115 of the Rules.

(2) Ex-coupon and ex-dividend dates are published in the SEOnet system.

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**2.5. DATA ACCESSIBILITY**

**Order Book Phases**

**Article 15**

(1) In accordance with Article 119 (5) of the Rules, the Instructions hereby stipulate that the following market depth data are visible during each order book phase in continuous trading:

1. pre-trading phase, post-trading phase and closed order book:
   - closing price;
2. call phase in the opening and closing auctions:
   - closing price,
   - indicative auction price,
   - theoretical volume that would be transacted at the indicative auction price,
   - market depth;
3. order book balancing phase in the opening and closing auctions:
   - closing price,
   - auction price,
   - theoretical volume that would be transacted at the auction price,
   - surplus and which side the orders are on, auction price and volume transacted after the price determination phase;
4. main trading phase:
   - closing price,
(2) In accordance with Article 119 (5) of the Rules, the Instructions hereby stipulate that the following market depth data are visible during each order book phase in auction trading:

1. Pre-trading phase, post-trading phase and closed order book:
   - closing price;
2. Call phase:
   - closing price,
   - indicative auction price,
   - quantity that would be executed at the indicative auction price,
   - market depth;
3. Order book balancing phase:
   - closing price,
   - auction price,
   - quantity that would be executed at the auction price,
   - best ask / bid,
   - surplus and which side the orders are on, auction price and quantity that would be executed upon trade matching in the price determination phase.

(3) When a trading day at min. one CEESEG stock exchange is a holiday and thus a non-trading day at the LJSE, the closed order book phase as stipulated in point 1 of Article 119 (1) is highlighted “HOL” by the trading system.

Manner of Ensuring Trade Transparency
Article 16

(1) In accordance with Article 163 (2) of the Rules the Exchange ensures the availability of data on all trades executed on the stock exchange market in the following manner:

- Data on executed block trades executed in shares are published continuously through the provision of the market data to authorized data vendors;
- Data on all other trades on the stock exchange market are published continuously in the trading system.

(2) Additionally, the Exchange ensures the availability of data on all executed block trades on the stock exchange market regardless of the type of security by publishing them on the Exchange’s website after the end of trading.

Data Available on Orders and Executed Trades
Article 17

In accordance with Article 164 (2) (4) of the Rules, access to the following data on securities in the order book is limited:

1. the undisclosed volume of iceberg orders is not displayed in the market (except in auctions);
2. the aggregate ask and bid prices do not include the undisclosed volume of iceberg orders (except in auctions);
3. stop market and stop limit orders are not visible in the market;
4. code of member firm for individual orders;
5. code of trader for individual trades.
2.6. BLOCK TRADES

Block Trade Value

Article 18

(1) The minimum value of a block trade, in accordance with Article 156 of the Rules, is EUR 130,000.

(2) Should the average daily turnover (ADT) in a share amount to EUR 1 million or more, the minimum value of a block trade in this share, in accordance with Council Regulation (EC) No 1287/2006, Annex II, Table 2, is:

<table>
<thead>
<tr>
<th>ADT in EUR</th>
<th>1,000,000 ≤ ADT &lt; 25,000,000</th>
<th>25,000,000 ≤ ADT &lt; 50,000,000</th>
<th>ADT ≥ 50,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum block trade value in EUR</td>
<td>250,000</td>
<td>400,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

(3) Average daily turnover from the previous paragraph does not include block trades and is calculated, in accordance with the Instructions for Index, Liquidity Criteria, Price List and other Statistics, in the same manner as the basic liquidity criteria.

Transacting Block Trades

Article 19

(1) The Ljubljana Stock Exchange allows for the transaction of bilaterally negotiated block trades and cross block trades.

(2) Block trades are transacted by two-way quotes being placed and confirmed.

(3) Bids transmitted to the opposite side in the trade must contain all obligatory block order attributes from Article 160 (2) (4) of the Rules.

(4) A block trade is considered executed when both parties to the trade have confirmed all block order attributes.

(5) Block orders executed in accordance with par. 2, 3 and 4 of this Article are reported to the Exchange by fax or by email, on a form enclosed hereto (Form 03/ST). The Exchange enters and publishes such trade reports in the exchange system.

(6) Block trades are reported by the seller on the date of trade, and the buyer must also sign the report.

(7) Block trades can be executed and reported between 8.00 and 14:30.

(8) In accordance with Article 159 (3) of the Rules block orders in a security cannot be entered or confirmed if this security is suspended, therefore block trades cannot be executed and reported during such time.
Price Corridors for Block Trading

Article 20

The price corridor for block trading includes prices that deviate from the previous day’s close by up to 20 per cent.

Block Trade Settlement

Article 21

(1) The type of settlement is evident from the order’s flag, which stipulates the period and manner of settlement and is composed of:
   1. code T2, standing for the settlement period T + 2, in accordance with item 1 of Article 180 (1) of the Rules
   2. a combination of the letter S and digits 0–3, standing for the settlement period in case of individual settlement according to the delivery versus payment (DVP) principle, in accordance with item 2 of Article 180 (1) of the Rules

(2) The entry of orders with other settlement periods for block trades is not possible

Settlement of Executed Block Trades

Article 22

(1) Should the Central Securities Clearing Corporation KDD (“KDD”) not be able to provide data on settled block trades, the data must be provided to the Exchange by the member firm, on the date of settlement. The Exchange must inform all member firms in advance that the KDD cannot provide data on trade settlement and that the data must be provided by member firms themselves.

(2) Data on the settlement of a block trade, from par. 1 of this Article, is provided to the Exchange by the member firm or – in the event of two member firms participating in a trade – the seller member, on a special form that is appended hereto (Form 04/ST).

(3) Member firms must also report to the Exchange:
   1. any potential change in the block trade settlement date, not later than on the initially anticipated settlement date; and
   2. the potential non-settlement of a block trade, not later than on the day following their withdrawal from the trade, whereby the application must be supplemented by the consent to such a withdrawal given by the opposite member firm that participated in the trade.

(4) Changes of the settlement date and notice of potential non-settlement from par. 3 of this Article is communicated to the Exchange by the member firm that caused the change or non-settlement, on a special form that is appended hereto (Form 05/ST).

Cancellations and Modifications of Executed Block Trades

Article 23

Block trades are cancelled during the trading session under the same rules as ordinary trades. Members report cancelled block trades on the same form as applies for cancellations of ordinary trades (Form 01/ST).
3. TRADING ACCOUNTS

Types of Accounts and their Codes in the Trading System

Article 24

(1) In accordance with Article 129 (1) and Article 131 (5) of the Rules, the settlement of stock exchange trades through a settlement system managed by the central clearing depository (KDD) requires that requisite account numbers and account codes are entered into the trading system upon order entry, as given in the below table:

<table>
<thead>
<tr>
<th>TYPE OF ACCOUNT</th>
<th>ACCOUNT CODE</th>
<th>TRANSFER TO KDD ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPRIETARY ACCOUNT</td>
<td>P</td>
<td>H</td>
</tr>
<tr>
<td>AGENT ACCOUNT</td>
<td>A</td>
<td>C</td>
</tr>
<tr>
<td>DESIGNATED SPONSOR ACCOUNT</td>
<td>D</td>
<td>H</td>
</tr>
<tr>
<td>CUSTODY ACCOUNT</td>
<td>A</td>
<td>U</td>
</tr>
<tr>
<td>PORTFOLIO MANAGEMENT ACCOUNT</td>
<td>A</td>
<td>P</td>
</tr>
</tbody>
</table>

(2) When entering an order into the trading system, account code goes into the »Act« field and account number into the »Text« field.

(3) The following must be taken into account when entering orders into the trading system, in order to ensure an orderly transfer of trades onto the KDD accounts:
   1. order for custody account: »U« must be entered into the “Text” field immediately before account number;
   2. order for portfolio management account: »P« must be entered into the “Text” field immediately before account number.

(4) In accordance with Article 130 (4) of the Rules, the protective service of checking for the accuracy of account entry is carried out for all custody accounts after the trade is executed.

(5) When taking account of a share split from Article 116 of the Rules, member firms and traders must classify trades in these shares, which were executed with the order into which several orders had been merged on the trading days from Article 116 of the Rules, by taking account of the share split, so that the classification is carried out in compliance with Article 177 of the Rules.

4. MODIFICATIONS AND CANCELLATIONS OF EXECUTED TRADES

Cancelling Executed Trades

Article 25

(1) In accordance with Article 154 of the Rules, an executed trade may be cancelled in case of one of the following cases of erroneous order entries:
   1. entry of wrong security;
   2. entry of too large a quantity;
3. entry of wrong price (limit order);
4. entry of sell instead of buy and vice versa;
5. repeated order entry;
6. other operative errors in executing orders.

(2) When filing the application to cancel a trade, the member firm must provide the Exchange with adequate documents from its records of orders.

(3) In their records of orders, member firms must take account of the reasons for all their trade cancellation applications and present them to the Exchange upon request.

Modifying Executed Trades

Article 26

(1) In accordance with Article 155 of the Rules, an account type can only be exchanged for another account type and an account number can only be exchanged for another account number in the event of an error.

(2) Members themselves can modify executed trades in the trading system.

(3) Trades displayed in the exchange systems market watch and trades transmitted to the KDD only include the changes that were made by the time the price list is generated, which is normally at 15:15.

(4) If a trade is executed for an incorrect custody account number, the Exchange invites the member to change the account appropriately. If the account is not changed by 15:15, the Exchange modifies such a trade into a deal transacted for the member’s proprietary account before transmitting the trade data file to the KDD.

(5) If an entered account number is alphanumerical, the Exchange transmits such a trade in the member’s name into settlement to the KDD without the account number, whereby the settlement flag remains intact. The only exception where the account number can be alphanumerical without the Exchange intervening is custody accounts and portfolio management accounts, where capital „U/P“ is required immediately before the actual number of the account.

(6) The possibility of modifying executed trades depends on the functionality of the trading station in use.

Trade Cancellation Procedure

Article 27

(1) Members deliver the application for trade cancellation to the Exchange by fax or by email on a form that is appended hereto (Form 01/ST). The application states the date, security, number of lots, price, ticket, time of trade execution, codes of member firm and trader.

(2) After receiving the application the Exchange faxes it to the opposite member in the trade.

(3) The Exchange must receive the application for and consent to trade cancellation within 60 minutes after the trade was executed and not later than by 14:45.
(4) The Exchange cancels an order book trade if both member firms agree with the cancellation and if the application and consent are provided in due manner and time frames. Trades are cancelled by 15:10 at the latest.

5. REMOTE MEMBERS

Notice on Use of Accounts
Article 28
Member firms settling their trades through a settlement member must communicate to the Exchange the accounts designated to them by the settlement member.

Transmitting Data on Executed Trades to the Settlement System
Article 29
(1) The trades executed by a member firm that is also a member of the settlement system are transmitted to the settlement system under the code of the member that concluded the deal.

(2) The trades executed by a member firm that settles its trades through another member are transmitted to the settlement system by the Exchange under the code of the settlement member.

(3) The trades executed by a remote member firm that settles its trades through another member are transmitted to the settlement system by the Exchange under the code of either the remote member or the settlement member, depending on their mutual agreement. In such an agreement the remote member and settlement member also stipulate the manner of transmitting into settlement trades with errors, as mentioned in Article 25 (4) (5) hereunder, whereby the Exchange complies with this arrangement when transmitting those trades into settlement.

Notice on Remote Member Defaulting
Article 30
(1) When a remote member does not comply with its obligations related to its trades being settled by a settlement member, the latter can communicate this to the Exchange on a form that is appended hereto (Form 02/ST), in accordance with item 3 of Article 98 (1) of the Rules.

(2) The notice from par. 1 of this Article must clearly describe the breach and request an immediate temporary suspension of the remote member.

(3) After having received and studied the notice, the Exchange may immediately and as soon as on the same trading day suspend the respective remote member from trading, in accordance with indent 3 of Article 98 (1) of the Rules.

(4) If, in accordance with Article 98 (5) of the Rules, a settlement member suspends from trading a member for which it clears and settles deals, this settlement member must immediately inform the Exchange by telephone as well as provide it with the completed Form 06/ST (Appendix to these Instructions) by the end of the trading day.
(5) If, in accordance with Article 91 (2) of the Rules, a settlement member revokes the trading stop for a trading member for which it clears and settles deals, this settlement member must immediately inform the Exchange by telephone as well as provide it with the completed Form 07/ST (Appendix to these Instructions) by the end of the trading day.

6. TRANSITIONAL AND FINAL PROVISIONS

Effective Date of Instructions
Article 31

(1) These Instructions and amendments thereof are adopted by the Exchange Management Board.

(2) These Instructions and amendments thereof shall enter into effect on the 15th day after being posted on the Exchange website, unless the Exchange decides otherwise when in special cases due to just reasons it stipulates an earlier effective date and shall enter into use on November 14, 2016.

(3) On the date these Instructions enter into effect and use, the Trading Instructions 6 May 2016 shall terminate.

Ljubljana, 23 September 2016

Ljubljana Stock Exchange

Nina Vičar, MSc
Member of the Management Board

Aleš Ipavec, MSc,
President of the Management Board

Attachments (forms) to these Instructions:
1. Application for Trade Cancellation: Form 01/ST
2. Notice on Remote Member Defaulting: Form 02/ST
3. Block Trade Report: Form 03/ST
4. Block Trade Settlement Report: Form 04/ST
5. Application for Change of Settlement Date / Withdrawal from Settlement: Form 05/ST
6. Notice on Suspending Non-Settlement Member from Trading on LJSE: Form 06/ST
7. Notice on Re-Admitting Non-Settlement Member to Trading on LJSE: Form 07/ST
Obr. 01/ST (Form 01/ST)

RAZDRTJE SKLENJENEGA POSLA
(APPLICATION FOR TRADE CANCELLATION)

DATUM
(DATE):

KODA VRED. PAPIRJA
(SEcurity CODE):

ISIN:

ŠTEVilo LOTOV (n-kratnik nominalne vrednosti
glavnice v primeru obveznic)
NO OF LOTS (n-multiple of the principal for bond):

TEČAJ
(PRICE):

ŠT. POSLA
(TRD. NO - TICKER):

ČAS SKLENITVE POSLA
(TIME OF TRADE):

ZAHTEVA (KUPEC / PROD):
APPLICATIN (BUYER / SELLER):

BORZNI TRGOVALEC
(TRADER):

RAZLOG
(REASON):

PODPIS IN ŽIG KUPCA
(SIGNATURE AND SEAL
OF BUYER)          PODPIS IN ŽIG PRODAJALCA
(SIGNATURE AND SEAL
OF SELLER)

Ljubljanska borza vrednostnih papirjev d.d.:  
FAX: (01) 471 02 03, (01) 471 02 13; E-MAIL: upravljanje-trgov@ljse.si
NOTICE ON REMOTE MEMBER DEFAULTING

Date of application: ____________________________
(completed by settlement member)

Date received: ____________________________
(completed by Ljubljana Stock Exchange)

SETTLEMENT MEMBER
(member filing this notice):

_________________________________________________________________________________
_________________________________________________________________________________

We hereby file for the below remote member for which we clear and settle stock exchange trades in our name to be temporarily suspended from remote membership of the Ljubljana Stock Exchange, effective immediately.

REMOTE MEMBER:

_________________________________________________________________________________
_________________________________________________________________________________

The application for immediate suspension is due to the following breach of contract entered into between the settlement member and remote member for the settlement of obligations from executed trades:
_________________________________________________________________________________
_________________________________________________________________________________
_________________________________________________________________________________
_________________________________________________________________________________

(Signature and seal of authorized person)
BLOCK TRADE REPORT

Trade reference ____________________ Date of report ____________________

SELLER MEMBER code __________________________________________________
Trader code ___________________________________________________________

ACCOUNT TYPE P (proprietary) A (agent) A (U custody) A (P portfolio management) D (designated sponsor)
ACCOUNT NO. __________________________________________________________

BUYER MEMBER code __________________________________________________
Trader code ___________________________________________________________

ACCOUNT TYPE P (proprietary) A (agent) A (U custody) A (P portfolio management) D (designated sponsor)
ACCOUNT NO. __________________________________________________________

PRICE in EUR or % ____________________ SECURITY ____________________
VALUE OF TRADE ____________________ Code ____________________________
SETTLEMENT DATE ____________________ ISIN __________________________

No. of _________________________ shares / bonds*

* Please enter the n-multiple of the principal for bonds.

SETTLEMENT (please mark) T+2 S0 S1 S2 S3 ____________________ ____________________

Signature and seal of buyer Signature and seal of seller

Completed by Ljubljana Stock Exchange

Report no. ____________________
Entered into BIS ____________________ Entered into TTR ____________________
(date) ____________________ (date) ____________________
(time) ____________________ (time) ____________________
Name, signature ____________________ Name, signature ____________________
BLOCK TRADE SETTLEMENT REPORT

Trade reference _____________________________

Date of report _____________________________

SECURITY

Code _____________________________

ISIN _____________________________

No. of shares / bonds _____________________________

DATE OF TRADE _____________________________

TRADE NO. (TICKET) _____________________________

SETTLEMENT DATE _____________________________

__________________________________________
Signature and seal of member firm

-------------------------------------------------- Completed by Ljubljana Stock Exchange --------------------------------------------------

Report no. _____________________________

Received:

(date) _____________________________

(time) _____________________________

Name and signature _____________________________
APPLICATION FOR CHANGE OF SETTLEMENT DATE / WITHDRAWAL FROM SETTLEMENT

Trade reference _____________________________
Date of report _____________________________

SECURITY
Code _____________________________
ISIN _____________________________
No. of shares / bonds _____________________________

We are reporting the following change (underline and fill out as appropriate):

- CHANGE OF TRADE SETTLEMENT DATE
  New settlement date _____________________________

- WITHDRAWAL FROM BLOCK TRADE SETTLEMENT
  Reason for withdrawal _____________________________

___________________________________________________
Signature and seal of member firm

-------------------------------------- Completed by Ljubljana Stock Exchange -------------------------

Report no. _____________________________

Received:
(date) _____________________________
(time) _____________________________
Name and signature _____________________________
NOTICE ON SUSPENDING
NON-SETTLEMENT MEMBER FROM TRADING ON LJSE

Date and time of suspension
_____________________________________________________
(completed by settlement member)

Date of report
_____________________________________________________
(completed by Ljubljana Stock Exchange)

SETTLEMENT MEMBER:
(member filing this notice)
_____________________________________________________
_____________________________________________________

We hereby inform the Ljubljana Stock Exchange that we have suspended from trading the below non-settlement member for which we clear and settle stock exchange deals in our name.

NON-SETTLEMENT MEMBER:
_____________________________________________________
_____________________________________________________

The non-settlement member was suspended from trading due to its having breached the following obligations related to settlement / due to its having breached the following trading limits as stipulated in the agreement from point 2 of Article 88 (1) of the Rules:

_____________________________________________________
_____________________________________________________
_____________________________________________________
_____________________________________________________
_____________________________________________________

Signature and seal of settlement member
NOTICE ON RE-ADMITTING
NON-SETTLEMENT MEMBER TO TRADING ON LJSE

Date and time of re-admittance to trading
______________________________________________
(completed by settlement member)

Date of report
______________________________________________
(completed by Ljubljana Stock Exchange)

SETTLEMENT MEMBER:
(member filing this notice)
______________________________________________

We hereby inform the Ljubljana Stock Exchange that we have re-admitted to trading the below non-settlement member for which we clear and settle stock exchange deals in our name.

NON-SETTLEMENT MEMBER:
______________________________________________

Reason for re-admittance to trading:
______________________________________________
______________________________________________
______________________________________________
______________________________________________

______________________________________________
Signature and seal of settlement member