

UNOFFICIAL TRANSLATION of the Rules of the Republic of Slovenia Government Securities' Auctions, No. 470-49/2008/4, dated 31. 1. 2017. In case of divergence in the interpretation of these Rules the Slovenian language version shall prevail over the English one.

RULES OF THE REPUBLIC OF SLOVENIA GOVERNMENT SECURITIES' AUCTIONS

I. GENERAL

1. The Scope of the Rules

The Rules of the Republic of Slovenia Government Securities Auctions (»the Rules«) determine the mode for the execution of the auctions of issues of government bonds (the »Bonds«) and of treasury bills, issued by the Republic of Slovenia. The detailed procedures for the execution of the auctions of government securities are defined by the Government Securities' Auction System User Guide (the "User Guide«) and by the Government Securities' Auction Issuer's Manual ("the Issuer's Manual"), which represent supplements of these Rules.

2. The Mode of Offering of the Government Securities to the Public

An auction, executed in compliance with these Rules, is the mode for the execution of public offering for subscription of the government securities. The sales of Government securities in the auctions in compliance with the Rules are deemed primary market sales of Government securities. The Ministry of Finance performs the auctions following the annual Central Government Financing program, as passed by the Government of the Republic of Slovenia for any given year.

3. The Government Securities Auction Participants – the Primary Dealers

- 3.1. Only primary dealers (the "PDs") will participate in auctions directly; bids may be submitted by PDs in their own name either for their own account or for the account of third persons.
- 3.2. PDs for bonds and/or treasury bills are the legal entities selected by the Ministry of Finance as primary dealers for an agreed period which entered into the contracts on performance of primary dealer services for such a period with the Ministry of Finance.
- 3.3. The list of PDs for treasury bills and for bonds is published on the Ministry of Finance website.

- 3.4. Other legal entities and private individuals (the »investors«) can participate in the auctions in an indirect manner, by submitting their order(s) for subscription and payment of government securities for their own account to PDs.

4. The Obligations of the Primary Dealers

- 4.1. PDs will notify the investors about auctions and will accept the investors' orders for subscription and payment of government securities in an auction (the »orders«) and will submit the bids based on orders in compliance with these Rules.
- 4.2. PDs will accept the orders on Form 1 which is part of these Rules or in a different manner agreed between a primary dealer and an investor within the regulations governing the securities market.
- 4.3. The orders are treated as a legal transaction between primary dealer and investor. PDs are obliged to conclude legal transactions with investors within these Rules. In the case that any of the clauses of a legal transaction between a primary dealer and an investor are contrary or different from the relevant provisions of the Rules, the provisions of Rules will prevail. In case of any loss or damage for investor occurring because of legal transaction concluded adversely to these Rules, the primary dealer must cover the loss or damage to the investor.
- 4.4. PDs will submit bids of investors in their own name and for the account of investors, as defined with the Rules.
- 4.5. PDs must keep a record of orders that has to contain at least the data set by the Form 1 as defined by Section 4.2 above. PDs must make the data from the record available to the Ministry of Finance within eight days after the date the Ministry of Finance makes a demand for data. The Ministry of Finance may demand the record in writing at any time.

5. The Technical Platform for the Execution of the Auctions of Government Securities

The auctions of government securities are carried out through an electronic system provided by Bloomberg - the Bloomberg Auction System ("the BAS").

6. The BAS Users

- 6.1. Only PDs, the Ministry of Finance and Bloomberg have access to the BAS through their representatives expressly authorized and registered with the BAS as the BAS users (the “Dealers”).
- 6.2. The PDs as the BAS users are obliged to:
 - a) acknowledge, accept and comply with these Rules and the User Guide,
 - b) nominate at least two fully authorized representatives as the BAS Dealers,
 - c) make certain that the Dealers know how to use the BAS and that they use it in a proper manner,
 - d) notify the Ministry of Finance in due time of any difficulties they may experience in using BAS,
 - e) ensure the presence of at least one Dealer continuously from the start until the conclusion of the auction for each of the securities offered, i.e. until the receipt of the confirmation for each of the securities offered (Form 5 for Bonds or Form 6 for treasury bills) by electronic mail or by fax.
- 6.3. The Ministry of Finance is responsible for:
 - a) ensuring the operational management of the auction process,
 - b) carrying out the registration of the Dealers nominated by the PDs
 - c) deciding on the application of contingency plans approved for execution of auctions in the case of platform failures.
- 6.4. Bloomberg is responsible for:
 - a) maintaining BAS in efficient conditions,
 - b) continuously ensuring the necessary surveillance for its normal functioning and
 - c) supporting the application of contingency plans for execution of auctions in the case of platform failures.

7. Registration of the Dealers

- 7.1. The registration of the Dealers with the BAS should be requested by the PDs by submitting a written request to the Ministry of Finance by a fax including the Dealer's identification, (name, UUID code in BAS, electronic address, telephone). The request must be signed by the PD's representative who has obtained a power of attorney to sign from the PD's authorized body in the form as defined by the Form 2a (for Bonds) and Form 2b (for treasury bills) of these Rules.
- 7.2. In case of a change of a Dealer, the registration must be requested in written form as defined by Form 2a or Form 2b, no later than the last business day prior to the auction date.

II. BONDS

II.1. GENERAL RULES FOR THE BOND AUCTIONS

8. The Bond Auction Execution Mode

8.1. The Bond auctions are executed in two phases:

- a) 1st phase – by competitive bidding and
- b) 2nd phase - by non-competitive bidding.

9. The First Phase Auction Rules (Competitive Bidding)

- 9.1. In the competitive bidding PDs will submit the bids in their own name and for their own account as well as the bids in their own name and for the account of investors (the “Competitive Bids”). PDs are not obliged to submit Competitive Bids in their own name and for their own account.
- 9.2. Every PD may submit an unlimited number of Competitive Bids.
- 9.3. The nominal amount of every individual Competitive Bid must be equal to or higher than 100.000 EUR.
- 9.4. PDs will enter competitive bids into BAS in the number of Bonds of a given Bond auctioned. The number of Bonds of a competitive bid must be in compliance with the section Rule 9.3 above and must be rounded to 1 single Bond.
- 9.5. PDs will enter into BAS the price of each single competitive bid expressed as percentage of the nominal amount of bid rounded to two decimal places. The nominal amount of each bid represents the number of Bonds of each bid, multiplied by nominal value of one Bond that is being bid.
- 9.6. In the process of selection and valuation of competitive bids, every submitted bid shall be treated as a separate and independent bid. Ministry of Finance will multiply the bids received as a number of Bonds with the nominal value of the one Bond that is being bid, thus converting them into nominal amounts and will continue to treat them, for the purpose of further selection procedure, as bids expressed in nominal amounts.
- 9.7. All of the Competitive Bids will be ranked, starting with the highest priced bid to the lowest priced bid. Every individual Competitive Bid may be accepted at the bid price or rejected, in a part or in total.
- 9.8. The Competitive Bids will be accepted in the same order as they were ranked until the sum of the nominal amounts of such Competitive Bids reaches such a total nominal amount of issue of a given Bond as the Ministry of Finance is prepared to accept in the 1st phase of the auction (the “Competitive Allocation Amount”).

- 9.9. If the sum of Competitive Bids at the Cut off Price is higher than the total nominal amount that the Ministry of Finance is prepared to accept at this price in the 1st phase of the auction, such bids are accepted partly. The Cut off Price is the lowest price of the Competitive Bids accepted in the 1st phase of the Auction.
- 9.10. Each one of such Competitive Bids is accepted in the part that equals the split amount of such a bid.
- 9.11. The Split Amount is the nominal amount of a Competitive Bid at the Cut off price multiplied by the Split Factor.
- 9.12. The Split Factor is calculated by dividing the Amount to be accepted at the Cut-off Price with the sum of the bids at Cut-off Price and is not rounded.
- 9.13. The Amount to be accepted at the Cut-off Price is the difference between the Competitive Allocation Amount and the amount of bids already awarded in total nominal amounts.
- 9.14. The Split Amounts are to be rounded to the nominal value of one Bond. The sum of the rounded Split Amounts is compared to the Amount to be accepted at the Cut-off Price. If the total amount of the rounded Split Amounts is greater or lower than the Amount to be accepted at the Cut-off Price, some of the Split Amounts selected at random are to be changed for the needed number of bonds. The sum of the Split Amounts after this correction must be equal to the Amount to be accepted at the Cut-off Price.

10. The Second Phase Auction Rules (Non-competitive Bidding)

- 10.1. In the second phase of the auction only PDs may submit bids in their own name and for their account ("Non-competitive Bids"). Submission of Non-competitive Bids is not obligatory. For each bond offered each PD may submit one Non-competitive Bid only.
- 10.2. The subscription of Non-competitive Bids for each of the bonds offered is made at the lowest price accepted in the first phase - competitive bidding of the auction of such bond.
- 10.3. The maximum total nominal amount of Non-competitive Bids accepted in the second phase of the auction is equal to 25% of the Competitive Allocation Amount ("the Non-competitive Allocation Amount").
- 10.4. Non-competitive Bids will be entered into BAS in the number of Bonds for each Bond auctioned. Every single bid has to be rounded to 1 Bond and must not exceed the number of Bonds of the Non-competitive Allocation Amount.
- 10.5. The Ministry of Finance will multiply the bids received as a number of Bonds with the nominal value of a single Bond offered, thus converting them into nominal

amounts and will continue to treat them, for the purpose of further selection procedure, as bids expressed in nominal amounts.

- 10.6. If the sum of the nominal amounts of all Non-competitive Bids submitted is lower or equal than the Non-competitive Allocation Amount, every Non-competitive Bid submitted is accepted in the nominal amount bid. The difference between the Non-competitive Allocation Amount and the total amount bid is offered in the next auction.
- 10.7. If the sum of the nominal amounts of all Non-competitive Bids submitted is higher than the Non-competitive Allocation Amount, those PDs who have submitted Non-competitive Bids have a right to subscribe their bids at least at the Guaranteed Allocation Amount.
- 10.8. The Guaranteed Allocation Amount is calculated as Non- competitive Allocation Amount divided by the number of all of the PDs nominated by the Ministry of Finance for a given selection period. The sum of all Guaranteed Allocation Amounts shall not exceed the total Non-competitive Allocation amount.
- 10.9. If circumstances described in Section 10.6 shall occur each Non-competitive Bid submitted in a nominal amount equal or lower than the Guaranteed Allocation Amount, is accepted in the nominal amount bid. Each Non-Competitive Bid submitted in a nominal amount higher than the Guaranteed Allocation Amount is accepted in a proportionally reduced bid amount (the “Calculated Allocation Amount”).
- 10.10. The Calculated Allocation Amount is the sum of the Guaranteed Allocation Amount and the Additional Amount.
- 10.11. The Additional Amount is calculated as the product of the Split Factor and the Non-allocated Residue of Non-competitive Allocation Amount.
- 10.12. The Split factor is the proportion of the Individual Exceeded Calculated Amount in the sum of all Individual Exceeded Calculated Amounts (expressed in percentage and is not rounded). The Individual Exceeded Calculated Amount is the difference between the nominal amount of an individual Non-competitive Bid and the Guaranteed Allocation Amount.
- 10.13. The Non-allocated Residue of Non-competitive Allocation Amount is the difference between the Non-competitive Allocation amount and the sum of all bids with a lower or equal nominal amount than the Guaranteed Allocation Amount.
- 10.14. Each of the Calculated Allocation Amounts are to be rounded to the nominal value of one bond. If the sum of all Calculated Allocation Amounts rounded to the value of one bond is higher or lower than the Non-competitive Allocation Amount, the rounded Calculated Allocation Amount of one or some PDs (selected at random) are adjusted for such a number of bonds which make the sum of the Calculated Allocation Amounts equal to the Non-competitive Allocation Amount.

II.2. PROCEDURES FOR THE BOND AUCTIONS EXECUTION

11. The Competitive Bidding Invitation

- 11.1. At least 5 working days before the Auction Date, a formal invitation to the PDs will be sent by Ministry of Finance through the BAS after setting up a tender in compliance with the Issuer's Manual (the "Competitive Bidding Invitation").
- 11.2. The Competitive Bidding Invitation shall include:
- a) the name of auction (the issue identification),
 - b) currency of the issue,
 - c) the number of Bonds offered in the 1st phase for each the Bonds auctioned
 - d) the nominal value of a single Bond for each of the Bonds auctioned,
 - e) the invitation date and time,
 - f) the period for submission of bids in the competitive phase of the auction (date and time),
 - g) the time of the release of the auction results,
 - h) the settlement date,
 - i) the bids format,
 - j) other information considered relevant for the execution of the auction (instructions for entering in the note field, payment instructions, contact persons).
- 11.3. In addition to the Competitive Bidding Invitation via BAS, a written invitation to submit bids for subscription of bonds, will be delivered to the PDs by mail and by electronic message
- 11.4. The written invitation will specify: the data on Bonds that will be issued at the auction, anticipated total amount of borrowing by the auction, the number of Bonds offered for each of the Bonds auctioned, nominal value of one Bond, timing framework of the auction, payment and settlement instructions and other specific instructions deemed necessary at the auction.

12. The Offering of Bonds to the Public

The Ministry of Finance will notify general public about the auction by publishing an offer to the public to purchase the bonds on the website of the Ministry of Finance http://www.mf.gov.si/angl/vredn_papirji/primary_market.htm

13. The Submission of the Competitive Bids

- 13.1. The Dealers will access the BAS following the instructions of the User Guide, on the day and at the time defined by the invitation.

13.2. The entering of the Competitive Bids:

In the 1st phase of the auction the Competitive Bids must be submitted in the period indicated in the Competitive Bidding Invitation which, unless otherwise specified by the Ministry of Finance in the Competitive Bidding Invitation, shall be from 8:30 a.m. to 12:00 a.m.

PDs submit Competitive Bids by entering them into BAS.

The Dealers have to enter the following data:

- a) the value of each individual bid expressed as number of Bonds
- b) bid price (expressed as percentage of nominal value of the bid, rounded to two decimal places)
- c) uniform identification code (the "ID code") or KID code of the PD, ID code or KID code of the investor (in case that the Bonds will be issued into investors holders account), the investor's citizenship code (in case the investor is a physical person) in the corresponding "note field".

13.3. The PDs are obliged to accept the investors' orders until 11:00 am. However they may accept the orders after 11:00 am if they consider such an order to be executable by the closing time for the submission of the Competitive Bids.

13.4. Bids registered in the BAS at the closing time will be considered firm and binding.

13.5. The Ministry of Finance will ensure the confidentiality of the bids whereby none of the bids will be known to any of the other participants before the public release of the auction results.

14. The Selection and Accepting of the Competitive Bids

14.1. The selection of the Competitive Bids will be executed in compliance with the section 9 of these Rules immediately upon expiration of the closing time for submission of the Competitive Bids.

14.2. Before the selection, the Ministry of Finance will verify whether the Competitive Bids comply with these Rules and with the invitation to bid, and if the ID and KID codes of PDs and investors are in accordance with the data in the central registry of dematerialised securities maintained by KDD - Central Clearing and Depository Corporation Inc. If any corrections of the codes are needed, the Ministry of Finance will inform PDs by sending a fax or an e-mail message as defined by the Form 3a of these Rules and adjust the codes in accordance with PD's approval. PDs are also obliged to send to the Ministry of Finance detailed information about non-resident investors - legal entities and non-resident and resident investors - physical persons, defined by the Form 4a of the Rules by fax before closing time of the Competitive Bidding.

- 14.3. The Ministry of Finance will form a decision on the Competitive Allocation Amount for each of the Bonds offered at the auction in compliance with the section 9 of these Rules.
- 14.4. After the decision is adopted for each of the bonds offered the competitive bidding, the Ministry of Finance will complete the 1st phase of the auction following the instructions of the Issuer's Manual at 2:00 p.m., unless otherwise specified by the Ministry of Finance.

15. The Non-competitive Bidding Invitation

- 15.1. From 2.00 p.m. to 2.15 p.m. on the day of the competitive bidding a formal invitation to the Dealers for non-competitive bidding in the second phase of the auction will be sent by the Ministry of Finance through BAS after setting up the second phase tender following the instructions of the Issuer's Manual (the "Non-competitive Bidding Invitation"). Unless otherwise announced by the Ministry of Finance, the non-competitive bidding shall start at 2.30 p.m.
- 15.2. The Non-competitive Bidding Invitation will specify for each of the bonds offered:
 - a) the allocation size of the non-competitive bidding, expressed as number of Bonds
 - b) value of a single Bond for each bond auctioned
 - c) the price for non-competitive bids,
 - d) the guaranteed bid amount expressed in number of Bonds,
 - e) the period for the submission of bids in the non-competitive phase of the auction (date and time),
 - f) the time of the release of the auction results,
 - g) other information considered relevant .

16. The Submission of Non-competitive Bids

- 16.1. The Non-competitive Bids must be submitted through BAS in the period defined in the Non-competitive Bidding Invitation. Unless otherwise announced by the Ministry of Finance in the Non-Competitive Bidding Invitation, this period shall be from 2.30 p.m. to 3.00 p.m. on the auction date.
- 16.2. Dealers have to enter:
 - a) the number of Bonds for a bid entered
 - b) the ID or KID code of the PD (in the "Note field").
- 16.3. Bids registered in BAS at the closing time of the non-competitive bidding will be considered firm and binding.
- 16.4. The Ministry of Finance will ensure the confidentiality of the bids whereby none of the bids will be known to any of the other PDs before the public release of the auction results.

17. The Selection and Accepting of the Non-competitive Bids

- 17.1. The selection and accepting of the Non-competitive Bids will be executed as defined by the section 10. of these Rules immediately upon expiration of the closing time for submission of the Non-competitive Bids.
- 17.2. The non-competitive bidding allocation will be executed in the BAS by the Ministry of Finance following the instructions of the Issuer's Manual at 3:30 p.m. unless otherwise specified by the Ministry of Finance.

18. The Decision on Borrowing

- 18.1. The Ministry of Finance will form a Decision on Borrowing containing:
- a) the total nominal amount of the Competitive bids accepted for each of the Bonds offered,
 - b) the total number of Bonds of accepted Competitive bids for each of the Bonds offered
 - c) the lowest Competitive Bid price accepted for each of the Bonds offered,
 - d) the total nominal amount of Non-competitive bids accepted for each off the Bonds offered,
 - e) the total number of Bonds of accepted Non-competitive bids for each of the Bonds offered
 - f) the total amounts accepted for each of the offered Bonds (i.e. the sum of accepted Competitive and Non-competitive Bids),
 - g) the average price and the average yield of all the bids accepted for each of the offered Bonds.

19. The Publication of the Auction Results

- 19.1. The results of the auction will be published on the day of the auction after 3.30 p.m. on the Ministry of Finance's website http://www.mf.gov.si/angl/vredn_papirji/primary_market.htm and through Reuters (pages-MF SLO 5) and Bloomberg (pages: ASUM SLBS) information systems.
- 19.2. For each of the bonds offered the following information will be published:
- a) the total amount of Competitive Bids offered,
 - b) the highest and the lowest Competitive Bid price,
 - c) the total amount of Competitive Bids accepted,
 - d) the lowest price of Competitive Bids accepted,
 - e) the percentage of the nominal amounts of Competitive Bids accepted at the lowest price,
 - f) the total amount of Non-competitive Bids accepted,
 - g) the price of Non-competitive Bids,

- h) the total amounts accepted for each of the offered Bonds (i.e. the sum of accepted Competitive and Non-competitive Bids),
- i) the average price and the average yield of all accepted bids.

20. The Confirmation of Accepted Bids to PDs

By 4.p.m. at the latest, on the auction day, the Ministry of Finance will notify the primary dealers on accepted bids by fax and by electronic mail in the form as defined by the Form 5 of these Rules. By receiving this confirmation, the bidder enters into a binding contract with the Republic of Slovenia on subscription of the Bonds at the prices, conditions and amounts of the bids accepted.

II.3. PAYMENT AND SETTLEMENT

21. Primary Dealer's Obligations

- 21.1. Payment day for the bonds is the second business day after the day of the auction.
- 21.2. On the payment day, PDs whose bids were accepted are obliged to execute the payment by money order which the Republic of Slovenia receives no later than by 12 a.m. on the account specified in the auction invitation. At the first issue of a particular Bond, the payment amount equals the settlement amount as stated in confirmation from section 20 of these Rules, while at each subsequent issue the due payment will include also the amount of accrued interest for the period from the day of the first issue of the Bond to the payment day. PDs must make the payment regardless whether they purchased the bonds in their own name and for their own account or for the account of an investor.
- 21.3. When a PD does not execute the payment in total within the closing time from precedent paragraph, the contract from Section 20 of these Rules is considered void. In such a case, the Ministry of Finance will decrease the issue of the bonds concerned for total nominal amount of the accepted bids of the PD who did not fulfill his obligation in total and will return the partial payment to the aforesaid PD.

22. Ministry of Finance Obligations

The Ministry of Finance is obliged to submit the order to issue the bonds to the Central Securities Clearing Corporation Inc. (KDD) in such a manner that all the duly paid bonds are entered into registry accounts of the entities for whose account the bids were submitted, on the second business day following the day of auction.

III. THE TREASURY BILLS

III.1. GENERAL RULES FOR THE TREASURY BILL AUCTIONS

23. The Execution of the Treasury Bills Auctions

23.1. The treasury bills' auctions will be executed in a single phase by competitive bidding.

24. The Auction Rules

- 24.1. PDs will submit the bids for purchase of treasury bills on their own behalf and for their account and on their own behalf and for account of investors. They are not obliged to submit bids on their own behalf and for their account.
- 24.2. Every primary dealer may submit an unlimited number of bids for purchase of treasury bills.
- 24.3. For each individual competitive bid, the primary dealers will enter into BAS the nominal amount and price, expressed as the percentage of the nominal bid amount rounded to three decimal points.
- 24.4. In the process of selection and valuation of bids, every submitted bid shall be treated as a separate and independent bid.
- 24.5. In the process of selection of bids, all the bids for each of the treasury bills auctioned will be sorted starting with the highest priced bid to the lowest priced bid. Each individual bid can be accepted or rejected in a part of the bid amount or in the total bid amount.
- 24.6. The bids will be accepted in the same order as they were sorted until the sum of the nominal amounts of such bids reaches such a total nominal amount of issue of a given treasury bill as the Ministry of Finance is prepared to accept (the "Allocation Amount").
- 24.7. All the bids accepted are considered as submitted at the uniform price and are accepted at uniform price. The uniform price is equal to the lowest price of the bids that the Ministry of Finance has accepted in the process of selection of bids.
- 24.8. If the sum of nominal amounts of bids at the lowest price acceptable to the Ministry of Finance is higher than the amount the Ministry of Finance is prepared to accept at this price, the Ministry of Finance will accept these bids in partial amounts (the "Split amount").
- 24.9. In the first step of splitting the bids, the Ministry of Finance will treat all the bids of an individual PD, priced at the lowest accepted price, as a single bid at the given price (the "Aggregate bid amount of PD at the lowest accepted price").

- 24.10. The Aggregate bid amount of PD at the lowest accepted price will be multiplied by the Split factor and is mathematically rounded to one treasury bill. The resulting amount represents the Split amount of PD at the lowest accepted price.
- 24.11. The Split factor is a relation of the sum of Split amounts to the sum of amounts of all bids at the lowest accepted price. The Split factor is not rounded.
- 24.12. The sum of all of the Split amounts is the difference between the Allocation amount and the sum of nominal amounts of all bids accepted by the Ministry of Finance in their total nominal amounts.
- 24.13. In the second step of splitting the bids, every individual bid submitted by a PD at the lowest accepted price will be multiplied by the Split factor. The resulting amount is the Individual bid split amount. Each Individual bid split amount will be mathematically rounded to one treasury bill. The sum of rounded Individual bid split amounts of a PD will be compared with the the Split amount of PD at the lowest accepted price. If the sums differ, the sum of the rounded Individual bid split amounts will be adjusted to the Split amount of PD at the lowest accepted price by subtracting or adding the number of treasury bills necessary to the randomly chosen Individual bid split amount but taking into consideration that the Individual bid split amount shall not exceed the originally bid amount..

III.2. PROCEDURES FOR THE EXECUTION OF TREASURY BILL AUCTIONS

25. Invitation to Bid

- 25.1. At least 5 working days before the Auction Date, a formal invitation to the PDs will be sent by Ministry of Finance through the BAS after setting up a tender in compliance with the Issuer's Manual (the " Bidding Invitation") .
- 25.2. The Bidding Invitation shall include:
- a) the name of auction (the treasury bill issue identification),
 - b) currency of the issue,
 - c) the planned total amount of borrowing at the auction
 - d) nominal value of the single treasury bill for each of the treasury bills auctioned,
 - e) the invitation date and time,
 - f) the period for submission of bids (date and time of the auction),
 - g) the time of the release of the auction results,
 - h) the settlement date,
 - i) the bids format,
 - j) other information considered relevant for the execution of the auction (instructions for entering in the note field, payment instructions, contact persons).
- 25.3. In addition to the Bidding Invitation via BAS, a written invitation to submit bids for subscription of treasury bills will be delivered to the PDs by mail and by electronic message

- 25.4. The written invitation will specify: the data on treasury bills that will be issued at the auction, anticipated total amount of borrowing by the auction, timing framework of the auction, payment and settlement instructions and other specific instructions deemed necessary at the auction.

26. The Offer of the Treasury Bills to the Public

The Ministry of Finance will notify general public about the auction by publishing an offer to purchase the treasury bills on the website of the Ministry of Finance.

27. The Submission of the Bids

- 27.1. The Dealers will access the BAS following the instructions of the User Guide, on the day and at the time defined by the invitation.

- 27.2. The entering of the Bids:

The bids must be submitted in the period indicated in the Bidding Invitation which, unless otherwise specified by the Ministry of Finance in the Competitive Bidding Invitation, shall be from 8:30 a.m. to 12:00 a.m.

- 27.3. PDs submit Competitive Bids by entering them into BAS.

- 27.4. The Dealers have to enter the following data:

- a) the nominal value of the bid (in thousand EUR)
- b) bid price (expressed as percentage of nominal value of the bid, rounded to three decimal places)
- c) uniform identification code (the "ID code") or the KID code of the PD, ID code or KID code of the investor (in case the treasury bills will be registered into investor's account), the investor's citizenship code (in case the investor is a physical person) in the corresponding "note field".

- 27.5. The PDs are obliged to accept the investors' orders until 11:00 am. However they may accept the orders after 11:00 am if they consider such an order to be executable by the closing time for the submission of the bids.

- 27.6. Bids entered and registered in the BAS at the closing time will be considered firm and binding.

- 27.7. The Ministry of Finance will ensure the confidentiality of the bids whereby none of the bids will be known to any of the other participants before the public release of the auction results.

28. The Selection and Accepting of the Bids

- 28.1. The selection of the bids will be executed in compliance with the section 24. of these Rules immediately upon expiration of the closing time for submission of the bids.
- 28.2. Before the selection, the Ministry of Finance will verify whether the bids comply with these Rules and with the invitation to bid, and if the ID and KID codes of PDs and investors are in accordance with the data in the central registry of dematerialised securities maintained by KDD – Central Clearing and Depository Corporation Inc. If any corrections of the codes are needed, the Ministry of Finance will inform PDs by sending a fax or an e-mail message as defined by the Form 3b of these Rules and adjust the codes in accordance with PD's approval. PDs are also obliged to send to the Ministry of Finance detailed information about non-resident investors - legal entities and non-resident and resident investors - physical persons, defined by the Form 4b of the Rules by fax before closing time of the Competitive Bidding.
- 28.3. The Ministry of Finance will form a decision on the Allocation Amount for each of the treasury bills offered at the auction in compliance with the Section 24. of these Rules.
- 28.4. After the decision is adopted for each of the treasury bills offered at the auction, the Ministry of Finance will complete the auction following the instructions of the Issuer's Manual at 2:00 p.m., unless otherwise specified by the Ministry of Finance.

29. The Decision on Borrowing

- 29.1. The Ministry of Finance will form a Decision on Borrowing containing:
 - a) the total nominal amount of accepted bids for each of the treasury bills offered
 - b) price of accepted bids for each of the treasury bills offered
 - c) the percentage of partially accepted bids for each of the treasury bills offered
 - d) the accepted uniform price and the yield at this price for each of the treasury bills offered.

30. Publication of the Auction Results

- 30.1. The Auction results will be published on the day of the auction by 3.30 p.m. on the Ministry of Finance website , through Reuters (page-MFSLO) and Bloomberg (page: ASUM SLTS) information systems.
- 30.2. For each of the treasury bills offered the following information will be published :
 - a) the number of treasury bills in the investors' orders for each treasury bill or the total nominal bid amount,
 - b) the highest and the lowest bid price for each treasury bill
 - c) the number of treasury bills and the total nominal amount of accepted bids for each treasury bill,
 - d) the uniform price of accepted bids for each treasury bill,
 - e) yield of all accepted bids for each treasury bill.

31. The Confirmation of Accepted Bids to PDs

By 2p.m. at the latest, on the auction day, the Ministry of Finance will notify the PDs on accepted bids by fax and by electronic mail in the form as defined by the Form 6 of these Rules. By receiving this confirmation, the bidder enters into a binding contract with the Republic of Slovenia on subscription of the treasury bills at the price, conditions and amounts of the bids accepted.

III.3. PAYMENT AND SETTLEMENT

32. The Settlement and Primary Dealer's Obligations

- 32.1. The issue date (the settlement date) for the treasury bills is the second business day after the day of the auction.
- 32.2. The settlement of the treasury bills takes place between the Ministry of Finance and PDs, pursuant to the confirmations of accepted bids (defined in Section 31 of these Rules), on the second business day after the day of the auction. The settlement is executed through the Central Registry of dematerialized securities of the Central Securities Clearing Corporation Inc. (CRVP KDD), by transferring the treasury bills from the Ministry of Finance's securities account to the PD's securities account in CRVP KDD, based on the payment made by the PD (delivery versus payment settlement - DVP Settlement).
- 32.3. PDs are obliged to enter the settlement instructions for DVP Settlement in the CRVP KDD from 7 a.m. to 12 a.m. CET on the first business day after the day of the auction. In case that entering of the settlement instructions for DVP Settlement in the CRVP KDD by 12 a.m. CET on the first business day after the day of the auction is not feasible, PDs may enter the settlement instructions for DVP Settlement in the CRVP KDD later on, provided that the DVP Settlement is executed on the second business day after the day of the auction.
- 32.4. PDs are obliged to provide the Ministry of Finance with the number of their securities account in CRVP KDD and the code of the CRVP KDD registry member maintaining the PD's securities account in CRVP KDD, by 3 p.m. CET on the day of the auction, using the Form 7 of these Rules. In case that the Ministry of Finance does not receive the Form 7 by 3 p.m. CET on the day of the auction, the PD's securities account number in CRVP KDD and the code of the CRVP KDD registry member maintaining the PD's securities account in CRVP KDD as notified by the PD to the Ministry of Finance in the previous auction (or as previously notified to the Ministry of Finance by the PD as standard settlement instructions) will be used by the Ministry of Finance for the purposes of DVP Settlement.
- 32.5. PDs whose bids were accepted are obliged to undertake all that is required for the execution of settlement on the settlement date by 2 p.m. CET (in parallel to the transfer of treasury bills the transfer of settlement amount between *Dedicated Cash*

Accounts (DCA) in the TARGET2-Securities system needs to be ensured) using settlement instructions as defined in the DVP Settlement order, generated in the CRVP KDD on the issue date. The payment amount equals the settlement amount as stated in the confirmation defined in Section 31 of these Rules. PDs must make the payment regardless whether they purchased the treasury bills in their own name and for their own account or for the account of an investor.

- 32.6. When a PD does not execute the payment in total within the closing time from the precedent paragraph, a PD is obliged to fulfil the payment obligation as soon as possible. In case the DVP Settlement between the Ministry of Finance and a PD is executed after the issue date (actual settlement date), a PD is obliged to reimburse the Ministry of Finance all costs and expenses which occurred due to the PD's failure of meeting the payment obligation on the issue date. In addition, a PD is obliged to reimburse the Ministry of Finance the accrued interest for the period from the issue date to the actual settlement date and the interest on all of the overdue amounts for such a period.

33. Ministry of Finance Obligations

- 33.1. The Ministry of Finance enters the settlement instructions for DVP Settlement in the CRVP KDD from 7 a.m. to 12 a.m. CET on the first business day after the day of the auction. In case that the entering of the settlement instructions for DVP Settlement in the CRVP KDD by 12 a.m. CET on the first business day after the day of the auction is not feasible, the Ministry of Finance may enter the settlement instructions for DVP Settlement in the CRVP KDD later on, provided that the DVP Settlement is executed on the second business day after the day of the auction.
- 33.2. In the written bidding invitation the Ministry of Finance includes its securities account number in CRVP KDD and the code of the CRVP KDD registry member maintaining the Ministry of Finance's securities account in CRVP KDD.
- 33.3. On the auction day the Ministry of Finance is obliged to submit to the Central Securities Clearing Corporation Inc. (KDD) the data on treasury bills required by the Central Securities Clearing Corporation Inc. (KDD) in order for the Central Securities Clearing Corporation Inc. (KDD) to be able to enable the Ministry of Finance and PDs to enter the settlement instructions for DVP Settlement in CRVP KDD on the first business day after the day of the auction from 7 a.m. CET onwards.
- 33.4. The Ministry of Finance is obliged to submit the order to issue the treasury bills to the Central Securities Clearing Corporation Inc. (KDD) in such a manner that all treasury bills are registered in the Ministry of Finance's securities account in CRVP KDD on the issue date by 8.30 a.m. CET, which enables the DVP Settlement between the Ministry of Finance and PDs on the second business day after the day of auction from 8.30 a.m. CET onwards.

IV. ERRORS AND FAILURES OF THE SYSTEM

34. Procedures for platform failures

- 34.1. As platform failures are deemed:
- a) system errors and failures,
 - b) blocked access to the system and
 - c) other errors which prevent the completion of an auction in BAS.
- 34.2. Problems in accessing the BAS:
- a) Auction participants are responsible for checking that their access to BAS is fully operational for the auction execution.
 - b) Should a participant detect problems in accessing the BAS, it should immediately notify the Ministry of Finance.
- 34.3. Should any problems arise during the auction which prevents the access of the Ministry of Finance and/or any of the BAS users or the normal execution of the auction phases through BAS, the Ministry of Finance shall decide on the measures to adopt according to the contingency plans approved.
- 34.4. Taking into account the nature of the problems and the number of auction participants with difficulties in using BAS, the Ministry of Finance shall take one of the following decisions:
- a) to prolong the auction in BAS (Plan A),
 - b) to use a parallel system for the auction execution (Plan B),
 - c) to postpone the auction to the next business day (Plan C).

34.5. Plan A

Plan A will be carried out if the problems in accessing or managing BAS affect one or more auction participants, the Ministry of Finance or Bloomberg before or during the auction.

If auction participant(s) have informed the Ministry of Finance about their inability to access the BAS up to 5 minutes before the end of either the closing time of first phase or second phase of the bond auction or, alternately, up to 5 minutes before the closing time of treasury bill auction via telephone or fax, the Ministry of Finance may prolong the closing time for the first phase in BAS for up to 1 hour and the closing time for the second phase for up to 30 minutes, provided that by prolonging the auction in such a manner the submission of the non-competitive bids should be finished at 4 p.m. at the latest, and, alternatively, the closing time for treasury bill auction for up to 1 hour.

The Ministry of Finance will notify the auction participants on the new closing times of the subsequent auction activities immediately after the problems are resolved.

34.6. Plan B

Plan B will be used when the Ministry of Finance considers that the problems in the BAS will not be resolved by carrying out Plan A.

Carrying out Plan B involves using a parallel auction execution system between the Ministry of Finance and the PDs consisting of special IT programs for

- a) the submission of bids through e-mail,
- b) processing the selection of competitive and non-competitive bids.

and release of the auction results by e-mail and fax.

Submission of bids by the PDs under plan B will be carried out either by:

- a) e-mail, using the parallel system special IT program and providing the list of bids by the fax:
 - aa. If one participant is unable to submit bids under Plan A, then bids of this participant are submitted by the parallel system. For submitting bids other participants continue using BAS. The auction will be finalized in the parallel system and participants and Bloomberg will be informed about the results via e-mail and fax. The results will be published by Bloomberg on their screen.
 - ab. If two or more participants are unable to submit bids according to Plan A, the auction is continued by all the participants using the parallel system for submission of bids. The auction will be finalized in the parallel system and participants and Bloomberg will be informed about the results via e-mail and fax. The results will be published by Bloomberg on their screen.
- or
- b) If one or more participants are unable to submit their bids by the parallel system mentioned in paragraph a) above, all participants will send the list of bids signed by Administrators of primary dealers, via telefax. The Ministry of Finance will then insert the data into a special IT program for the execution of selection of bids. The auction will be completed in the parallel system. The Ministry of Finance will notify the auction participants and Bloomberg on the results of the auction. The results will be published by Bloomberg on their screen.

34.7. Plan C

Plan C will be used when the Ministry of Finance considers that the problems in the system will not be resolved by carrying out Plans A and/or B;

- 34.8. Carrying out Plan C involves postponing the auction to the next business day. The details regarding the execution of Plan C shall be announced to participants immediately after the notification of the decision on carrying out plan C.
- 34.9. Participants will be immediately informed of the Ministry of Finance's decision to carry out Plan A, B or C by, telephone and fax.

V. Transitional and Final Clauses

35. Entry into Force

- 35.1. The Rules enter into force on the day they are published on the webpage of the Ministry of Finance, but not until the migration of KDD – Central Clearing and Depository Corporation Inc. to T2S (*TARGET2-Securities*) has been successfully completed.
- 35.2. On the day of entry into force of this Rules the Rules of the Republic of Slovenia Government Securities' Auctions, No. 470-49/2008/2, dated 6. 10. 2014 shall cease to be valid.

Number: 470-49/2008/4

Ljubljana, 31. 1. 2017

mag. Mateja Vraničar Erman
MINISTER OF FINANCE

Primary Dealer:
Address:
Telephone:
Fax:

ORDERS FOR SUBSCRIPTION OF THE GOVERNMENT SECURITIES

Security code:
Date of auction:
No. of order:
Date and time of order receipt:

Offered price (in %)	Number of Securities

INVESTOR:

Name:
Address:
Contact person:
Bank Account No:
Bank:
KDD Account No. :
Tax code:

Primary dealer confirms that the above information is correct.

(seal)
(authorized representative signature)

FORM 2

Primary Dealer:
Address:
Telephone:
Fax:

REQUEST FOR REGISTRATION OF DEALERS IN BAS (Section 7. of the Rules)

	First name and Surname	UUID code in BAS	e-mail	telephone
1.				
2.				
3.				
4.				

The above persons are authorized for the execution of the government bonds auctions through the BAS until this notification is changed or cancelled by the PD in accordance with the section 7.2.

Signature of the PD's authorized representative

Primary Dealer:
 Address:
 Telephone:
 Fax:

Ref.:
 Date:

INFORMATION ON THE INCOMPATIBILITY OF ID CODES WITH THE KDD - CENTRAL CLEARING AND DEPOSITORY CORPORATION INC. CENTRAL REGISTRY OF DEMATERIALIZED SECURITIES (Section 14.2 of the Rules)

According to the Section 14.2 of the Rules we hereby inform you that the ID and/or KID codes of PDs and investors of the following competitive bids received in the auction on (date) are not in accordance with the data in the central registry of dematerialised securities, maintained by KDD - Central Clearing and Depository Corporation Inc.

In case that the data from the central registry of dematerialised securities is applicable, please confirm it with your signature, otherwise insert the correct data, which is previously adjusted to the KDD - Central Clearing and Depository Corporation Inc data, confirm with your signature and return this notification to us by fax.

Data from competitive bids received					Data from the central registry		PD's data, adjusted to the central registry		PD's signature
Bond code	Bid Size (Number of Bonds)	Bid Price	ID/KID code	Investor's name	ID/KID code	Investor's name	ID/KID code	Investor's name	
1	2	3	4	5	6	7	8	9	10
RSXX									
RSXX									

Ministry of Finance
 (seal and signature of authorized representative)

Primary Dealer:
 Address:
 Telephone:
 Fax:

Ref.:
 Date:

INFORMATION ON THE INCOMPATIBILITY OF ID CODES WITH THE KDD - CENTRAL CLEARING AND DEPOSITORY CORPORATION INC. CENTRAL REGISTRY OF DEMATERIALIZED SECURITIES (Section 28.2 of the Rules)

According to the Section 28.2 of the Rules we hereby inform you that the ID and/or KID codes of PDs and investors of the following bids received in the auction on (date) are not in accordance with the data in the central registry of dematerialised securities, maintained by KDD - Central Clearing and Depository Corporation Inc.

In case that the data from the central registry of dematerialised securities is applicable, please confirm it with your signature, otherwise insert the correct data, which is previously adjusted to the KDD - Central Clearing and Depository Corporation Inc data, confirm with your signature and return this notification to us by fax.

Data from bids received					Data from the central registry		PD's data, adjusted to the central registry		PD's signature
Treasury bill code	Nominal amount of bid (EUR)	Bid Price	ID/KID code	Investor's name	ID/KID code	Investor's name	ID/KID code	Investor's name	
1	2	3	4	5	6	7	8	9	10
RSXX									
RSXX									

Ministry of Finance
 (seal and signature of authorized representative)

Republic of Slovenia
 Ministry of Finance
 Župančičeva 3
 1502 Ljubljana

Telefax: 01 369 6599

Primary Dealer:
 Address:
 Telephone:
 Fax:

Date:

DATA ON NON-RESIDENT INVESTORS - LEGAL ENTITIES AND NON-RESIDENT AND RESIDENT INVESTORS - PHYSICAL PERSONS, PARTICIPATING IN THE GOVERNMENT BOND AUCTION (INVESTORS)

According to the Section 14.2 of the Rules we are sending the data on non-resident legal entities and non-resident and resident investors – physical persons, participating in the government bond auction (investors).

Auction date:

Bond code	Size of Bid (Number of Bonds)	Price	Name of physical person or legal entity	Surname of the physical person	Address	Postal code	City	Investor's country code	ID/KID code
1	2	3	4	5	6	7	8	9	10
RSXX									
RSXX									

Signature of PD'S authorized representative

Republic of Slovenia
 Ministry of Finance
 Župančičeva 3
 1502 Ljubljana

Telefax: 01 369 6599

Primary Dealer:
 Address:
 Telephone:
 Fax:

Date:

DATA ON NON-RESIDENT INVESTORS - LEGAL ENTITIES AND NON-RESIDENT AND RESIDENT INVESTORS - PHYSICAL PERSONS, PARTICIPATING IN THE TREASURY BILLS AUCTION (INVESTORS)

According to the Section 28.2 of the Rules we are sending the data on non-resident legal entities and non-resident and resident investors – physical persons, participating in the Treasury bills auction (investors).

Auction date:

Treasury bill	Nominal amount of bid	Price	Name of physical person or legal entity	Surname of the physical person	Address	Postal code	City	Investor's country code	ID/KID code
	(EUR)								
1	2	3	4	5	6	7	8	9	10
RSXX									
RSXX									

Signature of PD'S authorized representative

FORM 5

Primary Dealer:
 Address:
 Telephone:
 Fax:
 Ref.:
 Date:

Republic of Slovenia
 Ministry of Finance
 Župančičeva 3
 1502 Ljubljana

CONFIRMATION OF ACCEPTED BIDS FOR GOVERNMENT BONDS (Section 20 of the Rules)

In accordance with the invitation to submit bids for the government bonds RS.....(.....no. of re-opening) and RS... (... no. of re-opening) as of2007 we hereby inform you, that the bids listed below were accepted by the Republic of Slovenia. Please transfer the settlement amount according to instruction of the section of the Invitation as of2007.

Bond code	Size of bid (No. of Bonds offered)	Nominal amount of bonds (EUR)	Price	Accepted(in %)	Accepted amount (EUR)	Settlement amount (EUR)	No. of Bonds	Accrued interest (EUR)	Total settlement amount for RSXX (EUR)	Bonds issued to	
										ID code	holder
	1	2	3	4	5 = 2*4	6 = 5*3	7 = 5/nom. value of 1 bond	8=7*accrued interest for one Bond	9 = 6+8		
RSXX - 2. phase											
RSXX											
RSXX											
TOTAL FOR RSXX											

Bond code	Size of bid (No. of Bonds offered)	Nominal amount of bonds (EUR)	Price	Accepted (in %)	Accepted amount (EUR)	Settlement amount (EUR)	No. of Bonds	Accrued interest (EUR)	Total settlement amount for RSYY (EUR)	Bond issued to	
										ID code	holder
	1	2	3	4	5 = 2*4	6 = 5*3	7 = 5/nom. value of 1 bond	8=7*accrued interest for one Bond	9 = 6+8		
RSYY - 2. phase											
RSYY											
TOTAL FOR RSYY											

SETTLEMENT FOR RSXX	EUR
SETTLEMENT AMOUNT FOR RSYY	EUR

Ministry of Finance
(seal and signature of the authorized representative)

FORM 6

Primary Dealer:
 Address:
 Telephone:
 Fax:
 Ref.:
 Date:

Republic of Slovenia
 Ministry of Finance
 Župančičeva 3
 1502 Ljubljana

CONFIRMATION OF ACCEPTED BIDS FOR TREASURY BILLS (Section 31 of the Rules)

In accordance with the invitation to submit bids for the Treasury bills TZand SZ... as of2007 we hereby inform you, that the bids listed below were accepted by the Republic of Slovenia. Please transfer the settlement amount according to the instruction of the section of the Invitation as of2007.

Treasury bill code	Nominal amount of Treasury bills offered (EUR)	Price	Accepted (in %)	Accepted amount (EUR)	Accepted uniform price	Interest - Discount (EUR)	Settlement amount for TZXX (EUR)	No. of Treasury bills	Treasury bills issued to	
									ID code	holder
1	2	3	4	5 = 2*4	6	7= 2-6*2	8 =2-7	9=5/1.000		
TZXX										
TOTAL FOR TZXX										

Treasury bill code	Nominal amount of Treasury bills offered (EUR)	Price	Accepted (in %)	Accepted amount (EUR)	Accepted uniform price	Interest - Discount (EUR)	Settlement amount for SZYY (EUR)	No. of Treasury bills	Treasury bills issued to	
									ID code	holder
1	2	3	4	5 = 2*4	6	7= 2-6*2	8 =2-7	9=5/1.000		
SZYY										
TOTAL FOR SZYY										

SETTLEMENT AMOUNT FOR TZXX	EUR
SETTLEMENT AMOUNT FOR SZYY	EUR

Ministry of Finance
(seal and signature of the authorized representative)

Primary Dealer:
 Address:
 Telephone:
 Fax:

Reference:
 Date:

Republika Slovenija
 Ministry of Finance
 Župančičeva 3
 1502 Ljubljana

SETTLEMENT INSTRUCTIONS - PD'S SECURITIES ACCOUNT DETAILS IN CRVP KDD (Article 32.4 of the Auction Rules)

TREASURY BILL

Treasury
 bill code: _____

ID CODE/KID CODE	PRIMARY DEALER	NUMBER OF TREASURY BILLS	SECURITIES ACCOUNT NUMBER IN CRVP KDD	CODE OF CRVP KDD REGISTRY MEMBER	NOMINAL AMOUNT OF TREASURY BILLS (EUR)	SETTLEMENT AMOUNT OF TREASURY BILLS (EUR)

TOTAL

TREASURY BILL

Treasury
 bill code: _____

ID CODE/KID CODE	PRIMARY DEALER	NUMBER OF TREASURY BILLS	SECURITIES ACCOUNT NUMBER IN CRVP KDD	CODE OF CRVP KDD REGISTRY MEMBER	NOMINAL AMOUNT OF TREASURY BILLS (EUR)	SETTLEMENT AMOUNT OF TREASURY BILLS (EUR)

TOTAL

TREASURY BILL

Treasury
 bill code: _____

ID CODE/KID CODE	PRIMARY DEALER	NUMBER OF TREASURY BILLS	SECURITIES ACCOUNT NUMBER IN CRVP KDD	CODE OF CRVP KDD REGISTRY MEMBER	NOMINAL AMOUNT OF TREASURY BILLS (EUR)	SETTLEMENT AMOUNT OF TREASURY BILLS (EUR)

TOTAL