

ANNEX SLOVENIA

(EFFECTIVE AS OF 01 03 2019)

(VERSION 31.10.2018)

MTS Slovenia is a segment of the MTS Cash Domestic Market Multilateral Trading Facility operated by MTS S.p.A.



1. General Provisions

1.1 Definitions

1. The MTS Cash Domestic Market Rules apply, with the following additional definitions also applicable to MTS Slovenia:

“MoF” means the Ministry of Finance of the Republic of Slovenia.

“Primary Dealer” means an official Primary Dealer as recognised by the MoF

1.2 Market Rules

1. The MTS Cash Domestic Market Rules apply with the exception that for the MoF, Articles 7.1.2. letter e), 7.2, 7.3, 7.4, 7.5. and 7.6.2. of the MTS Cash Domestic Market Rules shall not apply. In the article 7.6.4 the reference to “the notification referred to in Article 7.3.2.” should be changed for the MoF to “the date of initiation of the arbitration procedure”.

2. Financial Instruments

2.1 Financial Instruments

The MTS Cash Domestic Market Rules apply with the following additional provisions:

1. The issuer is the Republic of Slovenia acting through the MoF. The Financial Instruments available for trading are:
 - a) Fixed coupon-bearing securities:
 - i) With a remaining term of more than 1.25 years at the time of selection/issuance; and
Either:
 - i) with an outstanding amount of at least Euro 1 billion; or
 - ii) with an outstanding amount of no less than Euro 500 million at first instance, where the issuer has publicly announced its commitment to “tap” that Financial Instrument in one or more tranches so that it shall reach a total principal amount outstanding of at least Euro 1 billion within 180 calendar days of the issue date of the first issuance of that Financial Instrument.

1. MTS, after consultation with the Committee may, at any time, choose to make available for trading Financial Instruments which do not meet the relevant criteria in point 1.a.iI and 1.a.i.II above for the purpose of maintaining orderly and fair market conditions.
2. MTS, after consultation with the Committee, at the meeting of the Committee or by way of electronic communication, shall determine which (if any) Financial Instruments are to be removed, on the basis, among others, of the following criteria: i) the remaining term is less than 1 year and ii) such other factors considered appropriate for the purpose of maintaining orderly and fair market conditions
3. Any decision by MTS on removal of the Financial Instruments pursuant to the provisions in the third sentence of the Article 2.1.6. of the MTS Cash Domestic Market Rules shall be taken after consultation with the Committee and the MoF.
4. Any decision by MTS, after consultation with the Committee, to remove a Financial Instrument shall be made public after Trading Hours and shall be announced to all Participants on the Market before the commencement of trading on the next Trading Day.
5. Following the decision to remove any Financial Instruments, MTS shall give at least two weeks prior written notice of such removal to all Participants.

2.2 Minimum Lots

1. The MTS Cash Domestic Market Rules apply with the following additional provisions: the Minimum Quote Size, Minimum Single Side Quote Size, Minimum Trading Size, and the Minimum Increment Quantity for each Financial Instrument shall be specified in the Regulatory Specifications.

3. Participants

3.1 Participant admission criteria

1. The MTS Cash Domestic Market Rules apply with the following additional provisions:
 - a) Only Market Makers can be admitted to trading on the MTS Slovenia.
 - b) The MoF may be permitted to participate in trading on MTS Slovenia as Price Taker through Orders only. As such, the MoF will not be subject to the provisions related to Market Making Commitments contained herein .
 - c) The participant admission criteria and requirements may be updated from time to time also upon recommendation of the MoF or the Committee.

3.2 Participants admission procedures

1. The MTS Cash Domestic Market Rules apply with the following additional provisions:
The MoF shall be consulted before a decision to admit or reject a Participant is taken by MTS.

3.3 Participant on-going undertakings

1. The MTS Cash Domestic Market Rules apply.

3.4 Resignation of Participants

1. The MTS Cash Domestic Market Rules apply with the following additional provisions:
MTS shall notify the MoF upon receipt of the Participant's notice of resignation from the MTS Slovenia in accordance with 3.4.1. of the MTS Cash Domestic Market Rules.

3.5 Suspension of Participants from trading

1. The MTS Cash Domestic Market Rules apply

3.6 Exclusion of Participants from trading

1. The MTS Cash Domestic Market Rules apply

3.7 Regional Market Committee for MTS Slovenia

1. The MTS Cash Domestic Market Rules apply with the following additional provisions:
Members of the Committee shall be representatives of the MoF, MTS and the Primary Dealers.. MTS shall not remove any Committee member without prior consultation with the MoF. The Committee shall have such power and authority (including as to the establishment of committees of MTS Slovenia and the delegation of power and authority to such committees) as MTS may determine following agreement with the MoF.
2. MTS at all times shall have the authority to overrule any decision or action taken by the MoF or the Committee with respect to commercial, technological or regulatory matters notwithstanding the operation of these Rules or the Committee.
3. Where there is a conflict between the MoF and the Committee, the opinion of the MoF shall prevail subject to the condition that any such decisions must not contravene any regulatory requirements of Consob and all other applicable laws, or technical requirements of the Market.
4. For the purpose of this Article, all decisions taken by MTS pursuant to the MTS Cash Domestic Market Rules are made upon prior consultation of the Committee and the MoF.

4. Trading

4.1 General systems operations

1. The MTS Cash Domestic Market Rules apply.

4.2 Types of Trade

1. The MTS Cash Domestic Market Rules apply

4.3 Market trading hours

1. The MTS Cash Domestic Market Rules apply

4.4 Quotes and Orders

1. The MTS Cash Domestic Market Rules apply

4.5 Contracts

1. The MTS Cash Domestic Market Rules apply.

4.6 Conclusion and registration of Trades

1. The MTS Cash Domestic Market Rules apply.

4.7 Mid-Price crossing

1. The MTS Cash Domestic Market Rules apply.

4.8 Trade Registration facility

1. The MTS Cash Domestic Market Rules apply

4.9 Major Market Incident

1. The MTS Cash Domestic Markets Rules apply.

4.10 Cancellation of Trades

1. The MTS Cash Domestic Markets Rules apply.

4.11 Market Making Agreements

1. The MTS Cash Domestic Market Rules apply save as otherwise or additionally provided further below. MTS shall consult with the MoF before assigning the Financial Instruments to Market Makers and before changing the allocation of Financial Instruments to Market Makers. MTS shall notify each Market Maker of the Financial Instruments assigned to it, pursuant to the undertakings in the Article 3.3.2 of the MTS Cash Domestic Market Rules, not less than 2 Trading Days prior to the obligation to make Double-Sided Quotes in such Financial Instruments by electronic notification. Participants shall not be entitled to require information as to which Financial Instruments have been assigned to other Market Makers.
2. In order to comply with applicable regulations, the following provisions of the MTS Cash Domestic Market Rules shall apply:
 - i) Article 4.11.5
 - ii) Article 4.11.6
 - iii) Article 4.11.7
 - iv) Article 4.11.8 will be amended in the second sentence as follows: "...where the Market Maker in question fails to honour its Quoting Commitments for three (3) additional consecutive months, MTS shall have the right, in consultation with MoF, to initiate the disciplinary procedure as per Section 7 here below.", The last sentence of Article 4.11.8 shall not apply.
3. Should a Market Maker wish to pursue a Market Making Strategy on Financial Instruments in addition to those allocated to it under the above Article 4.11.1, it must notify MTS of its intention to do so not less than 2 Trading Days prior to the commencement of the Market Making Strategy by electronic notification.
4. The Market Making Commitments of Participants include: On each Trading Day to make Quotes on the Market, for at least five (5) hours in relation to each Financial Instrument assigned to it from time to time by MTS, and to do so in compliance with the Quoting/Spread Obligations specified below.
5. The minimum number of hours in relation to the obligations to make Quotes on the Market per Trading Day during the Trading Hours of the Market is 5 hours.

Maturity bucket	Minimum quote size (Euro million)	Maximum bid/offer Spread	Maximum quote size divergence
A (1.25-3.5 years)	1	Complete spread based on time-weighted average spread quoted by all Participants over their best 5 hours plus one standard deviation	50%
B (3.5-6.5 years)	1		
C (6.5- 13.5 years)	1		
D (13.5+ years)	1		

NB: Spread is expressed in 'cents' i.e. 0.01% of the par value of the Financial Instrument when quoted in price except where "basis points" is mentioned, i.e. 0.01% of annual interest paid until maturity.

6. In addition, after consultation with the Committee, the chairman of the Committee may recommend MTS to:
 - a) temporarily suspend all quoting commitments;
 - b) temporarily amend any of the values in table above; or
 - c) introduce temporary alternative procedures for the evaluation of Market Makers' quoting performance.

4.12 Law governing Trades

1. The MTS Cash Domestic Market Rules apply

5. Clearing and settlement of Trades

5.1 Clearing and Settlement of Trades

1. The MTS Cash Domestic Market Rules apply.

6. Provision of data and information

6.1 Provision of data to Participants

1. The MTS Cash Domestic Market Rules apply.

6.2 Provision of data to Authorities

1. The MTS Cash Domestic Market Rules apply, with the addition, Participants agree to MTS providing information to the Slovenian regulators, if and when requested, in accordance with the applicable procedure.

6.3 Provision of data to debt management offices

1. The MTS Cash Domestic Market Rules apply with the following modifications of the Article 6.3. letter a., which shall read as follows:
 - a) the activities carried out by Primary Dealers and other Participants on the Market in relation to the specific Financial Instruments issued by the requesting debt management office.

6.4 Provision of data to the public

1. The MTS Cash Domestic Market Rules apply

6.5 Amendments and communications

1. The MTS Cash Domestic Market Rules apply,

7. Supervision and Sanctions

7.1 Supervision of regular conduct

1. The MTS Cash Domestic Market Rules apply with the with the exception that the Article 7.1.2.e. of the MTS Cash Domestic Rules shall not apply for the MoF acting as Participant (Price Taker) on the MTS Slovenia.

7.2 Disciplinary measures

1. The MTS Cash Domestic Market Rules apply with the exception that the Article 7.2. of the MTS Cash Domestic Rules shall not apply for the MoF acting as Participant (Price Taker) on the MTS Slovenia.

7.3 Procedure for verifying violations

1. The MTS Cash Domestic Market Rules apply with the exception that the Article 7.3. of the MTS Cash Domestic Rules shall not apply for the MoF acting as Participant (Price Taker) on the MTS Slovenia.

7.4 Review of measures

1. The MTS Cash Domestic Market Rules apply with the exception that the Article 7.4. of the MTS Cash Domestic Rules shall not apply for the MoF acting as Participant (Price Taker) on the MTS Slovenia.

7.5 Appeal Board

1. The MTS Cash Domestic Market Rules apply with the exception that the Article 7.5. of the MTS Cash Domestic Rules shall not apply for the MoF acting as Participant (Price Taker) on the MTS Slovenia..

7.6 Board of Arbitration

1. The MTS Cash Domestic Market Rules apply with the exception that the Article 7.6.2. of the MTS Cash Domestic Rules shall not apply for the MoF. In the Article 7.6. 4. for the MoF the reference to “the notification referred to in Article 7.3 .2.” shall be replaced by “the date of initiation of the arbitration procedure”..

8. Final Provisions

8.1 Final Provisions

1. The MTS Cash Domestic Market Rules apply



www.mtsmarkets.com