

**DEMATERIALISED SECURITIES ACT
(ZNVP)**

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The original text of this act is written in the Slovenian language; in case of any doubt or misunderstanding the Slovenian text shall therefore prevail.

DEMATERIALIZED SECURITIES ACT (ZNVP)

I. GENERAL PROVISIONS

Subject of the Act

Article 1

(1) This Act shall regulate the method of issuing and transferring of dematerialised securities, the method of replacing already issued securities with securities issued in a dematerialised form, conditions and restrictions of access to information about holders of dematerialised securities, as well as the rules of keeping a central register of dematerialised securities.

Definition of a Dematerialised Securities

Article 2

(1) A dematerialised security is a statement of the issuer entered in the central register of dematerialised securities by which the issuer undertakes to fulfil all liabilities under the security to a person who is as a legal holder of the security entered into the central register.

(2) The rights of holders arising from dematerialised securities and the rights of third parties to these securities shall be subject to the Obligations Act (Zakon o obligacijskih razmerjih) and the Companies Act (Zakon o gospodarskih družbah, Ur.l. RS, No 30/93, 29/94, 82/94, 20/98, 84/98 and 6/99), unless otherwise stipulated by this Act.

The Central Register

Article 3

(1) The central register of dematerialised securities (hereinafter: "the central register") is a central electronic database into which are entered the rights arising from dematerialised securities, holders of these rights at any given time and any possible rights of third parties to such securities.

(2) The central register is kept by a joint-stock company established pursuant to the act regulating the securities market for the purpose of carrying out services such as calculating, netting and ensuring the fulfilment of liabilities arising from securities transactions closed on the organised securities market (hereinafter: the "Clearing and Depository Corporation").

(3) The keeping of the central register by the Clearing and Depository Corporation shall be monitored by the Securities Market Agency (hereinafter: "the Agency").

Essential components

Article 4

A dematerialised security shall consist of the following essential components entered in the central register:

1. code of the type of security;
2. code of the security class if more than one class of the same type of security was issued,
3. name of the company, registered office and registration number of the issuer;
4. name of the company or name of the person to whom a security is made out, or a code designating that a security is a bearer security;
5. a detailed designation of issuer's liability arising from the security;
6. par value of the security;
7. aggregate par value of the entire issue;
8. date of entry of security in the central register.

Title to Dematerialised Securities

Article 5

A dematerialised security may be a registered security or a bearer security.

Acquisition, Restrictions and Termination of Rights

Article 6

(1) The rights of a holder relating to dematerialised securities shall arise with the crediting of dematerialised securities to the holder's account in the central register and shall be transferred by means of transfer of dematerialised securities to the new holder's account in the central register.

(2) The rights arising from a dematerialised security, which are entered in the central register, shall be acquired, restricted or terminated on their appropriate entry in the central register, if not otherwise stipulated by this Act.

II. ISSUERS OF DEMATERIALISED SECURITIES

Issuers Required to Issue Dematerialised Securities

Article 7

(1) Issuers of serial securities of which the first sale was carried out by public offering pursuant to the act which regulates the securities market shall be required to issue dematerialised securities.

(2) Dematerialised securities shall also be issued by banks, insurance companies, stockbroking companies and management companies, notwithstanding whether their first sale was carried out according to the procedure referred to in the previous paragraph.

Time Limit for Issuing Dematerialised Securities

Article 8

Issuers from the previous Article shall issue dematerialised securities within 15 days of the date when the conditions for their issue have been satisfied.

Mutual Funds' Investment Certificates

Article 9

The provision of the first paragraph of Article 7 of this Act shall not apply to investment certificates of mutual funds set up pursuant to the Investment Funds and Management Companies Act (Zakon o investicijskih skladih in družbah za upravljanje, Ur.l. RS, No 6/94, 25/97, 32/97 - amendmt. and 10/98).

The Right to Issue Dematerialised Securities

Article 10

Issuers of other serial securities may issue dematerialised securities or substitute them for dematerialised securities.

III. ISSUING DEMATERIALISED SECURITIES

Order for Issuing Securities

Article 11

(1) On the issue of dematerialised securities, the issuer shall issue and give the Clearing and Depository Corporation an order to issue dematerialised securities on behalf and for the account of the issuer by entering in the central register the information about the essential components of dematerialised securities and to credit them to the accounts of their holders who have subscribed and paid such securities (hereinafter: "issuing order").

(2) The issuing order shall include at least the following components:

1. essential components of dematerialised securities which are the subject of the order (Article 4 of this Act);
2. the company name or the names of beneficiaries of dematerialised securities with indication of uniform identification code of such beneficiaries, registered office or residence and the number of securities handed over to individual beneficiaries;
3. company name, address and contact person of the issuer.

(3) The issuing order shall be accompanied by the following documents:

1. decision to issue securities;
2. decision of the Agency establishing a successful completion of the public offering if such decision is a preliminary condition for a valid issue of securities;
3. decision on appropriate entry in the court register of companies when such entry is a preliminary condition for a valid issue of securities;
4. contract on the keeping of register of dematerialised securities signed by the issuer and proof of payment of liabilities in relation to dematerialised securities pursuant to this contract.

Incomplete Issuing Order

Article 12

If the order for issue does not include the required information or if it is not accompanied by the required documents, the Clearing and Depository Corporation shall issue a decision with which it orders the issuer to make up these deficiencies. The decision shall determine the time frame during which the deficiencies should be made up, which shall not be shorter than eight days and not longer than 15 days.

Issue of Securities

Article 13

The Clearing and Depository Corporation shall issue dematerialised securities in accordance with the issuing order or shall decide to reject such order within 8 days after receipt of a complete issuing order.

Refusal of the Issuing Order

Article 14

The Clearing and Depository Corporation may refuse the issuing order in the following instances:

1. if the issuing order relates to an issue of shares or convertible bonds which can be validly issued in accordance with regulations only after an appropriate entry in the court register of companies and such entry has not yet taken place;
2. if the information included in the order for issue does not match the information in a decision for issuing securities;

3. in any other instance where the information included in the issuing order and in the accompanying documents shows that the issue of securities, which is the subject of the order, might be void.

Liability of the Issuer

Article 15

Liability of the issuer of dematerialised securities arises when the Clearing and Depository Corporation issues dematerialised securities by entering in the central register the information about essential components of dematerialised securities and by crediting dematerialised securities to the accounts of their holders on the basis of the issuing order.

IV. EXERCISE OF THE RIGHTS ARISING FROM DEMATERIALISED SECURITIES

Legal holder

Article 16

(1) The rights arising from dematerialised securities may be exercised only by their legal holders.

(2) Legal holders of dematerialised securities shall be the persons on whose behalf dematerialised securities are entered in the central register unless the entry of dematerialised securities on behalf of such persons is carried out without an order given by the issuer, the previous holders or without any other valid legal instrument.

(3) Notwithstanding the provision of the preceding paragraph, persons acting in good faith on behalf of which dematerialised securities were entered in the central register shall become legal holders and obtain the rights arising from dematerialised securities even if the entry of dematerialised securities on behalf of such persons is carried out without an order given by the issuer, the previous holders or without any other valid legal instrument.

(4) If dematerialised securities are entered on behalf of individuals on the basis of transactions closed on the organised market, buyers of such securities shall be deemed bona fide persons for the purpose of the previous paragraph.

V. KEEPING OF THE CENTRAL REGISTER

1. General Provisions

Securities account

Article 17

(1) The dematerialised securities account (hereinafter: securities account) shall include securities held by individual holders, which have the same legal ownership position and which are subject to the same authorisation for registration of orders for transfer of securities to another securities account or authorisation for registration of third-party rights to individual securities.

(2) The legal ownership position shall be the same within the meaning of the preceding paragraph when holders of dematerialised securities are the same persons and when there exist no third-party rights to such securities, or if the same third-party rights are registered.

(3) The authorisation for the recording of orders shall be the same within the meaning of the first paragraph of this Article when the holders authorise the same member of the Clearing and Depository Corporation to register orders for transfer of dematerialised securities to other securities accounts or to register third-party rights to their securities by signing an agreement on the management of a dematerialised securities account, a stockbroking agreement or on the basis of any other legal transaction.

Opening of accounts

Article 18

(1) Securities accounts shall be opened in the central register in order to maintain balances of individual holders' dematerialised securities, transfer the rights arising from dematerialised securities and register third-party rights to dematerialised securities, transferability restrictions and bans on the disposal of dematerialised securities.

(2) A more detailed method of management of securities accounts shall be determined by the terms of business of the Clearing and Depository Corporation .

Keeping of securities accounts balances

Article 19

Securities accounts shall be used to maintain the security holders' rights arising from their ownership of dematerialised securities together with a uniform identification code of the holders of rights arising from dematerialised securities, any restrictions on the exercise of such rights, third-party rights to dematerialised securities, and other information concerning the rights arising from dematerialised securities, restrictions on transferability and bans on the disposal of dematerialised securities.

Keeping of the central register

Article 20

(1) The central register shall be kept by keeping and maintaining all information about securities accounts of their holders and of members of the Clearing and Depository Corporation .

(2) Each holder of securities or member of the Clearing and Depository Corporation shall be recorded in the central register with a uniform holder or Clearing and Depository Corporation member identification code. The uniform identification code shall be assigned on the registration of the holder's or Clearing and Depository Corporation member's rights arising from the ownership of securities.

The order of precedence principle

Article 21

(1) The Clearing and Depository Corporation shall ensure that transfers of securities to the accounts of their holders and registration of third-party rights or restrictions on transferability or bans on the disposal of securities are carried out in the same order in which the orders were recorded in the central register.

(2) The Clearing and Depository Corporation shall ensure that orders for transfer of securities from individual securities accounts to another account or orders for crediting these accounts with individual securities cannot be carried out until all orders for transfer or crediting these accounts have been carried out.

(3) The provisions of this Article shall meaningfully also apply to other transfers and records.

Recording of orders

Article 22

(1) Orders of individual holders for:

1. transfer of dematerialised securities among the accounts of the same holder;
2. transfer of dematerialised securities to the account of a new holder;
3. recording or cancellation of a lien or other third-party rights to dematerialised securities held by such holders;
4. recording or cancellation of the ban on disposal on behalf of a particular person

shall be carried out by a member of the Clearing and Depository Corporation who manages the account of such holder on the basis of the agreement on the management of a securities account, unless it is provided by this Act that orders in individual cases shall be recorded by the Clearing and Depository Corporation .

(2) Orders from the preceding paragraph shall be recorded by a member of the Clearing and Depository Corporation directly in the central register by online communication with this register.

(3) An order shall be deemed to have been recorded when a member of the Clearing and Depository Corporation makes an online record of the data which must be included in the order pursuant to this Act directly in the central register and when such entry is confirmed by the member unless otherwise stipulated by this Act in individual cases.

Execution of orders

Article 23

(1) The Clearing and Depository Corporation shall execute a holder's order if the central register shows that this is possible and if there are no obstacles to the execution of such order.

(2) It shall be considered that there are no obstacles to the execution of an order within the meaning of the previous paragraph if there are no obstacles to the transfer of securities (Article 36 of this Act) and if the holders are not banned from disposing of securities which are the subject of the order (Article 37 of this Act).

(3) Registered orders which cannot be executed or orders of which the execution is impossible due to obstacles preventing transfer of securities and incomplete orders shall be cancelled by the Clearing and Depository Corporation within the time period determined by the Clearing and Depository Corporation 's terms of business.

Maintaining central register information

Article 24

(1) The Clearing and Depository Corporation shall regularly update the following information about holders of securities:

1. changes of uniform identification codes and tax registration numbers;
2. changes of the name or company name;
3. changes of address or registered office;

by using the information from the court register of companies, population register and tax register.

(2) Government agencies in charge of keeping official records from the preceding paragraph shall regularly notify the Clearing and Depository Corporation of any changes in information from the preceding paragraph.

Statement of securities account

Article 25

(1) Members of the Clearing and Depository Corporation in charge of managing the accounts of their clients shall issue a statement of security account for each change in balance of the account.

(2) Once a year, the Clearing and Depository Corporation shall issue to every holder a statement of securities account as of December 31 of the previous year.

2. Subject of registration

Article 26

The following information shall be recorded in the central register:

1. dematerialised securities;
2. rights arising from dematerialised securities and their holders;
3. third-party rights to dematerialised securities and holders of these rights;

4. bans and restrictions on transferability of dematerialised securities.

Rights arising from dematerialised securities

Article 27

The rights arising from dematerialised securities shall be recorded in the central register pursuant to the orders for the issue of securities (Article 11 of this Act).

Third-party rights to dematerialised securities

Article 28

(1) A third party can obtain the following rights to dematerialised securities:

1. lien;
2. the usufruct;
3. call option;
4. pre-emptive right.

(2) The rights from the preceding paragraph, which are recorded in the central register, shall apply to each holder of individual dematerialised securities at any given time.

Restriction on transferability

Article 29

Transferability of serial securities may be restricted only under the conditions and in a manner stipulated by this Act.

Restriction on transferability by the issuer

Article 30

(1) The issuer may restrict the transferability of registered shares on their issue in accordance with the Companies Act only by making their transfer subject to a permission of the competent body of the company.

(2) The restriction from the preceding paragraph shall be recorded in the central register by the Clearing and Depository Corporation on the basis of an issuing order (Article 11 of this Act) if the order is accompanied by a valid decision restricting transferability of shares. In addition to the restriction, the issuer's body authorised to decide on the permission for transfer shall also be recorded.

(3) Provisions of the first and second paragraphs of this Article shall meaningfully also apply to the restriction on transferability of registered bonds.

(4) The provisions of the first and second paragraphs of this Article shall meaningfully also apply to the restriction on transferability of securities stipulated by a separate act.

Restriction of transferability with holder's consent

Article 31

(1) Following the issue of registered dematerialised securities, the issuer may restrict their transferability in accordance with the Companies Act only by making their transfer subject to a permission of the authorised body of the company and may only restrict the transferability of those securities whose holders agree with such restriction.

(2) The holders' consent from the preceding paragraph shall be issued in the form of a notary record.

(3) Restriction of transferability from the first paragraph of this Article shall be registered by the Clearing and Depository Corporation on the basis of an order of the issuer or holder. The order shall be accompanied by a copy of the notary record referred to in the preceding paragraph. In addition to

the restriction, the issuer's body authorised to decide on the permission for transfer shall also be recorded.

Ban on disposal

Article 32

(1) A holder of a dematerialised security may waive his right to dispose of dematerialised securities on behalf of another person for a certain period of time by legal transaction provided that the conditions laid down by this or any other Act are satisfied. (2) Employees, members of the board of directors or of the supervisory board may, by concluding a profit-sharing agreement, waive their right to dispose of shares or securities received from the issuing company on the basis of the said agreement on behalf of the issuing company for a limited period of time which shall not be longer than 10 years. The waiver of the right of disposal from the preceding sentence shall cease on the expiration of the period it was agreed for.

(3) In the case of execution sale of securities subject to a ban on disposal for the purpose of debt collection, the person on behalf of which the said ban was registered shall have a pre-emptive right to such securities. (4) If the waiver of the right of disposal has been recorded in the central register, the holders cannot dispose of or encumber dematerialised securities with the rights of third parties (ban on disposal) without the consent of the person on whose behalf they waived their right to disposal during the period for which such right of disposal was waived.

(5) The ban on disposal shall be entered in the central register on the basis of the order given by the holders or the persons on whose behalf the holders validly waived their right of disposal. In addition to the ban on disposal, the following particulars shall also be recorded:

1. the legal transaction on the basis of which the ban on disposal was registered,
2. the person on whose behalf the ban has been imposed,
3. in the case from the third paragraph of this Article, also the date of the expiration of such ban.

(6) The order for registering the ban on disposal shall be accompanied by the agreement from the third and fourth paragraphs of this Article, on which the holder's signature is attested by a notary.

(7) The holders may also waive their right of disposal of dematerialised securities under the terms and conditions and in the manner stipulated by the Takeover Act (Zakon o prevzemih, Ur.l. RS, No 47/97). Provisions of the fifth paragraph of this Article and Article 37 of this Act shall meaningfully also apply to the recording and effects of the ban on disposal referred to in the preceding sentence unless otherwise provided by the Takeover Act.

3. Liability to pay damages

Liability of a Clearing and Depository Corporation member

Article 33

(1) A member of the Clearing and Depository Corporation shall be objectively liable to pay to the holder of the rights which are the subject of entry into the central register any damages caused by his failure to record or by incorrectly recording an order.

(2) A member of the Clearing and Depository Corporation shall not be liable to pay damages from the preceding paragraph if he can prove that the cause of his failure to record or of his incorrect recording of an order represented an act which was beyond his scope of business and that its consequences could not be anticipated, avoided or averted.

(3) A member of the Clearing and Depository Corporation shall not be liable to pay damages from the first paragraph of this Article if he can prove that the cause of his failure to record or of his incorrect recording of an order was an act by the holder of securities or a third party that could not be anticipated nor could its consequences be avoided or reversed.

Liability of the Clearing and Depository Corporation

Article 34

(1) The Clearing and Depository Corporation shall be objectively liable to pay to the issuer or holder of the rights which are the subject of entry in the central register any damages caused by its failure to execute an order or by an incorrect execution of an order or by failure to meet any other liabilities stipulated by this Act.

(2) The Clearing and Depository Corporation shall not be liable to pay damages from the preceding paragraph if it is able to prove that the cause of its failure to execute an order or of an incorrect execution of an order or of its failure to meet any other liabilities represented an event which was beyond its scope of business and that its consequences could not be anticipated, avoided or averted.

(3) The Clearing and Depository Corporation shall not be liable to pay damages from the first paragraph of this Article if it is able to prove that the cause of its failure to execute an order or of an incorrect execution of an order or of its failure to meet any other liabilities represented an act by the issuer, holder, member of the Clearing and Depository Corporation or a third party that could not be anticipated nor could its consequences be avoided or reversed..

VI. TRANSFER OF DEMATERIALISED SECURITIES BASED ON A LEGAL TRANSACTION

Transfer of rights arising from dematerialised securities

Article 35

(1) The rights of a current holder of dematerialised securities shall be transferred by transferring dematerialised securities to the account of a new holder.

(2) When dematerialised securities have already generated an independent entitlement to a dividend or to other returns yielded by such securities, this entitlement shall be transferred to a new holder together with the transfer of securities if the transfer of securities was executed before the date determined as a cut-off date by the issuer or an authorised body of the issuer.

(3) The transfer from the first paragraph of this Article shall be executed on the basis of an order given by the current holder unless otherwise stipulated by this Act.

Effects of transferability restriction

Article 36

(1) If a restriction of transferability from Articles 30 and 31 of this Act is registered in respect of dematerialised securities, such dematerialised securities can be transferred to the account of a new holder only if the current holder's order is accompanied by a consent of the authorised body of the issuer for transfer to a new holder.

(2) In the event of a legal ban on the transfer of certain dematerialised securities, such dematerialised securities cannot be transferred to the account of a new holder unless otherwise stipulated by the law.

Effects of the ban on disposal

Article 37

(1) If a ban on disposal from Article 32 of this Act is entered in respect of dematerialised securities, such dematerialised securities shall not be transferred to the account of a new holder without the consent of the person for which the ban has been imposed, nor shall dematerialised securities be encumbered with the rights of third parties..

(2) Effects of the ban on disposal from the preceding paragraph shall represent an impediment only to the execution of the transfer or registration of securities on the basis of an order given by the holder and shall not represent an impediment to the transfer or registration on the basis of a court decision.

(3) If dematerialised securities are transferred to the account of a new holder on the basis of an inheritance ruling, the ban on disposal shall remain recorded in the central register.

Transfer on the basis of transactions closed on the organised market

Article 38

(1) When serial securities are traded on the organised securities market and the rules of this market provide that participants in trading must authorise the organiser of trading to meet the obligations of the participants in trading or their clients involved in such trading, the Clearing and Depository Corporation shall execute the transfer of securities on the basis of the notification by the organiser of trading of the transactions closed on this market.

2) According to this Act, the organised securities market shall be a securities market which is directly or indirectly accessible to the public, where trading takes place on a regular basis and is subject to supervision by competent authorities.

(3) In the case from the first paragraph of this Article it shall be deemed that holders of securities have issued an order to a security market participant who is managing the holders' accounts to transfer dematerialised securities from their accounts to a new holder's account in order to meet their liabilities arising from transactions concluded for their account on the organised securities market by the participant.

(4) In the case from the first paragraph of this Article, an order for the transfer of dematerialised securities shall be deemed to have been recorded when information about the transactions closed has been entered in the central register in accordance with the terms of business of the Clearing and Depository Corporation.

Transfer on the basis of other transactions

Article 39

(1) When a legal transaction, which is the basis for the transfer of the rights arising from a security, was not concluded on the organised market, the transfer shall be carried out on the basis of the order of the current holder of such dematerialised security.

(2) The transfer order shall include:

1. company name and registered office or name and address of the current and the new holder;
2. a uniform identification code of the current and the new holder;
3. accurate description of the security;
4. number of securities being transferred;
5. legal basis of the transfer;
6. current holder's signature.

VII. RECORDING OF THIRD-PARTY RIGHTS TO SECURITIES BASED ON LEGAL TRANSACTIONS

1. General Provisions

Order for registration

Article 40

(1) When third-party rights to dematerialised securities from Article 28 of this Act are based on a legal transaction (hereinafter: rights to dematerialised securities), these rights shall be recorded in the central register on the basis of an order given by the holders of such securities.

(2) An order for registration of the rights to securities shall include: 1. the company name and registered office or the name and address of the holders and the persons on whose behalf the registration of rights is requested (hereinafter: beneficiaries);
2. uniform identification code of holders and beneficiaries;
3. an accurate designation of securities for which the rights are to be registered;
4. the number of securities for which the rights are to be registered;
5. the contents of the rights;
6. the period of validity of such rights if their validity is limited;
7. legal basis for the right;
8. holder's signature;
9. any other elements provided for by this Act for a particular kind of rights to securities.

Registration of rights to securities

Article 41

(1) Rights to securities shall be recorded in the central register in accordance with their contents defined by in the order for registration.

(2) Registration of the rights to securities shall also include their beneficiaries.

Effects of registration of rights to a securities

Article 42

The rights to securities shall come into effect in respect of third parties on their entry in the central register.

2. Lien

Creation of a lien

Article 43

(1) A lienee shall obtain a lien on a security by recording a lien in the central register.

(2) The provision of the preceding paragraph shall meaningfully also apply to the constituting of a lien on securities which have already been pledged on behalf of another person and to a lien created on an existing lien on behalf of a third party.

Order for registration of a lien

Article 44

(1) In addition to the information from the second paragraph of Article 40 of this Act, an order for registration of a lien shall also include the following elements:

1. company name and registered office or the debtor's name and address if the holder has pledged his securities for a third party's debt;

2. uniform identification code of the debtor if the holder has pledged his securities for a third party's debt;

3. amount and maturity of the debt secured by a lien;

4. name of the Clearing and Depository Corporation's member authorised by a lienor to manage the pledged securities for the lienor's account.

(2) The order for registration of a lien may also include an indication that the lienor or holder of securities are entitled to the payment of dividends or other returns yielded by pledged securities.

(3) When an order for registration of a lien does not include the indication from the preceding paragraph, the lienor shall be deemed to be entitled to the payment of dividends or other returns yielded by pledged securities.

Registration of the lienor's right to yields on pledged securities

Article 45

When a lienor is entitled to yields on pledged securities, such lienor's entitlement shall be registered together with the lien.

Registration of a statutory lien on behalf of authorised participants

Article 46

(1) When an authorised participant in stockmarket trading, who buys and sells securities on the organised market on behalf of a holder on the basis of a stockbroking agreement, has a lien on securities which are the object of such agreement, the lien shall be registered by the Clearing and Depository Corporation on the basis of the order given by the authorised participant.

(2) Provisions of the first paragraph of Article 44 of this Act shall meaningfully also apply to the authorised participant's order.

Sale of pledged dematerialised securities

Article 47

(1) When a debtor fails to settle a debt secured by a lien on securities which are traded on the organised market on maturity, the lienor may sell the pledged securities on the organised market eight days from the date of his warning thereof sent to the debtor and to the lienee, if the latter is not the same person. The notice shall be sent by registered mail.

(2) In the case from the preceding paragraph, the lienor's order given to an authorised participant to sell his securities on the organised market for the lienor's account shall be accompanied by a copy of the notice and a proof of dispatch by mail as provided by the preceding paragraph.

(3) Simultaneously with the transfer of securities for the purpose of fulfilling liabilities arising from the sale of securities agreed in the transaction from the first paragraph of this Article, a cancellation of the lien shall also be registered..

Registration of the cancellation of a lien

Article 48

(1) The cancellation of a lien shall be registered by the Clearing and Depository Corporation member from point 4 of the first paragraph of Article 44 of this Act based on the order given by the lienor or holder of securities.

(2) The provision of the first paragraph of Article 44 of this Act shall meaningfully also apply to the order given by the lienor from the preceding paragraph.

(3) The holder's order from the first paragraph of this Article shall be accompanied by a lienor's statement attested by a notary that he or she permits a registration of the cancellation of the lien, or by a final court decision instead of such statement.

(4) Registration of the cancellation of the lien shall be made at the same time as the cancellation of the lienor's entitlement from Article 45 of this Act.

3. Usufruct of securities

Usufruct of securities

Article 49

(1) Usufruct of securities represents a third-party entitlement to the payment of dividends or other yields on securities.

(2) Usufruct of securities shall be acquired on the basis of a legal transaction by which a security holder (grantor of usufruct) transfers to a third party (usufructuary) the right to the payment of dividends or other yields on securities.

Duration of usufruct

Article 50

(1) When the usufructuary is a natural person, the usufruct shall be terminated on the usufructuary's death, unless a shorter period of duration of the usufruct is provided by a legal act.

(2) When the usufructuary is a legal person, the duration of the usufruct shall be determined by a legal act and shall not be longer than 30 years. If the duration of the usufruct is not determined by a legal act or if it is determined for a period of time which is longer than 30 years, the usufruct shall terminate on the expiration of the 30 year term. The usufruct may be terminated before the expiration of the above-mentioned term on the dissolution of the legal person.

Effects of usufruct registration

Article 51

On the usufruct's entry in the central register, the usufructuary shall become entitled to the payment of dividends or other yields on securities.

Registration of usufruct cancellation

Article 52

(1) Cancellation of the usufruct shall be recorded on the basis of the order issued by a security holder.

(2) If a security holder requests the cancellation of the usufruct to be registered before the expiration of the usufruct, his order shall be accompanied by a statement of the usufructuary attested by a notary, by which the usufructuary gives his permission for registration of the cancellation of the usufruct or by a final court decision instead of such statement.

4. Option to purchase

Option to purchase

Article 53

(1) The option to purchase is a unilaterally defined entitlement by the exercise of which a contract on the sale of securities which are the object of the option to purchase is concluded between the holder of securities as the seller and the holder of the option to purchase as the buyer, at a certain price, at a certain period of time and on a certain date.

(2) The time limit set for the exercise of the option to purchase shall not exceed five years.

Exercise of the option to purchase

Article 54

(1) The holder of the option to purchase shall exercise this option by notifying the holder of securities which are the object of registration of the option to purchase of his intention to buy securities at the price determined by the legal act which was the basis of the acquisition of the option to purchase.

(2) In addition to the statement from the preceding paragraph, the person entitled to purchase shall pay the purchase price or deposit it at a court of justice.

Registration of the option to purchase

Article 55

In addition to the information from the second paragraph of Article 40 of this Act, the order for registration of the option to purchase shall also include the following:

1. the price at which a security can be purchased;
2. the day on which the option to purchase can be exercised or the term of validity of the option to purchase.

Cancellation of the option to purchase

Article 56

(1) A cancellation of the option to purchase shall be registered on the basis of an order given by a holder of securities.

(2) When a holder of securities requests a registration of the cancellation of the option to purchase before the date determined for the exercise of such right or before the expiration of the term of the option to purchase, the holder's order shall be accompanied by a statement of the person entitled to the option to purchase attested by a notary that he or she permits a registration of the cancellation of the option to purchase or by a final court decision instead of such statement.

(3) Registration of the cancellation of the option to purchase shall be made at the same time as the transfer of the security which is the object of the right to purchase to the person entitled to such option to purchase.

Non-transferability of the option to purchase

Article 57

The option to purchase shall not be transferable by legal transactions among the living persons.

5. Pre-emptive right

Registration of the pre-emptive right

Article 58

(1) In addition to the information from the second paragraph of Article 40 of this Act, an order for registration of a pre-emptive right shall also include the term of validity of the pre-emptive right.

(2) The person entitled to exercise the pre-emptive right shall obtain this right on the entry of the pre-emptive right in the central register.

Cancellation of the pre-emptive right

Article 59

Provisions of Article 56 of this Act shall meaningfully also apply to the cancellation of the pre-emptive right.

VIII. ACQUISITION AND TRANSFER OF RIGHTS ON THE BASIS OF COURT DECISIONS

Registration of distress warrant

Article 60

(1) The court shall also serve a distress warrant, by which it allowed the satisfaction of the debt by distress or the creation of a lien on dematerialised securities, on the Clearing and Depository Corporation

(2) On the basis of the distress warrant from the preceding paragraph, the Clearing and Depository Corporation shall register the distress warrant in respect of dematerialised securities which are subject to such warrant by recording the following information:

1. the court by which the distress warrant was issued;
2. the distress warrant reference number;
3. the date of issue of the distress warrant.

(3) The holder shall no longer be able to freely dispose of the securities from the preceding paragraph.

(4) The ban on disposal from the preceding paragraph shall be recorded by the Clearing and Depository Corporation at the same time as the distress warrant.. The provision of Article 37 of this Act shall meaningfully also apply to the effects of registration of the ban on disposal referred to in the preceding sentence.

(5) The provisions of the preceding paragraphs shall meaningfully also apply to the distress warrant issued by the administrative body within its competency.

Registration of supervisory authority's decision

Article 61

Provisions of the preceding paragraph shall also apply to the registration of a decision which is, within their competence, issued by the Bank of Slovenia, the Agency or any other government body in their supervision of banks, stockbroking companies, management companies, insurance companies or any other entities.

Distress for the purpose of debt collection

Article 62

(1) In case of distress proceedings from Article 60 of this Act for the purpose of collecting or securing a creditor's claim, the creditor shall obtain a lien on securities which are the object of distress on the registration of the distress warrant referred to in the second paragraph of Article 60 of this Act.

(2) The lien from the preceding paragraph shall be registered by the Clearing and Depository Corporation at the same time as the distress warrant.

(3) In the case from the first paragraph of this Article, the Clearing and Depository Corporation shall transfer dematerialised securities to the buyer's account on the basis of the order by which the transfer is ordered by the court. This order shall replace the delivery of dematerialised securities to the buyer.

(4) When an authorised participant is appointed by a court decision to sell securities which are the object of execution on the organised securities market, the provision of the third paragraph of Article 47 of this Act shall meaningfully also apply to the transfer of sold securities to the buyer's account.

Distress for delivery of securities

Article 63

In case of distress proceedings from Article 60 of this Act for the purpose of delivery of securities to a creditor, the Clearing and Depository Corporation shall transfer dematerialised securities from the debtor's account to the creditor's account on the basis of a notice received from the court that the distress warrant has become final.

Transfer to universal legal successor

Article 64

(1) The Clearing and Depository Corporation shall transfer dematerialised securities from the holder's account to the accounts of his successors in accordance with a final ruling on succession by the court or with any other appropriate legal instrument.

(2) In any other case of universal legal succession, the Clearing and Depository Corporation shall transfer dematerialised securities from the account of a legal predecessor to the accounts of his legal successors on the basis of an appropriate proof of succession, e.g. a decision on legal registration of the takeover for the acquiring company.

IX. KEEPING OF REGISTERS OF REGISTERED SECURITIES

Keeping of registers of registered securities

Article 65

(1) The Clearing and Depository Corporation shall maintain a share ledger or a register of registered securities on behalf of and for the account of the issuers of registered securities referred to in Articles 7 and 10 of this Act.

(2) The transfer of rights arising from registered securities or registration of third-party rights to registered securities in the central register shall have the legal effects of an appropriate entry in the share ledger or register of registered securities with respect to the issuer.

Deposit of registered shares for participating in a general meeting

Article 66

When articles of association of a joint-stock company make the participation in a general meeting or the exercise of voting rights subject to the placing of registered shares in safe custody, it shall be deemed that shares were deposited by those holders of dematerialised securities which were recorded in the central register on the deadline date for the deposit of shares in safe custody. Holders of dematerialised shares shall report their participation in the general meeting by the deadline date for the deposit of their shares..

Exercise of rights arising from bearer securities

Article 67

(1) When articles of association of a joint-stock company make the participation in a general meeting or the exercise of voting rights subject to the placing of bearer shares in safe custody, the Clearing and Depository Corporation member in charge of keeping securities on securities accounts at the Clearing and Depository Corporation on behalf of the holders of securities or the Clearing and Depository Corporation shall issue the holders a certificate of the balance of their securities account on the last day before the deadline for the deposit of shares if securities are kept directly on the account with the Clearing and Depository Corporation.

(2) The certificate from the preceding paragraph shall be made out to the bearer and may only be used as a piece of identification in the exercise of his voting rights at the general meeting.

(3) The provision of the preceding paragraph shall meaningfully also apply to the certificate issued for exercise of the right to dividends or preferential rights to subscribe to new shares or any other rights arising from bearer shares or bonds.

X. CONVERSION OF ALREADY ISSUED SECURITIES INTO DEMATERIALISED SECURITIES

Conversion procedure

Article 68

(1) The conversion of securities into dematerialised securities shall be carried out by delivering the already issued securities to the Clearing and Depository Corporation, which in turn shall credit dematerialised securities to the securities account of the holders who handed their securities to the Clearing and Depository Corporation or for whose account the securities were delivered to the Clearing and Depository Corporation.

(2) The conversion of securities into dematerialised securities shall be carried out on the basis of the decision of the issuer.

(3) The issuers passing the decision from the preceding paragraph hereof shall, within 15 days of adopting the decision from the preceding paragraph, announce a public invitation in the daily newspapers with a nation-wide circulation to all securities holders to deliver their securities to the Clearing and Depository Corporation for the purpose of their conversion into dematerialised securities. The decision shall also include the time limit for the conversion of securities, which shall not be less than 30 or longer than 90 days, starting from the day of the publication of the decision.

(4) On the day of the publication of the decision from the second paragraph of this Article, securities which are the object of this decision shall become void and may be used by their holders only as a piece of identification in the exercise of their right to conversion. (5) The conversion procedure shall be laid down in greater detail by the Clearing and Depository Corporation's terms of business.

Conversion on the transfer of securities

Article 69

(1) Holders of securities from Article 68 of this Act or persons that keep such securities in safe custody on behalf of and for the account of their holders shall deliver securities to the Clearing and Depository Corporation before the expiration of the time limit from the third paragraph of Article 68 of this Act when they wish to transfer the rights arising from such securities or to exercise the rights arising from such securities.

(2) The Clearing and Depository Corporation shall convert the securities received from individual holders into dematerialised securities in the manner determined by the first paragraph of Article 68 of this Act.

XI. CONVERSION OF SHARES WITH REGARD TO THE CHANGES IN CAPITAL, MERGERS AND TRANSFORMATIONS

1. General Provision

Application of provisions

Article 70

When new shares need to be issued due to a change in the equity capital of a joint stock company, merger or breakup of a joint-stock company or transformation of a different legal person into joint-stock companies, the issue of such shares shall be subject to the provisions of Chapter III of this Act unless otherwise stipulated by this Chapter.

2. Issue, Conversion or Cancellation of Shares Due to Changes in the Subscribed Capital Order for issue, conversion or cancellation of shares

Article 71

(1) An order for issue or conversion of shares due to an increase of a joint-stock company's subscribed capital by means of capitalisation of its assets or due to a simple reduction of its subscribed capital shall, in addition to the information from the second paragraph of Article 11 of this Act also include the cut-off date.

(2) When new shares need to be issued in order to increase a company's capital, the order from the preceding paragraph shall also comprise the number of new shares issued to individual shareholders.

(3) When the subscribed capital is reduced by consolidation of shares, the order for cancellation of shares shall also comprise the ratio according to which the shares are consolidated.

(4) When the subscribed capital is reduced by withdrawal of shares, the order for cancellation shall also comprise the number of shares held by the issuer (own shares), which are subject to cancellation because of their withdrawal.

Replacement of shares due to change of their par value

Article 72

(1) When shares need to be replaced with new shares with a different par value due to a change in the capital of a joint-stock company - the issuer of dematerialised shares, the provision of Article 237 of the Companies Act shall not apply.

(2) When shares need to be replaced with new shares with a different par value due to a change in the subscribed capital from the preceding paragraph, the Clearing and Depository Corporation shall cancel the replaced shares and credit the same number of new shares to the accounts of holders of the replaced shares which were registered in the central register on the cut-off date.

(3) Provisions of the preceding paragraphs shall meaningfully also apply when a joint-stock company's general meeting passes a resolution to change the par value of shares due to a split or consolidation of shares without changing the company's subscribed capital.

Issue of shares on account of the increase in subscribed capital by means of capitalisation of company's assets

Article 73

When new shares are issued due to an increase of the subscribed capital by means of capitalisation of a company's assets, the Clearing and Depository Corporation shall enter the relevant number (the second paragraph of Article 71 of this Act) of new shares on the accounts of shareholders who were entered in the central register on the cut-off date.

Cancellation of shares due to subscribed capital reduction

Article 74

(1) When subscribed capital reduction is effected through consolidation of shares, the Clearing and Depository Corporation shall calculate the number of shares kept after the merger by individual shareholders that were entered in the central register on the cut-off date on the basis of the ratio at which the shares were consolidated (the third paragraph of Article 71 of this Act), while the remainder of shares which became void due to consolidation shall be cancelled.

(2) When subscribed capital reduction is effected through the withdrawal of shares, the Clearing and Depository Corporation shall cancel own shares from the account of the joint-stock company - issuer of shares, which became void due to the withdrawal (the fourth paragraph of Article 71 of this Act).

3. Issue or Exchange of Shares due to Merger or Breakup Securing shares or payments in for the purpose of acquisition

Article 75

(1) When in the case of a merger or acquisition the shares of the acquiring company, which are secured for the shareholders of the acquired company, are issued in dematerialised form, each acquired company shall conclude a contract on the provision of acquisition-related services with the Clearing and Depository Corporation, and with this contract appoint the Clearing and Depository Corporation as its representative from the second paragraph of Article 521 of the Companies Act.

(2) In the case from the preceding paragraph, the acquiring company shall provide the shareholders of the acquired company with shares or cash payments by issuing an order to the Clearing and Depository Corporation to issue its shares to the shareholders of the acquired company or to transfer funds that must be provided for the payment to the shareholders of the acquired company to a special account of the Clearing and Depository Corporation.

(3) The order for the issue of shares from the preceding paragraph shall include:

1. information from the second paragraph of Article 11 of this Act;
2. the ratio at which the shares of the acquired company are exchanged for the shares of the acquiring company (exchange ratio).

(4) When cash payments also need to be secured for the shareholders of the acquired company for each share of this company, the order for the issue of shares from the second paragraph of this Article shall also specify the amount to be paid for each individual share of the acquired company.

(5) When the exchange ratio does not equal one or more shares of the acquired company for one share of the acquiring company, the order for the issue of shares from the second paragraph of this Article shall also include the amount which needs to be paid as the difference to the shareholders of the acquired company that are not in the possession of an appropriate number of shares of the acquired company, so that they could receive the total amount of shares of the acquired company.

(6) When the shares of the acquired company are issued in dematerialised form, the order for the issue of shares from the second paragraph of this Article shall also specify the cut-off date. The cut-off date shall be determined as the last day of the period which starts with the date of issue of the decision on the registration of the acquisition in the court register at the registered office of the acquiring company.

(7) In the case from the fifth paragraph of this Article, the Clearing and Depository Corporation shall calculate the total amount that must be secured for the payment of the difference, and shall accordingly notify the acquired company.

Exchange of shares if the shares of the acquired company are issued in dematerialised form

Article 76

When shares of the acquired company are issued in dematerialised form, the Clearing and Depository Corporation shall cancel the shares of the acquired company and shall credit an appropriate number (item 2 of the third paragraph of Article 75 of this Act) of shares of the acquiring company to the accounts of shareholders of the acquired company which were entered in the central register on the cut-off date, or shall transfers payments to these shareholders upon receipt of the decision to register the acquisition in the court register at the registered office of the acquiring company.

Exchange of shares if the shares of the acquired company are not issued in dematerialised form

Article 77

(1) When shares of the acquired company are not issued in the dematerialised form, their exchange shall be meaningfully subject to the provision of the first paragraph of Article 68 of this Act.

(2) The acquiring company shall, within 15 days of receipt of the decision to register the acquisition in the court register at the registered office of the acquiring company, address a public

invitation to all shareholders of the acquired company to deliver their shares to the Clearing and Depository Corporation for exchange.

(3) On the day of the publication of the invitation from the preceding paragraph, shares of the acquired company shall become void and may be used by their holders only as a piece of identification in the exercise of their right to exchange.

Issue and exchange of shares due to mergers or breakups

Article 78

Provisions of Articles 75, 76 and 77 of this Act shall meaningfully also apply to the issue and exchange of shares in cases of mergers or breakups.

4. Issue or Cancellation of Securities in Other Cases

Share issue in connection with legal transformation

Article 79

Provisions of this Act relating to the issue of dematerialised securities shall meaningfully also apply to the issue of shares in the process of a company's transformation into a joint stock company.

Cancellation of securities due to the dissolution of the issuer

Article 80

In case of dissolution of the issuer of dematerialised securities, the Clearing and Depository Corporation shall cancel the securities issued by this joint stock company from the central register on the basis of the decision on registration of its dissolution in the court register of companies unless otherwise stipulated for individual cases by this Act.

Cancellation of shares due to the transformation of a joint stock company

Article 81

(1) When a joint stock company which has issued dematerialised securities is transformed into a different legal and organisational entity, the Clearing and Depository Corporation shall cancel these shares from the central register on the basis of the issuer's order.

(2) The order from the preceding paragraph shall be accompanied by a decision on the registration of the transformation in the court register of companies.

XII. ACCESS TO INFORMATION ABOUT HOLDERS OF DEMATERIALISED SECURITIES

Uniform identification code of holders of securities

Article 82

(1) The uniform identification code of individual holders of securities which are natural persons is determined on the basis of the uniform registration number of citizens, and registration number of companies for corporate entities.

(2) Notwithstanding the provision of the preceding paragraph, natural persons which do not allow their uniform citizen registration number to be used in the determining of a uniform identification code of holders of securities may request the Clearing and Depository Corporation in writing to change (re-code) their uniform identification code.

(3) In the case from the preceding paragraph, the Clearing and Depository Corporation shall notify holders of securities about the changed uniform identification code by registered insured letter within 8 days of receipt of the holders' written request.

Access to the central register

Article 83

(1) Access to the central register shall be provided by means of a computer print-out of the information relating to individual holders of dematerialised securities (regular extract).

(2) On special request, access to the information relating to individual holders of dematerialised securities may also be provided in the manner described in the previous paragraph (historical extract).

(3) The Clearing and Depository Corporation shall issue extracts from the preceding paragraphs at the request of individual holders of securities concerning records relating to such holders of securities or at the request of a Clearing and Depository Corporation member concerning records of information relating to such Clearing and Depository Corporation member's clients.

Publicity of share ledger and registered security register information

Article 84

(1) All information recorded in share ledgers or registered security registers kept by the Clearing and Depository Corporation on behalf of and for the account of issuers (Article 65 of this Act) shall be publicly available, with the exception of the information about the uniform identification code of natural persons.

(2) At the request of any person, the Clearing and Depository Corporation shall issue an extract with a list of the existing shareholders or holders of registered securities from the share ledger or registered security register kept by the Corporation, including the information from the preceding paragraph.

(3) A more detailed procedure of issuing extracts from the preceding paragraphs shall be laid down by the terms of business of the Clearing and Depository Corporation.

Protected information

Article 85

(1) No one shall have the right to access the central register information that might enable him to determine whether a person is a holder of dematerialised securities, except in cases from the preceding Article.

(2) Notwithstanding the provision of the preceding paragraph, the court and tax authorities shall have the right to obtain a print-out of the information about individual holders of securities if this information is required for the proceedings against such holder of securities within the scope of their authority.

(3) Notwithstanding the provision of the first paragraph of this Article, the Agency, the Bank of Slovenia, the Office of the Republic of Slovenia for Insurance Supervision or any other governmental body shall have the right to obtain a print-out of the information about the balances and transactions on the securities accounts if this information was required for the proceedings conducted by them within the scope of their authority.

Information for statistical purposes

Article 86

The Statistical Office of the Republic of Slovenia shall have the right to obtain a print-out of all information required for the implementation the national programme of statistical research of the Republic of Slovenia and for statistical purposes.

Record of access granted

Article 87

(1) The Clearing and Depository Corporation shall keep a record of all accesses to the central register.

(2) The Clearing and Depository Corporation shall keep the record from the preceding paragraph in the chronological order in which individual accesses was granted.

(3) The record of the Clearing and Depository Corporation from the first paragraph of this Article shall include the type of access, the type of security or the holder of security in respect of which or whom the access was granted and the person at whose request the access was granted.

(4) The record from the first paragraph of this Article shall be kept and organised so as to enable the verification of accesses in respect of the kind of information which was the subject of the access and the persons on whose request the access was granted.

(5) Supervision of the keeping of records from the first paragraph of this Article shall be carried out by the Agency.

XIII. TERMS OF BUSINESS AND RATES OF THE CLEARING AND DEPOSITORY CORPORATION

Terms of business

Article 88

(1) The Clearing and Depository Corporation shall adopt terms of business which shall lay down the method of keeping of the central register and managing of securities accounts of holders and members of the Clearing and Depository Corporation, the procedure of admission of securities to the central register system, and transfer procedures between securities accounts.

(2) The terms of business from the preceding paragraph shall become effective after they have been approved by the Agency.

(3) The Clearing and Depository Corporation shall publish its terms of business in the Official Gazette of the Republic of Slovenia within seven days of their approval

Rates

Article 89

(1) The Agency shall fix its rates by which it shall determines

1. fees chargeable to the holders of securities for the opening and maintenance of securities accounts with Clearing and Depository Corporation members;

2. fees chargeable to the holders of securities for the services relating to the transfer of securities among the securities holders accounts;

3. fees chargeable to the issuers for the issuing and keeping of the register of securities holders;

4. fees for accessing the share ledger and registered securities register.

(2) The rates from the preceding paragraph shall take effect after they have been approved by the Government of the Republic of Slovenia.

XIV. REGISTER OF ISSUED SECURITIES

Records of issued securities

Article 90

(1) The Clearing and Depository Corporation shall keep a record of issued securities on the basis of the central register data.

(2) The record of issued securities shall include the following information for each individual security:

1. uniform security identification code,
2. code of security type,
3. essential components of a security (Article 4 of this Act);
4. aggregate par value of the whole issue and the number of issued securities,
5. number of holders of securities of individual issues,
6. date of entry of the security in the central register.

(3) In the case of shares, the record of issued securities shall also include a designation of share class.

(4) The record of issued securities shall be available to public, and the Clearing and Depository Corporation shall grant access to this record and a print-out of the information contained in this record to any person on request.

(5) The procedure of access and obtaining a print-out from the preceding paragraph shall be determined in greater detail by the terms of business of the Clearing and Depository Corporation.

Uniform security identification code

Article 91

The Clearing and Depository Corporation shall determine a uniform security identification code on the basis of the relevant Slovene standards.

Security type code

Article 92

In agreement with the Agency, the Clearing and Depository Corporation shall set up a code book of securities by type.

XV. PENAL PROVISIONS

Fines for violations by the issuers

Article 93

(1) A fine of SIT 300,000 to SIT 6,000,000 shall be imposed for the violation of the provisions of this Act on :

1. the issuer of securities from Article 7 of this Act or the first and second paragraphs of Article 96 of this Act for his failure to issue securities within the period of time stipulated by Article 8 or the third paragraph of Article 96 of this Act;
2. the issuer of securities from the first and second paragraphs of Article 97 of this Act for his failure to take a decision on the conversion of securities within the period of time stipulated by the second paragraph of Article 68 of this Act, or for his failure to announce a public invitation to holders of securities within the period of time stipulated by the third paragraph of Article 68 of this Act.

(2) A fine of up to SIT 450,000 shall also be imposed on the responsible person of the issuer for the omission from the preceding paragraph.

Fines for breaches by Clearing and Depository Corporation and its members

Article 94

(1) A fine of SIT 300,000 to SIT 6,000,000 shall be imposed for the violation of the provisions of this Act on :

1. the Clearing and Depository Corporation for its failure to issue extracts of securities accounts on 31 December of the previous year pursuant to Article 25 of this Act;

2. a Clearing and Depository Corporation member or the Clearing and Depository Corporation for their failure to issue the extracts of securities accounts from the third paragraph of Article 83 of this Act;

3. the Clearing and Depository Corporation for its failure to issue an extract of the securities account pursuant to Article 84 of this Act;

4. the Clearing and Depository Corporation if, contrary to the provision of Article 85 of this Act, grants access to the central register information.

(2) A fine of up to SIT 450,000 shall be also imposed on the responsible person for the omission from the preceding paragraph.

XVI. TRANSITIONAL AND FINAL PROVISIONS

Transitional Provision

Article 95

After the effective date of this Act, the two members of the supervisory board of the Clearing and Depository Corporation appointed in accordance with Article 24 of the Decree on Dematerialised Securities (Uredba o nematerializiranih vrednostnih papirjih, Ur.l. RS, No 45/95), shall discharge their duties until the end of their term of office.

Issuers who have not yet issued securities

Article 96

(1) Issuers of shares issued on the basis of the Ownership Transformation of Enterprises Act (Zakon o lastninskem preoblikovanju podjetij, Ur.l. RS, No 55/92, 7/93, 31/93, 32/94 - Constitutional Court decision and 1/96), whose ownership transformation included public sale as one of the forms of ownership transformation, or who had more than 50 shareholders or subscribers for shares on the day of the issue of the second approval by the Agency of the Republic of Slovenia for Restructuring and Privatisation to their programme of ownership transformation, shall issue all shares in dematerialised form.

(2) Dematerialised securities shall also be issued by issuers of serial securities referred to in the first and the second paragraphs of Article 7 of this Act whose securities have not yet been issued and delivered to the beneficiaries although the conditions for issuing these securities were satisfied before the coming into force of this Act.

(3) The issuers from the preceding paragraphs shall issue securities within 60 days of the effective date of this Act.

Obligatory conversion into dematerialised securities

Article 97

(1) Issuers of securities from the first and second paragraphs of Article 7 of this Act who issued securities and delivered them to the beneficiaries before the coming into force of this Act shall convert the already issued securities into dematerialised securities in the manner prescribed by this Act.

(2) The conversion procedure from the preceding paragraph shall also be carried out by issuers of already issued securities who obtained the permission for further public sale of these securities according to the act regulating the securities market.

(3) Issuers of securities from the preceding paragraphs shall take a decision on the conversion of securities within 60 days of the coming into force of this Act, otherwise these securities shall not be traded on the organised market.

Securities traded on the organised market

Article 98

Issuers of serial securities issued before the enforcement of the Securities Market Act (Zakon o trgu vrednostnih papirjev, Ur.l. RS, No 6/94) shall issue these securities in a dematerialised form or convert them into dematerialised securities in pursuance of Articles 97 or 98 of this Act if such securities are traded on the organised securities market.

Annulment of regulations

Article 99

(1) As of the effective date of this Act, Article 137 of the Securities Market Act (Zakon o trgu vrednostnih papirjev, Ur.l. RS, No 6/94) and the Decree on Dematerialised Securities (Uredba o nematerializiranih vrednostnih papirjih, Ur.l. RS, No 45/95) shall cease to have effect.

Entry into force

Article 100

This Act shall enter into force on the fifteenth day after its publication in the Official Gazette (Uradni list) of the Republic of Slovenia.

No: 450-12/96-13/3
Ljubljana, 23 March 1999

President of the
National Assembly of the Republic of Slovenia
Janez Podobnik, M.D., s.