

The Association of Global Custodians - Questionnaire

Slovenia- KDD Central Securities Clearing Corp.

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Information Gathering Project.
Before beginning, we suggest
that you: print the entire
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Each will assist you with
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SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the depository must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

In particular, are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

Yes

2. Rule 17f-7 also requires that an Eligible Securities Depository "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries."

Does your institution: (Choose all that apply.)

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b), Act in another capacity with respect to the handling of securities or equivalent book-entries? (please answer 2a)

2a. Please explain:

- clearing and settlement of the Ljubljana Stock Exchange trades, - settlement of all off-market trades (securities transactions), - registry of dematerialized securities, - ISIN coding, - keeping securities accounts for legal owners, - serving as a central database for all dematerialized securities (central depository), - custody services, - corporate actions services, - take-over bid procedures, - entitlements processing.

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

- short and long term debt securities, - equities, - mutual fund units.

3. What type of legal entity is the institution? (Choose all that apply.)

Private Company

4. Is the institution operated as a "for profit" or a "not for profit" organization?

For profit

5. Please provide the names of the owners and their ownership interest percentages.

BANKS 24.2%, BROKERAGE FIRMS 1.9%, GOVERNMENTAL FUNDS 24%, MANAGEMENT COMPANIES 31.5%, OTHER 18.3% (as of 31. December 2008)

Question number 6 has been modified. Thus, your answer from last year has not been populated for this question.

6. Please answer the following:

6a. What is the date of establishment of the depository?

10/Jan/1995

6b. What is the date that the depository's operations began?

16/Nov/1995

7. Under what regulation or statute is the depository established and governed?

KDD's Articles of Association (Statute) KDD's operations are governed by: - Markets in Financial Instruments Act (ZTFI), - Book Entry Securities Act (ZNVF), - Investment Trusts and Management Companies Act (ZISDU-1), - Mergers and Acquisitions Act (ZPre-1), - Companies Act, (ZGD-1), - Code of Obligations (OZ), - Subordinate legislation (KDD's Rules and Regulations)

7a. Is the regulation or statute electronically available?

Yes (please answer 7b)

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

Legislation (slovenian version only): <http://zakonodaja.gov.si/> KDD's Articles of Association (english version): http://www-en.kdd.si/about_kdd KDD's Rules and Regulations (english version): http://www-en.kdd.si/rules_regulations_and_tariff

7c. Please supply document(s) here:

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

According to Article 255 of Companies Act, every natural person, capable of business, can become a Board of Directors Member, except person, that: - is already a member of another KDD's management or supervisory body, - has been enforceable convicted of criminal offence against economy, working policy, social security, legal traffic, property, environment, place and natural goods. This person may not become a member of the Board of Directors five years from enforcement of the court decision and two years from completing sentenced imprisonment, - has been issued a ban on executing profession, as long as the ban lasts, - was as member of a management or supervisory body of a company, that underwent bankruptcy proceedings, that was enforceable condemned on payment of indemnity to creditors according to applicable law. This person may not become a member of the Board of Directors two years from enforcement of the court decision.

7e. What are the election procedures?

Board Members are elected by the General Meeting of Shareholders.

7f. What is maximum length of time they can serve as a board member?

Board Members are elected for a period of four years and can be re-elected.

7g. Who is responsible for regulating the board members?

Board of Directors is regulated by the General Meeting of Shareholders.

7h. What is the extent of their voting powers?

- The Board of Directors supervises the management of company operations, whereby it is entitled to inspect and verify the company's books of account and other documents without restrictions. - The Board of Directors is entitled to demand either a written or an oral report on company affairs from the Management Board. - The Board of Directors confirms general terms and conditions of operations, including other general company acts which relate to the performance of registered company activities and relations between company and its members. - The Board of Directors is obliged to review the annual report prepared by the Management Board, the auditor's report and the allocation of balance sheet profit proposed by the Management Board. The Board of Directors is obliged to draft a written report on the results of the review stated hereinabove. - The Board of Directors shall supervise suitability of procedures and efficiency of operations of the Internal auditing department, and shall give its opinion to the department's draft annual report. The Board of Directors shall justify its opinion on the internal auditing department's draft annual report to the General Meeting of Shareholders. - The Board of Directors shall review findings of the Securities Market Agency, the tax inspection and other supervisory bodies in control procedures which the company is subject to.

8. Rule 17f-7 requires that an Eligible Securities Depository "is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act", with section 2(a)(50) establishing that "foreign financial regulatory authority" means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above."

Who regulates the activities of the depository? (Choose all that apply.)

A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters., A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.

9. Please provide the name of regulatory authority(ies) identified in question 8:

Securities Market Agency (independent regulatory institution, responsible to the Parliament) performs prudential supervision of KDD's operations; Bank of Slovenia (Central Bank) supervises KDD in respect to systemic risk of settlement system and from the perspective of operator of national component of TARGET2 payment system (KDD is participant in TARGET2).

10. Rule 17f-7 requires that an Eligible Securities Depository "is subject to periodic examination by regulatory authorities or independent accountants."

Is the depository subject to periodic examination by: (Choose all that apply.)

Regulatory authorities?, Independent accountants?

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):

Securities Market Agency

11a.

Fines, Restrictions on depository activities., Suspension of depository activities., Termination of depository activities.

Name of Authority #2 (please answer 11c):

11c.

12. Has there been any use of such enforcement actions in the last three years?

No

Capital

13. Are annual financial statements publicly disclosed?

Yes (please answer 13a)

13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

Yes (please answer 13b)

13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:

13c. If more than one document for 13b, please upload the additional document here:

13d. Please insert web link(s) for 13b here:

financial statements (english version): http://www-en.kdd.si/about_kdd annual report (slovenian version): http://www.kdd.si/poslovanje/katalog_informacij_javnega_znacaja

Internal Audit

14. Is an internal audit undertaken in your depository?

Yes (please answer 14a)

14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?

– Monitoring and evaluating the efficiency of risk management systems and providing assistance in risk management, – Review, assessment and testing of efficiency of internal control systems, – Assessment of reliability of the information system, including the electronic information system, – Assessment of accuracy and reliability of accounting records and financial reports, – Verification of completeness, reliability and timeliness of reporting in compliance with regulations, – Verification of compliance of the operations with regulations, internal rules and measures adopted on their basis, – Conduct of special investigations. Internal auditing is performed by Internal Audit Department.

14b. How frequently does the internal audit occur? (Choose one.)

Other (please answer 14c)

14c. If less than annually or other, please explain:

Internal audit is performed on continuous basis.

14g. Please list the date of your last internal audit performed by internal auditors and the period that the audit covered:

Internal audit is performed on continuous basis. Audit reports are issued twice a year.

15. Is a financial audit performed by an external party? If yes, which type of entity? (Choose all that apply.)

Yes - Audit firm (please answer 15a)

15a. If yes, please state name(s) of organization(s) who undertake the financial audit.

CONSTANTIA PLUS, svetovanje, d.o.o., Ljubljana

15b. How frequently does the financial audit occur? (Choose one.)

Annually (please answer 15e)

15e. Are the results of the financial audit publicly available?

Yes (please answer 15g)

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

No material exceptions found.

15j. Please list the date of your last financial audit performed by independent external auditors and the period that the audit covered:

Auditing period starts od 1 January and ends on 31 December. Last auditing report was issued on March 20, 2009.

16. Is a operational audit performed by an external party? If yes, which type of entity? (Choose all that apply.)

Yes - Audit firm (please answer 16a)

16a. If yes, please state name(s) of organization(s) who undertake the operational audit.

CONSTANTIA PLUS, svetovanje, d.o.o., Ljubljana

16b. How frequently does the operational audit occur? (Choose one.)

Annually (please answer 16d)

16d. Are the results of the operational audit publicly available?

Yes (please answer 16e)

16e. Please select the statement that most accurately characterizes the results of the last operational audit: (Choose one.)

No material exceptions found.

16i. Please list the date of your last operational audit performed by independent accountants and the period that the audit covered:

Auditing period starts od 1 January and ends on 31 December. Last auditing report was issued on March 20, 2009.

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

Banks (please answer 17a), Brokers (please answer 17e), Foreign Institutions (please answer 17m), Other entities (please answer 17q)

17a. How many Bank participants are there currently? (then please answer 17b)

12 (as of 31/12/2008)

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

Financial Thresholds (please answer 17c), Regulatory Oversight (please answer 17c)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

Membership requirements are defined by Markets in Financial Instruments Act, KDD Operations Rules and Regulations of KDD on members. There are no special membership requirements for banks. Availability of documents is explained in answer 7b.

17e. How many Broker participants are there currently? (then please answer 17f)

11 (as of 31/12/2008)

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

Financial Thresholds (please answer 17g), Regulatory Oversight (please answer 17g)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

Please see answer 17c.

17m. How many Foreign Institution participants are there currently?

0 (as of 31/12/2008)

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

Financial Thresholds (please answer 17o), Regulatory Oversight (please answer 17o)

17o. Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

Please see answer 17c.

17q. If you have selected "Other entities" above, please explain:

Insurance Companies, Pension Funds, Governmental Funds, Management Companies, Central Bank.

17r. Indicate how many "Other entities" are currently participants?

23 (as of 31/12/2008)

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

Financial Thresholds (please answer 17t), Regulatory Oversight (please answer 17t)

17t. Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

Please see answer 17c.

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

No

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

Yes

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

Relevant law and regulation, Standard participation contract, Established terms and conditions of participation, By-laws of the

depository, Rules of the depository

21. Rule 17f-7 requires that an Eligible Securities Depository “holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants.”

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

Yes

21b. Please briefly describe the approaches you take and the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

Pursuant to Markets in Financial Instruments Act, KDD's Rules and Regulations should be clear, nondiscriminatory and based on objective criteria on organizational, technical, staff, capital and liquidity requirements applicable to KDD's participants.

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

Other (please answer 22a)

22a. Please explain:

Wording of Rules and Regulations updates are mailed out prior to amendments or changes take effect. Each participant has the right to comment on proposed rules. Participants usually exercise their right through their Participants Association, which comments or proposes different amendments to the Rules and Regulations before the drafted amendments are approved by the Board of Directors. They also hold a majority of votes in the KDD's Board of Directors. Rules and procedures may be changed or amended if required either by the change of the market environment and legislation or as a consequence of development of KDD's system. All relevant documents are also published on KDD's web site.

Governance of Participants

23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)

The depository

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

Fines, Restrictions on participation, Suspension of participation, Termination of participation

25. Has there been any such enforcement actions in the last three years?

No

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

Government securities, Equities, Corporate bonds, Corporate money market instruments, Others (please answer 26a)

26a. Please name the other security types:

Mutual fund units

27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)

Yes by law for settlement of all instrument types (please answer 27a), Yes by law for safekeeping, but not for all instrument types (please answer 27b)

**27a. Please list the instrument types for which it is not compulsory by law to:
(i) settle in your depository**

Settlement of stock exchange trades (for all instrument types) has to be executed by CSD or other settlement system (subject to agreement between stock exchange and respective settlement system, and approval of Securities Market Agency), that is licensed by Securities Market Agency (or foreign securities market authority, if incorporated abroad) to perform settlement of stock exchange trades. Settlement of stock exchange and off-market trades of all instrument types is executed by KDD by market practice.

**27b. Please list the instrument types for which it is not compulsory by market practice to:
(i) settle in your depository**

Please see answer 27a (i).

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

All securities issued in Slovenia (securities are considered as issued when entered into central securities registry) are by market practice settled with KDD.

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

KDD is the only registrar in Slovenia. All securities issued in Slovenia are by market practice entered into KDD's central securities registry.

29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

No

30. Has any participant suffered any losses in the past three years due to the depository's performance?

No

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

Central Bank, Banks appointed by depository (please answer 31a), Neither/others (e.g. credit lines used; please answer 31b)

31a. Please name banks:

Multiple commercial banks

31b. If neither/others, please explain:

All KDD's settlement members (i.e. banks and brokerage firms). Brokerage firms hold dedicated cash accounts with banks.

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

Central Bank

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

Central Bank, Banks appointed by depository (please answer 33a), Neither/others (please answer 33b)

33a. Please name banks appointed by depository:

Multiple commercial banks.

33b. If others, please explain:

Also other KDD's settlement members (i.e. brokerage firms).

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

Depository, Central Bank

35. Please indicate services you provide. (Choose all that apply.)

Information in advance on corporate (annual or special) meetings in order that owners can vote., Same day turnaround settlements., Information on distribution of new issues (IPO, Privatization)., Other (please answer 35d)

35d. If other services, please explain:

- Maintenance of central registry of holders of dematerialised securities (issue, cancellation and replacement of dematerialised securities, share ledger maintenance); - custody services related to corporate actions; - custody services related to take-over bid procedures; - entitlements processing.

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

Credited to the securities account upon actual receipt by the depository., Corporate action entitlements are handled by an entity separate from the depository. (please answer 36c)

36c. Name of entity:

Corporate action entitlements are processed by banks as well (dividend and interest payments).

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

Credited to the cash account upon actual receipt by the depository., Income and dividend collection is handled by an entity separate from the depository. (please answer 37c)

37c. Name of entity:

There is no standard collection procedure or organization specialized in them in the Republic of Slovenia. Issuers, when entitlements come due, fulfil their obligations by themselves (KDD provides the issuer with the bond/share holders' book on the entitlement record date). Usually they go through a bank or more banks and every share or bondholder is promptly notified of details and time limits. KDD may also offer services in processing the collections.

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

38. Please list all depositories or settlement systems to which you have an electronic link.

Operated unilateral direct links (allowing transfers of securities issued in KDD only) to: ICSD Clearstream Banking Luxembourg, ICSD Euroclear Bank. Relayed unilateral link to CSD Clearstream Frankfurt (via ICSD Clearstream Banking Luxembourg).

39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

Yes (please answer 39a)

39a. Please explain:

All necessary security measures are in place and subject to Service Level Agreement between KDD and ICSD. Furthermore, pursuant to Book Entry Securities Act, a person in whose account (maintained in central registry) dematerialized securities are registered, is a legal holder of those securities. No segregation or identification procedures are necessary for the existence or enforceability of holder's right (entitlement) to dematerialized securities in the case of insolvency of KDD member, KDD or other depositories or SSS in case that links between them and KDD are established.

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

Yes

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

Yes (please answer 41a)

41a. If yes, please indicate number: (Choose one.)

An unlimited number of accounts.

42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

Yes (please answer 42a)

42a. If yes, is segregation required or simply permitted?

Required (please answer 42b)

42b. How does segregation occur? (Choose all that apply.)

Other - e.g. share registration (please answer 42c)

42c. If other, please explain:

KDD members (banks, brokers, etc) are, under provisions of Market in Financial Instruments Act, obliged to open separate accounts for their customers. Customers' accounts and assets are technically and legally completely segregated from KDD's members' accounts and assets. There are several types of accounts designated for holding customers' assets: client account, portfolio account and custody (omnibus) account. KDD's members hold their assets on house accounts. For all types of accounts

mentioned above, final client level principle applies (i.e. legal owner is also beneficial owner), except for custody (omnibus) account, where legal owner is not a beneficial owner.

43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?

Yes (please answer 43a)

43a. If yes, do laws exist which acknowledge the rights of beneficial owners with respect to securities registered in nominee name?

Yes

44. In the event a participant's single account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in the account on behalf of the participant's clients be accessible:

44a. By the participant's clients?

Yes (please answer 44b)

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

In such cases clients reallocate their assets through other depository participants. There would be no delay because of compulsory assets segregation. Please see answer 42c. If the participant's house account is blocked for any reason the intervening authorities do have access to such account. Provided that KDD receives the necessary court documents and appointment of a bankruptcy manager or liquidator, such person has direct access to the participant's account. If house account (i.e. account of the participant) is blocked, this – by itself - has no effect whatsoever on clients' accounts of such participant. They can conduct their business normally as their assets are completely segregated from participants' assets. The blockade of participant's account could be (in worst case) accompanied by temporary ban on brokerage services. However this means that its clients need to reallocate their assets to another participant of their choice before they can proceed normally with conduct of their business. Such reallocation does not mean that their assets would be in any danger of seizure by authorities controlling insolvency.

44d. By the intervening authorities controlling insolvency or other proceedings?

No

44g. By the participant's creditors?

No

44j. By the depository's creditors?

No

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

Computer file (please answer 45b), Computer tape (please answer 45b)

45b. In which format is the source data maintained?

Database file.

46. Rule 17f-7 requires that an Eligible Securities Depository "provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account."

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

Yes (please answer 46b)

46b. If yes, please indicate the scheduled frequency: (Choose one.)

Other (please answer 46c)

46c. If other, please explain:

Real time - on line through the KDD's information system.

47. What is your document retention policy for documents described in previous question? (Choose one.)

Other (please answer 47a)

47a. If other, please explain:

Permanently.

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a), Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a)

48a. How do your settlement procedures vary from the model chosen above?

Does not vary; Model 2 applies to stock exchange trades settlement and Model 1 applies to OTC-DVP settlement. Brief description of stock exchange trades settlement: KDD operates a rolling T+2 settlement system (on a trade for trade principle) for all stock exchange trades. All securities transfers (and funds transfers), deriving from Ljubljana Stock Exchange (LJSE) trade, are executed on the day T+2. The final settlement of positions, deriving from securities transactions on the stock exchange organised securities market, is performed in accordance with the KDD Operations Rules, but explained in much more detail in the provisions of Regulations of KDD on Settlement of Stock Exchange Transactions. Below is presented the total timetable for LJSE transactions settlement in order to fully understand all possibilities in case credit or liquidity risks arise. The KDD operates a settlement cycle T+2 for all trades concluded on the LJSE. The LJSE Rules set out that matched transactions become binding and irreversible at 4:30 p.m. on the trading day (T+0). Information on respective stock exchange transactions are continuously communicated to the KDD throughout T+0 and become final upon a receipt of explicit confirmation of the LJSE, but no later than 4:30 p.m. In the case of clearing of the stock exchange transactions, the KDD clears cash obligations and cash claims from both counterparties, employing a multilateral settlement netting method. Employing settlement netting therefore means only pure calculation of net payment obligations and net payment claims arising from transactions without affecting the underlying contract between the original parties to the trade. Settlement members are notified of the final calculation of their positions and the required amount of liquidity reserve, which serves as a liquidity risk management tool, no later than 4:45 p.m. on the trading day. Liquidity reserve has to be paid no later than 9.15 the day after the trading day (T+1). On T+1 (until 2 p.m.), KDD sends the list of settlement members' expected net payment obligations on the settlement day (T+2) to Bank of Slovenia, since the final cash leg settlement takes place on accounts with it. On T+2, net-to-pay settlement members have to arrange for the funds transfers from their house accounts or clients' funds accounts to their clearing (transitory or zero balance) accounts with Bank of Slovenia. At 11.00 a.m. on T+2 they are expected to have cleared their accounts in favour of clearing and settlement account of the KDD within the TARGET2 system. The final cash settlement is run at 1.00 p.m. on T+2, when the KDD transfers the received funds from its clearing and settlement account to the net-to-receive members clearing accounts. Securities transfers are processed on a gross basis in the same timeframe on T+2 by transferring securities from the seller's account directly to the buyer's account. The role of the KDD is to perform its function as the settlement facilitator and to transfer securities in question. The KDD is, according to its Operations Rules, obliged to deliver securities to relevant accounts, but the KDD never acts as the principal or assumes any credit risk, since any default on the securities side is always fully covered only with funds from the Guarantee Fund, which is the main risk mitigation tool. Therefore, the KDD implicitly guarantees settlement of securities by having appropriate risk mitigation measures in place. Since the systems of KDD and Central Bank are "linked", it is possible that the final transfer of securities and the final transfer of net cash positions occur simultaneously on day T+2. For DVP-OTC trades (gross market) BIS model 1 applies. Brief description of the system: Settlement instructions: The »OTC-DVP« transfer order is posted in KDD's information system by selling member and is subject to buying member's confirmation. After being confirmed, the status of securities to be transferred is changed from freely available to blocked. At the same time a reference number (to be used in field 70 in SWIFT msg. type MT 103+) of trade is assigned for the purpose of funds transfer. Transfer of funds and securities: Once the transfer order is confirmed by the buying member, the funds should be transferred with SWIFT msg. type MT 103+ from buyer's bank account to KDD's clearing account through TARGET2 system which is operated by the central bank. After the notification that KDD's clearing account has been credited, KDD sends a new SWIFT msg. type MT 103 for the purpose of debiting its clearing account and crediting the seller's bank account. Upon the receipt of SWIFT msg. type MT 012 notifying KDD on completion of funds transfer, KDD approves the transfer of securities from seller's to buyer's securities account.

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by book-entry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts

may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous?

Yes

OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.

50. How are depository eligible securities held by the depository?

Securities in the depository are held in dematerialized form.

51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?

Not applicable

52. If securities are dematerialized:

May dematerialized security positions be re-certificated and held outside the depository?

No (please answer 52a)

52a. Are the securities held: (Choose all that apply.)

Through book-entry at the depository

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

Other (please answer 52l)

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

Not applicable. KDD acts as central depository and registrar.

52l. If other, please explain:

KDD acts as central depository and registrar.

53. Rule 17f-7 requires that an Eligible Securities Depository "maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants."

Does the depository maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

Yes

54. Does the law protect participant assets from claims and liabilities of the depository?

Yes

55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.)

Yes (please answer 55a)

55a. If yes, for what reasons are liens or similar claims imposed? (Choose all that apply.)

To secure payment for purchased securities, Other (please answer 55b)

55b. Please describe:

In case of default from stock exchange trades to ensure payment of penalties and other related costs. Lien extends to assets of defaulting member only and not to assets owned by its clients.

55c. Please indicate the limits of this lien as indicated below: (Choose one.)

55e. If a lien is placed on a participant's account which has been designated for its clients, will the depository select certain securities to be subject to the lien?

Other (please answer 55n)

55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

Yes (please answer 55k)

55k. If yes, are the restrictions accomplished by:

Other procedures (please answer 55l)

55l. Please explain:

KDD members have the legal right to pledge their clients' securities in case of client's non-payment.

55n. If other, please explain:

If a member has not fulfilled all requirements as specified in KDD's rules and regulations, a lien can be put only on member's account with its own securities. Member's clients' assets are completely segregated from members' assets.

56. Transfer of Legal Ownership

Does the depository have legal authority to transfer title to securities?

No

56c. Where does title or entitlement to depository securities pass between participants? (Choose one.)

On the depository books

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT

The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.

57. How are eligible securities lodged in the depository system? (Choose all that apply.)

Other (please answer 57a)

57a. Please describe:

KDD acts as central depository and registrar, and operates in completely dematerialised environment.

58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)

Not applicable

59. How long does it usually take to lodge securities with the depository? (Choose one.)

Not applicable

60. During the process of lodging securities into the depository, can the securities:

Be traded?

Not applicable

60a. During the process of lodging securities into the depository, can the securities:

Be settled?

Not applicable

60b. During the process of lodging securities into the depository, can the securities:

Have ownership transferred?

Not applicable

61. Are securities immediately available for delivery upon transfer to the depository?

Yes

62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.

Not applicable. Please see above.

63. How are eligible securities removed from the depository? (Choose one.)

Not applicable.

64. How long does it usually take to remove securities from the depository? (Choose one.)

Not applicable

65. While the securities are being removed from the depository, can they:

65a. Be traded? (Choose one)

Not applicable

65c. Be settled?

Not applicable

65e. Have ownership transferred?

Not applicable

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.

Depository Liability

66. Does the depository accept liability (independent of any insurance coverage) for the following:

66a. Reconciliation errors with the registrar and/or the issuer?

No

66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository?

Other (please answer 66h)

66h. If other, please explain:

If an unlikely event of default, negligence or fraud on the part of the KDD should nonetheless occur, particularly stringent liability is envisaged. Namely, strict liability of KDD for damages inflicted on issuer or holder of the rights derived from securities entered into central registry shall arise. Liability of KDD is defined as follows (pursuant to Book Entry Securities Act): (1) KDD shall be strictly liable to pay to the issuer or holder of the rights, which are the subject of entry in the central registry, all damages caused by its failure to execute an order or by an incorrect execution of an order or by failure to meet any other obligations stipulated by this Act. (2) KDD shall not be liable to pay damages from the preceding paragraph if it proves that its failure to execute an order or an incorrect execution of an order or its failure to meet any other obligations, was caused by an event, which was beyond its scope of business and that its consequences could not be anticipated, avoided or averted. (3) KDD shall not be liable to pay damages from the first paragraph if it proves that its failure to execute an order or an incorrect execution of an order or its failure to meet any other obligations was caused by an act of the issuer, holder, KDD member or a third party, that could not be anticipated nor could its consequences be avoided or reversed. The liability of KDD for default, negligence or fraud covers both actual damages and the loss of profit caused by such misconduct. The injured party (e.g. holder of securities) is entitled to full compensation.

66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

Yes (please answer 66j)

66j. If yes, please check all of the following that apply:

Other (please answer 66k)

66k. If other, please explain:

Please see answer 66h.

66m. Any loss caused by the depository due to errors, omissions or fraud that cause direct damages or losses to participants?

Other (please answer 66p)

66p. If other, please explain:

Please see answer 66h.

66q. The depository acting as the central counterparty?

Not applicable

66u. Does the depository guaranty settlement?

Other (please answer 66w)

66w. If other, please explain:

KDD has various procedures in place in case of default in stock exchange transactions in order to fulfil obligations of both parties (guarantee fund, pledge, buy-in, etc). KDD's liability for any obligations deriving from the Ljubljana Stock Exchange trades is limited to the assets of the guarantee fund and does not in any manner whatsoever extend to KDD's own assets. In that way, KDD does not perform functions of a central counterparty (CCP) as it does not assume the risks of possible member's defaults in obligations arising from stock exchange transactions.

66x. Force majeure events, acts of God, or political events, etc.?

No

66+. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?

No

67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

67a. Indemnification

Yes (please answer 67b)

67b. Please explain (then please answer 67c):

The rules that apply in such cases are to be found in the Code of Obligations and in the Book Entry Securities Act. As KDD is a private corporation that also represents the scope, extent of liability to its participants – KDD is liable with its total assets.

67c. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please see answer 67b.

67d. Insurance

No

67g. Acknowledgement of liability for losses caused by depository's own actions.

Other (please answer 67h)

67h. Please explain (then please answer 67i):

Please see answer 67b.

67i. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please see answer 67b.

67j. Other

Yes (please answer 67k)

67k. Please explain (then please answer 67l):

Please see answer 67b.

67l. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please see answer 67b.

68. Is the depository immune from legal action in its own jurisdiction?

No

Security Control

69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)

By direct electronic link

70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

Yes (please answer 70a)

70a. How is access given to participants? (Choose all that apply.)

By direct electronic link (please answer 70b)

70b. Please select type of electronic link:

Secured, leased, dedicated telephone line

71. Regarding data security:

71a. Are passwords used by participants to access their accounts?

Yes

71c. Does each user have a unique user ID?

Yes

71e. Are passwords regularly changed?

Yes (please answer 71f)

71f. How often?

Monthly.

71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

Yes (please answer 71i)

71i. How many?

3

72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

Yes (please answer 72a)

72a. Please explain:

The depository communicates with other entities such as stock exchange, payment system, via secured, leased, dedicated telephone lines, via Internet, Virtual Private Network, via SWIFT.

73. How does the depository communicate with other market entities?

73a. Stock Exchanges (Choose all that apply.)

Secured, leased, dedicated telephone line, Internet, Fax, Paper/other

73b. Payment Systems (Choose all that apply.)

Secured, leased, dedicated telephone line, Internet, Fax, Paper/other

73c. Clearing Houses (Choose all that apply.)

Not applicable

73d. Registrars (Choose all that apply.)

Not applicable

74. How is access to the physical building controlled? (Choose all that apply.)

By guards, By electronic keys/personal ID card, By alarm system

75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)

Not applicable; no vault is maintained

Participant Default Protections Resulting from a Participant Failure

76. If a participant defaults, how is the loss covered? (Choose all that apply?)

The depository guaranty fund covers the loss, Loss is shared among participants (please answer 76b)

76b. Please explain the process of how the loss is shared: (Choose one.)

Pro-rata based on participant's volume

77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

No

78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?

Yes (please answer 78a)

78a. If yes, please respond to the following questions:

What is the size of the fund (then please answer 78b)?

4,036,409 EUR (as of 31/12/2008).

78b. How is the size of the fund determined? (Choose one.)

Other (please answer 78c)

78c. If other, please explain:

Detailed description of Guarantee Fund composition, usage, management, asset yields, etc. are to be found in Regulations of KDD on settlement of stock exchange transactions. Contributions are made in cash. The following types of contributions to the Guarantee Fund exist: (1) annual basic contributions (the same amount is applied to each member), which are determined by the sum of all settlement members' obligations for all their stock exchange transactions executed during a specific period, (2) monthly additional contributions (determined individually for each member) in the amount determined by the extent and amount of the member's own obligations from stock exchange transactions executed during a specific period, and (3) supplementary contributions, actually representing replenishment of the Guarantee Fund (determined individually for each member in relation to its share under the liability for fulfilment of obligation of another settlement member), which are required when a payment is performed on behalf of the Guarantee Fund in case of delivery or payment failure. Supplementary contributions are required every time the remaining value of the Guarantee Fund falls below the specified share of initial total amount of the Guarantee Fund. In this regard, the non-defaulting members therefore guarantee the settlement with their whole liquidity. Supplementary contributions are refunded after (if) the payment claim against the defaulting settlement member, whose obligation was fulfilled using assets of the Guarantee Fund, is exercised.

78d. How is the fund financed? (Choose one.)

Contributions from participants (please answer 78f)

78f. If so, what is the amount or percentage per participant?

Please see answer 78c.

78h. Who is covered by the fund? (Choose all that apply.)

Direct depository participants only, The beneficial owner also

78j. When is the guaranty fund used? (Choose all that apply.)

When a broker defaults, When a direct participant defaults

79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)

Participant eligibility requirements, Participant volumes, Participant financial strength, Other loss or default protections the depository maintains (please answer 79a), Settlement controls that minimize or eliminate the risk of default by a participant (please answer 79d), Blocking of securities movement before receipt of payment, Blocking payment until securities are moved, Other forms of risk management used for assessing and monitoring participant exposures (please answer 79i)

79a. Please explain other loss or default protections:

Please see answer 99, because the field is too short for the explanation required.

79d. What type or types of settlement controls (Choose all that apply.)

Blocking or freezing of securities positions (please answer 79e), Controlling DVP settlement (please answer 79f), Simultaneous DVP (please answer 79g), Other (please answer 79h)

79e. Please explain:

Please see answer 79a.

79f. Please explain:

Please see answer 79a.

79g. Please explain:

Please see answer 79a.

79h. Please identify and explain:

Please see answer 79a.

79i. Please explain briefly how these work:

Please see answer 79a.

80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)

Financial requirements for stock exchange membership

BUSINESS RECOVERY PLAN

This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

81. Do you have a formal business recovery plan?

Yes (please answer 81a)

81a. Does your Business Recovery Plan include: (Choose all that apply.)

Back-up of all computer files, Off-site data storage, Back-up files stored and locked, Off-site operations facility

81b. Please identify both the frequency and the last date of testing for the following third party:

Depository participants/members

Daily control lists as integral part of the Business Continuity Plan.

81c. Please identify both the frequency and the last date of testing for the following third party:

Stock exchange

Daily, weekly control lists as integral part of the Business Continuity Plan.

81d. Please identify both the frequency and the last date of testing for the following third party:

Central bank

Quarterly tests.

81e. Please identify both the frequency and the last date of testing for the following third party:

Local brokers

Daily control lists as integral part of the Business Continuity Plan.

81f. Please identify both the frequency and the last date of testing for the following third party:

Any other third party

On yearly basis KDD performs, together with Ljubljana Stock Exchange and KDD members, integral BCP test, which comprises recovery of KDD's settlement system operations and stock exchange operations. Members test connectivity to both KDD and Ljubljana Stock Exchange secondary systems, and execution of trading and settlement procedures on the secondary location. As a part of a test, also a reallocation of relevant KDD staff is performed. Furthermore, regular start-up tests of all emergency procedures in KDD's disaster recovery location in Koper are performed on a quarterly basis. In addition, partial tests of individual system components are performed on continuous basis.

82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)

1 - 4 hours

83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)

1 - 4 hours

84. Will the depository publicly announce any system interruption?

Yes (please answer 84a)

84a. To whom will the depository disclose any system interruptions? (Choose all that apply.)

To the depository regulators, To all direct participants, Other (please answer 84d)

84b. If so, please list webpage address:

84d. Please explain:

Ljubljana Stock Exchange, Bank of Slovenia (central bank).

84e. How will the depository disclose any system interruptions? (Choose all that apply.)

By e-mail, By telephone, Public announcement

85. In the past three years, has it been necessary to activate the recovery plan in a live situation?

No

PERFORMANCE, INSURANCE, AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

86. Has there been any material loss by the depository during the past three years?

No

87. Has the depository been subject to any litigation involving a participant during the past three years?

No

88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)

Yes for all three years

89. Does the depository maintain a reserve for operating losses?

Yes (please answer 89a)

89a. Please describe and indicate reserve amount:

5,174,623 EUR of Other reserves (as part of Profit reserves); 1,192,584 EUR of Provisions (accurate as of 31/12/2008)

90. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

No

90b. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?

Other (please answer 90e)

90e. If other, please explain:

Not applicable.

91. Does the depository have insurance for Default?

No

92. Does the depository have insurance for Fidelity?

No

93. Does the depository have insurance for Operational Errors?

Yes (please answer 93a)

93a. What is the amount of the coverage?

1,000,000 EUR

93b. What is the amount of the deductible?

100,000 EUR

94. Does the depository have insurance for Errors and Omissions?

Yes (please answer 94a)

94a. What is the amount of the coverage?

1,000,000 EUR

94b. What is the amount of the deductible?

100,000 EUR

95. Does the depository have insurance for Computer Fraud?

Yes (please answer 95a)

95a. What is the amount of the coverage?

1,000,000 EUR

95b. What is the amount of the deductible?

100,000 EUR

96. Does the depository have insurance for the Premises?

Yes (please answer 96a)

96a. What is the amount of the coverage?

Insurance relates to entire building. KDD premises represent just a part of it.

96b. What is the amount of the deductible?

Please see above.

97. Does the depository have any other insurance?

Yes (please answer 97a)

97a. If so, what is it for?

Computer equipment, office furniture and other office equipment.

97b. What is the amount of the coverage?

1,234,889 EUR

97c. What is the amount of the deductible?

Without deduction.

98. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 98a and 98b in corresponding order.

Insurance companies: Zavarovalnica Triglav d.d., Ljubljana; Slovenica d.d., Ljubljana.

98a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

Not applicable.

98b. What is the term of the policy?

10-year and several 1-year policies with Zavarovalnica Triglav d.d.; 1-year policy with Slovenica d.d..

98c. Who does the insurance cover? (Choose all that apply.)

Depository, Direct depository participants, Final investors, Other (please answer 98d)

98d. If other, please identify:

Computer equipment, office furniture and other office equipment.

99. If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question (s) you are commenting on and upload the document under 99a:

Risk management KDD

99a. Upload document here:

PUBLIC AVAILABILITY

100. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (For additional guidance, please review the help feature to this question.)

Yes (please answer 100a)

100a. If yes, how will you be making it publicly available: (Choose all that apply.)

Web site (please answer 100b)

100b. Please provide web site address of publicly available questionnaire:

www.kdd.si

100j. Please be sure your contact details are updated. Your contact information is located in the first section of Part One within this questionnaire.

You have reached the end of the questionnaire. Please be sure to print your responses and review them prior to changing Datasheet Progress to "Completed" under Part Two. (To print, select the printer friendly link at the top of the questionnaire.) When you are prepared to submit your answers, please return to Part One and Part Two of the questionnaire and change Datasheet Progress to "Completed". The members of The Association of Global Custodians thank you for your time and for your helpful response.

Please provide any comments you have regarding the questionnaire.