

## ACT REGULATING THE STATUS OF EXPROPRIATED INVESTORS IN SLOVENIAN BANKS

### Article 1 (Purpose and Subject of the Act)

This act regulates the status of bank investors, which the Bank of Slovenia expropriated by the means of emergency measures in the period from 2013 to 2014.

### Article 2 (Bank Investors)

(1) Within the meaning of this act, bank investors are deemed:

1. Persons, who on 18 December 2013 were shareholders of one of the following banks:
  - NLB d.d.;
  - NKBM d.d.;
  - Abanka Vipava d.d.;
  - Probanka d.d.;
  - Factor banka d.d.;
2. persons, who on 16 December 2014 were shareholders of Banka Celje d.d.;
3. persons, who on 18 December 2013 were holders of subordinated bonds of one of the banks stated in point 1, which were canceled as a consequence of the emergency measures adopted by the Bank of Slovenia;
4. persons, who on 16 December 2014 were holders of subordinated bonds of Banka Celje d.d., which were canceled as a consequence of the emergency measures adopted by the Bank of Slovenia;
5. legal successors of the persons stated in previous points.

(2) The Republic of Slovenia is not considered a bank investor within the meaning of points 1 and 2 of paragraph 1.

### Article 3 (Emergency Measures of the Bank of Slovenia)

Within the meaning of this act, the emergency measures of the Bank of Slovenia are considered the following decisions of the Bank of Slovenia:

- reference no. PBH-24.20-023/13-009 from 17 December 2013,
- reference no. PBH-24.20-030/13-009 from 17 December 2013,
- reference no. PBH-24.20-022/13-009 from 17 December 2013,

- reference no. PBH-24.20-021/13-010 from 17 December 2013,
- reference no. PBH-24.20-029/13-009 from 17 December 2013, and
- reference no. PBH-24.20-024/13-023 from 16 December 2014.

#### **Article 4** **(The Right of Bank Investors to Securities)**

(1) A bank investor is entitled to request the delivery of securities from the Bank Assets Management Company (hereinafter: DUTB) pursuant to this act.

(2) The request from paragraph 1 shall be submitted in written form no later than two years after the entry of the act into force. Failing to observe the stated deadline, the right to request the delivery of securities ceases.

(3) The request of the investor shall be accompanied by supporting documentation demonstrating the beneficiary status pursuant to this act. Should the eligibility of the investor be evident from the entries in the central register at KDD – Central Securities Clearing Corporation (hereinafter: *KDD*), the investor does not attach supporting documentation. For this purpose, the KDD sends the DUTB data on relevant entries in the central register free of charge.

(4) In the event that the shares or subordinated bonds owned by the bank investor were encumbered by pledges on the day of expiry of the emergency measures, the investor has the right to be delivered only the securities pursuant to this act, which had been encumbered by the same pledge as the canceled securities, unless the investor submits a statement from the pledgee with which the pledgee confirms that securities may be delivered to them unencumbered.

(5) The bank investor who wishes to exercise any of their claims based on expropriations, which were a consequence of the emergency measures, in a different way and scope than those provided by this act, shall waive their right to the delivery of securities pursuant to this act in written form and in two years after the entry of the act into force. The written waiver of the right shall be sent to the DUTB.

(6) The bank investor, who files the request from paragraph 1 or who does not waive the right to the delivery of securities pursuant to this act in two years after the entry of this act into force, does not have the right to exercise any other claim based on expropriations, which were a consequence of the emergency measures.

(7) The bank investor whose claim based on expropriations, which were a consequence of the emergency measures, was denied with final force, rejected or for which the proceeding was stopped before the entry in application of this act in judicial proceedings, has the right to request delivery of securities pursuant to this act.

## **Article 5 (Type and Number of Securities)**

(1) Pursuant to this act, the bank investor stated in article 2, paragraph 1, points 1 and 2 of this act is entitled to receive the number of preference shares equal to the product of the number of shares, owned by the investor on 18 December 2013 or 16 December 2014, and the coefficient of the bank issuing those shares rounded up to the closest whole number.

(2) The coefficient of the bank is determined as the adequate product of the quotient of the entire assets of the bank on 31 December 2012, as determined by revised financial statements of the bank for the business year 2012, and the sum of these assets for all banks stated in points 1 and 2 of article 2. The adequate product is determined by the mediation committee in six months after the entry of this act into force pursuing the act regulating companies.

(3) Pursuant to this act, the bank investor stated in article 2, paragraph 1, point 3 of this act is entitled to receive plain bonds in such amount that their total nominal sum of principals equals the total nominal sum of subordinated bond principals, which the investor owned on 18 December 2013, increased for accrued but not paid interests to including 17 December 2013 at the interest rate at which subordinated bonds were issued to the investor, rounded up to the closest whole number dividable by 10.

(4) Pursuant to this act, the investor in banks stated in article 2, paragraph 1, point 4 of this act is entitled to receive plain bonds in the such amount that their total nominal sum of principals equals the total nominal sum of subordinated bond principals, which the investor owned on 12 December 2014, increased for accrued but not paid interests to including 15 December 2014 at the interest rate at which subordinated bonds were issued, rounded up to the closest whole number dividable by 10.

## **Article 6 (Preference Shares)**

(1) Pursuant to this act, the issuing body of the preference shares is the DUTB. Given this, the DUTB shall conditionally increase their share capital for the amount equal to the total amount of preference shares that should be delivered to their beneficiaries.

(2) Pursuant to this act, the issue price of preference shares equals the respective price of ordinary shares of the DUTB. The issue price shall be paid by the bank, whose shareholder was the person, entitled to the delivery of preference shares.

(3) Preference shares confer the right to an annual return of 4% of the respective amount in the share capital. In the event that the profit of the DUTB, intended to be distributed to the shareholders, exceeds 4% of the respective amount of the shares in the share capital, the

preference shares also confer the right to the proportionate part of the remaining profit, meaning that ordinary and preference shares give entitlement to equal dividends.

(4) Preference shares do not confer voting rights.

(5) The holders of preference shares have the right to appoint one member of the management board of the DUTB.

(6) The DUTB admits preference shares to trading on a regulated market. In connection to that, the DUTB shall fulfill its obligations in accordance with the act regulating financial instruments.

### **Article 7 (Bonds)**

(1) Pursuant to this act, the issuing body of bonds is the DUTB.

(2) The bonds are nominated in the nominal amount of EUR 10.00 and are remunerated at a fixed annual interest rate, defined as the lowest annual interest rate at which the Republic of Slovenia indebted for the period of over 5 years from 18 December 2013 to the date of the entry of the act into force.

(3) The bonds' principal is due every six month, more specifically every 18 June and 18 December in the year in the amount of EUR 1.0. The first installment of the principal is due on 18 December 2020 and the last one on 18 December 2025.

(4) The interests of the bonds are due every six months along with the principal, while the first interest coupon, which is due on 18 June 2020, includes the interests for the interest period, which commences on the day of the entry into force of this act and concludes on 17 June 2020. Every successive coupon includes the interest for the following six-monthly interest period.

(5) The right to the payment arising from single interest coupons and principal installments from bonds, is conferred to bond holders as evidenced in the central register at the end of the third working day before the due date of the coupon.

(6) The DUTB admits bonds to trading on a regulated market. In connection to that, the DUTB shall fulfill its obligations in accordance with the act regulating financial instruments.

(7) The bank whose holder of subordinated bonds was the person, to which the bonds were delivered according to this act, shall ensure one half of the assets necessary to pay the liabilities arising from bonds of the DUTB.

## **Article 8 (Detailed Provisions and Public Appeal)**

- (1) The minister responsible for finance shall draft rules to determine in more detail the requests for the delivery of securities pursuant to this act, the process of submitting the request, and the delivery of securities in accordance with this act.
- (2) The ministry responsible for finance shall publish a public appeal to submit requests to deliver securities in accordance with this act. The appeal shall be published in the Official Journal of the European Union, the Official Gazette of the Republic of Slovenia, and in at least two daily newspapers that are distributed on the entire territory of the Republic of Slovenia. The appeal shall include the conditions to submit the request.

## **Article 9 (Transitional and Final Provisions)**

- (1) The minister responsible for finance shall issue the regulation from article 8, paragraph 1 of this act in three months after the entry of the act into force.
- (2) The ministry responsible for finance shall publish the public appeal from article 8, paragraph two of the act no later than on 31 January 2020.
- (3) The DUTB shall align its business with this act in one year after the entry of the act into force.
- (4) This act shall enter into force on the 15th day after the publication in the Gazette of the Republic of Slovenia.