



**ZAGREBAČKA BURZA**  

---

**THE ZAGREB STOCK EXCHANGE**

# **R U L E S**

Zagreb, August 2013

**DISCLAIMER:**

*Please note that this is a convenience translation of the Rules which serves for information purposes only.  
The original Croatian text is binding in all respects.*

## Contents:

<b>1. GENERAL PROVISIONS .....</b>	<b>7</b>
<b>2. MEMBERSHIP.....</b>	<b>15</b>
<b>2.1 GRANT OF MEMBER STATUS.....</b>	<b>15</b>
<b>2.2 ORGANISATIONAL, PERSONNEL AND TECHNICAL REQUIREMENTS FOR MEMBERSHIP.....</b>	<b>17</b>
2.2.1 ORGANISATIONAL REQUIREMENTS .....	17
2.2.2 PERSONNEL REQUIREMENTS .....	18
2.2.3 TECHNICAL REQUIREMENTS .....	19
2.2.4 SETTLEMENT OF ON-EXCHANGE TRANSACTIONS, .....	21
<b>2.3 ADMISSION TO MEMBERSHIP PROCEDURE.....</b>	<b>21</b>
<b>2.4 MEMBER RIGHTS AND OBLIGATIONS .....</b>	<b>23</b>
<b>2.5 TERMINATION OF MEMBERSHIP.....</b>	<b>32</b>
2.5.1 TERMINATION OF MEMBERSHIP AT THE REQUEST OF THE MEMBER FIRM.....	33
2.5.2 TERMINATION OF MEMBERSHIP BY EXPULSION AND SUSPENSION .....	33
<b>2.6 SPECIALISTS AND MARKET MAKERS .....</b>	<b>35</b>
2.6.1 SPECIALISTS.....	35
2.6.1.1 Organisational, Personnel and Technical Requirements on Specialists.....	36
2.6.1.2 Specialist Status .....	37
2.6.1.3 Specialist Obligations.....	39
2.6.2 MARKET MAKERS .....	44
2.6.2.1 Organisational, Personnel and Technical Requirements on Market makers .....	45
2.6.2.2 Market Maker Status.....	46
2.6.2.3 Market maker obligations .....	46
<b>2.7 CRISIS COMMUNICATION .....</b>	<b>49</b>
<b>2.8 DISPUTES .....</b>	<b>49</b>
<b>3. REGULATED MARKET.....</b>	<b>50</b>
<b>3.1 FINANCIAL INSTRUMENTS .....</b>	<b>50</b>
<b>3.2 MARKET SEGMENTS.....</b>	<b>50</b>
<b>3.3 FINANCIAL INSTRUMENT LISTING ON THE REGULATED MARKET .....</b>	<b>51</b>
3.3.1 APPLICANT.....	51
3.3.2 APPLICATION FOR LISTING AND OTHER DOCUMENTS.....	52
3.3.3 LISTING APPLICATION REGULARITY.....	54
3.3.4 LISTING RESOLUTION .....	54

<b>3.4</b>	<b>CRITERIA FOR REGULATED MARKET LISTING .....</b>	<b>55</b>
3.4.1	GENERAL CRITERIA FOR REGULATED MARKET LISTING .....	55
<b>3.5</b>	<b>CRITERIA FOR REGULAR MARKET LISTING.....</b>	<b>57</b>
3.5.1	SHARES .....	57
3.5.2	STRUCTURED PRODUCTS.....	57
3.5.3	OTHER FINANCIAL INSTRUMENTS .....	58
<b>3.6</b>	<b>CRITERIA FOR OFFICIAL MARKET LISTING .....</b>	<b>58</b>
3.6.1	SHARES .....	58
3.6.2	DEBT SECURITIES.....	59
3.6.3	OTHER FINANCIAL INSTRUMENTS .....	59
<b>3.7</b>	<b>CRITERIA FOR PRIME MARKET LISTING.....</b>	<b>59</b>
3.7.1	SHARES .....	59
<b>3.8</b>	<b>SHARE TRANSITION AMONG REGULATED MARKET SEGMENTS .....</b>	<b>59</b>
3.8.1	SHARE TRANSITION AMONG REGULATED MARKET SEGMENTS AT THE REQUEST OF THE ISSUER OR A PERSON AUTHORISED BY THE ISSUER .....	60
3.8.2	SHARE TRANSITION AMONG REGULATED MARKET SEGMENTS ON PERIODIC EXCHANGE REVIEW ....	60
<b>4.</b>	<b>POST-LISTING REQUIREMENTS.....</b>	<b>62</b>
<b>4.1</b>	<b>GENERAL PROVISIONS.....</b>	<b>62</b>
<b>4.2</b>	<b>REGULAR MARKET.....</b>	<b>65</b>
4.2.1	OBLIGATIONS OF THE ISSUERS OF SHARES LISTED ON THE REGULAR MARKET.....	65
4.2.1.1	Annual General Meeting .....	66
4.2.1.2	Corporate Actions .....	66
4.2.1.3	Code of Corporate Governance .....	67
4.2.2	OBLIGATIONS OF THE ISSUERS OF DEBT SECURITIES LISTED ON THE REGULAR MARKET .....	67
4.2.2.1	Meeting of the Holders of Debt Securities .....	68
4.2.3	OBLIGATIONS OF THE ISSUERS OF STRUCTURED PRODUCTS LISTED ON THE REGULAR MARKET .....	68
<b>4.3</b>	<b>OFFICIAL MARKET .....</b>	<b>69</b>
4.3.1	OBLIGATIONS OF THE ISSUERS OF SHARES LISTED ON THE OFFICIAL MARKET .....	69
4.3.1.1	Management and Supervisory Board Meetings.....	69
4.3.1.2	Acquisition and disposal by persons discharging managerial responsibilities within the issuer and persons closely associated with them .....	69
4.3.2	OBLIGATIONS OF THE ISSUERS OF DEBT SECURITIES LISTED ON THE OFFICIAL MARKET .....	70
4.3.2.1	Management and Supervisory Board Meetings.....	70
<b>4.4</b>	<b>PRIME MARKET .....</b>	<b>71</b>
4.4.1	OBLIGATIONS OF THE ISSUERS OF SHARES LISTED ON THE PRIME MARKET .....	71
4.4.1.1	Calendar of Events .....	71
4.4.1.2	Annual Report .....	71
4.4.1.3	Company or Business Takeover or Divestment.....	72

4.4.1.4	New share issuance .....	72
4.5	<b>SPECIFIC PROVISIONS FOR THE ISSUERS OF CLOSED-END AIF SHARES .....</b>	<b>73</b>
4.6	<b>SPECIFIC PROVISIONS FOR THE ISSUERS OF DEPOSITARY RECEIPTS .....</b>	<b>73</b>
4.7	<b>SPECIFIC PROVISIONS FOR ISSUERS OF FINANCIAL INSTRUMENTS FROM MEMBER STATES OR THIRD COUNTRIES.....</b>	<b>74</b>
4.8	<b>REGULATED MARKET DELISTING .....</b>	<b>74</b>
<b>5.</b>	<b>MULTILATERAL TRADING FACILITY.....</b>	<b>79</b>
5.1	<b>GENERAL PROVISIONS.....</b>	<b>79</b>
5.2	<b>FINANCIAL INSTRUMENTS TRADABLE ON THE MTF .....</b>	<b>80</b>
5.3	<b>MARKET SEGMENTS.....</b>	<b>80</b>
5.4	<b>INCLUSION IN TRADING ON THE MTF.....</b>	<b>80</b>
5.4.1	APPLICANT FOR INCLUSION IN TRADING.....	81
5.4.2	ADMISSION APPLICATION REGULARITY.....	81
5.4.3	INCLUSION IN TRADING RESOLUTION.....	81
5.5	<b>CRITERIA FOR INCLUSION OF FINANCIAL INSTRUMENTS IN TRADING ON THE MTF.....</b>	<b>82</b>
5.5.1	CRITERIA FOR INCLUSION IN TRADING ON THE MTF – ALTER.....	82
5.5.2	CRITERIA FOR INCLUSION IN TRADING ON THE MTF – FORTIS.....	83
5.5.3	CRITERIA FOR INCLUSION IN TRADING ON THE MTF – X.....	84
5.6	<b>POST-ADMISSION REQUIREMENTS .....</b>	<b>85</b>
5.6.1	POST-INCLUSION REQUIREMENTS – ALTER.....	85
5.6.2	POST-INCLUSION REQUIREMENTS – FORTIS .....	85
5.6.3	POST-INCLUSION REQUIREMENTS – X .....	86
5.7	<b>TERMINATION OF MTF TRADING IN A FINANCIAL INSTRUMENT .....</b>	<b>87</b>
<b>6.</b>	<b>TRADING.....</b>	<b>89</b>
6.1	<b>CALENDAR OF TRADING DAYS AND TRADING HOURS .....</b>	<b>89</b>
6.2	<b>EXCHANGE TRADING SYSTEM.....</b>	<b>89</b>
6.3	<b>TYPES OF TRADING.....</b>	<b>90</b>
6.3.1	ORDER BOOK TRADING .....	91
6.3.1.1	Continuous Trading.....	91
6.3.1.1.1	Pre-Opening Session.....	91
6.3.1.1.2	Main Trading Session .....	93
6.3.1.2	Auction .....	94
6.3.1.3	Volatility Interruption.....	95
6.3.1.3.1	Variable Ending.....	98
6.3.2	SHORT SELLING.....	98

6.3.3	ORDER BOOK TRADING ORDERS.....	99
6.3.3.1	Types of Order Book Orders.....	99
6.3.3.2	Order Parameters .....	101
6.3.3.3	Order Transparency .....	102
6.3.3.4	Hard Limits .....	103
6.3.4	ORDER BOOK TRANSACTIONS.....	107
<b>6.4</b>	<b>OFF-ORDER BOOK TRADING.....</b>	<b>110</b>
6.4.1	BLOCK TRADES.....	110
6.4.2	PUBLIC AUCTIONS .....	110
<b>6.5</b>	<b>OTC TRANSACTIONS .....</b>	<b>115</b>
<b>6.6</b>	<b>TRADING SUSPENSION.....</b>	<b>116</b>
6.6.1	TRADING SUSPENSION FOR TECHNICAL REASONS .....	116
6.6.2	TRADING SUSPENSION DUE TO EXTRAORDINARY MARKET VOLATILITY.....	116
<b>6.7</b>	<b>RESPONSIBILITY OF THE EXCHANGE .....</b>	<b>117</b>
<b>6.8</b>	<b>CLEARING AND/OR SETTLEMENT.....</b>	<b>118</b>
<b>7.</b>	<b>TRADING TRANSPARENCY.....</b>	<b>119</b>
7.1	DISCLOSURE OF ORDER AND MARKET DEPTH DATA.....	119
7.2	TRANSACTION DATA DISCLOSURE.....	119
7.3	ENSURING TRADING DATA AVAILABILITY.....	120
<b>8.</b>	<b>CONFLICT OF INTEREST COMMITTEE.....</b>	<b>121</b>
8.1	COMPETENCE.....	121
8.2	MEMBERS.....	122
8.3	APPOINTMENT OF COMMITTEE MEMBERS.....	122
8.4	TERMINATION OF MANDATE.....	123
8.5	DECISION MAKING .....	123
8.6	EXEMPTION OF COMMITTEE MEMBER.....	124
8.7	RULES OF PROCEDURE.....	124
<b>9.</b>	<b>SURVEILLANCE.....</b>	<b>125</b>
9.1	TRADING SURVEILLANCE.....	125
9.1.1	RULES AND PROCEDURES TO PREVENT AND DETECT MARKET ABUSE .....	126
9.1.2	EXCHANGE MEASURES AND ACTIONS TO PREVENT MARKET ABUSE .....	126
9.1.2.1	Observation Segment.....	127
9.1.2.2	Response to Volatility Interruption .....	128

9.1.2.3	Temporary Trading Suspension of the Financial Instrument .....	129
9.1.3	EXCHANGE MEASURES AND ACTIONS TO DETECT MARKET ABUSE.....	132
9.1.3.1	Procedure with Unusual Orders, Transactions or Activities of Member Firms Indicative of Market Abuse .....	133
9.1.3.2	Trade cancellation .....	134
9.1.3.2.1	Erroneous Order Parameter Entry .....	135
9.2	<b>SUPERVISION OF MEMBER FIRMS.....</b>	<b>136</b>
9.3	<b>SUPERVISION OF THE ISSUER.....</b>	<b>137</b>
<b>10.</b>	<b>COMMITTEE FOR MARKET PROTECTION MEASURES .....</b>	<b>138</b>
10.1	COMPETENCE.....	138
10.2	MEMBERS.....	138
10.3	APPOINTMENT OF COMMITTEE MEMBERS.....	139
10.4	TERMINATION OF MANDATE.....	140
10.5	DECISION MAKING .....	140
10.6	EXEMPTION OF COMMITTEE MEMBER.....	141
10.7	RULES OF PROCEDURE .....	141
<b>11.</b>	<b>MEASURES TO PROTECT MARKET INTEGRITY.....</b>	<b>142</b>
11.1	MEASURES IMPOSED ON MEMBER FIRMS .....	142
11.2	MEASURES IMPOSED ON ISSUERS.....	142
11.3	TYPES OF MEASURES.....	143
11.3.1	NON-PUBLIC WARNING.....	143
11.3.2	PUBLIC WARNING.....	143
11.3.3	FINE .....	143
11.3.4	SUSPENSION AND TERMINATION OF MEMBERSHIP BY EXPULSION .....	144
11.3.5	DELISTING .....	144
11.4	DETERMINING SANCTION TYPE AND SIZE.....	144
11.4.1	OPINION AND RECOMMENDATION OF THE COMMITTEE FOR MARKET PROTECTION MEASURES	146
	<b>TRANSITIONAL AND FINAL PROVISIONS.....</b>	<b>147</b>

Pursuant to Article 294 of the Capital Market Act (OG 88/08, 146/08, 74/09 and 54/13) and Articles 8(1) of the Articles of Association of the Zagreb Stock Exchange, Inc., on 8 August 2013 the Management Board of the Zagreb Stock Exchange, Inc. issued the following

# RULES

## 1. GENERAL PROVISIONS

### General Provisions

#### Article 1

(1) These Rules of the Zagreb Stock Exchange shall regulate:

1. scope and organisation of business;
2. membership, including the provisions on:
  - a) admission to membership,
  - b) organisational, personnel and technical requirements for membership as well as the requirement of settlement of on-Exchange transactions,
  - c) rights and obligations of member firms,
  - d) suspension and termination of membership;
3. types and methods of trading, including any provisions on the clearing and/or settlement systems, which member firms may use to clear and/or settle any conducted transactions;
4. trading transparency;
5. financial instruments which may be traded on the regulated market managed by the Exchange, including the provisions on:
  - a) criteria for listing financial instruments on the regulated market,
  - b) obligation to disclose price sensitive information,

- c) temporary suspension of trading in the financial instrument,
- d) delisting;
- 6. trading surveillance, and the provisions on the prevention and detection of market abuse;
- 7. financial instruments which may be traded on the Multilateral Trading Facility (MTF) managed by the Exchange;
- 8. measures to protect market integrity.

(2) These Rules shall be applied along with other regulatory Exchange documents referred to in the Rules or adopted by the Exchange within the scope of its powers.

## Objectives and principles

### Article 2

In the interpretation and application of the provisions of these Rules it is necessary to take into account the following objectives and principles:

- 1. investor protection,
- 2. fair, orderly and efficient market,
- 3. information balance among all market participants;
- 4. public disclosure of price sensitive information on the issuers and/or financial instruments traded on the regulated market or the MTF,
- 5. reduction of systemic risk,
- 6. prevention of any conflicts of interest arising between the interests of the Exchange and/or those of its shareholders and/or member firms and/or issuers and the public interest in the operation of the regulated market.



## Scope and organisation of business

### Article 3

(1) Within the scope of its activities the Exchange shall perform any work related to trading in any financial instruments listed on the regulated market and multilateral trading facility determined by these Rules, in particular the following:

1. regulated market management;
2. MTF management;
3. collection, processing and dissemination of trading data;
4. tasks related to the development, maintenance and disposal of the software necessary for the performance of work referred to in point 1 through 3 of this paragraph;
5. other work within its competence under the law and other regulations.

(2) The Exchange organisation shall be defined by the Internal Organisation and Job Structure Ordinance of the Zagreb Stock Exchange, Inc.

## Definitions

### Article 4

(1) In these Rules, other regulatory Exchange documents and in the contracts concluded by the Exchange, unless the content of particular provisions evidently implies otherwise, the following terms shall have the following meanings:

**Agency** – Croatian Financial Services Supervisory Agency;

**Alternative Investment Fund (AIF)** – investment fund defined by the act regulating the establishment and management of alternative investment funds;

**Block trade** – transaction in a financial instrument listed on the regulated market or included in trading on the MTF, involving a Member or member firms of the Exchange, arranged privately and conducted via the Exchange trading system, in accordance with these Rules;

**Exchange** – Zagreb Stock Exchange, Inc.;

**Pre-opening price** – price of the financial instrument at the end of the pre-opening session and determined in accordance with Articles 176 through 179 of these Rules;

**Price list** – price list of the Zagreb Stock Exchange, Inc.;

**Price sensitive information** – stipulated and inside information defined by the CMA and other regulations and by the provisions of these Rules.

**CROBEX®** – share index created and calculated by the Zagreb Stock Exchange, Inc. whose composition, methodology and other characteristics are defined by an Exchange resolution;

**member firm** – person which has concluded a Zagreb Stock Exchange, Inc. membership contract with the Exchange;

**Direct Market Access (DMA)** – agreement under which a member firm allows certain clients to electronically place orders, sent automatically via the internal computer system of the member firm to the Exchange trading system with an identification code of the member firm;

**Member State** – Member State of the European Union and signatory state of the Agreement on the European Economic Area;

**Debt securities** – securities defined in the manner stipulated by the provisions of the CMA.

**Ex date** – first day on which a share is traded without the right to a dividend (settlement cycle minus 1 (one) trading day);

**Financial instruments** – negotiable securities and money market instruments defined in Article 3(1) items 3 and 4 of the CMA;

**Internet connection** – communication link via the Internet;

**Issuer** – legal person, including the government, which has concluded a contract with the Exchange to list financial instruments on the regulated market;

**Client** – person to which the member firm provides services within the scope of its investment services and the activities it performs;

**Order book** – part of the trading system which contains all the orders pursuant to which transactions may be conducted;

**Code of Corporate Governance** – Code of corporate governance written by the Exchange and the Croatian Financial Services Supervisory Agency;

**Corporate actions** – include any activities relating to the exercise of the right attaching to securities, to the changes concerning securities or to the status changes of the issuer;

**Short selling** – transaction in a financial instrument which the member firm has borrowed or agreed to borrow for delivery on settlement;

**Qualified holding** – any indirect or direct holding in a company which accounts for a 10%, 20%, 30% or 50% holding in the capital or voting rights or which enables a significant influence on the management of the respective company;

**Home Member State** – home Member State defined in the manner stipulated by the provisions of the CMA;

**Measures to protect market integrity** – measures which the Exchange is authorised to take pursuant to these Rules in respect of the member firm or the issuer to protect a fair, orderly and efficient market;

**Multilateral Trading Facility (MTF)** – multilateral trading facility within the meaning of Article 3(1) item 19 of the CMA managed by the Zagreb Stock Exchange, Inc.;

**Market maker** – Exchange member firm which, pursuant to a contract concluded with the Exchange, assumes special obligations related to maintaining the liquidity of a particular structured product for a period of time in the course of the main trading session by simultaneously quoting bid and sell orders;

**Persons discharging managerial responsibilities within the issuer and persons closely associated with them** – persons defined in Article 464(1) and (2) of the CMA;

**OTC transaction** – transaction in a financial instrument conducted outside the regulated market or MTF;

**Data link** – communication link managed by the authorised communication services provider and used for maintaining a direct data link with the trading system and other parts of the Exchange information system;

**Data connections** – any communication links intended for the exchange of data used by member firms or other users to access the trading system and other parts of the Exchange information system;

**Order** – instruction to buy or sell financial instruments which the member firm enters in the Exchange trading system on its own behalf and for its own account, or for the account of the Client;

**List of insiders** – list defined in Article 463 of the CMA;

**Regulated information** – information defined in Article 395(1) item 4 of the CMA;

**Inside information** – information defined in Article 455 of the CMA.

**Rights** – securities entitling to shares/holdings from the portfolio of the Croatian Privatisation Fund (Government Asset Management Agency);

**Rules** – these Rules;

**Inclusion in trading** – procedure which enables trading in the Financial instrument on the MTF;

**Temporary suspension of trading in Financial instrument** – measure to temporarily prevent trading in a particular Financial instrument via the Exchange trading system;

**Application software of the member firm** – application software developed by using the API or another appropriate protocol stipulated by the Exchange.

**Application Programming Interface (API)** – technical specification of transaction messages used to exchange data between the computer system of the member firm and the trading system for the purpose of developing application software of the member firm or another user;

**Computer system of the member firm** includes the application software, computer and communication equipment and the data link for data exchange between the computer system of the member firm and the trading system;

**CDCC** – Central Depository and Clearing Company Inc., Zagreb.

**Specialist** is the Exchange member firm which, pursuant to a contract concluded with the Exchange, assumes special obligations related to maintaining the liquidity of a particular share for a period of time in the course of the main trading session by simultaneously quoting bid and sell orders;

**Sponsored access** – arrangement under which the member firm allows certain clients to electronically place orders which are automatically sent to the Exchange trading system with the identification of the member firm, without order entry in the internal computer system of the member firm.

**Structured products** – negotiable securities defined in Article 3(1) item 3c of the CMA.

**Underlying instrument** – negotiable security, currency, interest rate or yield, commodity, index or other measure of size on the value of which the value of other financial instruments depends;

**Theoretical opening price** – price of the financial instrument computed by the trading system in the course of the pre-opening session, in accordance with Articles 176 through 179 of these Rules;

**Transaction** – legal operation of buying/selling Financial instruments which results from matching respective buy and sell orders via the trading system, in accordance with the provisions of the Rules;

**Third country** – any country which is not a Member State;

**Trading** – procedure of placing buy and sell orders and concluding transactions in the Financial instruments via the Exchange trading system;

**Trading day** – trading day on the regulated market or MTF, managed by the Zagreb Stock Exchange, Inc.;

**Trader work station** – application software for trading via the Exchange trading system provided and granted by the Exchange to the member firm.

**Trading system** includes the application software, computer and communication equipment as well as the data access network of the Exchange to enable data exchange between the computer system of member firms or other users and the Exchange trading system;

**Management and Supervisory Board** – if a joint stock company under the Companies Act or the regulations governing the establishment and operation of companies, instead of the management

and supervisory board, has a management board, the provisions of these Rules relating to the management and supervisory board shall apply appropriately to the management board.

**Commission Regulation (EC) 1287/2006** – Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive.

**Regulated market** – regulated market within the meaning of Article 3(1) item 20. of the CMA managed by the Zagreb Stock Exchange, Inc.;

**Listing** – procedure which enables trading in Financial instrument on the regulated market;

**Last price** – price of the last transaction in the financial instrument on a particular trading day;

**Application for inclusion in trading** – application to have the Financial instrument included in trading on the MTF;

**Application for listing** – application to have the Financial instruments listed on the regulated market;

**Closing price** – the average price weighted by the volume of all transactions in the instrument conducted within the order book in the course of a trading day; If the Financial instrument is not traded on a particular trading day, the closing price of the previous trading day shall be taken as the closing price;

**CA** – Companies Act (OG 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 152/11, 111/12, 144/12, 68/13);

**CMA** – Capital Market Act (OG 88/08, 146/08, 74/09 and 54/13)

## 2. MEMBERSHIP

### 2.1 GRANT OF MEMBER STATUS

#### Article 5

- (1) Member status shall be granted by admission to membership of the Exchange.
- (2) A resolution on admission to membership shall be passed by the Exchange.
- (3) On gaining member status, the member firm shall agree irrevocably to comply with the Rules and other regulatory Exchange documents.
- (4) Member status may not be gained by succession.

#### Eligible members

#### Article 6

- (1) Any investment company or credit institution which meets the criteria stipulated by the CMA and these Rules may become a member of the Exchange.
- (2) A person which meets specific criteria stipulated by Article 7 of these Rules may also become a member of the Exchange with limited trading rights.

#### Specific criteria for members with limited trading rights

#### Article 7

- (1) In addition to the membership criteria defined by these Rules, the person referred to in Article 6(2) of these Rules shall also meet the following criteria:
  1. having the legal form of a joint stock company, limited liability company or European company (*societas europea*);
  2. having a minimum equity of HRK 400,000.00;
  3. conducting business continuously for a minimum of 3 (three) years;
  4. having a sufficiently good reputation;
  5. having in place a risk management system commensurate with the type, scope and complexity of the services and activities performed and an appropriate system of internal controls;

6. evidence from trading data of having conducted more than 10 (ten) transactions a month on the capital market in the past 3 (three) business years;

7. having a portfolio of investments in financial instruments, including cash deposits, in excess of HRK 3,500,000.00.

(2) If the person referred to in paragraph 1 of this article is a resident of another Member State or a third country and has no relevant approval of the Agency or another competent body, the existence of an effective possibility of preventing and detecting market abuse may also be a criterion for admission to membership of the Exchange.

Investment company or credit institution from another Member State or third country

#### Article 8

The specific criterion for admission to membership of an investment company or credit institution, or the person referred to in Article 6(2) of these Rules from another Member State or a third country is the existence of an effective possibility of preventing and detecting market abuse.

Prerequisites for admission to membership

#### Article 9

The person applying for membership shall hold a member seat and shall meet the criteria for admission to membership stipulated by these Rules.

Member seat

#### Article 10

(1) Member seat may only be acquired for the purpose of being admitted to membership of the Exchange.

(2) Member seat may be acquired from the Exchange or from another person holding a Member seat, subject to a prior consent of the Exchange.



(3) If a member seat is acquired from another person holding a member seat and which has not settled its pecuniary obligations or performed other obligations to the Exchange, the Exchange may refuse to give its consent for transfer of the member seat.

#### Article 11

(1) A member firm may hold one member seat.

(2) By way of derogation from paragraph 1 this article, a member firm may have two or more member seats if these have been acquired in the process of acquisition, merger or division of the company.

## **2.2 ORGANISATIONAL, PERSONNEL AND TECHNICAL REQUIREMENTS FOR MEMBERSHIP**

### **2.2.1 Organisational requirements**

#### Organisational requirements

#### Article 12

(1) Member firms shall meet organisational requirements for the provision of investment services and for the performance of investment activities and ancillary services defined by the CMA and the regulations adopted pursuant to that Act or by the regulations adopted by other competent authorities, depending on the type, scope and complexity of business of the member firm, as well as the type and scope of investment services and activities provided or performed by the member firm.

(2) The provision of paragraph 1 of this article shall apply in the appropriate manner to the persons referred to in Article 6(2) of these Rules.

## 2.2.2 Personnel requirements

### Article 13

(1) Member firms shall employ at least one broker licensed by the competent authority or investment adviser licensed by the competent authority and trained to use the trading system.

(2) By way of derogation from paragraph 1 of this article, the person referred to in Article 6(2) of these Rules shall employ at least one person who has passed a broker or investment adviser exam and is trained to use the trading system.

(3) Member firms shall designate:

1. person responsible for supervising the computer system of the member firm, in particular for:

a) assigning passwords and rights of access for the respective usernames to all the trading system users at the relevant member firm;

b) assigning the levels of rights to use the trading system to the members using the API to access the trading system;

c) application software of the member firm, computer and communication equipment and the access and connection to the trading system in compliance with Exchange requirements, supervision and administration of Exchange queries relating to the member firm application software, computer and communication equipment and data links to the trading system;

2. person responsible for the performance of other obligations stipulated by these Rules and shall notify the Exchange promptly of any changes of the said persons.

(4) If the member firm performs in specialist and/or market maker activities, the person performing the said activities at the member firm shall be trained to perform specialist and/or market maker activities.

(5) The member firm shall continue to maintain an appropriate level of professional competence of the persons set forth in paragraphs 1 through 4 of this article in accordance with these Rules and other regulatory Exchange documents.

(6) In order to acquire or maintain the knowledge and skills necessary to perform certain trading system tasks, the Exchange may stipulate an obligation of training and professional enhancement of the persons performing such tasks at the member firm.

### 2.2.3 Technical requirements

#### Member firm computer system

##### Article 14

(1) Member firms shall have a computer system which is technically aligned and connected to the Exchange trading system via appropriate data links.

(2) Data connections referred to in paragraph 1 of this article shall be managed by an authorised communication services provider designated by the Exchange, and shall meet the Exchange requirements relating to the bandwidth, reliability and other technical characteristics.

(3) The Exchange shall enable member firm access to the trading system via the trader work station or application software of the member firm, developed by using the API or another appropriate protocol stipulated by the Exchange.

#### Member firm application software

##### Article 15

(1) The application software of member firms used to exchange data with the trading system shall be approved by the Exchange.

(2) Member firms shall ensure that the application software referred to in paragraph 1 of this article complies constantly with the requirements stipulated in the technical documents of the Exchange as well as the protocols for communication with the trading system, and to any amendments to the technical documents and the protocols specified by the Exchange.

(3) If the application software of member firms does not comply with the requirements stipulated in the technical document of the Exchange, or to the protocols for communication with the trading system, the Exchange may disable member firm access to the trading system until the application software of the member firm complies with the requirements stipulated in the technical documents of the Exchange or the protocols for communication with the trading system.

## Computer and communication equipment

### Article 16

- (1) The member firm shall ensure that its computer and communication equipment is connected to the trading system by complying constantly with the requirements stipulated in the technical documents of the Exchange.
- (2) Computer and communication equipment of the member firm shall constantly function in the manner that enables connecting to and maintaining a stable and reliable data link to the trading system.
- (3) If the computer and communication equipment of the member firm does not enable a constant and reliable data link to the trading system, the Exchange may disable member firm access to the trading system until the computer and communication equipment is aligned with the requirements stipulated in the technical documents of the Exchange.
- (4) The member firm shall prevent access by unauthorised persons to the computer and communication equipment.
- (5) Computer and communication equipment shall be set up in the manner that prevents unauthorised access to the trading system and enables the source of any login to the trading system to be identified retroactively.
- (6) Any costs of the computer and communication equipment and of the installation of the equipment on the premises of the member firm, including the costs of a data link to the trading system, shall be paid by the member firm.

## Security standards

### Article 17

- (1) If the member firm takes or fails to prevent any action which compromises or which might compromise the orderly functioning of the trading system, including but not limited to the security settings and functionality of the trading system and similar, the Exchange may disable member firm access to the trading system.

(2) The member firm shall be liable for any damage which might occur in the event referred to in paragraph 1 of this article.

#### **2.2.4 Settlement of on-Exchange transactions**

##### Article 18

The member firm shall ensure the settlement of any on-Exchange transactions in one of the following ways:

1. through membership in the clearing and/or settlement system in which it settles the on-Exchange transactions,
2. by a contract concluded with a member of the clearing and/or settlement system which ensures the settlement of on-Exchange transactions for the account of the member firm.

#### **2.3 ADMISSION TO MEMBERSHIP PROCEDURE**

##### Article 19

(1) Any person intending to become a member of the Exchange shall submit an application for membership on the prescribed form the content of which is defined by the Exchange.

(2) The applicant shall submit the following with the application for membership:

1. extract from the register of the competent commercial court or other official records, including the latest changes,
2. decision of the competent authority granting the licence to provide investment services and perform investment activities,
3. brief overview of past operations and plans for future activities on the capital market,
4. document proving that it holds a Member seat or that it will acquire it in a timely manner,
5. document proving that it is a member of one or several other exchanges, if the applicant is seeking to be admitted to membership via remote access.

(3) The applicant for membership with limited trading rights referred to in Article 6(2) of these Rules shall also enclose the following with the application:

1. documents set forth in paragraph 2 items 1, 3 and 4 of this article;
  2. financial statements for the past three (3) business years;
  3. documents proving that it holds appropriate licences for work issued by competent regulatory bodies or, if no such documents exist, proof that there are not final convictions against the applicant and/or management board member for criminal offences against the values protected by international law or for any of the following:
    - a) fraud,
    - b) against property, where the criminal proceedings are instigated *ex officio*,
    - c) against the economy,
    - d) against the judiciary,
    - e) forgery,
    - f) against the official duty,
    - g) disclosure of confidential information,
    - h) money laundering,
    - i) terrorism financing,
    - j) laws regulating the establishment and operation of companies,or other acts which correspond to these criminal offences by their description, and that they have not been finally convicted for a serious misdemeanour representing a violation of the regulations within the scope of the Agency or another competent authority;
  4. document showing its established risk management system, proportionate with the type, scope and complexity of the services and activities performed by the applicant, including a description of the system of internal controls;
  5. statement confirming that it has conducted more than 10 (ten) transactions a month on the capital market in the past 3 (three) business years, including other relevant proof;
  6. statement confirming that its portfolio of investments in financial instruments, including cash deposits, exceeds HRK 3,500,000.00.
- (4) The applicant may be invited to submit other documents, in addition to those set forth in paragraphs 2 and 3 of this article, at the request of the Exchange.

## Admission to membership resolution

### Article 20

- (1) The Exchange shall decide on the application for membership within 30 (thirty) day of receiving the application and required documents.
- (2) A resolution by which the application for membership is rejected shall be properly explained.
- (3) The Exchange shall post a resolution on admission to membership on its website, and shall notify other member firms and the Agency of it.

### Article 21

- (1) Within a period of no more than 3 (three) months from the issue of the resolution by which it is admitted to membership, the member firm shall:
  1. sign a membership agreement and other agreements to regulate its relations with the Exchange;
  2. submit proof that it will ensure the clearing and settlement of on-Exchange transactions;
  3. provide all the required technical prerequisites for access to the trading system;
  4. ensure that it has at least one person trained to use the trading system;
  5. submit proof of paid fees, according to the Price list.
- (2) The Exchange may request that the member firm present an appropriate instrument of security.

### Article 22

- (1) On establishing that all the criteria referred to in Article 21 of these Rules have been met, the Exchange will decide to include the member firm into trading and will enable access by the member firm to the trading system.
- (2) The Exchange will include the member firm on the list of member firms available on its website.

## 2.4 MEMBER RIGHTS AND OBLIGATIONS

### Member rights

#### Article 23

- (1) The member firm shall have the following rights:

1. to access the trading system, either directly or via remote access;
2. to use the trading system and conduct transactions on the trading system;
3. to receive information from the Exchange which might affect trading;
4. to receive information on listing and delisting of Financial instruments on the regulated market, or on inclusion in trading and termination of trading in a Financial instrument on the MTF;
5. to receive information on admission of persons to membership of the Exchange and on termination of membership;
6. other rights stipulated by these Rules and other regulatory Exchange documents.

(2) The functionalities of the Exchange trading system may be limited in part for member firms with remote access due to their data link and the manner of accessing the trading system.

(3) The right referred to in paragraph 1 item 2 of this article of the persons referred to in Article 6(2) of these Rules shall be limited exclusively to the right of conducting transactions for own account (proprietary trading).

(4) The Exchange may grant the status of a specialist and/or market maker in respect of one or more Financial instruments to any member firm which meets the criteria stipulated by the CMA and these Rules.

## Member obligations

### Article 24

(1) The member firm shall have the following obligations:

1. to comply with these Rules and other regulatory Exchange documents;
2. to ensure that the organisational, personnel and technical requirements as well as the requirement of settlement of on-Exchange transactions, stipulated by these Rules and other regulatory Exchange document, be met permanently for the duration of membership;
3. submit data to the Exchange, in accordance with these Rules and other regulatory Exchange documents;
4. protect its computer system as well as the usernames and passwords used for access to the trading system;
5. at the request of the Exchange, enable surveillance of its computer system and business operations;



6. other obligations stipulated by these Rules and other regulatory Exchange documents.

(2) The member firm shall be responsible for any actions occurring on the trading system as a result of the use of its username and password and shall be liable for compensating any damage arising from the use of its username and password.

## Access to the trading system

### Article 25

(1) The Exchange shall enable access by member firms to trading system, either directly or via remote access.

(2) The technical requirements for access to the trading system, either directly or indirectly via remote access, shall be defined in detail by a contract concluded by and between the Exchange and the member firm.

(3) the member firm shall maintain the confidentiality of the procedure of connecting to the trading system, as well as all technical documents on the trading system, API and other documents designated by the Exchange as constituting a business secret.

(4) The member firm shall take any measures which might be necessary to prevent any unauthorised persons from accessing or using the trading system, either directly or indirectly.

## Username and password

### Article 26

(1) The Exchange shall assign a username and an initial password to the member firm for logging in to the trading system, identifying transactions and any other actions by the member firm on the trading system.

(2) The member firm maintain the confidentiality of the username and password.

(3) The username and password must not be made available to any other persons.

(4) The person responsible for supervising the computer system of the member firm shall promptly notify the Exchange orally, and subsequently in writing, in case of:

1. theft or loss of the username or password,

2. suspicion that the username or password have become available to an unauthorised person,
3. learning of unauthorised use or disclosure of the password used for access to the trading system,
4. unauthorised trading system access,
5. need to cancel or change the password used for access to the trading system due to other legitimate reasons.

(5) In the event of any occurrences referred to in paragraph 4 of this article the Exchange may:

1. change the username and password,
2. temporarily or permanently suspend the suspicious user,
3. cancel any open orders of the suspicious user,
4. submit a report on the transactions conducted by the suspicious user to the member firm.

(6) In the event of any occurrences referred to in paragraph 4 of this article the Exchange may disable access by the member firm to the trading system.

## Member identification

### Article 27

(1) Each transaction contains unique identification codes used to identify:

1. the member firm and
2. the natural person at the member firm who performs the tasks via the trading system and their authorisations or
3. the computer system of the member firm allowing certain clients to electronically place orders, sent automatically via the computer system of the member firm to the Exchange trading system with an identification code of the member firm.

(2) Any transactions conducted under the unique identification code of a particular member firm shall be deemed to be the transactions of that member firm, which shall be obligated to perform any obligations arising from such transactions.

## Member firm computer and communication equipment testing

### Article 28

- (1) The Exchange is authorised at any time to test the functionality of the computer and communication equipment of the member firm and its data link to the trading system.
- (2) The Exchange may request member firm participation in the testing referred to in paragraph 1 of this article.
- (3) The Exchange is authorised to request that the member firm conduct testing of the computer and communication equipment in a predefined test environment. Testing shall be done in a manner and within the time frame specified by the Exchange.
- (4) The member firm may at any time request Exchange assistance in the testing of the computer and communication equipment of the member firm in the test environment.
- (5) The member firm shall provide reasonable support to the member firm in relation to its testing.
- (6) The Exchange is authorised to recover the costs of such testing, in accordance with the Price list.

## Trading system testing

### Article 29

- (1) The Exchange is authorised to test the functionality of the trading system during and after trading.
- (1) The Exchange is authorised to request participation of the member firm in trading system testing. Testing shall be done in a manner and within the time frame defined by the Exchange.
- (3) Except in extraordinary circumstances, the Exchange will notify member firms in a timely manner of any trading system test which might affect their daily operations.

Changes to the trading system and application software as well as member firm computer and communication equipment

Article 30

- (1) The Exchange reserves the right to introduce changes to the trading system, such as changes to the computer and communication equipment, to the application software, changes to data link protocols for connecting to the trading system etc.
- (2) Except in extraordinary circumstances, the Exchange will notify member firms in a timely fashion of any changes to the trading system.
- (3) In case of major changes which might require a change to the application software and/or computer and communication equipment of the member firm, the Exchange notification shall include a description of changes, planned testing time and the date on which such trading system changes enter into force.
- (4) Changes to the trading system shall be implemented in a manner and in the time frame stipulated by the Exchange.
- (5) The member firm shall comply with Exchange instructions relating to trading system changes and shall modify its application software or its computer and communication equipment accordingly.
- (6) The member firm may introduce changes to its application software as well as to the computer and communication equipment connected to the trading system solely by adhering to the criteria and in the manner stipulated in the technical documents of the Exchange.
- (7) Any changes to the application software as well as to the computer and communication equipment which might affect a smooth operation of the trading system shall promptly be reported to the Exchange.
- (8) The Exchange may require that modified application software or computer and communication equipment of the member firm be tested by adhering to the criteria and in the manner stipulated in the technical documents of the Exchange.
- (9) The member firm may require that the Exchange test modified application software or computer and communication equipment of the member firm by adhering to the criteria and in the manner stipulated in the technical documents of the Exchange.

## Member firm computer system or computer and communication equipment deficiency

### Article 31

- (1) If the Exchange should find, on the basis of testing on in another ways, that the computer system or the computer and communication equipment of the member firm does not comply with the requirements specified in the technical documents of the Exchange, the member firm shall be required to amend the deficiencies which have been identified.
- (2) The Exchange is authorised to order that the member firm must not use a part of or its entire application software or computer and communication equipment until they have amended the deficiencies which have been identified.

## Preventive and corrective trading system maintenance and upgrade procedures

### Article 32

- (1) The Exchange may disable access to or use of the trading system or limit its functionalities on account of preventive maintenance procedure or essential repairs of the trading system or its upgrade.
- (2) The operations referred to in paragraph 1 of this article will generally be planned outside trading hours.
- (3) Except in extraordinary circumstances, the Exchange will notify member firms and other service users in a timely manner of performing the said operations.

## Trading system use and conducting transactions via the trading system

### Article 33

- (1) Member firms shall be entitled to participate in trading on the regulated market and the MTF and to conduct transactions, in accordance with these Rules and with their status, except for the duration of any suspension.
- (2) Members shall conduct transactions in accordance with the CMA and other regulations, these Rules and other regulatory Exchange documents.

(3) Any member firm which allows its client to have direct access or sponsored access to the trading system shall:

1. perform a preliminary assessment of the appropriateness and suitability of the client;
2. ensure that the client is familiar with the content of the CMA and other regulations, these Rules and other regulatory Exchange documents which govern trading on the Exchange;
3. ensure that its computer system enables a secure identification of the client and of any orders placed through direct access or sponsored access to the trading system;
4. establish adequate systems and efficient controls to prevent entry in the trading system of erroneous orders or any orders which might compromise a fair, orderly and efficient trading and any behaviour pointing to market abuse;
5. ensure that it has the right at any time to disable trading by its client through direct access or sponsored access to the trading system;
6. provide other measures and procedure to ensure that client orders are fully compliant with the provisions of the CMA and other regulations, these Rules and other regulatory Exchange documents.

(4) The member firm shall be responsible for any orders entered in trading system through direct access or sponsored access to the trading system, as well as for any transactions and other operations conducted on the trading system under its identification code.

(5) The Exchange shall have the right to disable trading by the member firm and/or its client through direct access or sponsored access to the trading system at any time if it believes that such trading does not comply with the provisions of these Rules or other regulatory Exchange documents on fair and orderly trading.

(6) The application for direct access or sponsored access to the trading system shall be submitted on the form of the content stipulated by the Exchange.

## Notification of the Exchange

### Article 34

(1) Member firms shall promptly notify the Exchange of the following:

1. expiry of the licence for work in providing investment services and performing investment activities;
2. in the event of suspension by the member firm, which is not a direct participant in the clearing and/or settlement system, by the member with which it has a contract to provide for clearing and/or settlement of on-Exchange transactions for the account of the member firm, or when that suspension has been lifted;
3. any changes of the persons authorised to access the trading system and trade on the regulated market or the MTF;
4. any change in its management or executive directors, if the member firm has a management board;
5. in the event of financial or other circumstances arising at the member firm which may be reasonably expected to affect the performance of obligations by the member firm or which might affect Exchange functioning, other Members of the Exchange, investors or regular functioning of the market (e.g. liquidity problems, inability to pay or indebtedness of the member firm, instigation of bankruptcy or liquidation, court or arbitration proceedings of significant value etc.),
6. in the event of status changes (e.g., merger, acquisition, division) or other form of corporate restructuring or change of the scope business/activities at the member firm;
7. changes of qualified holding in the company.

(2) At the request of the Exchange, member firms shall submit to the Exchange any other data, information and documents which affect or might affect the performance of their obligations, functioning of the Exchange, other Members of the Exchange, investors or orderly market functioning.

#### Submission of data from order and/or on-Exchange transaction records

#### Article 35

Member firms shall maintain order and/or on-Exchange transaction records enabling them to submit to the Exchange a list of all or certain orders and/or transactions in the form, manner and time frame to be defined by the Exchange in its request.

## Supervision of employees

### Article 36

- (1) Member firms shall inform any persons using the trading system and performing the tasks related to Exchange trading about the content of legal and other regulations, these Rules and other regulatory Exchange documents which govern trading on the Exchange,
- (2) Member firms shall ensure that its employees adhere to professional rules and standards.

## Market abuse

### Article 37

Any form of market abuse shall be prohibited to member firms.

## Reputation of the Exchange and use of Exchange logo

### Article 38

- (1) No member of the Exchange shall give advice or recommendations, issue and disseminate written material or use the media in any manner which may harm the interests or reputation of the Exchange.
- (2) Member firms may state the fact of their membership of the Exchange on their stationery, website or in another appropriate manner and use the Exchange logo, taking account in doing so not to mislead any third persons with regard to the separate nature of the legal personality of the Exchange and the member firm.
- (3) The Exchange may stipulate details of the manner in which the Exchange logo and company name are to be used by member firms and other Exchange service users.

## 2.5 TERMINATION OF MEMBERSHIP

### Article 39

- (1) Membership may terminate:



1. at the request of the member firm,

2. by expulsion.

(2) Termination of the Member status means a termination of the Exchange service use by the member firm.

(3) On termination of membership, any rights and obligations of the member firm shall cease.

(4) The termination of membership shall occur on the date set forth in the Exchange resolution on the termination of membership.

(5) By way of derogation from paragraph 3 of this article, any outstanding pecuniary and other obligations of the member firm at the time of the termination shall be performed by the member firm in accordance with the Rules, Price list and other regulatory Exchange document, or contracts concluded by and between the Exchange and the member firm.

#### **2.5.1 Termination of membership at the request of the member firm**

##### Article 40

(1) Membership may terminate at the request of the member firm.

(2) A request for a termination of membership shall be submitted to the Exchange in writing.

(3) The Exchange shall decide on the request of the member firm within 30 (thirty) days of receiving it.

#### **2.5.2 Termination of membership by expulsion and suspension**

##### Article 41

(1) The Exchange may decide to terminate membership by expulsion or to suspend the member firm for one of or more of the following reasons:

1. if within 3 (three) months of the day the resolution on admission to membership is passed the member firm fails to meet the criteria set forth in Article 21 of these Rules;

2. if the member firm no longer meets the criteria for membership (e.g. due to the expiry of the licence to provide investment services and perform investment activities, by decision of the clearing and/or settlement system operator, disabling the use of clearing and/or settlement services to the member firm etc.);

3. cessation of the member firm as a legal person;
4. failure by the member firm to perform its obligations under the contracts concluded with the Exchange;
5. in the event of grave or repeated violations of these Rules or other regulatory Exchange documents, as a measure to protect market integrity;
6. in the event of financial, status or other circumstances arising at the member firm which may be reasonably expected to affect the performance of obligations by the member firm or to affect Exchange functioning, other Members of the Exchange, investors or regular functioning of the market (e.g. due to liquidity problems, inability to pay or indebtedness of the member firm, in the event that bankruptcy or liquidation, court or arbitration proceedings of significant value are instigated etc.);
7. if necessary to ensure a fair, orderly and transparent market;
8. in other cases stipulated by law or other regulations.

(2) In deciding to terminate membership by expulsion or to suspend the member firm, the Exchange will take into account all the facts and circumstances, in particular the reason, weight, impact on the Exchange functioning, other Members of the Exchange, investors and orderly market functioning.

(3) Any resolution on the termination of membership by expulsion or on suspension shall be properly explained.

(4) The Exchange will notify the member firm, other Members of the Exchange, the Agency and the public of the termination of membership or suspension of the member firm.

#### Article 42

(1) A resolution on the termination of membership by expulsion shall be permanent.

(2) Prior to deciding to terminate its membership by expulsion, the Exchange will allow the member firm to provide its response with regard to the facts and circumstances which constitute grounds for termination, except in the event that the true state of affairs may be determined from the information available to the Exchange, when the response of the member firm is not possible or for other legitimate reasons.

(3) In the event of termination of membership by expulsion, the member firm may not reapply for admission to membership prior to the expiry of 1 (one) year from its termination.

## Article 43

- (1) A resolution on the suspension of some or all Exchange services shall be temporary.
- (2) Suspension may be imposed for a predetermined period of time or its lifting may be made conditional on the cessation of the circumstances giving rise to the suspension, but it shall not exceed 12 (twelve) months.
- (3) For the duration of its suspension, the member firm shall pay membership and other fees to the Exchange according to the Price list while also performing other obligations to the Exchange.
- (4) By way of derogation from paragraph 3 of this article, the liability of the member firm for payment of membership and other fees according to the Price list shall cease from the day bankruptcy proceedings against it are instigated or a decision of the Agency or another competent authority on the occurrence of the insured event is made public.
- (5) For the duration of its suspension, the member firm has no right to outline the fact of membership in its correspondence or in any other manner, or to use the logo of the Exchange.
- (6) If the circumstance which gave rise to the suspension do not cease by the expiry of a period of 12 (twelve) months from the day of the Exchange resolution on the suspension, the membership of the member firm will terminate by expulsion.

## **2.6 SPECIALISTS AND MARKET MAKERS**

### **2.6.1 Specialists**

## Article 44

- (1) The Exchange may grant the status of a specialist in respect of one or more shares to any member firm which meets the criteria stipulated by the CMA and in Article 46 of these Rules and other regulatory Exchange documents.
- (2) The member firm with limited trading rights referred to in Article 6(2) of these Rule may perform specialist activities if it has an appropriate authorisation of the Agency or another competent authority.
- (3) Every member firm shall have the right to submit an application to the Exchange to perform specialist activities.

- (4) The Exchange may limit the number of specialists designated in respect of a particular share.
- (5) The Exchange shall post a list of member firms performing specialist activities on its website.

### Specialist rights and obligations

#### Article 45

- (1) The specialist shall submit simultaneous buy and sell orders within the order book on each trading day under the terms and in the manner stipulated by the CMA, these Rules and other regulatory Exchange documents.
- (2) Any specialist which performs the obligations defined by these Rules and other regulatory Exchange documents shall be entitled to a certain discount. The size and modality of the discount is defined by the Price list.
- (3) The Exchange may also set forth other parameters related to the status, rights and obligations of the specialist.

#### **2.6.1.1 Organisational, personnel and technical requirements on specialists**

#### Article 46

Any member firm intending to perform specialist activities shall:

- 1. ensure that the persons responsible for performing specialist activities in respect of a particular share do not perform regular trading tasks related to the share in respect of which they perform specialist activities;
- 2. establish a permanent and effective system to prevent and control the information exchange between the persons responsible for performing specialist activities and the persons performing other tasks at the member firm in order to prevent that member firm operations (e.g. filling an order for the account of a client etc.) affect the performance of specialist activities or constitute market abuse;

3. establish a permanent and effective system to prevent a conflict of interest which may arise in the performance of specialist activities and other tasks at the member firm, and potentially harm client interests;
4. maintain records of specialist orders and transactions conducted on the basis of such orders, in accordance with the provisions of the CMA, these Rules and other regulatory Exchange documents;
5. have a computer system available to enable the performance of specialist activities.

#### **2.6.1.2 Specialist status**

##### Grant of specialist status

##### Article 47

- (1) Any member firm intending to perform specialist activities shall apply for the status of a specialist to the Exchange on a form of the content defined by the Exchange.
- (2) If the member firm and the issuer of the shares have concluded or will conclude a contract on the performance of specialist activities, the member firm shall submit the contract to the Exchange in the manner and form to be defined by the Exchange. The Exchange will post the contract on its website, without disclosing the sections which refer to the commercial terms of the contract. The member firm shall submit to the Exchange any subsequent amendments to the contract, and shall notify it on the contract termination.
- (3) Where the member firm performs or will perform other activities for the issuer to enable a greater visibility or quality of the share in respect of which it performs specialist activities, the member firm shall submit a list of such activities to the Exchange. The member firm shall submit to the Exchange any subsequent amendments to the list of the activities, and shall notify it of the termination of such activities.
- (4) The Exchange shall decide on the application for specialist status within 30 (thirty) days of receiving the application and required documents.
- (5) Once the Exchange has ascertained that the member firm meets all the criteria set forth in Article 46 of these Rules, the member firm will conclude an agreement with the Exchange to perform specialist activities.

(6) Specialist status shall be granted to the member firm by conclusion of the specialist contract with the Exchange.

(7) The member firm shall promptly notify the Exchange in writing of any change of information stated in the application for specialist status.

#### Article 48

(1) In the event that several member firms apply for specialist status in respect of a particular share, the Exchange will take into account the following additional criteria in deciding on the grant of such status:

1. existence of a contract between the specialist and the issuer;
2. whether the Member of the exchange performs specialist activities in respect of other financial instruments, or whether it intends to perform such activities;
3. statement of performance of more stringent liquidity maintenance obligations in respect of a particular share than the obligations stipulated by these Rules and other regulatory Exchange documents.

#### Termination of specialist status

#### Article 49

(1) The member firm may request a termination of its specialist status for one or all shares in respect of which it performs specialist activities.

(2) The request for termination of the specialist status shall be submitted to the Exchange in writing on a form of the content defined by the Exchange.

(3) On receiving a request referred to in paragraph 1 of this article, the Exchange issue a resolution on termination of the specialist status within 5 (five) days of receiving it.

(3) The member firm shall perform specialist activities for at least 20 (twenty) trading days after the Exchange resolution on termination of the specialist status has been issued.

(4) The member firm may reapply for specialist status on expiry of two (2) months from the day of termination of its specialist status.

## Article 50

The member firm's status of specialist for one or all shares in respect of which it performs specialist activities may terminate by resolution of the Exchange in one or more of the following cases:

1. for failure of the member firm to meet personnel, organisational, technical or other requirements for performing specialist activities stipulated by these Rules and other regulatory Exchange documents;
2. for failure of the specialist to perform its other obligations stipulated by these Rules and other regulatory Exchange documents;
3. by termination of the member status;
4. by delisting of the share in respect of which it performs specialist activities;
5. other reasons which might compromise the continuity, stability and liquidity of the market.

## Notification

### Article 51

(1) The Exchange shall notify the issuer in respect of whose shares the member firm performs specialist activities as well as the Agency and other member firms of the grant and termination of the specialist status.

(2) The Exchange shall also post the information on the grant and termination of specialist status on its website.

### **2.6.1.3 Specialist obligations**

### Article 52

(1) On each trading day, the specialist shall quote simultaneous buy and sell orders within the order book which meet the minimum order size and the maximum price spread criteria for a certain period of time in the course of the main trading session.

(2) The minimum quoting time of the specialist order as well as the maximum bid and ask spread and the minimum order size shall be defined by the Exchange, taking into account market and other circumstances.

## Liquidity classification

### Article 53

- (1) For the purpose of defining the minimum order size and the maximum price spread of the specialist order, the Exchange shall divide the shares into classes, depending on their liquidity.
- (2) The criteria taken into account in share classification shall be the average order book depth and the average daily turnover.
- (3) The numerical criteria for the liquidity classification of shares and the methodology of their calculation shall be defined by the Exchange once a year, taking into account market and other circumstances, such as the average daily turnover, average transaction size etc.
- (4) Share classification shall be conducted at the beginning of every quarter on the basis of trading data for the previous quarter.
- (5) The Exchange shall post the share classification on its website at least 2 (two) days prior to the commencement of its application.

## Order book depth

### Article 54

The order book depth shall be the liquidity indicator measuring a change in the price of a particular share on the entry of market sell and buy orders of the size defined by the Exchange, taking into account market and other circumstances, such as the order size etc.

## Newly listed shares

### Article 55

- (1) In respect of newly listed shares which cannot be assigned to any liquidity class, the specialist shall perform any obligations as if they referred to the shares of the liquidity corresponding to the average liquidity of the shares in the respective market segment.



(2) On the basis of trading data for the previous month, the Exchange shall assign the share referred to in paragraph 1 of this article to the appropriate liquidity class and adjust specialist obligations to the classification.

(3) The Exchange shall post data on the classification of the respective share into a specific liquidity class on its website at least 2 (two) days prior to the commencement of its application.

### Specialist quoting time

#### Article 56

(1) The specialist quoting time shall be calculated as a percentage of the total duration of the main trading session.

(2) In calculating the specialist quoting time, the following shall not be taken into account:

1. pre-opening session and volatility interruption,
2. temporary trading suspension of the share which is subject to specialist activities,
3. temporary relief from specialist obligations and
4. duration of any measures taken to regulate a volatile market.

### Bid and ask price spread

#### Article 57

The bid and ask price spread shall be the difference between the prices of simultaneous buy and sell orders quoted by a specialist.

## Cessation of specialist obligations on particular trading day

### Article 58

Specialist obligations on a particular trading day shall cease on expiry of the minimum quoting time in respect of an order which meets the criteria stipulated by these Rules and other regulatory Exchange documents.

## Temporary relief under extraordinary circumstances

### Article 59

(1) The specialist may apply to the Exchange seeking a temporary relief from its obligations under extraordinary circumstance, such as, if due to a natural disaster or similar circumstances it becomes impossible to estimate the share value, in case of a mandatory takeover bid or if a company takeover is initiated etc.

(2) The application referred to in paragraph 1 of this article shall be properly explained.

(3) The Exchange shall decide on any applications submitted by 2 p.m. by the end of the same trading day, that is, by 10:00 a.m. on the following trading if the application is submitted after 2:00 p.m.

(4) The Exchange may grant temporary relief to the specialist for a maximum of 30 (thirty) days, which may be extended in reasonably justified cases, of which it shall promptly notify member firms and the public via its website.

## Temporary relief for technical reasons

### Article 60

(1) The specialist shall promptly notify the Exchange of the inability to perform specialist activities for technical reasons.

(2) In the event referred to in paragraph 1 of this article, the Exchange shall grant temporary relief to the specialist of which it shall promptly notify member firms and the public via its website.

(3) The specialist shall promptly notify the Exchange of the period in which it has not been able to perform specialist activities.

(4) The Exchange may verify the specialist notification referred to in paragraph 3 of this article and seek additional explanations.

(5) Where the Exchange finds temporary relief for technical reasons not to have been justified, it specialist shall be deemed not to have performed its obligations set forth in Article 52 of these Rules and other regulatory Exchange documents.

### Measures to regulate volatile market

#### Article 61

In the event that the value of the CROBEX® index deviates by more than +/- 5% from the last value on the previous trading day, the Exchange shall grant temporary relief to the specialist until the end of that trading day.

### Data dissemination

#### Article 62

The Exchange shall post statistical data on specialist activities for each share, including the percentage of specialist quoting time, the average spread, the average quoted volume as well as the buying and selling turnover and other data, on its website each month.

### Performance monitoring

#### Article 63

(1) The Exchange shall monitor the performance of specialist obligations on a daily and on a monthly basis.

(2) In the event of failure by the specialist to perform its daily obligations on more than 2 (two) consecutive trading days or to meet the minimum quoting time requirement on a monthly basis, the specialist shall not be entitled to the discount set by the Price list in the respective month.

(3) The Exchange may decide to terminate the specialist status for failure of the specialist to perform its obligations in 2 (two) consecutive months.

(4) In addition to the measure referred to in paragraph 2 of this article, for failure to perform its obligations the Exchange may also impose on the specialist one of the measures to protect market integrity envisaged by these Rules.

(5) The Exchange shall have the right to seek an explanation of all the actions taken by the specialist or those which the specialist has failed to take and which are related to the performance of specialist activities.

#### Emergency specialist

##### Article 64

(1) Where the specialist forfeits its status due to extraordinary circumstances, to protect the continuity, stability and liquidity of the market and to protect investors, the Exchange may designate an emergency specialist.

(2) Only a member firm which meets the criteria stipulated by the CMA and Article 46 of these Rules and other regulatory Exchange documents may be an emergency specialist.

(3) The emergency specialist may be appointed for a period not exceeding 2 (two) months.

(4) The Exchange may grant greater rights to the emergency specialist than those stipulated by these Rules and other regulatory Exchange documents.

#### 2.6.2 Market makers

##### Article 65

(1) The issuer of a structure product shall designate a market maker which must be a member of the Exchange.

(2) The Exchange may grant the status of a market maker in respect of one or more structured products to any member firm which meets the criteria stipulated by the CMA, paragraph 1 of this article and Article 46 of these Rules and other regulatory Exchange documents.

(3) The member firm with limited trading rights referred to in Article 6(2) of these Rule may perform market maker activities if it has an appropriate authorisation of the Agency or another competent authority for the provision of investment services and performance of investment activities.

(4) The Exchange shall post a list of member firms performing market maker activities on its website.

### Market maker rights and obligations

#### Article 66

(1) The market maker shall quote simultaneous buy and sell orders within the order book on each trading day under the terms and in the manner stipulated by the CMA, these Rules and other regulatory Exchange documents.

(2) Any market maker which performs the obligations defined by these Rules and other regulatory Exchange documents shall be entitled to a certain discount of the size and modality defined by the Price list.

(3) The Exchange may also set forth other parameters related to the status, rights and obligations of the market maker.

#### **2.6.2.1 Organisational, personnel and technical requirements on market makers**

#### Article 67

The provisions of Article 46 these Rules shall apply in an appropriate manner to market makers.

### **2.6.2.2 Market maker status**

#### Article 68

- (1) The provisions of Articles 47 through 50 of these Rules shall apply in an appropriate manner to market makers.
- (2) Without prejudice of the cases set forth in Article 50 of these Rules, the status of a market maker in respect of one or more structured products may also terminate:
  1. on maturity of the structure product or
  2. if the price of the underlying instrument reaches the cap or the floor of the structured product.

#### Notification

#### Article 69

- (1) The Exchange shall notify the Agency and other member firms of the grant and termination of the market maker status.
- (2) The Exchange shall also post the information on the grant and termination of specialist status on its website.

### **2.6.2.3 Market maker obligations**

#### Article 70

- (1) On each trading day, the market maker shall quote simultaneous buy and sell orders within the order book which meet the minimum order size and the maximum price spread criteria for a certain period of time in the course of the main trading session.
- (2) The minimum quoting time of the market maker order as well as the maximum bid and ask spread and the minimum order size shall be defined by the market maker in the market maker agreement concluded with the Exchange.
- (3) Where the regulated market or Exchange on which the underlying instrument is listed has a holiday or trading in the underlying instrument is suspended, the market maker shall be relieved of the obligations referred to in paragraph 1 of this Article.

(4) Where the residual balance available for sale is smaller than the minimum quantity of the structured product which must be quoted by the market maker in the order, the market maker may place only a buy order.

(5) The market maker shall promptly notify the Exchange in the event that the price of the underlying instrument has reached the cap or the floor of the structured product.

(6) The Exchange shall promptly notify member firms and the public via its website of the occurrences referred to in paragraphs 3 through 5 of this article.

#### Market maker quoting time

##### Article 71

(1) The market maker quoting time shall be calculated as a portion of the total duration of the main trading session.

(2) In calculating the market maker quoting time, the following shall not be taken into account:

1. pre-opening session and volatility interruption,
2. temporary trading suspension of structured products which are subject to market maker activities and
3. temporary relief from market maker obligations.

#### Cessation of market maker obligations on particular trading day

##### Article 72

Market maker obligations on a particular trading day shall cease on expiry of the minimum quoting time in respect of an order which meets the criteria stipulated by these Rules and other regulatory Exchange documents.

## Temporary relief under extraordinary circumstances and for technical reasons

### Article 73

(1) The provisions of Articles 59 and 60 of these Rules shall apply in an appropriate manner to market makers.

## Data

### Article 74

The Exchange shall post statistical data on market maker activities for structured product, including the percentage of specialist quoting time, the average spread, the average quoted volume as well as the buying and selling turnover and other data, on its website each month.

## Performance monitoring

### Article 75

(1) The Exchange shall monitor the performance of market maker obligations on a daily and on a monthly basis.

(2) The Exchange may decide to terminate the market maker status for failure by the market maker to perform its daily obligations on more than 2 (two) consecutive trading days or to performs its obligations 2 (two) consecutive months, .

(3) In addition to the measure referred to in paragraph 2 of this article, for failure to perform its obligations the Exchange may also impose on the market maker one of the measures to protect market integrity envisaged by these Rules.

(4) The Exchange shall have the right to seek an explanation of all the actions taken by the market maker or those which the market maker has failed to take and which are related to the performance of specialist activities.



## **2.7 CRISIS COMMUNICATION**

### Article 76

(1) Member firms shall submit to the Exchange information on the persons authorised to take decisions in emergency situations.

(2) The person referred to in paragraph 1 of this article shall be available between 8:00 a.m. and 6:00 p.m. on each trading day.

## **2.8 DISPUTES**

### Article 77

The member firm and the Exchange shall attempt to resolve any disputes which may arise from or in connection with these Rules, as well as the legal effects resulting from them, amicably in the spirit of best business practices. In the event of failure to reach an agreement, dispute resolution shall be referred to the competent court in Zagreb.

### **3. REGULATED MARKET**

#### **3.1 FINANCIAL INSTRUMENTS**

##### Article 78

The financial instruments which may be traded on the regulated market are those for which the Exchange has obtained the Agency approval or in respect of which the approval stems from the provisions of the CMA, specifically:

1. shares or other securities equivalent to shares which represent a share in the capital or in shareholders' rights in a company, as well as the depositary receipts,
2. bonds and other types of securitised debt, also including depositary receipts related to such securities,
3. any other securities which entitle their holders to acquire or sell such negotiable securities or which constitute the grounds for a cash payment of the site determined on the basis of negotiable securities, currencies, interest rate or yields, commodities, indices or other measures of size,
4. money market instruments: treasury bills, central bank bills and commercial paper, certificates of deposit and other instruments which are customarily traded on the money market.

#### **3.2 MARKET SEGMENTS**

##### Article 79

(1) The regulated market consists of the following segments:

1. Regular Market
2. Official Market
3. Prime market

### **3.3 FINANCIAL INSTRUMENT LISTING ON THE REGULATED MARKET**

#### Article 80

The provisions of these Rules shall apply from the day a financial instrument is listed on the regulated market, or from the day the issuer or another person without consent of the issuer submits an application to list the financial instrument on the regulated market, until the day of its delisting from the regulated market.

#### Article 81

- (1) The Exchange shall be responsible for deciding on the listing of financial instruments on the regulated market.
- (2) The application for listing shall be submitted to the Exchange in writing on a form of the content defined by the Exchange.
- (3) The application form shall be posted on the Exchange website.
- (4) The application for listing shall refer to any and all outstanding shares of the same class, except in exceptional cases stipulated by the CMA.

#### **3.3.1 Applicant**

#### Article 82

- (1) The application for listing may be submitted by the issuer or a person authorised by the issuer.
- (2) By way of derogation from paragraph 1 of this article, financial instruments may also be listed on the Regular Market without consent of the issuer, provided that they meet the criteria stipulated by the CMA, these Rules and other regulatory Exchange documents.

### 3.3.2 Application for listing and other documents

#### Article 83

The applicant shall enclose the following with the application for listing:

1. Prospectus or a statement saying that the applicant is exercising a right to be exempted from the obligation to prepare the prospectus,
2. statement saying that the applicant has complied fully with the provisions of the CMA and other regulations, and that it has obtained all the necessary licences and approvals of competent authorities,
3. copies of any licences and approvals issued by the competent authority in relation to the listing procedure,
4. statement confirming that the applicant has appropriate internal organisation, systems and processes in place to ensure timely availability of information to the market.

#### Article 84

If the application for listing refers to shares, in addition to the documents referred to in Article 83 of these Rules, the applicant shall also submit:

1. minutes of the general meeting at which the resolution to list the company shares on the regulated market has been taken,
2. decision on the entry of the capital increase in the court register, or the management resolution and the supervisory board consent if authorised capital is concerned,
3. contract on the performance of specialist activities concluded between the issuer and the specialist, where shares are being listed on the Prime market.

#### Article 85

If the application for listing refers to debt securities, in addition to the documents referred to in Article 83 of these Rules, the applicant shall also submit:

1. resolution of the competent body of the issuer on the issuance of debt securities,

2. decision of the Government of the Republic Croatia, a Member State or a third country giving approval for the issuance of debt securities, where the issuer is the local or regional self-government, or the Republic of Croatia, a Member State or a third country.

#### Article 86

If the application for listing refers to structured products, in addition to the documents referred to in Article 83 of these Rules, the applicant shall also submit:

1. contract on the performance of market maker activities concluded between the issuer and the market maker,
2. statement on the assigned credit rating, where applicable.

#### Article 87

If the application for the listing refers to money market instruments, the applicant shall enclose the following with the application for listing:

1. documents referred to in Article 83, items 2 and 4 of these Rules,
2. information memorandum containing the following as a minimum:
  - a) key information about the issuer (e.g. company name, registered office and legal form of the issuer, significant investments, executive summary, significant litigation and other proceedings, risk factors etc.);
  - b) audited annual financial statement for the business year preceding the application for listing or, if the issuer has release half-year or quarterly financial statements since the date of the latest audited financial statements, these shall be included in the information memorandum, indicating whether they are audited or unaudited;
  - c) characteristics, quantity and description of the rights arising from the money market instruments;
  - d) other information which may be relevant for estimating the market value and for assessing the investment in the money market instruments;
  - e) information on the persons responsible for the accuracy and completeness of the information contained in the information memorandum.

#### Article 88

Where the application for listing is submitted without consent of the issuer, in addition to the documents stipulated by these Rules in respect of a particular financial instrument, the applicant shall also submit a certificate of another regulated market in the Republic of Croatia or a Member State or a third country on which the financial instrument is already listed.

#### Article 89

- (1) At the request of the Exchange, the applicant shall enclose any other documents or submit additional information and data which the Exchange deems appropriate to protect investors.
- (2) The applicant shall submit any documents, information and data referred in this article in the form, time frame and manner defined by the Exchange.

### **3.3.3 Listing application regularity**

#### Article 90

The application for listing shall be deemed to be regular if submitted by the authorised person, signed by the authorised person and accompanied by all the regulated documents requested by the Exchange enclosed with it.

### **3.3.4 Listing resolution**

#### Article 91

- (1) The Exchange shall pass a resolution on the application for listing on the regulated market in the manner and time frame stipulated by the CMA and other regulations.
- (2) The resolution referred to in paragraph 1 of this article shall stipulate the first day of trading in the respective financial instrument.
- (3) The Exchange shall submit the resolution referred to in paragraph 1 of this article to the Agency and shall post it on its website at least 1 (one) trading day prior to the commencement of trading in the financial instrument.

(4) Where the Exchange has passed the resolution referred to in paragraph 1 of this article, and the application for listing was submitted by a person without the issuer consent, the Exchange shall inform the issuer that its financial instrument is traded on the regulated market managed by the Exchange.

(5) In respect of any share being listed on the regulated market, the Exchange shall provide the calculations and estimates in accordance with Article 33(3) and (4) of the Commission Regulation (EC) No 1287/2006.

### **3.4 CRITERIA FOR REGULATED MARKET LISTING**

#### **3.4.1 General criteria for regulated market listing**

##### Article 92

(1) Any financial instrument being listed on the regulated market and their issuers shall meet the criteria stipulated by the CMA and other regulations, these Rules and other regulatory Exchange documents.

(2) The financial instrument being listed on the regulated market shall be those which may be traded in a fair, orderly and efficient manner.

(3) The issuer shall be duly registered or otherwise validly established in accordance with the regulations of the Republic of Croatia or the country of the issuer's domicile.

(4) The applicant shall comply with the obligation to publish the prospectus and disclose other information, in accordance with the provisions of the CMA, specifically:

1. where the obligation to publish the prospectus and other information in accordance with the provisions of the CMA has been stipulated, the applicant shall submit the prospectus to the Exchange, stating which body has approved the prospectus and when, as well as the manner in which the issuer has complied with the obligation to make the prospectus available to the public and when;

2. where the exemption from the obligation to publish the prospectus and other information in accordance with the provisions of the CMA has been granted, the applicant shall submit to the

Exchange a signed statement saying that it is availing itself of the exemption and that it has notified the Agency or another competent authority of it, according to the provisions of the CMA.

(5) Financial instruments shall be freely negotiable.

(6) In respect of any financial instruments, for which an application for listing on the regulated market has been submitted, efficient transaction settlement shall be ensured, where that criterion shall be deemed to be met if the financial instrument has been issued in a dematerialised form and entered in the central depository, or in the central register, and included in the clearing and/or settlement system.

(7) The fact that a pre-bankruptcy settlement, bankruptcy or liquidation proceedings have been instigated against the issuer shall constitute grounds for rejecting the application for listing on the regulated market.

(8) The provisions of paragraph 7 of this article shall not apply to a new issue of the issuer's financial instrument if same class financial instruments have already been listed on the regulated market.

#### Free float

#### Article 93

(1) Free float shall be determined on the basis of data on the total number of all same class shares outstanding of the issuer in the accounts of their holders in the central depository, and shall be expressed in percentage terms rounded to two decimals.

(2) In determining the percentage of shares in free float, the following are not deemed to be free float:

1. the issuer's own (treasury) shares,

2. the shares held by a person having 5% or more shares, unless the shares are held by a collective investment undertaking or a pension fund.

(3) Where the application for listing is submitted in respect of a new issue of same class shares, the percentage of free float shares may refer to all the shares outstanding, and not only to the said new issue.



(4) Where the application for listing is submitted in respect of the shares listed on another regulated market in the Republic of Croatia or a Member State or on an exchange in a third country, the percentage of free float shares may also refer to the free float shares in the country in which the shares are listed on the regulated market.

### **3.5 CRITERIA FOR REGULAR MARKET LISTING**

#### **3.5.1 Shares**

##### Article 94

(1) The shares which may be listed on the Regular Market shall be the shares which meet the criteria set forth in Article 92 of these Rules and additional criteria set forth in this article.

(2) At least 15% of the shares to be listed shall be in free float. During a verification of compliance with the free float requirement, the Exchange will take into account particularly the number of shareholders holding the shares in free float which enables orderly trading and pricing.

(2) In exceptional cases, it is possible to list the shares even if they do not meet the requirement set forth in paragraph 2 of this article if the Exchange may assume that, shortly after listing, these shares will be distributed among a sufficient number of shareholders to enable orderly trading and pricing.

#### **3.5.2 Structured products**

##### Article 95

(1) The structured products which may be listed on the Regular Market shall be the structured products which meet the criteria set forth in Article 92 of these Rules and additional criteria set forth in this article.

(2) The issuer of structured products shall ensure the performance of market maker activities by a member of the Exchange.

(3) The provisions of paragraph 2 of this article shall not apply to the right to subscribe new shares.

### **3.5.3 Other financial instruments**

#### Article 96

Other financial instruments being listed on the Regular Market shall meet the criteria set forth in Article 92 these Rules.

## **3.6 CRITERIA FOR OFFICIAL MARKET LISTING**

### **3.6.1 Shares**

#### Article 97

(1) The shares which may be listed on the Official Market shall be the shares which meet the criteria set forth in Article 92 of these Rules and additional criteria set forth in this article.

(2) At least 25% of the shares to be listed shall be in free float. During a verification of compliance with the free float requirement, the Exchange will take into account particularly the number of shareholders holding the shares in free float which enables orderly trading and pricing.

(3) In exceptional cases, it is possible to list the shares even if they do not meet the minimum 15% free float requirement set forth in Article 2 above if the Exchange may assume that, shortly after listing, these share will be distributed among a sufficient number of shareholders to enable orderly trading and pricing.

(4) The Exchange may also list on the Official Market the shares of a newly established company, resulting from a merger of several companies or from a division of existing companies, where the criterion of the number of business years and disclosed or submitted annual financial statements shall be deemed to have been met if the shares of one of the companies participating in the status change by merger or divisions had been listed on the regulated market prior to the implementation of the status change.

### **3.6.2 Debt securities**

#### Article 98

Any debt securities which meet the criteria set forth in Article 92 of these Rules may be listed on the Official Market.

### **3.6.3 Other financial instruments**

#### Article 99

Other financial instruments being listed on the Official Market shall meet the criteria set forth in Article 92 of these Rules.

## **3.7 CRITERIA FOR PRIME MARKET LISTING**

### **3.7.1 Shares**

#### Article 100

- (1) The shares which may be listed on the Prime Market shall be the shares which meet the criteria set forth in Article 97 of these Rules and additional criteria set forth in this article.
- (2) The expected market capitalisation in respect of which an application for listing has been submitted shall be at least HRK 100,000,000.00.
- (3) The shares in respect of which an application for listing has been submitted shall meet the criteria of minimum average daily turnover and average order book depth to be specified by the Exchange or else the issuer shall conclude contracts with at least 2 (two) specialists to perform specialist activities in the shares being listed

## **3.8 SHARE TRANSITION AMONG REGULATED MARKET SEGMENTS**

#### Article 101

The procedure involving the transition from one segment of the regulated market to another segment shall be initiated:

1. at the request of the issuer or a person authorised by the issuer,
2. on completion of a periodic review by the Exchange to determine whether the issuer and the shares meet the criteria for listing in a particular segment of the regulated market and/or whether the issuer meets post-listing requirements.

### **3.8.1 Share transition among regulated market segments at the request of the issuer or a person authorised by the issuer**

#### Article 102

- (1) An application for the transition of shares from one regulated market segment to another segment shall be submitted to the Exchange in writing on a form of the content defined by the Exchange.
- (2) The application form shall be posted on the Exchange website.
- (3) In deciding on an application for transition, the Exchange will check whether the issuer or the shares meet the criteria for listing in the respective regulated market segment stipulated by these Rules.
- (4) In the event that the Exchange finds in the course of decision making that the issuer or the shares do not meet the listing criteria for the respective regulated market segment or that such a transition might compromise the standards of the respective segment, the Exchange will reject the request by resolution.
- (5) An application for the transition of depositary receipts to or from the Official Market or Prime Market may be submitted only by the issuer of the shares referred to by the depositary receipts or by the issuer of the depositary receipts.

### **3.8.2 Share transition among regulated market segments on periodic Exchange review**

#### Article 103

- (1) The Exchange shall conduct a periodic review every 6 (six) months to determine whether the issuers and the shares meet the listing criteria for the respective regulated market segment and/or

whether the issuer meets the post-listing requirements for the Official or Prime Market stipulated by these Rules.

(2) If the Exchange finds on 2 (two) consequent periodic reviews that the issuer or the shares do not meet the listing criteria for the respective regulated market segment and/or that the issuer does not meet the post-listing requirement stipulated by these Rules, it will initiate a procedure of share transition from a higher to a lower regulated market segment.

(3) After initiating the procedure referred to in paragraph 2 of this market, the Exchange will seek a written response of the issuer on the circumstances giving rise to the Exchange decision to initiate a procedure of share transition from a higher to a lower regulated market segment and on the actions to be taken by the issuer to meet the criteria stipulated for listing in the appropriate regulated market segment and/or post-listing requirements.

(4) In the event of failure to meet the criteria and/or post-listing requirements on 2 (two) consequent periodic reviews, the Exchange may decide on the share transition from a higher to a lower regulated market segment or on its delisting, except if it finds that the delisting may cause considerable damage to investor interests or orderly market functioning.

(5) The provisions of paragraphs 1 through 4 of this article, do not exclude the right of the Exchange to conduct an extraordinary review to determine whether the issuers and the shares meet the listing criteria for the respective regulated market segment and/or whether the issuer meets the post-listing requirements for the Official or Prime Market stipulated by these Rules.

## 4. POST-LISTING REQUIREMENTS

### 4.1 GENERAL PROVISIONS

#### Public disclosure of price sensitive information

##### Article 104

- (1) Following the listing of a financial instrument on the regulated market, the issuer shall be required to publicly disclose prescribed and other information, in accordance with the provisions of the CMA and other regulations and these Rules.
- (2) The information whose public disclosure is stipulated as mandatory by the provisions of the CMA and other regulations shall be disclosed to the public within the scope of the content and in the time frame specified by such regulations.
- (3) The issuer shall be required to submit the information referred to in paragraph 2 of this Article to the Exchange.
- (4) The information whose disclosure is stipulated as mandatory by these Rules shall be disclosed to the public in the form, content, time frame and manner specified by these Rules and other regulatory Exchange documents.
- (5) The information referred to in paragraphs 2 and 4 of this article shall be submitted by the issuer to the Exchange in the electronic form and in the manner specified by the Exchange.
- (6) The information referred to in paragraph 5 of this article shall be disclosed promptly via the Exchange website.
- (7) If the financial instruments of the issuer have been listed on the regulated market without the issuer consent, the requirements on the issuer stipulated by the CMA and other regulations as well as by these Rules and other regulatory Exchange documents shall be met by the person who has listed the financial instruments on the regulated market without the issuer consent, unless otherwise stipulated by the CMA and these Rules.

## Article 105

- (1) The issuer shall submit to the Exchange any information which the Exchange deems appropriate to protect investors and ensure smooth functioning of the market.
- (2) The Exchange may seek a response from the issuer about the circumstances or facts relating to a financial instrument or the issuer which affect or may affect the price of the issuer's financial instruments and are not derived from the information previously submitted by the issuer to the Exchange.
- (3) The Exchange may request that the issuer disclose the information referred to in paragraphs 1 and 2 of this article, specifying the form and the time frame of disclosure of such information.
- (4) If the issuer fails to disclose the information in accordance with paragraph 3 of this article, the Exchange itself will disclose that information on receipt of the issuer response concerning it.
- (5) In deciding whether or not to disclose certain information to the public, if in doubt the issuer shall consult the Exchange.

## Language

### Article 106

- (1) Any issuer whose financial instruments are listed on the regulated market shall submit price sensitive information to the Exchange in the language stipulated by the provisions of the CMA.
- (2) Any issuer whose financial instruments are listed on the Official Market and the Prime Market shall provide the information in English as well.

## Simultaneous public disclosure

### Article 107

- (1) When stating or disclosing price sensitive information, the issuer of financial instruments shall act in such a manner as not to put any person or segment of the public in a privileged position.

(2) Any price sensitive information which the issuer may present at meetings with analysts, representatives of institutional investors etc. shall simultaneously be submitted to the Exchange.

#### Parallel listing

##### Article 108

Where, in addition to the listing on the regulated market managed by the Exchange, a financial instrument is also listed on another regulated market in the Republic of Croatia or a Member State or on an exchange in a third country and the issuer is required under the regulations of the respective regulated market or exchange to disclose certain information, the issuer shall simultaneously disclose the same information via the Exchange.

#### Choice of home Member State

##### Article 109

Any issuer whose financial instruments are listed on the regulated market shall promptly inform the Exchange of the choice or change of the choice of the home Member State regarding the disclosure of regulated information.

#### Choice of official register of regulated information

##### Article 110

Any issuer whose financial instruments are listed on the regulated market shall promptly inform the Exchange of the choice, or of the intention to change the official register of regulated information.



## Choice of media for disclosure of regulated information

### Article 111

Any issuer whose financial instruments are listed on the regulated market shall promptly inform the Exchange of the choice, or of the intention to change the media for public disclosure of regulated information.

## List of insiders

### Article 112

(1) At the request of the Exchange, the issuer shall submit a list of insider compiled in the manner stipulated by the provisions of the CMA.

(2) The obligation referred to in paragraph 1 of this article shall not apply to the persons who have listed financial instruments on the Regular Market without the issuer consent.

## Exchange fee

### Article 113

For the duration of the Listing, the issuer shall pay a listing maintenance fee to the Exchange in accordance with the Price list.

## 4.2 REGULAR MARKET

### 4.2.1 Obligations of the issuers of shares listed on the Regular Market

#### Article 114

The issuer whose shares are listed on the Regular Market shall submit to the Exchange any information which is subject to public disclosure under the CMA, other regulations and these Rules, as well as any material change in relation to the information disclosed immediately upon occurrence of such change.

#### **4.2.1.1 Annual general meeting**

##### Article 115

- (1) The issuer shall inform the Exchange and the public of its annual general meeting (AGM) within the time frame stipulated by the CMA or the regulations governing the establishment and operation of companies.
- (2) The notification of the AGM shall contain any information which the issuer is required to make available to shareholders under the CMA and other regulations, and which is necessary for the exercise of their rights.
- (3) The issuer shall promptly submit to the Exchange any resolutions and shall disclose the information on any resolutions passed by its AGM.
- (4) Where the management is authorised at the AGM to autonomously decide on a particular issue, the issuer shall promptly disclose such a decision.

#### **4.2.1.2 Corporate actions**

##### Article 116

- (1) In the event of dividend (interim dividend) payment, the issuer shall notify the Exchange of the following:
  1. amount of dividend per share proposed and approved by voting,
  2. record date in respect of the holders entitled to a dividend payment, where the ex date, as the first day of trading in the respective share with no right to a dividend, shall not be earlier than two (2) trading days following the day of public disclosure of the information on the resolution approving the dividend payment, and
  3. payment date – as early as possible after the record date (recommended to be the following trading day), where the payment date shall be a clearly specified date of dividend payment.
- (2) Any proposed resolutions and the resolutions adopted at the issuer's AGM or by its management which refer to other corporate actions shall contain:

1. record date in respect of the holders entitled to a payment in cash and/or equivalent securities, unless otherwise stipulated by law,
  2. ex date, as the first day of trading in the respective share with no right to a dividend and/or equivalent securities, which shall be set at least 2 (two) trading days before the record date, unless otherwise stipulated by law,
  3. payment date, as early as possible after the record date (recommended to be the following trading day), where the payment date shall be a clearly specified date of payment in cash and/or securities.
- (3) The issuer shall submit to the Exchange and publicly disclose any information referred to in paragraphs 1 and 2 of this article at least 2 (two) trading days prior to the ex date.

#### **4.2.1.3 Code of Corporate Governance**

##### *Article 117*

- (1) The Code of Corporate Governance shall apply to any issuer of the shares listed on the regulated market, with the exception of closed-end AIFs.
- (2) The issuer shall submit a filled out questionnaire, which is a constituent part of the Code of corporate governance, to the Exchange by the time it delivers its annual report and shall also disclose it on its website.

#### **4.2.2 Obligations of the issuers of debt securities listed on the Regular Market**

##### *Article 118*

Any issuer whose debt securities are listed on the Regular Market shall submit to the Exchange any information which is subject to public disclosure under the CMA, other regulations and these Rules, as well as any material change in relation to the information disclosed immediately upon occurrence of such change.

#### **4.2.2.1 Meeting of the holders of debt securities**

##### Article 119

- (1) The issuer shall inform the Exchange and the public of a meeting of the holders of its debt securities at the same time it notifies it to the holders of debt securities, and no later than 5 (five) trading day before the date of the meeting.
- (2) The notification of the meeting of the holders of debt securities shall contain any information which the issuer is required to make available to holders under the CMA and other regulations, and which is necessary for the exercise of their rights.
- (3) The issuer shall promptly submit to the Exchange any resolutions and shall disclose information on the resolutions adopted at the meeting of the holders of its debt securities.

##### Corporate actions

##### Article 120

The provisions of Article 116(2) and (3) shall apply in the appropriate manner to any proposed resolutions and the resolutions adopted at the meeting of the holders of debt securities.

#### **4.2.3 Obligations of the issuers of structured products listed on the Regular Market**

##### Article 121

The issuer whose structured products are listed on the Regular Market shall submit to the Exchange any information which is subject to public disclosure under the CMA, other regulations and these Rules, as well as any material change in relation to the information disclosed immediately upon occurrence of such change, in particular the information on:

1. changes in the characteristics of the structured product (e.g. change of its strike price, cap or floor etc.),
2. redemption price of the structured product,
3. changes in the credit rating.

## **4.3 OFFICIAL MARKET**

### **4.3.1 Obligations of the issuers of shares listed on the Official Market**

#### Article 122

The issuer whose shares are listed on the Official Market shall meet any post-listing requirements stipulated for the issuers whose shares are listed on the Regular Market and additional requirements stipulated by these Rules.

#### **4.3.1.1 Management and supervisory board meetings**

##### Article 123

(1) The issuer shall notify the Exchange of the dates of its management and supervisory board meetings at least two (2) trading days before the meeting where the said bodies are to decide on:

1. financial (unaudited and/or audited unconsolidated and/or consolidated) statements;
2. dividend or interim dividend payment;
3. capital increase or reduction;
4. adopting an Own Share Purchase Programme;
5. approving the acquisition and disposal of own shares.

(2) The issuer shall submit any resolutions passed, along with any documents being adopted by virtue of such resolutions to the Exchange no later than the start of trading on the following trading day.

#### **4.3.1.2 Acquisition and disposal by persons discharging managerial responsibilities within the issuer and persons closely associated with them**

##### Article 124

(1) The issuer shall ensure that any acquisition or disposal of the issuer's shares or other financial instruments related to such shares by the persons discharging managerial responsibilities within the

issuer and the persons closely associated with them is reported to the Exchange within 5 (five) days of the respective acquisition or disposal date."

(2) The date of acquisition or disposal of a financial instrument shall be the day of the respective transaction on the Exchange or the date of concluding a legal transaction (e.g. purchase or sale, grant of a gift etc., regardless of whether under deferment) or the date of which another legal basis of the acquisition or disposal of financial instruments occurred.

#### **4.3.2 Obligations of the issuers of debt securities listed on the Official Market**

##### Article 125

The issuer of the debt securities listed on the Official Market shall meet any post-listing requirements stipulated for the issuers whose debt securities are listed on the Regular Market and additional requirements stipulated by these Rules.

##### **4.3.2.1 Management and supervisory board meetings**

##### Article 126

(1) The issuer shall notify the Exchange of the dates of its management and supervisory board meetings at least two (2) trading days before the meeting where the said bodies are to decide on:

1. financial (unaudited and/or audited unconsolidated and/or consolidated) statements;
2. early redemption of debt securities;
3. changes in the terms of the issue.

(2) The issuer shall submit any resolutions passed, along with any documents being adopted by virtue of such resolutions to the Exchange no later than the start of trading on the following trading day.

## **4.4 PRIME MARKET**

### **4.4.1 Obligations of the issuers of shares listed on the Prime Market**

#### Article 127

The issuer whose shares are listed on the Prime Market shall meet any post-listing requirements stipulated for the issuers whose shares are listed on the Official Market and additional requirements stipulated by these Rules.

#### **4.4.1.1 Calendar of events**

#### Article 128

(1) The issuer shall submit to the Exchange and post on its website a calendar of events, listing the dates on which the issuer expects to disclose the following:

1. financial statements,
2. AGM,
3. dividend payment,
4. other activities in connection with investor relations.

(2) In respect of the annual financial statement, the issuer may state the week of disclosure.

(3) The issuer shall announce a calendar of events for each business year prior to its start and any change in the calendar as soon as it occurs, but no later than a week before the originally scheduled date.

#### **4.4.1.2 Annual report**

#### Article 129

The issuer shall present the annual financial statements, after their public disclosure or simultaneously with it, at the conferences with interested financial analysts and representatives of the public communication media.

#### **4.4.1.3 Company or business takeover or divestment**

##### Article 130

(1) The issuer shall disclose information on the takeover or divestment of the company or business, which is price sensitive.

(2) Any information referred to in paragraph 1 of this article shall include in particular:

1. purchase price,
  2. method of payment,
  3. material fact on the company being taken over or divested,
  4. reasons for the transaction,
  5. estimated effects of the transaction on the issuer,
  6. transaction schedule,
  7. other key transaction terms, particularly where these may affect its validity,
- unless stipulated otherwise by the regulations governing company takeover.

(2) The company or business being taken over should be described in a manner which includes a description of the business and principal activity, financial condition and indicators, including any historical data.

#### **4.4.1.4 New share issuance**

##### Article 131

When issuing new shares, the issuer shall issue negotiable securities (scrip rights) to the shareholders with pre-emptive rights to the subscription of new shares to enable them to trade in such securities on the regulated market or the MTF managed by the Exchange for at least 10 (ten) days prior to the first day of subscription of the new issue.



#### **4.5 SPECIFIC PROVISIONS FOR THE ISSUERS OF CLOSED-END AIF SHARES**

##### Article 132

(1) The manager of a closed-end AIF shares shall meet any post-listing requirements stipulated for the issuer of shares, depending on the regulated market segment on which such shares are listed, as well as additional requirements stipulated in paragraph 2 of this article.

(2) The closed-end AIF manager shall submit to the Exchange the following:

1. portfolio structure,
2. net asset value of the closed-end AIF,
3. net asset value per share in the closed-end AIF and
4. valuation date

in the time frame specified by the regulations governing the establishment and operation of investment funds.

#### **4.6 SPECIFIC PROVISIONS FOR THE ISSUERS OF DEPOSITARY RECEIPTS**

##### Article 133

(1) Depositary receipts may be listed in a particular segment of the regulated market, in accordance with the provisions of the CMA and other regulations, and of these Rules concerning the listing of certain types of securities referred to by the receipts.

(2) The issuer of any securities referred to by the depositary receipts shall meet the requirement to disclose information in accordance with the provisions relating to the issuer and in compliance with the obligations defined by the CMA and other regulations, as well as additional disclosure obligations stipulated by these Rules.

(3) Instead of the issuer of the securities referred to by the depositary receipts, the obligations referred to in paragraph 2 of this article may also be performed by the issuer of the depositary receipts.

#### **4.7 SPECIFIC PROVISIONS FOR ISSUERS OF FINANCIAL INSTRUMENTS FROM MEMBER STATES OR THIRD COUNTRIES**

##### Article 134

(1) Any provisions of these Rules relating to the criteria for listing on the regulated market, transition of shares among regulated market segments and delisting shall also apply to the issuers of financial instruments from other Member States or third countries, unless otherwise stipulated by these Rules.

(2) The issuers of financial instruments from other Member States or third countries shall meet the requirement of information disclosure in accordance with the regulations relating to such issuers and in compliance with the obligations defined by the CMA and other regulations, as well as additional disclosure obligations relating to particular types of financial instruments or to particular regulated market segments stipulated by these Rules.

#### **4.8 REGULATED MARKET DELISTING**

##### Article 135

(1) Delisting may occur:

1. pursuant to the AGM resolution on delisting from the regulated market;
2. pursuant to a decision issued by the Agency, court or another body with a public authority;
3. on maturity or early redemption of the financial instrument;
4. in the cases listed in the Prospectus or other documents relating to the listing,
5. where the issuer and/or financial instrument no longer meets the criteria for listing in a particular regulated market segment and/or where the issuer does not comply with the post-listing requirements stipulated by these Rules;
6. in the event that bankruptcy proceedings are instigated against the issuer;
7. in the event that liquidation proceedings are instigated against the issuer;
8. by cessation of the issuer;
9. by cessation of the financial instrument.

(2) The last day of trading in the financial instrument on the regulated market shall be set by resolution of the Exchange.

(3) The resolution on delisting shall be submitted by the Exchange to the Agency and posted on its website.

#### AGM resolution to withdraw from regulated market listing

##### Article 136

(1) In the event referred to in Article 135(1) item 1 of these Rules, any share issuer whose AGM decided to delist its shares from the regulated market shall submit to the Exchange a request for share delisting from the regulated market, together with a decision to enter the resolution on regulated market delisting in the court register and the minutes of the AGM at which the resolution on share delisting from the regulated market was passed.

(2) Where the resolution on share delisting from the regulated market is passed by more than a 9/10 (nine tenth) majority of the votes cast, the Exchange shall delist the shares from the regulated market the day after it receives the resolution on share delisting from the regulated market, or on expiry of a certain period of time from the entry of the resolution in the court register where so stipulated by the resolution on share delisting from the regulated market.

(3) In other cases, with the exception of those referred to in paragraph 2 of this article, the Exchange shall delist the shares from the regulated market on expiry of 6 (six) months from the day the resolution is entered in the court register.

(4) If the shares have been listed on the regulated market without the issuer consent, the provisions of paragraph 1 of this article shall apply to the person who submitted the application for listing.

(5) In the event referred to in paragraph 4 of this article, the Exchange shall delist the shares from the regulated market on expiry of 3 (three) months from the receipt of the request to delist shares from the regulated market and documents referred to in paragraph 1 of this article.

## Maturity of early redemption of the financial instrument

### Article 137

In the event referred to in Article 135(1) item 4 of these Rules, delisting shall occur on the same or the next trading day after the Exchange receives a decision of the central depository or of the central registry whose services are involved in relation to the respective financial instrument.

## Delisting in cases specified in the prospectus or other listing documents

### Article 138

In the event referred to in Article 135(1) item 5 of these Rules, the Exchange will pass a resolution on delisting on the basis of information contained in the prospectus or other listing documents.

## Failure to meet listing criteria for a particular regulated market segment or non-compliance with post-listing requirements stipulated by these Rules

### Article 139

(1) In the event referred to in Article 135(1) item 3 of these Rules, the Exchange will pass a resolution on delisting on completing 2 (two) consecutive periodic reviews in the manner stipulated in Article 103 of these Rules.

(2) Without prejudice to paragraph 1 of this article, the Exchange may pass a resolution on delisting as a measure to protect market integrity in accordance with the provisions of these Rules.

(3) In the event referred to in paragraph 1 of this article, delisting shall occur on expiry of 3 (three) months from the day the resolution on delisting is passed.

## Bankruptcy of the issuer

### Article 140

(1) In the event referred to Article 135(1) item 6 of these Rules, the Exchange will pass a resolution on delisting pursuant to a respective request of the bankruptcy administrator for delisting from the regulated market and the decision to instigate bankruptcy proceedings against the issuer.

(2) In the event referred to in paragraph 1 of this article, delisting shall occur on expiry of 3 (three) months from the day the resolution on delisting is passed.

(3) By way of derogation from paragraph 2 of this article, if no transactions are conducted in the financial instrument for 3 (three) months prior to the receipt of the request for delisting, delisting shall occur on the following trading day after the resolution on delisting is passed.

## Liquidation proceedings

### Article 141

In the event referred to in Article 135(1) item 7 of these Rules, the provisions of Article 136 of the Rules shall apply in the appropriate manner and the request for delisting shall be submitted by the liquidator.

## Cessation of the issuer or financial instrument

### Article 142

In the event referred to in Article 135(1) items 8 and 9 of these Rules, delisting shall occur on the same or the following day after the Exchange receives from the issuer a decision on deletion of the subject of entry (company) from the court register, or a decision of the central depository or central registry.

### Article 143

The Exchange waives liability for direct or indirect damage and/or loss of profit as a consequence of the resolution on delisting.

## 5. MULTILATERAL TRADING FACILITY

### 5.1 GENERAL PROVISIONS

#### Article 144

When investing in the financial instruments which are traded on the MTF, investors should take into account the following:

1. the MTF is an alternative market managed by the Exchange.
2. the Exchange provides a sufficient level of publicly available information on the financial instruments traded on the MTF to ensure orderly trading and pricing.
3. the financial instruments traded on the MTF need not meet the listing criteria or the post-listing requirements stipulated for the issuers of financial instruments listed on the regulated market. As a consequence of lower requirements set in respect of such financial instruments and issuers, the risk of investing in the financial instruments traded on the MTF may be greater than the risk of investing in the financial instruments traded on the regulated market.
4. the obligation to publicly disclose the information stipulated by these Rules shall be performed by the applicant for inclusion in trading on the MTF.
5. any CMA provision which relate to market abuse shall also apply to trading on the MTF.

#### Article 145

- (1) The right to trade in the financial instruments included in trading on the MTF shall be exercised by members of the Exchange.
- (2) The provisions of these Rules which related to trading, trading surveillance, trading transparency and clearing and/or settlement of the transactions conducted on the regulated market shall apply in the appropriate manner to the MTF as well.

## **5.2 FINANCIAL INSTRUMENTS TRADABLE ON THE MTF**

### Article 146

The financial instruments which may be traded on the MTF are those for which the Exchange has obtained the Agency approval or in respect of which the approval stems directly from the provisions of the CMA, stipulated in Article 78 of these Rules.

## **5.3 MARKET SEGMENTS**

### Article 147

The MTF consists of the following segments:

- MTF - Alter
- MTF - Fortis
- MTF - X.

## **5.4 INCLUSION IN TRADING ON THE MTF**

### Article 148

The provisions of these Rules shall apply from the day on which a financial instrument is included in trading on an MTF or from the day on which the issuer, a person authorised by the issuer or a member firm submits an application for inclusion in trading, until the date of termination of trading in the financial instrument on MTF.

### Article 149

- (1) The inclusion of a financial instrument in trading on the MTF is a subject to be decided by the Exchange.
- (2) The application for inclusion in trading shall be submitted to the Exchange in writing on a form of the content defined by the Exchange.
- (3) The application form shall be posted on the Exchange website.



#### **5.4.1 Applicant for inclusion in trading**

##### Article 150

- (1) An application for inclusion in trading may be submitted by the issuer, a person authorised by the issuer or a member firm.
- (2) Financial instruments may also be included in trading on the MTF pursuant to an Exchange resolution.

#### **5.4.2 Admission application regularity**

##### Article 151

The application for inclusion in trading shall be deemed to be regular if submitted by the authorised person, signed by the authorised person and accompanied by all the regulated documents requested by the Exchange enclosed with it.

#### **5.4.3 Inclusion in trading resolution**

##### Article 152

- (1) The Exchange shall pass a resolution on inclusion in trading on the MTF within 30 (thirty) day of receiving a regular application for inclusion in trading.
- (2) The resolution referred to in paragraph 1 of this article shall stipulate the first day of trading in the respective financial instrument.
- (3) The Exchange shall submit the resolution referred to in paragraph 1 of this article to the Agency and shall post it on its website at least 1 (one) trading day prior to the commencement of trading in the financial instrument.
- (4) Where the Exchange resolution referred to in paragraph 1 this article refers to an application for inclusion in trading submitted by a member firm, the Exchange will notify the issuer that its financial instruments have been included in trading on the MTF.
- (5) The Exchange may refuse to admit a financial instrument to trading on the MTF even though the financial instrument meets the criteria for inclusion stipulated by these Rules if the Exchange finds

that the financial instrument cannot be traded in a fair, orderly and efficient manner (e.g. if same class shares of the issuer are listed on the regulated market managed by the Exchange etc.).

(6) The resolution referred to in paragraph 5 of this article shall be properly explained.

(7) The resolutions referred to in paragraphs 1 and 5 of this article shall be final.

#### List of financial instruments included in trading on the MTF

##### Article 153

The Exchange shall post a list of all financial instruments included in trading on the MTF on its website.

### **5.5 Criteria for unclusion of financial instruments in trading on the MTF**

#### **5.5.1 Criteria for inclusion in trading on the MTF – Alter**

##### Article 154

(1) The financial instrument for which an application for inclusion in trading on the MTF – Alter is submitted shall meet the following criteria:

1. it must be dematerialised;
2. it must be listed on another regulated market in the Republic of Croatia or a Member State or on an exchange in a third country meeting the same criteria as the criteria stipulated by the CMA relating to the operation of a regulated market;
3. an efficient transaction settlement must be ensure in respect of the financial instrument.

(2) An applicant for inclusion in trading on the MTF – Alter shall enclose the following with the application:

1. basic information about the issuer (e.g. company name, registered office and legal form of the issuer, significant investments, executive summary, significant litigation and other proceedings, risk factors etc.);
2. characteristics, quantity and description of the right arising from the financial instrument;
3. proof that the financial instrument is listed on another regulated market in the Republic of Croatia or a Member State or on an exchange in a third country;

4. Market maker contract concluded with a member of the Exchange, if the application for inclusion in trading refers to structured products.

(3) The fact that bankruptcy or liquidation proceedings have been instigated against the issuer shall constitute grounds for rejecting the application for inclusion in trading on the MTF.

#### **5.5.2 Criteria for inclusion in trading on the MTF – Fortis**

##### Article 155

(1) The financial instrument for which the request for inclusion in trading on the MTF – Fortis is submitted shall meet the following criteria:

1. it must be dematerialised;
2. it must be freely negotiable;
3. an efficient transaction settlement must be ensured in respect of the financial instrument.

(2) An applicant for inclusion in trading on the MTF – Fortis shall enclose the following with the application:

1. basic information about the issuer (e.g. company name, registered office and legal form of the issuer, significant investments, executive summary, significant litigation and other proceedings, risk factors etc.);
2. characteristics, quantity and description of the right arising from the financial instrument;
3. annual financial statement for the business year preceding the application for inclusion in trading, or half-year or quarterly financial statements, if the issuer has released a half-year or quarterly statement since the date of the latest financial statements;
4. articles of association or incorporation agreement;
5. if the application for inclusion in trading refers to shares, at least 10% of the shares must be in free float;
6. Market maker contract concluded with a member of the Exchange, if the application for inclusion in trading refers to structured products.

(3) The fact that bankruptcy or liquidation proceedings have been instigated against the issuer shall constitute grounds for rejecting the application for inclusion in trading on the MTF.

### 5.5.3 Criteria for inclusion in trading on the MTF – X

#### Article 156

(1) The financial instrument for which the request for inclusion in trading on the MTF – X is submitted shall meet the following criteria:

1. it must be dematerialised;
2. it must be freely negotiable;
3. an efficient transaction settlement must be ensured in respect of the financial instrument.

(2) An applicant for inclusion in trading on the MTF – X shall enclose the following with the application:

1. basic information about the issuer (e.g. company name, registered office and legal form of the issuer, significant investments, executive summary, significant litigation and other proceedings, risk factors etc.);
2. characteristics, quantity and description of the right arising from the financial instrument;
3. proof that the issuer of the financial instrument is undergoing bankruptcy or liquidation proceedings.

#### Article 157

(1) At the request of the Exchange, the applicant shall enclose any other documents or submit additional information and data which the Exchange deems appropriate to protect investors.

(2) The applicant shall submit any documents, information and data referred in this article in the form, time frame and manner defined by the Exchange.

## **5.6 POST-ADMISSION REQUIREMENTS**

### Article 158

The applicant for inclusion in trading on the MTF shall submit any information which is subject to mandatory disclosure under these Rules to the Exchange in the electronic form and in the manner defined by the Exchange.

#### **5.6.1 Post-inclusion requirements – Alter**

### Article 159

In order to ensure a sufficient level of publicly available information, the Exchange will refer investors to the website of the issuer of the financial instrument and to another regulated market in the Republic of Croatia or a Member State or to a third country exchange on which the financial instrument is listed.

#### **5.6.2 Post-inclusion requirements – Fortis**

### Article 160

Where the application for inclusion in trading refers to shares, the applicant shall publicly disclose:

1. information on any changes in relation to the rights attaching to the security which arise following the inclusion in trading – immediately as the change occurs;
2. notice of the AGM, including an invitation to the AGM with the agenda and proposed resolutions to be adopted there – in the time frame stipulated by the CMA or regulations which govern the establishment and operation of companies;
3. any resolutions or information on the resolutions adopted at the AGM – promptly;
4. annual financial statement – in the time frame stipulated by the regulations which govern the establishment and operation of companies as well as the accounting of craftsmen and the application of financial reporting standards;

5. information on capital increase or reduction – immediately after the change is entered in the court register;
6. information on status changes of the issuer – immediately after the change is entered in the court register;

#### Article 161

Where the application for inclusion in trading refers to debt securities, the applicant shall publicly disclose:

1. information on any changes in relation to the rights attaching to the security which arise following the inclusion in trading – immediately as the change occurs;
2. notice of the meeting of holders of debt securities, including an invitation to the meeting with the agenda and proposed resolution to adopted there – no later than 5 (five) trading days prior to the day of the meeting of holders of debt securities;
3. annual financial statement – in the time frame stipulated by the regulations which govern the establishment and operation of companies as well as the accounting of craftsmen and the application of financial reporting standards;

#### **5.6.3 Post-inclusion requirements – X**

#### Article 162

- (1) The applicant for inclusion in trading shall promptly submit to the Exchange any information on a preliminary hearing, significant cash sales of bankruptcy debtor's assets, final hearing and close of the bankruptcy proceedings.
- (2) The provisions of paragraph 1 of this article shall also apply in the appropriate manner in the event that the issuer of the financial instrument is undergoing liquidation.

## Language

### Article 163

The applicant pursuant to whose application the financial instrument was included in trading on the MTF shall disclose any information stipulated by these Rules in Croatian and English.

## 5.7 TERMINATION OF MTF TRADING IN A FINANCIAL INSTRUMENT

### Article 164

(1) Trading in a financial instrument on the MTF may terminate:

1. at the request of the person who has submitted an application for inclusion in trading on the MTF;
2. pursuant to a decision issued by the Agency, court or another body with a public authority;
3. on maturity or early redemption of the financial instrument;
4. in the events stated in the documents related to inclusion in trading on the MTF;
5. where the issuer and/or financial instrument no longer meets the criteria for inclusion in trading on the MTF and/or where the issuer does not comply with the post-admission requirements stipulated by these Rules;
6. in the event that bankruptcy proceedings are instigated against the issuer;
7. in the event that liquidation proceedings are instigated against the issuer;
8. by cessation of the issuer;
9. by cessation of the financial instrument;
10. due to prolonged lack of activity in the market.

(2) The provisions of paragraph 1 items 6 and 7 of this article shall not apply to the financial instruments included in trading on the MTF – X.

(3) In the event referred to in paragraph 1 item 1 of this article, trading in the financial instrument on the MTF shall terminate on expiry of 2 (two) months from the day the Exchange resolution on termination of trading is passed.

(4) In the event referred to in paragraph 1 item 10 of this article, trading in the financial instrument on the MTF shall terminate on expiry of 6 (six) months during which no transaction in the respective instrument was conducted, not counting the semester in which the financial instrument was included in trading on the MTF

(5) In any other event, the provisions of these Rules governing delisting shall apply in the appropriate manner to the termination of trading in the financial instrument on the MTF.

#### Termination of trading resolution

##### Article 165

(1) The last day of trading in the financial instrument on the MTF shall be set by resolution of the Exchange.

(2) The resolution on termination of trading in a financial instrument on the MTF shall be submitted by the Exchange to the Agency and posted on its website.



## **6. TRADING**

### **6.1 CALENDAR OF TRADING DAYS AND TRADING HOURS**

#### Article 166

- (1) A calendar of trading days in each business year shall be determined by resolution of the Exchange.
- (2) The resolution referred to in paragraph 1 of this article shall be posted on the Exchange website.
- (3) Trading hours and the schedule of individual types of trading shall be set by the Exchange.

### **6.2 EXCHANGE TRADING SYSTEM**

#### Article 167

- (1) On-Exchange trading shall be conducted via the trading system.
- (2) User manuals for the trading system use are technical documents and do not constitute part of the Rules.
- (3) User manuals shall be available to member firms and other users of Exchange services.

#### Article 168

The trading system shall be used for;

1. conducting order book transactions;
2. conducting off-order book transactions;
3. reporting and disclosure of OTC transaction data.

### 6.3 TYPES OF TRADING

#### Article 169

Trading may be:

1. order book trading,
2. off-order book trading.

#### Article 170

Order book trading may take place:

1. in continuous trading,
2. via auctions.

#### Article 171

Off-order book trading may involve:

1. a block trade,
2. a public auction.

#### Article 172

(1) Order book continuous trading always involves trading in the shares which are listed on the Official or Prime Market, the shares in respect of which there is a contract on the performance of specialist activities between the Exchange and a member firm, and the shares included in the CROBEX® or another Exchange index.

(2) Order book auction may involve trading in the shares only.

## Newly listed shares

### Article 173

- (1) Any shares being listed on the regulated market for the first time or included in trading on the MTF – Alter shall be traded in continuous trading.
- (2) The shares included in trading on the MTF – Fortis and MTP – X shall be traded at auctions.

### **6.3.1 Order book trading**

#### **6.3.1.1 Continuous trading**

##### Article 174

- (1) Continuous trading consists of the following sessions:
  1. pre-opening session,
  2. main trading session (including volatility interruptions).
- (2) The duration of each session referred to in paragraph 1 of this article shall be determined by the Exchange.

#### **6.3.1.1.1 Pre-opening session**

##### Article 175

Pre-opening is a session in the continuous trading conducted for the purpose of determining the most realistic and representative price of a particular financial instrument in the trading day.

##### Article 176

- (1) During the pre-opening session, Members firm shall enter orders in the trading system and any transactions shall be conducted at the end of the pre-opening session at a uniform price – the opening price.

(2) The opening price shall be calculated in three steps at most, by moving to each following step only in case the opening price could not be calculated in the previous step.

(3) The steps in calculating the opening price involve:

1. determining the maximum clearing volume;
2. determining the minimum residual balance;
3. calculating the average price.

### Maximum clearing volume

#### Article 177

(1) The maximum clearing volume step is aimed at determining the price or prices at which the maximum volume will trade.

(2) First, the cumulative buy and sell volume at each price level shall be determined. The cumulative buy volume at a certain price level shall be the buy volume quoted at that price augmented by a sum of all the volumes at higher prices. The cumulative sell volume at a certain price level shall be the sell volume quoted at that price augmented by a sum of all the volumes at lower prices.

(3) After determining the cumulative buy and sell volume at each price level, the maximum clearing volume to be traded at that price will be determined. The maximum volume which may trade is the minimum cumulative buy and sell volume quoted at that price.

(4) The maximum clearing volumes to be traded at a certain price serves to select the greatest possible size of the maximum clearing volume which may trade.

(5) If there is only one price at which the maximum volume may trade, that will be the opening price.

(6) In case there are two or more prices at which the maximum volume may trade, step 2 in which the minimum residual balance is determined will follow.

## Minimum residual balance

### Article 178

- (1) In determining the minimum residual balance at two or more prices to close the maximum volume, the price at which the residual balance (i.e. the volume which will not trade at the end of the pre-opening session) is the smallest shall be sought. The minimum residual balance at each price level shall be the difference between the cumulative buy and sell volumes.
- (2) After determining the minimum residual balance at each price level, the smallest possible size of the minimum residual balance will be selected.
- (3) If there is only one price at which the minimum residual balance may trade, that will be the opening price.
- (4) In case the maximum volume producing the minimum residual balance may trade at two or more prices, step 3 aimed at calculating the average price will follow.

## Average pre-opening price

### Article 179

In calculating the average price, an average of the prices identified in the step determining the smallest size of the minimum residual balance, that is the prices at which the value of the minimum residual volume is the smallest, shall be determined.

#### **6.3.1.1.2 Main trading session**

### Article 180

- (1) Any orders which have not been filled in the pre-opening session shall remain in the trading system.
- (2) After the main trading session begins, member firms may continually enter new orders or cancel or modify existing ones.

(3) In the course of the main trading session, any orders which have been entered shall be continually compared by the Trading System and matched automatically whenever possible to result in transactions, according to their order book sequence.

#### **6.3.1.2 Auction**

##### Article 181

In the auction, transactions shall be conducted under the same procedure as that of the pre-opening session.

##### Article 182

The Exchange may order that any shares which do not meet the predefined liquidity criteria be traded in the auction.

##### Article 183

(1) The Exchange shall conduct a classification of shares to be traded in the auction every 3 (three) months, according to the liquidity criteria which include the average daily turnover and the average number of order-book transactions.

(2) By way of derogation from paragraph 1 of this article, the Exchange may classify a share which meets the liquidity criteria set forth in Article 185 of these Rules for continuous trading even before the expiry of 3 (three) months.

(3) Numerical criteria for the classification of shares for trading in the auction shall be defined by the Exchange and posted on its website.

##### Article 184

(1) Each first Friday of the quarter, on the basis of trading data from the previous quarter, the Exchange shall publish a list of shares to be traded in the auction.

(2) The list of shares to be traded in the auction shall be sent by the Exchange to member firms and posted on its website.

(3) Trading in the auction shall commence on the following trading day, after the list of shares has been posted on the Exchange website.

#### Fast transition to continuous trading

##### Article 185

(1) Based on the liquidity criteria, including a certain weekly order book turnover, the number of order book transactions on a single trading day and the number of order book transactions in a single trading week, the Exchange may transfer a share traded in the auction to continuous trading.

(2) Numerical criteria for a fast transition of shares to continuous trading shall be defined by the Exchange and posted on its website.

(3) At the end of each trading week, the Exchange shall check whether any shares traded in the auction meet the criteria for a fast transition to continuous trading.

(4) Notification of the fast transition of particular shares to continuous trading shall be sent by the Exchange to member firms and posted on its website.

(5) Continuous trading in the share shall commence on the following trading day after notification has been posted on the Exchange website.

#### **6.3.1.3 Volatility interruption**

##### Article 186

The volatility interruption shall be used in share and structured products trading.

##### Article 187

(1) The Exchange shall set limits of price change in respect of each share according to liquidity and/or criteria of the market on which the share is listed.

(2) The limit of price change in respect of a structured product may be set by the issuer on its listing.

(3) The limits of price change referred to in paragraphs 1 and 2 of this article shall be posted by the Exchange on its website.

#### Article 188

Duration of the volatility interruption:

1. in respect of shares – a maximum of 13 (thirteen) minutes: 8 (eight) minutes, plus the duration of a variable ending, which may take 5 (five) minutes at most;

2. in respect of structured products – a maximum of 45 (forty-five) seconds: 30 (thirty) seconds, plus the duration of a variable ending, which may take 15 (fifteen) seconds at most.

#### Article 189

The price at which transactions are done at the end of the volatility interruption shall be determined in the manner described in Articles 176 through 179 of these Rules.

#### Volatility interruption in the pre-opening session

#### Article 190

(1) In the pre-opening session, the previous day's closing price shall constitute the reference price for monitoring price movements in percentage terms.

(2) If the theoretical opening price at the close of the pre-opening session exceeds the permitted limit of price change, the volatility interruption will be triggered automatically.



## Volatility interruption during the main trading session

### Article 191

- (1) In continuous trading, the previous day's closing price shall constitute the reference price for monitoring price movements in percentage terms.
- (2) The reference price may vary in the course of the trading day as a result of volatility interruptions.
- (3) The volatility interruption will be triggered in the event of entry in the trading system of an order which, if filled, might result in one or more transactions which would exceed the permitted limit of price change.
- (4) The order triggering the volatility interruption will be filled through transactions within the limit of price change, so a volatility interruption will be triggered automatically.
- (5) Any unfilled quantity at a price exceeding the limit will be parked in the order book in the trading system for the duration of the volatility interruption, with the exception of Immediate orders which will be deleted.
- (6) Afterwards, the main trading session will resume and the price achieved in the course of the volatility interruption will be set as the new reference price for monitoring price movements in percentage terms.
- (7) In case the volatility interruption does not result in transactions, the reference price will remain unchanged.
- (8) Should the volatility interruption end within the last 2 (two) minutes before the close of trading, the start of the variable ending will coincide with the time trading ends anyhow.

## Volatility interruption in the auction

### Article 192

- (1) In the auction, the previous day's closing price shall constitute the reference price for monitoring price movements in percentage terms.

(2) If the theoretical price at the close of trading in the auction exceeds the permitted limit of price change in respect of the respective share, trading will be extended for the duration of the volatility interruption.

#### **6.3.1.3.1 Variable ending**

##### Article 193

(1) The pre-opening session, volatility interruption and trading in the auction shall have a variable ending.

(2) The exact moment in which the pre-opening session, volatility interruption and trading in the auction end shall be determined autonomously by the trading system within a predefined period, using a random number generator with no involvement or influence of Exchange employees.

#### **6.3.2 Short selling**

##### Short selling

##### Article 194

Short selling shall be permitted only in respect of the financial instruments which a member firm has borrowed at the time of the order entry or agreed to borrow for delivery on settlement.

##### Article 195

(1) On entering a sell order which refers to borrowed financial instrument, the member firm shall indicate that it is an order in respect of borrowed financial instruments.

(2) On entering a buy order to return loaned financial instruments, the member firm shall indicate that it is an order for the purpose of returning the loan.

(3) The manner of marking the orders referred to in paragraphs 1 and 2 of this article shall be defined by the Exchange.

(4) A member firm which performs specialist activities need not mark the orders in the manner stipulated in paragraphs 1 through 3 of this article, if enter the order in the specialist capacity.

#### Article 196

Once a month, the Exchange will post on its website an aggregate volume and turnover generated by short selling in respect of each financial instrument.

### **6.3.3 Order book trading orders**

#### **6.3.3.1 Types of order book orders**

#### Article 197

Orders may be:

1. buy orders and
2. sell orders.

#### Article 198

With regard to the manner in which prices are set, the order may be:

1. Limit order – order with a specified price. The order will be filled at the price specified in the order or a better price.
2. Market order – order without a specified price. The order will be filled at the best price found in the order book at the time. Market orders have a time limit on their validity set to "immediate".

#### Article 199

With regard to the time limit on its validity, the order may be:

1. Day order – if not filled, the order is valid until the end of the trading day on which it is placed.

2. Good until (date) – if not filled, the order is valid until the end of the given date.
3. Good until (time) – if not filled, the order is valid until the time specified on the given date.
4. Good until cancelled – if not filled, the order is valid until it has been cancelled.
5. Immediate – the order is cancelled unless it is filled immediately on being entered in the trading system.

#### Article 200

(1) Minimum fill quantity order – order with a specified quantity to be filled at once. The order will not be filled until at least the minimum fill quantity specified in the order has been executed. After the minimum fill quantity has been executed, the order will be filled without restrictions.

(2) By setting the minimum fill quantity, Immediate orders are further divided into:

1. FoK (Fill or Kill) orders – the minimum fill quantity is set to coincide with the quantity specified in the order. The order will be filled by executing the total quantity immediately if possible; otherwise, the whole order will be deleted.

FaK (Fill and Kill) order – the minimum fill quantity is set at 0 (without limit). The order will be filled immediately by executing the quantity which is immediately available, with the residual balance deleted.

#### Article 201

(1) Iceberg order – order which contains two parameters related to the quantity of financial instruments:

– visible amount – the volume of financial instruments which is visible to other participants with access to the order book,

– total amount – the volume of financial instruments which is not visible to other participants with access to the order book.

(2) On entering Iceberg orders, the visible amount must be equal to at least 10% of the total amount specified in the order.

(3) When the Iceberg order is filled partially, the Trading system will reduce the visible amount and when the visible amount is exhausted (drops to 0), it will be replenished automatically out of the total to reach the full visible or available amount.

(4) Each time the exhausted visible amount is replenished from the total amount, the order will be assigned a new time stamp.

#### Article 202

The use of certain options and functionalities on entering orders in the trading system depends on the application software of the member firm.

#### Article 203

The interrelations among individual order types as they are turned into transactions shall be determined by the trading system in the manner described in these Rules.

#### Article 204

The types of orders which may be used in individual markets segments of the regulated market or on the MTF, and in certain order book trading modalities shall be defined by the Exchange.

#### 6.3.3.2 Order parameters

#### Article 205

(1) The parameters of an order entered in the trading system shall be:

1. financial instrument ticker,
2. unit price of the financial instrument (with the exception of Market orders)
3. volume (quantity) of the financial instrument.
4. order type,

5. indication whether it is a buy or a sell order,

6. designation of the type of account,

7. investor account.

(2) The manner in which the designation of the account type and investor account are to be entered in the order shall be defined by Exchange .

### **6.3.3.3 Order transparency**

#### Article 206

(1) An order shall include the volume and the price of the financial instrument to which it refers, with the exception of Market orders.

(2) Data referred to in paragraph 1 of this article shall be available to member firms via the order book.

#### Stating order price

#### Article 207

The price shall be stated:

1. in respect of shares – in the absolute amount, in permissible currencies,

2. in respect of debt securities and money market instruments – as a percentage of the nominal value,

3. in respect of other financial instruments – in accordance with the nature of the respective instruments.

#### 6.3.3.4 Hard limits

##### Article 208

To reduce the possibility of inadvertent error in entering orders in the trading system so as to protect market integrity and participants, the Exchange may prevent order entry at considerably higher than the market prices of the financial instruments.

##### Article 209

- (1) Hard limits shall be expressed as a percentage of the reference price.
- (2) The reference price for the calculation of the limit shall be the closing price on the previous trading day.
- (3) The reference price may vary in the course of the trading day as a result of volatility interruptions.
- (4) If a member firm tries to enter a buy order in the trading system at a price which exceeds the reference price by more than a predefined limit, the trading system will prevent the entry of such a buy order (upper limit).
- (5) If the member firm tries to enter a sell order in the trading system at the price which falls short of the reference price by more than a predefined limit, the trading system will prevent the entry of such a sell order (lower limit).

##### Hard limits in share trading

##### Article 210

- (1) The Exchange may set a hard limits in share trading.
- (2) Hard limits in share trading shall be posted by the Exchange on its website.

## Hard limits in structured products trading

### Article 211

Hard limits in structured products trading may be set by the issuer at the time of their listing.

### Article 212

(1) In the event of significant changes in market conditions (including but not limited to a change in the price of the underlying instrument, exchange rate fluctuation etc.), the market maker may submit a request to the Exchange to set a new reference price.

(2) The request referred to in paragraph 1 of this article shall be properly explained.

### Article 213

In certain cases, such as when the price of the underlying instrument approaches the barrier price of the structured product etc., the Exchange may abolish the hard limits in respect of a particular structured product autonomously or at the request of the market maker.

## Order quantity

### Article 214

The Exchange may stipulate the minimum size of the package to be traded in respect of particular financial instruments and/or particular markets or market segments.

## Time of order entry

### Article 215

On order entry in the trading system, each order shall be assigned a time stamp, which corresponds to the time of its system entry.



## Order sequence

### Article 216

- (1) The order sequence gives priority of execution to the buy orders at a higher price and to the sell orders at a lower price.
- (2) If there are more orders at the same price, the orders with an earlier time stamp will have priority.

## Order duration

### Article 217

The order shall be valid from the time it has been entered in the trading system until such time as:

1. the order has been fully filled;
2. the order has been modified or cancelled by the member firm;
3. the order has been cancelled by the Exchange or
- 4 the order has been withdrawn by the trading system due to expiry.

## Maximum order duration in the trading system

### Article 218

- (1) The maximum duration of the order in the trading system shall be 365 days from the day it is entered in the trading system, regardless of whether the order has been modified and/or partially filled over that time.
- (2) On expiry of the period referred to in paragraph 1 of this article, the trading system will automatically cancel the order in the order book.
- (3) The Exchange waives responsibility for reconciliation of the member firm's order book with the order book in the Exchange trading system.

## Order deletion by the Exchange

### Article 219

(1) The Exchange shall delete orders from the trading system:

1. on suspension or termination of membership by expulsion;
2. by order of competent government bodies;
3. in the event of division or amalgamation of the financial instrument, in accordance with a corporate action notification of the central depository or central registry.

(2) The Exchange may delete orders from the trading system:

1. if access by the member firm to the trading system has been disabled at the request of the member firm for legitimate reasons;
2. in the course of trading surveillance, in accordance with the provisions of Article 293 of these Rules.

(3) The Exchange shall notify a member firm whose order has been deleted from the trading system, except in the event of automatic order deletion by the trading system due to expiry of order validity in the trading system and in the event of a division or amalgamation of the financial instrument.

## Order cancellation or modification by the member firm

### Article 220

(1) The member firm may cancel or modify an existing order in the portion which has not been filled.

(2) Orders may be cancelled or modified in all trading modalities, except from the time trading ends until the close of trading, when any orders may only be cancelled.

(3) The order with an increased volume or modified price will be assigned a new time stamp. In the event of any other modifications, the order will keep the same time stamp.

## Commitment

### Article 221

Any member firm placing an order to buy or sell a certain quantity of financial instruments shall undertake to buy or sell the financial instruments at the price stated in the order or at the price which would be more favourable to the member firm if the order is turned into a transaction.

### Article 222

The member firm shall establish adequate systems and efficient controls to prevent entry in the trading system of erroneous orders or any orders which might compromise a fair, orderly and efficient trading and any behaviour pointing to market abuse;

#### **6.3.4 Order book transactions**

## Transaction

### Article 223

- (1) A transaction shall occur when the trading system matches a sell order to a buy orders in respect of the same financial instrument.
- (2) As the transaction occurs, the orders which are matched to result in the transaction shall be fully or partially filled.
- (3) Relevant provisions of these Rules and other regulatory Exchange documents which govern trading in financial instruments are also deemed to be a constituent part of the legal transaction concluded by conducting the transaction.

## Financial instruments

### Article 224

The financial instruments which are the subject of transaction shall be the financial instruments listed on the regulated market which are referred to in both the Sell and the buy order, of the quantity stated in the fully filled order.

### Price

### Article 225

The price of financial instruments shall be the price determined by the trading system on the basis of the orders entered in particular trading modalities or sessions.

### Accrued interest

### Article 226

- (1) The prices of interest bearing financial instruments shall be stated clean, i.e. net of the accrued interest.
- (2) In addition to the price established in the transaction, the seller shall also be entitled to the accrued interest for the period running up to the payment date.

### Transaction time

### Article 227

- (1) The moment in which the trading system matches the buy with a sell order in accordance with these Rules shall be the transaction time.
- (2) The transaction time shall be that recorded by the trading system.

### Place of transaction

### Article 228

The place of transaction shall be that of the registered Exchange office.

## Commitment

### Article 229

Once the transaction is conducted, both parties shall be required to perform their obligations under the terms of the deal.

## Ex-dividend and ex-interest transactions

### Article 230

The Exchange shall make no price adjustments or corrections in respect of ex-dividend or ex-interest transactions.

## Finality of transactions

### Article 231

Any executed transactions shall be final and binding, with no need for any subsequent confirmation by the member firms involved.

## Exchange fee

### Article 232

- (1) The member firm shall pay a fee to the Exchange for any transactions conducted.
- (2) The size and the method of calculating the fee referred to in paragraph 1 of this article shall be defined by the Price list.

## **6.4 OFF-ORDER BOOK TRADING**

### **6.4.1 Block trades**

#### Article 233

(1) Any financial instruments listed on the regulated market or included in trading on the MTF may be the subject of block trades.

(2) Block trade may be:

1. a transaction between two Members of the Exchange or
2. a transaction conducted by one member of the Exchange.

#### Article 234

(1) Block trades may be done at the prices outside the limit of price change and the hard limits.

(2) The minimum fill size and other parameters of block trades in certain financial instruments shall be defined by the Exchange and posted on its website.

#### Article 235

(1) Block trades shall be done through an exchange of messages via the trading system.

(2) Block trades cannot be done if trading in the financial instrument has been temporarily suspended.

### **6.4.2 Public auctions**

#### Article 236

Public auction is a procedure conducted via the trading system in which a seller makes an offer under predefined terms to conclude a deal by which it acquires, assigns or transfers the title or some other right to the auction item or items, and auction participants compete amongst themselves to accept the offer according to the auction rules.

#### Article 237

The day of a public auction shall be set by advertisement of the principal.

#### Article 238

Any person who is expressly excluded by the regulations of the Republic of Croatia or by some predefined public auction criteria, may be the auction participant.

#### Article 239

Auction participants shall be represented by member firms or by the Exchange.

#### Article 240

Auction items may be financial instruments and equity holdings in companies.

#### Article 241

- (1) Package shall be the basic auction unit.
- (2) Each package may consist of one or more identical financial instruments of the same issuer or equity holdings in the same company.
- (3) The number of auction items representing a package in each auction shall be determined.

#### Article 242

(1) Auction parameters shall determine the following:

1. auction item,
2. quantity of auction items,
3. starting price,
4. auction type (with a variable or fixed closing),

5. increment of price change (tick) and

6. other quantifiers or data relevant to the course of the auction.

(2) The seller shall be responsible for setting auction parameters and for their accuracy.

(3) Auction parameters shall be included in the advertisement announcing the auction.

#### Article 243

(1) The advertisement announcing a public auction shall be published in at least one daily newspaper available in the entire territory of the Republic of Croatia no later than 7 (seven) day prior to the auction date.

(2) The advertisement referred to in paragraph 1 of this article shall be posted by the Exchange on its website.

#### Article 244

During the time set for entering buy orders, the representative of a buyer shall enter the bids according to the following parameters:

1. FoK (Fill or Kill) buy order issue;

2. price increment – solely by the size of one or more auction ticks;

3. quantity must be that defined in the advertisement;

4. the minimum starting bid price must correspond to the starting price;

5. if the starting bid price exceeds the starting price defined in the advertisement, it must be a multiplier of the tick.



#### Article 245

- (1) Where the starting price exceeds the tick, the member firm which represents a potential buyer must enter in the course of bidding an order at a bid price equivalent at least to the starting price or to the starting price augmented by the auction tick or to a multiplier of the auction tick.
- (2) If a member firm enters a bid which is lower than the starting price in the course of bidding, it shall modify the order in the manner stipulated in paragraph 1 of this article.
- (3) In the event that the only orders entered in the course of bidding are those at a price set in the manner contrary to the provisions of paragraph 1 of this article, the Exchange will nullify the public auction invalid and will impose a measure to protect market integrity on the member firms which caused the auction to fail.
- (4) The Exchange shall inform member firms and the public of the public auction nullification via its website.
- (5) The Exchange shall inform member firms and the public of the day of repeating the public auction via its website.
- (6) In the event referred to in paragraph 5 of this article, the organisation fee in respect of the public auction shall be paid by the Members firm caused the public auction nullification according to the Price list.

#### Article 246

In the course of bidding, any member firms representing potential buyers may enter their bids specifically:

1. for the auction with a fixed close: between 11:00 and 12:00 a.m.,
2. for the auction with a variable ending: from 11:00 a.m. until the auction closes, where the auction will be set to close between 12:00 and 12:15 p.m. autonomously by the trading system, using a random number generator with no involvement or influence of Exchange employees.

#### Article 247

- (1) Sell orders shall be entered by the Exchange on expiry of the time envisaged for the entry of buy orders.
- (2) The Exchange shall enter the sell order by 1:00 p.m. at the latest.

#### Article 248

The best bid will be selected by the Exchange trading system by closing the sell order against the best buy order.

#### Article 249

After the public auction, the Exchange shall inform member firms and the public via its website:

1. that no buy orders were placed in the course of the public auction, which is deemed failed, or
2. of the results of the public auction.

#### Article 250

To secure the performance of their obligations arising from the legal transactions concluded at a public auction, the Exchange may request that the member firms representing public auction participants deposit security instruments defined by the Exchange in agreement with the principal.

#### Article 251

The Exchange waives responsibility and liability to auction participants for any direct or indirect damage and/or loss of profits as a consequence of the inability to participate in the auction due to difficulties in the functioning of data links or for other reasons outside the scope of the Exchange influence.

## 6.5 OTC TRANSACTIONS

### Article 252

Any transactions conducted by a member firm or another person defined by the CMA and other regulations outside the regulated market or the MTF may be reported to the Exchange for the purpose of public disclosure via the trading system.

### Article 253

The member firm or another person referred to in Article 252 of these Rule which concludes an agreement with the Exchange on the provision of OTC transaction reporting services shall disclose any OTC transactions via the Exchange trading system.

### Article 254

OTC transactions shall be reported to the Exchange at the time, in the manner and format defined by the Exchange.

### Article 255

The person reporting an OTC transaction shall be responsible for the accuracy of data on the respective OTC transaction.

### Article 256

Under the circumstances it deems necessary for maintaining a fair and orderly conduct of market activities and for protecting investor and public interest, the Exchange will cancel any OTC transaction report on the same day the OTC transaction has been reported if one or more elements of the report are wrong.

#### Article 257

The person who reported the OTC transaction one or more elements of which are wrong shall submit a request to the Exchange to cancel the report as soon as possible after reporting the OTC transaction, but no later than 5 (five) minutes after the close of trading.

#### Article 258

After receiving the request for report cancellation by the person who reported the OTC transaction, the Exchange will send notification via the trading system and its website to the effect that a particular OTC transaction report is erroneous and that, if possible, the same should be cancelled.

### **6.6 TRADING SUSPENSION**

#### **6.6.1 Trading suspension for technical reasons**

##### Article 259

(1) In the event that due to trading system disturbances (access data link for data exchange between the computer system of the member firm and the trading system) or for other relevant reasons 20% or more member firms are unable to establish communication with the trading system, the Exchange may suspend trading.

(2) In calculating the percentage referred to in paragraph 1 of this article:

1. any suspended member firms shall not be taken into account;
2. the percentage shall always be rounded up.

(3) The Exchange shall post the information on trading suspension on its website and shall send it to the Agency.

#### **6.6.2 Trading suspension due to extraordinary market volatility**

##### Article 260

(1) Should the CROBEX® index fall 10% or more compared to its last value on the previous trading day, the Exchange shall suspend share trading for a time stipulated in this paragraph:

- (a) before 1:00 p.m., for 1 (one) hour,

(b) at or after 1:00 p.m., for 30 (thirty) minutes.

(2) Should the CROBEX® index again fall 10% or more compared to its last value on the previous trading day at or after 1:00 p.m., trading will continue until the end of the trading day, unless the CROBEX® index falls 15% or more compared to its last value on the previous trading day, where trading will be suspended until the end of the trading day.

(3) The Exchange shall post the information on trading suspension on its website and shall send it to the Agency.

(4) The Exchange shall inform member firms, the Agency and the public of the resumption of trading, suspended pursuant to paragraphs 1 and 2 of this article.

#### Article 261

The provisions of Articles 259 and 260 of these Rules shall not preclude the right of the Exchange to suspend or temporarily suspend trading in any financial instrument or trading in a particular regulated market segment or on the MTF managed by it in accordance with the provisions of the CMA and of these Rules.

### **6.7 RESPONSIBILITY OF THE EXCHANGE**

#### Article 262

The Exchange waives responsibility and liability to the member firm and third persons for any direct or indirect damage and/or loss of profit caused by the following:

1. failures, data loss or modification, failure to conclude expected deals and/or in another manner arising out of or as a consequence of interruptions, inability to use, failure or malfunction of the computer equipment of the member firm or of the Exchange, of the computer system of the member firm, data link or the trading system;
2. failures, data loss or modification, failure to conclude expected deals and/or in another manner occurring due to the use or attempt to use the computer equipment of the member firm or of the

Exchange, or the computer system of the member firm, data link or the trading system for any other purposes except those stipulated by these Rules;

3. interruption in the electricity supply, electric shock, fire or other circumstances beyond the control of the Exchange, which directly or indirectly cause irregularities or interruption in the operation of the computer equipment of the member firm or of the Exchange, of the computer system of the member firm, data links or the trading system, and which directly or indirectly prevented a fair, orderly and efficient trading;

4. use of the computer system of the member firm, data links or the trading system in a manner which is not in accordance with the provisions of these Rules, implementing documents, technical instructions and other instruction for the use of information equipment or data links provided by the Exchange, equipment manufacturer and/or distributor or by the communication services provider.

## **6.8 CLEARING AND/OR SETTLEMENT**

### Article 263

(1) Clearing and/or settlement of any transactions on the regulated market or the MTF in the financial instruments entered in the central depository or in the central registry managed by the CDCC shall be conducted in accordance with the rules and instructions of the CDCC, unless the Exchange chooses another clearing and/or settlement system in the Republic of Croatia or another Member State for the purpose of clearing and/or settlement of individual and/all all transactions done on the regulated market or the MTF, in accordance with the provisions of the CMA and other regulations.

(2) The Exchange shall inform member firms and the public about selecting another clearing and/or settlement system in respect of individual and/all all transactions done on the regulated market or the MTF via its website immediately on receiving approval of the Agency

## **7. TRADING TRANSPARENCY**

### **7.1 DISCLOSURE OF ORDER AND MARKET DEPTH DATA**

#### Article 264

The Exchange shall disclose the following data in respect of the financial instruments listed on the regulated market:

1. in respect of the financial instruments traded in the main trading session – at least 5 (five) most favourable buy and sell orders at each price level,
2. for the auction – theoretical opening price and the amount to be traded at the close of the pre-opening session, in accordance with Articles 176 through 179 of these Rules.

### **7.2 TRANSACTION DATA DISCLOSURE**

#### Article 265

In respect of any financial instruments listed on the regulated market, the Exchange shall disclose the transaction data including at least the following:

1. transaction date,
2. transaction time,
3. financial instrument ticker,
4. unit price of the financial instrument,
5. currency in which the price is expressed,
6. transaction volume of the financial instrument,
7. place of trading at which the transaction was conducted.

### **7.3 ENSURING TRADING DATA AVAILABILITY**

#### *Article 266*

The Exchange shall ensure the availability of any data referred to in Articles 264 and 265 of these Rules continually in the course of regular trading hours, as close to the real time as possible, at a fee defined in the Price list

#### *Article 267*

The provisions of Articles 264 through 266 of these Rules shall also apply to disclosure of trading data on the financial instruments traded on the MTF.



## **8. CONFLICT OF INTEREST COMMITTEE**

### *Article 268*

The Conflict of Interest Committee shall be an advisory body of the Exchange.

### *Article 269*

(1) The Exchange, Exchange shareholders, Members of the Exchange and issuers, as well as the management or supervisory board members and employees of the said persons, shall not put their private interest above the public interest in the orderly operation of the regulated market.

(2) The conflict of interest shall exist when private interests of the persons referred to in paragraph 1 of this article clash with the public interest in the orderly operation of the regulated market, and particularly when private interests of such a person affects, may be deemed to affect or may affect its impartiality:

1. in performing the tasks related to the operation of the regulated market;
2. in relation to the persons participating in trading on the regulated market or
3. in due performance of the Exchange obligations.

### **8.1 COMPETENCE**

#### *Article 270*

(1) The Conflict of Interest Committee shall be competent for:

1. initiating a procedure to decide on the conflict of interest and issuing an opinion on whether a certain action or failure represents a violation of Article 269(2) of these Rules;
2. developing recommendations and guidelines for efficiently preventing conflicts of interest.

(2) The procedure for identifying a conflict of interest shall be initiated at the request of the Exchange or of a member of the Committee.

## **8.2 MEMBERS**

### *Article 271*

(1) The Conflict of Interest Committee shall consist of 5 (five) members:

1. a member of the Exchange Management Board,
2. a representative of Exchange shareholders,
3. a representative of the Members of the Exchange,
4. a representative of the issuers whose financial instruments are listed on the Official or Prime Market,
5. a representative of professional investors.

(2) The persons listed in paragraph 1 items 3 and 5 of this article shall be proposed by the appropriate professional associations at the Croatian Chamber of Economy, if any.

## **8.3 APPOINTMENT OF COMMITTEE MEMBERS**

### *Article 272*

(1) Committee members shall be appointed by the Exchange for a 2 (two) year term in the manner and according to the procedure defined by these Rules.

(2) No later than 30 (thirty) days before the expiry of mandate of the Committee members, the Exchange shall invite the proponents set forth in Article 271(2) of these Rules to propose the candidates for membership of the Committee within 15 (fifteen) days from the day of invitation dispatch.

(3) If the proponents fail to submit their proposals within 15 (fifteen) days from the day the day of invitation dispatch, the Exchange will appoint Committee members autonomously.

(4) A list of committee members, stating the grounds on which each member has been appointed, shall be posted by the Exchange on its website.

## **8.4 TERMINATION OF MANDATE**

### *Article 273*

(1) The mandate of Committee members shall terminate:

1. by death or under the circumstances preventing the Committee member in the discharge of duties,
2. by resignation,
3. in the event of circumstances incompatible with the discharge of duties of the Committee member (e.g. compromising the Exchange reputation, expulsion of the Committee member from the professional association, inappropriate public statements etc.),
4. on expiry of the term for which the member was appointed.

(2) In the event referred to in paragraph 1 items 1 through 3 of this article, the Exchange will appoint a new member to replace that whose mandate has terminated.

(3) The mandate of the member appointed in accordance with paragraph 2 of this article shall run until the expiry of the term of the member in whose place they were appointed.

## **8.5 DECISION MAKING**

### *Article 274*

(1) The Committee shall decide in meetings by a majority of votes of all members.

(2) The Committee shall issue opinions, recommendations and guidelines.

(3) The Committee shall give its opinion on the existence of conflicts of interest concerning very specific persons and circumstances.

(4) The Committee shall issue its recommendation concerning the action and measures relating to the person found to have a conflict of interest.

(5) The Committee shall issue guidelines to efficiency prevent conflicts of interest.

(6) If the Committee fails to take an appropriate decision within 7 (seven) days from the day of submission of a request of the Exchange or of the Committee member, the Exchange shall take action regardless of the absence of such a decision.

(7) Any opinions, recommendations and guidelines of the Committee shall be posted on the Exchange website.

## **8.6 EXEMPTION OF COMMITTEE MEMBER**

### *Article 275*

(1) A Committee member who has a conflict of interest in discharging any duties as the Committee member shall be excused, at their own request or at the request of another Committee or Exchange member, from participating in the Committee activities each time the Committee decides on the issue which gives rise to that conflict of interest.

(2) The exemption shall be decided by the Committee, with the member concerned having no vote in it.

## **8.7 RULES OF PROCEDURE**

### *Article 276*

Other issues related to the work of the Committee which are not regulated by these Rules shall be regulated by the Rules of Procedure governing the Committee work to be adopted by the Exchange, with a prior opinion of the Committee.

## 9. SURVEILLANCE

### Article 277

In order to protect capital market integrity and investor confidence, the Exchange shall conduct surveillance of:

1. trading on the regulated market and the MTF,
2. member firms,
3. issuers

within the scope of its competence stipulated by the CMA, other regulations and these Rules.

### 9.1 TRADING SURVEILLANCE

#### Article 278

The Exchange shall conduct surveillance of trading on the regulated market and the MTF and in respect of all financial instruments.

#### Article 279

(1) Trading surveillance by the Exchange shall be conducted by:

1. monitoring and analysing order entry and conducting of any transactions via the Exchange trading system on the regulated market and in respect of all financial instruments;
2. monitoring and analysing other data and information which may relevant to the creation of transactions and the terms under which they are done;
3. temporarily suspend trading when it become evident that trading can no longer be done on equal terms or that is not founded on disclosed information;
4. monitoring and analysing requests for trade cancellation;
5. monitoring and analysing the initiation of volatility interruptions;

6. taking action to prevent and detect market abuse in accordance with these Rules and any procedures stipulated by the Rules, CMA provisions and other regulations.

(2) Trading surveillance shall be conducted by using a computer surveillance system which systematically collects and evaluates trading data, facilitating the necessary investigative action.

### **9.1.1 Rules and procedures to prevent and detect market abuse**

#### Article 280

In order to control whether on Exchange trading is conducted in a fair and orderly manner and to detect any potential action indicative of market abuse, the Exchange shall implement measures and procedures aimed at:

1. preventing market abuse, stipulated in Chapter 9.1.2 of these Rules and
2. detecting market abuse, stipulated in Chapter 9.1.3 of these Rules.

#### Article 281

The provisions of these Rules shall apply to Members of the Exchange in the course of controlling their actions while:

1. entering, modifying and cancelling orders,
2. conducting transactions done by member firms via the trading system in proprietary trading and trading for the account of their clients.

### **9.1.2 Exchange measures and actions to prevent market abuse**

#### Article 282

The measures and actions taken by the Exchange in order to prevent market abuse shall be in particular:

1. a systematic collection and evaluation of trading statistics and data;

2. establishing an appropriate investor information system and mechanism to protect trading for the purpose of ensuring fair, orderly and efficient trading;
3. placing financial instruments and issuers in the observation segment;
4. a temporary trading suspension of the financial instrument;
5. education of capital market participants on the subject of market abuse.

#### **9.1.2.1 Observation segment**

##### Article 283

(1) The Exchange may temporarily place shares and other financial instruments in a special observation segment in order to draw the attention of the investment public to the need for increased monitoring of the circumstances relevant to trading in the respective financial instrument.

(2) Any financial instrument or issuer finding itself in certain specific circumstances which require disclosure to investors may be the subject of surveillance.

(3) The financial instrument or issuer may temporarily be placed in the observation segment:

1. if the issuer is undergoing a takeover bid or if the bidder has disclosed its intention to publish the takeover bid for the issuer;
2. if the issuer is undergoing status changes in accordance with the provisions of the CMA or of the regulations governing the establishment and operation of companies;
3. if the issuer is undergoing restructuring or if bankruptcy or liquidation proceedings, including significant forcible collection of its debts and account blockage, have been initiated against the issuer;
4. if the issuer is unable to service its liabilities in respect of a financial instrument;
5. if significant issuer's management or supervisory board or management board or AGM resolutions are due;
6. if a decision of the Government or another body with a public authority concerning the issuer, which may have a significant effect on the price of the financial instrument, is due;

7. in case of unconfirmed market rumours which may have a significant effect on the price of the financial instrument;

8. in case of any other circumstances which may lead to significant uncertainty with regard to the issuer or pricing of the financial instrument.

(4) The surveillance shall last until the investment community is informed about the circumstances under which the financial instrument was placed in the observation segment, but will generally not exceed 3 (three) months.

(5) A list of the financial instruments and/or issuers placed in that segment shall be posted by the Exchange on its website, stating the reasons for surveillance.

(6) The issuer may submit a written request to the Exchange, seeking an abolishment of classification in the observation segment. The request shall be properly explained.

#### **9.1.2.2 Response to volatility interruption**

##### Article 284

(1) The Exchange shall decide whether to seek a response on the circumstances triggering a volatility interruption and/or when the limit of price change is exceeded.

(2) In the event that the volatility interruption is triggered more than twice consecutively in the same trading day due to the share price movement in the same direction, the Exchange will seek a response from the issuer and/or member firm and initiate other procedures related to surveillance of the issuer, trading and member firms if necessary.

(3) By way of derogation from paragraph 2 of this article, where the volatility interruption is triggered and/or limit of price change in respect of the shares listed on the Official or Prime Market is exceeded, the Exchange will seek the issuer's response after the first volatility interruption in the trading day, except in case of a manifest error.

(4) The provisions of this article shall not apply in case that a financial instrument has been listed on the regulated market without the issuer consent.



### 9.1.2.3 Temporary trading suspension of the financial instrument

#### Article 285

(1) The Exchange shall temporarily suspend trading in a financial instrument:

1. pursuant to a decision issued by the Agency or another competent authority;
2. if necessary for the purpose of a certain change relating to the financial instrument being implemented by the central depository or by the central registry and/or clearing and/or settlement system;
3. in other cases, when required for the purpose of investor protection.

(2) In the event referred to in paragraph 1 item 3 of this article, a temporary trading suspension of the financial instrument may not exceed 10 (ten) trading days.

#### Article 286

(1) Without prejudice to the events set forth in Article 285 of these Rules, the Exchange may also suspend share trading:

1. if it receives notification of the intention to publish a takeover bid and/or a takeover bid for the target company, where the shares are subject to continuous trading;
2. if the issuer notifies the Exchange of the motion to initiate pre-bankruptcy settlement, bankruptcy or liquidation proceedings, where the shares are subject to continuous trading;
3. in the event of failure by the issuer to comply with the provisions of the Rules in the section which refers to the post-listing requirements.

(2) In the event referred to in paragraph 1 item 1 of this article, the Exchange shall suspend trading in the shares after receiving notification of the issuer, or of the bidder within the meaning of the regulations governing company takeover.

(3) In the event referred to in paragraph 1 item 2 of this article, the Exchange shall suspend trading in the shares after receiving notification of the issuer on the initiation of pre-bankruptcy settlement, bankruptcy or liquidation proceedings.

(4) In the event referred to in paragraph 1 items 1 through 3 of this article, a temporary trading suspension of the financial instrument may not exceed 10 (ten) trading days.

#### Article 287

(1) Without prejudice to the events set forth in Article 285 of these Rules, the Exchange may also suspend trading in bonds and money market instruments:

1. if the issuer is unable to service its liabilities in respect of the financial instrument (e.g. interest payment, redemption on maturity etc.);
2. if the issuer notifies the Exchange of the motion to initiate pre-bankruptcy settlement, bankruptcy or liquidation proceedings;
3. in the event of failure by the issuer to comply with the provisions of the Rules in the section which refers to the post-listing requirements.

(2) In the event referred to in paragraph 1 of this article, the Exchange shall suspend trading in bonds or in money market instruments on receiving notification of the issuer, or of the clearing and/or settlement system about the said circumstances.

(3) In the event referred to in paragraph 1 items 1 through 3 of this article, a temporary trading suspension of the financial instrument may not exceed 10 (ten) trading days.

#### Article 288

(1) Without prejudice to the events set forth in Article 285 of these Rules, the Exchange shall suspend trading in structured products:

1. if the issuer notifies the Exchange that the price of the underlying instrument has reached the cap or the floor of the structured product;
2. due to a trading suspension of the underlying instrument, at the request of the issuer of the structured product;

3. on a holiday of the regulated market or the Exchange on which the Underlying instrument is listed, at the request of the issuer of the structured product,

4. in the event of the early structured product maturity, at the request of the issuer of the structured product.

(2) In the event referred to in paragraph 1 item 1 of this article, the Exchange shall suspend trading in the structured product after receiving notification of the issuer about the price of underlying reaching the cap or the floor of the structured product.

(3) In the event referred to in paragraph 1 item 2 of this article, the Exchange shall suspend trading in the structured product after receiving notification of the issuer about the trading suspension of the underlying instrument. Trading in the structured product shall resume after the Exchange receives notification of the issuer about the trading suspension of the underlying instrument being lifted.

(4) In the event referred to in paragraph 1 item 3 of this article, the Exchange shall suspend trading in the structured product after receiving notification of the issuer about a holiday on the regulated market or exchange on which the structured product is listed. The structured product issuer shall submit a request to the Exchange seeking a temporary trading suspension no later than 5 (five) trading days before the day on which it is seeking a temporary trading suspension of the structured product.

(5) In the event referred to in paragraph 1 item 4 of this article, the Exchange shall suspend trading in the structured product after receiving notification of the issuer about the early maturity of the structured product.

#### Article 289

In the events referred to in Article 285(1) item 3, Articles 286, 287 and 288(1) items 2 and 3 of these Rules, the Exchange will not suspend trading if such a suspension is likely to cause considerable damage to investor interests or to the orderly market functioning.

### 9.1.3 Exchange measures and actions to detect market abuse

#### Article 290

The measures and actions taken by the Exchange to detect market abuse shall be in particular:

1. monitoring trends and detecting major deviations in the movement of prices or turnover of individual financial instruments;
2. monitoring trends and detecting major deviations in the frequency of orders, their presence in the order book and execution through transactions;
3. monitoring and analysing price formation in certain sessions of trading in particular financial instruments;
4. monitoring the procedure of trade cancellation;
5. monitoring the connection between media reports and disclosure by the issuers of financial instruments with the turnover or price movements prior to and after public disclosure;
6. conducting surveillance of Exchange Members.

#### Assessment principles on suspicion of market abuse

#### Article 291

In assessing whether an activity of the member firm or another market participant is such as to give rise to the suspicion of market abuse, in addition to the circumstances stipulated by the provisions of the CMA and of other regulations issued by the Agency, the Exchange shall take in to account in particular:

1. whether the activity affects triggering of the volatility interruption, market liquidity and efficiency;
2. whether the activity enables a timely and appropriate reaction by all market participants to new market conditions, created by such activity;
3. whether the activity poses a risk to market integrity;
4. structural characteristics of the market, type of financial instrument, characteristics of participants in that market;

5. significant changes in the market environment, including but not limited to the rules of trading;
6. opinions and recommendations of the Agency relating to the detection and prevention of market abuse.

#### **9.1.3.1 Procedure with unusual orders, transactions or activities of member firms indicative of market abuse**

##### Article 292

In the event that it identifies unusual orders, transaction or activities which indicate the possibility of market abuse, depending on the particular case, the Exchange shall:

1. seek response of the issuer, if and when necessary;
2. seek response of the member firm, if and when necessary;
3. request submission of data from order and/or transaction records and other documents from the member firm;
4. perform analysis of historical data related to orders and transactions;
5. submit to the Agency a case study with its opinion and documentation.

##### Exchange powers during surveillance

##### Article 293

In order to preserve market integrity, protect investors and ensure fair and orderly market activities, in the event that a buy or a sell order was entered or a transaction conducted in the manner giving rise to the effects contrary to the provisions of the CMA and other regulations or these Rules, as part of surveillance the Exchange shall have the right to:

1. order a member firm to cancel an order;
2. cancel the order itself;
3. cancel a transaction;

4. inspect the records and documents of the member firm which the Exchange deems necessary for conducting surveillance;
5. impose on the member firm a measure to protect market integrity according to these Rules.

#### **9.1.3.2 Trade cancellation**

##### Article 294

- (1) The Exchange may cancel an on-Exchange transaction to protect the public interest, investors and a fair, orderly and efficient conduct of market activities.
- (2) The Exchange shall have the right to cancel any transaction:
  1. which may lead to a distorted view of the market with respect to the price and quantity of financial instruments;
  - 2 which results from a manifest error in entering order parameters in the trading system.
- (3) The Exchange shall not cancel a transaction occurring as a result of the pre-opening session, volatility interruption or a transaction done in the auction.
- (4) The Exchange shall cancel any transaction pursuant to a decision of the court or another public authority.
- (5) Trade cancellation shall not preclude any obligations to the Exchange arising from it.
- (6) On learning about the existence of possible reasons for cancellation, in the course of the trading day in which the transaction was done, the Exchange shall cancel the transaction as soon as possible, but no later than the close of trading.
- (7) In exceptional circumstances, the transaction defining the last price of a financial instrument on a particular trading day may be cancelled.

### 9.1.3.2.1 Erroneous order parameter entry

#### Article 295

(1) Under the circumstances it deems necessary for a fair and orderly conduct of market activities, protection of investors and public interest, the Exchange may cancel any transaction if one or more order parameters (e.g. financial instrument price, quantity or ticker) as the basis for the transaction are manifestly wrong.

(2) It shall be deemed necessary to cancel the transaction if it may lead to a significant and an illogical change of the overall view of the trading activity, in particular:

1. if it deviates considerably from the prevailing market price or from the theoretical price of the structured product before transaction time;
2. if such a change is sudden and of extraordinary nature, causing a movement of the highest or of the lowest (daily) price.

(3) In assessing the circumstances referred to in paragraph 2 of this article, the Exchange will take into account current market circumstances, trading activity, volatility, transaction size as well as the theoretical price of structured products and other parameters affecting the valuation of the financial instrument.

(4) The Exchange will not cancel a transactions resulting from an erroneous entry of the order price if the transaction is within the normal current trading range and has no characteristics described in paragraph 2 of this Article.

(5) The Members which becomes aware that the transaction resulted from an erroneous order entry shall notify the Exchange of the fact as soon as possible, but no later than 5 (five) minutes after trading closes.

#### Article 296

(1) Immediately after becoming aware of or after receiving notification of the member firm about the transaction resulting from an erroneous order entry, the Exchange shall send notification via the trading system and its website to the effect that a certain transaction is being verified, so it may be cancelled.

(2) On completing the verification, the Exchange shall send notification via the trading system and its website saying that the transaction has been cancelled or that the transaction is correct.

## 9.2 SUPERVISION OF MEMBER FIRMS

### Article 297

(1) Supervision of member firms refers to the monitoring of compliance by member firms with the obligations stipulated by these Rules and detecting violation of the following provisions of the Rules:

1. rules of trading,
2. rules to prevent and detect market abuse,
3. compliance with membership criteria and the criteria for the performance of specialist and/or market maker activities.

(2) The Exchange employees authorised by the Exchange in writing shall have the right to conduct supervision of the member firm by inspecting any business ledgers and records kept by the member firm in relation to its business operations.

(3) member firms are required to provide access to the persons authorised by the Exchange to their business premises, business ledgers, records and other documents which are necessary for conducting supervision.

(4) The Exchange shall notify the member firm of the supervision referred to in paragraph 3 of this article at least 1 (one) day before conducting it.

(5) Any data collected by the persons referred to in paragraph 2 of this article in the course of supervision, with the exception of any data concerning proven irregularities which have been confirmed by the Exchange, shall be confidential and will not be disclosed by the Exchange to third persons.

(6) The provision of paragraph 5 of this article shall not apply to any notifications sent to the Agency or other competent government agencies.



### 9.3 SUPERVISION OF THE ISSUER

#### Article 298

(1) The Exchange shall conduct supervision of issuers and of any financial instruments listed on the regulated market to determine whether the issuer or the financial instrument meet the criteria for regulated market listing and/or whether the issuer complies with the post-listing requirements stipulated by these Rules, in particular the obligation to disclose:

1. financial statements within the time frame stipulated by the CMA,
2. notices of the AGM and any resolutions adopted at the AGM within the time frame stipulated by these Rules,
3. information on corporate actions and
4. other price sensitive information.

(2) In conducting supervision referred to in paragraph 1 of this article, depending on the circumstances of each particular case, the Exchange shall take the following actions and shall perform the following activities:

1. monitor notifications of the central depository or of the central registry and clearing and/or settlement system relating to any corporate actions and status changes of the issuer, and to changes in the circumstances which may affect the issuer status or the status or characteristics and the exercise of the rights attaching to the financial instrument;
2. monitor daily and periodical print media and the official gazette of the Republic of Croatia;
3. monitor information disclosure in the media and any information which is publicly disclosed by the issuer via the Exchange;
4. seek issuer response on any circumstances and facts of price sensitive nature relating to the issuer or to the financial instrument;
5. take other action and perform other activities in accordance with these Rules.

## **10. COMMITTEE FOR MARKET PROTECTION MEASURES**

### **Article 299**

The Committee for Market Protection Measures shall be an advisory body of the Exchange.

### **10.1 COMPETENCE**

#### **Article 300**

(1) The competence of the Committee for Market Protection Measures shall be:

1. proposing the initiation of surveillance of the issuers and/or member firms;
2. issuing opinions on whether an action of particular issuer or member firm constitutes a violation of these Rules;
3. issuing recommendations for imposing measures to protect market integrity on the issuer or the member firm;
4. developing guidelines for improving supervision of the issuers or member firms and the system of measures to protect market integrity.

(2) The Committee shall deliberate and decide on the issues within the scope of its competence at the request of the Exchange.

### **10.2 MEMBERS**

#### **Article 301**

(1) Committee members shall have appropriate professional knowledge in the field of economics, law and finance, and the majority of Committee members shall have professional expertise in the field of the capital market.

(2) The Committee for Market Protection Measures shall consist of 7 (seven) members:

1. a member of the Exchange Management Board,

2. a representative of the academic community of the teaching and research staff of the Faculty of Economics,
3. a representative of the academic community of the teaching and research staff of the Faculty of Law,
4. a representative from the ranks of arbitrators listed with the Permanent Arbitration Court of the Croatian Chamber of Economy,
5. a representative of the Members of the Exchange,
6. a representative of the issuers whose financial instruments are listed on the Official or Prime Market,
7. a representative of professional investors.

(3) The persons listed in paragraph 2 items 5 and 7 of this article shall be proposed by the appropriate professional associations at the Croatian Chamber of Economy, if any.

### **10.3 APPOINTMENT OF COMMITTEE MEMBERS**

#### Article 302

(1) Committee members shall be appointed by the Exchange for a 3 (three) year term in the manner and according to the procedure defined by these Rules.

(2) No later than 30 (thirty) days before the expiry of mandate of the Committee members, the Exchange shall invite the proponents set forth in Article 301(2) of these Rules to propose the candidates for membership of the Committee within 15 (fifteen) days from the day of invitation dispatch.

(3) If the proponents fail to submit their proposals within 15 (fifteen) days from the day the day of invitation dispatch, the Exchange will appoint Committee members autonomously.

(4) A list of committee members, stating the grounds on which each member has been appointed, shall be posted by the Exchange on its website.

## 10.4 TERMINATION OF MANDATE

### Article 303

(1) The mandate of Committee members shall terminate:

1. by death or under the circumstances preventing the Committee member in the discharge of duties;
2. by resignation;
3. in the event of circumstances incompatible with the discharge of duties of the Committee member (e.g. compromising the Exchange reputation, expulsion of the Committee member from the professional association, inappropriate public statements etc.),
4. on expiry of the term for which the member was appointed.

(2) In the event referred to in paragraph 1 items 1 through 3 of this article, the Exchange will appoint a new member to replace that whose mandate has terminated.

(3) The mandate of the member appointed in accordance with paragraph 2 of this article shall run until the expiry of the term of the member in whose place they were appointed.

## 10.5 DECISION MAKING

### Article 304

(1) The Committee shall decide at meetings by a majority vote, provided that a meeting is attended by the majority of the total number of members.

(2) The Committee shall issue opinions, recommendations and guidelines.

(3) The Committee shall issue opinions on whether an action of a particular issuer or member firm constitutes a violation of these Rules;

(4) The Committee shall issue a recommendation to the Exchange to impose measures to protect market integrity in the event that an issuer or a member firm has been found to have violated these Rules;

(5) The Committee shall develop guidelines for improving supervision of the issuers or member firms and the system of measures to protect market integrity.

(6) If the Committee fails to take an appropriate decision within 7 (seven) days from the day of submission of a request of the Exchange or of the Committee member, the Exchange shall take action regardless of the absence of such a decision.

## **10.6 EXEMPTION OF COMMITTEE MEMBER**

### *Article 305*

(1) A Committee member who has a conflict of interest in discharging any duties as the Committee member shall be excused, at their own request or at the request of another Committee or Exchange member, from participating in the Committee activities each time the Committee decides on the issue which gives rise to that conflict of interest.

(2) The exemption shall be decided by the Committee, with the member concerned having no vote in it.

## **10.7 RULES OF PROCEDURE**

### *Article 306*

Other issues related to the work of the Committee which are not regulated by these Rules shall be regulated by the Rules of Procedure governing the Committee work to be adopted by the Exchange, with a prior opinion of the Committee

## **11. MEASURES TO PROTECT MARKET INTEGRITY**

### *Article 307*

The Exchange may impose a measure to protect market integrity on any member firm or issuer for violating the provisions of these Rules and/or other regulatory Exchange documents.

### **11.1 MEASURES IMPOSED ON MEMBER FIRMS**

#### *Article 308*

The measures to protect market integrity which the Exchange may impose on a member firm shall be the following:

1. non-public warning,
2. public warning,
3. fine,
4. suspension of membership,
5. termination of membership by expulsion.

### **11.2 MEASURES IMPOSED ON ISSUERS**

#### *Article 309*

The measures to protect market integrity which the Exchange may impose on an issuer shall be the following:

1. non-public warning,
2. public warning,
3. fine,
4. delisting.

## **11.3 TYPES OF MEASURES**

### **11.3.1 Non-public warning**

#### Article 310

- (1) Non-public warning shall be imposed in case of lesser violations by a member firm or an issuer of the provisions of these Rules and other regulatory Exchange documents.
- (2) Non-public warning shall be imposed in writing.

### **11.3.2 Public warning**

#### Article 311

- (1) Public warning shall be imposed in case of grave or repeated violations by a member firm or an issuer of the provisions of these Rules and other regulatory Exchange documents.
- (2) Public warning may also be imposed by the Exchange if it finds that the non-public warning would not be sufficient to affect the conduct of the respective member firm or issuer on which it is imposed or if it finds that, in view of the significance of the violations of the Rules, there is justification for informing the public of the measure to protect market integrity being imposed.
- (3) Public warning shall be imposed in writing.
- (4) Public warning shall be posted on the Exchange website.

### **11.3.3 Fine**

#### Article 312

- (1) A fine shall be imposed as an ancillary or the principal sanction.
- (2) It shall be imposed as an ancillary sanction along with a public or a non-public warning.
- (3) A fine shall be imposed as the principal sanction for grave or repeated violations by a member firm or an issuer of the provisions of these Rules and other regulatory Exchange documents.
- (4) The amount of the fine imposed shall be set at

- up to HRK 100,000.00, when it is imposed as an ancillary sanction;
- up to HRK 250,000.00, when it is imposed as the principal sanction grave or repeated violations by the member firm or issuer of the provisions of these Rules and other regulatory Exchange documents;
- up to HRK 500,000.00, when it is imposed as the principal sanction for particularly grave violations by the member firm or issuer of the provisions of these Rules and other regulatory Exchange documents.

(5) In setting the amount of the fine, the Exchange will take into account both the size and the financial strength of the respective member firm or issuer

#### **11.3.4 Suspension and termination of membership by expulsion**

##### Article 313

The sanctions of suspension or termination of membership by expulsion shall be imposed in the events stipulated in Article 41 of these Rules.

#### **11.3.5 Delisting**

##### Article 314

Delisting, as a measure to protect market integrity, shall be imposed where the issuer or the financial instrument no longer meet the criteria for listing in the respective market and/or in the event of non-compliance by the issuer with the post-listing requirements stipulated by these Rules or other regulatory Exchange documents.

### **11.4 DETERMINING SANCTION TYPE AND SIZE**

##### Article 315

(1) In deciding to impose a measure to protect market integrity on a member firm or an issuer, the Exchange will take into account any circumstances of the case as well as any previous violations of



the Rules and other regulatory Exchange documents by the member firm or issuer and the opinion or recommendation of the Committee for Market Protection Measure.

(2) In deciding on the gravity of any violations of the Rules and other regulatory Exchange documents, the following in particular shall be deemed as extenuating circumstances:

1. proof of discontinued conduct violating the Rules and other regulatory Exchange documents submitted by the member firm or issuer, immediately on learning about the sanction procedure or before it is initiated;
2. cooperation on eliminating possible consequences of any violations of the Rules and other regulatory Exchange documents of the member firm or the issuer on their own initiative, immediately on identifying the circumstance which is deemed to constitute a violation of the Rules and other regulatory Exchange documents.

(3) In deciding on the gravity of any violations of the Rules and other regulatory Exchange documents, the following in particular shall be deemed as aggravating circumstances:

1. continued conduct of a member firm or an issuer in violation of the Rules and other regulatory Exchange documents even after receiving an earlier Exchange resolution finding which the member firm or the issuer to have violated the Rules and other regulatory Exchange documents with such conduct;
2. similar repeated conduct of a member firm or an issuer in violation of the Rules and other regulatory Exchange documents even after receiving an earlier Exchange resolution finding which the member firm or the issuer to have violated the Rules and other regulatory Exchange documents with such conduct;
3. refusal by a member firm or an issuer to cooperate with the Exchange in the proceedings;
4. interfering with the Exchange in the course of proceedings, including by providing false, misleading or incomplete information;
5. the role of initiator or instigator of other member firms or issuers to violate the Rules and other regulatory Exchange documents, and any other actions and activities undertaken to secure participation of other member firms and issuers in the violation of the Rules and other regulatory Exchange documents.

## Fact establishing

### Article 316

(1) The Exchange shall enable a member firm or an issuer to give an account of any fact and circumstance important for the resolution of the matter, except where the true state of affairs may be established from the fact and information available to the Exchange, when the member firm or issuer account is impossible or for other legitimate reasons.

(2) To establish the facts and circumstances which are relevant to a clarification of the true state of affairs, the Exchange may:

1. hear members of the management, procurators or other persons employed at the member firm who, in the Exchange opinion, may have necessary knowledge of the facts, documents, information or other evidence relevant to the clarification of the true state of affairs;

2. conduct supervision on the premises of the member firm, in accordance with Article 297 of these Rules.

(3) The member firm or the issuer shall be required to answer any questions and submit any documents, information and other evidence relevant to the clarification of the true state of affairs.

(4) Any member firm or issuer acting in contravention of the provision of paragraph 3 of this article shall be deemed to be committing a particularly grave violation of the provisions of these Rules.

#### **11.4.1 Opinion and recommendation of the committee for market protection measures**

### Article 317

On completing the proceedings aimed at establishing the facts and circumstances relevant to determining the true state of affairs, the Exchange will seek an opinion or a recommendation of the Committed for Market Protection Measures on the concrete case, except if the Committee has already decided on a factually identical or similar matter.

## TRANSITIONAL AND FINAL PROVISIONS

### Manuals and other documents

#### Article 318

- (1) Any manuals and other documents necessary for the implementation of these Rules shall be issued by the Exchange.
- (2) The Exchange shall post any documents referred to in paragraph 1 of this article on its website at least 7 (seven) trading day prior to the their application.

### Interpretation

#### Article 319

- (1) An authentic interpretation of the provisions of these Rules shall be provided by the Exchange.
- (2) An application for the provision of an authentic interpretation of the provisions of these Rules shall be submitted to the Exchange in writing, indicating the provision for which an interpretation is sought and the reasons for it.
- (3) The Exchange is authorised to seek further clarifications from the applicant.
- (4) The Exchange shall issue the interpretation in writing within 60 (sixty) days of the day the application referred to in paragraph 2 of this article is submitted.

### Effective date

#### Article 320

- (1) These Rules shall enter into force on the day following the day of the Agency approval, with the exception of the provision of Article 218(1) which shall enter into force a year from the effective date of these Rules, and Article 147 item 3 which shall enter into force a month from the effective date of the Rules.
- (2) On the day these Rules enter into force, the Rules approved on 19 May 2011 by the Agency Decision (Class: UP/I-451-04/11-04/3, Reg. No.: 326-111-11-3) and the amendments of the Rules

approved on 24 November 2011 by the Agency Decision (Class: UP/I-451-04/11-04/6, Reg. No.: 326-111-11-3), on 23 May 2012 (Class: UP/I-451-04/12-04/4, Reg. No.: 326-111-12-3) and on 13 December 2012 (Class: UP/I-451-04/12-04/8, Reg. No.: 326-772-12-4) shall cease to be valid.

#### Article 321

- (1) From the effective date of these Rules, any financial instruments included in trading on the Domestic MTF shall be deemed included in trading on the MTF – Fortis.
- (2) From the effective date of these Rules, any financial instruments included in trading on the International MTF shall be deemed included in trading on the MTF – Alter.
- (3) From the effective date of these Rules, any contracts for the performance of specialist activities in respect of structured products concluded by and between the Exchange and member firms shall be deemed to be the contracts for the performance of market maker activities.

#### Article 322

- (1) Any manuals and resolutions necessary for the implementation of these Rules shall be issued by the Exchange no later than 30 September 2013.
- (2) By the time the documents referred to in paragraph 1 of this Article are issued, the documents issued pursuant to the Rules referred to in Article 320(2) of these Rules shall apply, unless they are contrary to the provisions of these Rules.

#### Article 323

- (1) A resolution on trading hours shall be issued by the Exchange on the day these Rules enter into force.
- (2) The resolution referred to in paragraph 1 of this article shall come into force a month after the effective date of these Rules.