



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

RULES OF THE ZAGREB STOCK EXCHANGE

Zagreb, May 2016

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

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Pursuant to the provision of Article 294 of the Capital Market Act (*Narodne Novine* (NN; Official Gazette of the Republic of Croatia) Nos 88/08, 146/08, 74/09, 54/13, 159/13, 18/15, and 110/15), at its 157th meeting held on 12 May 2016, the Management Board of the Zagreb Stock Exchange adopted the following

EXCHANGE RULES

1. INTRODUCTORY PROVISIONS

General Provisions

Article 1

(1) These Rules regulate the following:

1. scope and organisation of business of the Exchange;
2. membership, including the provisions on:
 - a) admission to membership,
 - b) organisational, personnel and technical requirements for admission 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 the provisions on clearing and/or settlement systems, which may be used by member firms to clear and/or settle any transactions concluded;
4. trading transparency;
5. financial instruments which may be traded on the regulated market operated 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 a financial instrument,
 - d) delisting;
6. trading surveillance, and the provisions on the prevention and detection of market abuse;
7. measures to protect market integrity.
- (2) These Rules shall apply together with other acts of the Exchange 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, the following objectives and principles need to be taken into account:

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,
5. reduction of systemic risk,
6. prevention of any conflicts of interest arising between the interest of the Exchange and/or that 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 activities related to trading in financial instruments listed on the regulated market determined by these Rules, in particular the following:

1. management of the regulated market;
 2. collection, processing and dissemination of trading data;
 3. tasks related to the development, maintenance and disposal of the software necessary for the performance of activities referred to in points 1 and 2 of this paragraph and
 4. any other activities within its competence under the law and other regulations.
- (2) The Exchange organisation shall be defined by the Rules of Internal Organisation and Job Classification of the Zagreb Stock Exchange, Inc.

Definitions

Article 4

(1) In these Rules, other acts of the Exchange and contracts entered into by the Exchange, unless the content of particular provisions evidently implies otherwise, the following terms shall have the following meanings:

1. **Agency** – Croatian Financial Services Supervisory Agency;
2. **actively managed ETF** – UCITS ETF in which the management company exercises discretionary powers with regard to the content of the portfolio, and which depend on the investment goals and policies;
3. **block trade** – transaction in a financial instrument listed on the regulated market or admitted to trading on the MTF, involving a member firm or members of the Exchange, arranged privately and conducted via the Exchange trading system, in accordance with these Rules;
4. **Exchange** – Zagreb Stock Exchange, Inc.;
5. **opening price** – price of a financial instrument at the end of the pre-opening session and set in accordance with Articles 150 through 153 of these Rules;
6. **price list** – Price list of the Zagreb Stock Exchange, Inc.;
7. **price sensitive information** – information laid down and inside information defined by the CMA and other regulations and by the provisions of these Rules;
8. **CROBEX®** –share index created and calculated by the Zagreb Stock Exchange, Inc. whose composition, methodology and other characteristics are defined by an Exchange resolution;

9. **member firm** – person which has concluded a contract with the Exchange for membership of the Zagreb Stock Exchange, Inc.;
10. **Direct Market Access (DMA)** – contract under which a member firm allows certain clients to electronically issue orders, which are sent automatically via an internal computer system of the member firm to the Exchange trading system with an identification code of the member firm;
11. **management company** – legal person domiciled in the Republic of Croatia or other Member State authorised by a competent authority to engage in the management of UCITS and alternative investment funds;
12. **Member State** – Member State of the European Union and signatory state of the Agreement on the European Economic Area;
13. **debt securities** – securities defined in the manner laid down by the provisions of the CMA.
14. **ETF** (Exchange Traded Fund) – open-end investment fund with a public offering (UCITS fund)
 - a) replicating a specific index or actively managed ETF
 - b) whose units are listed on the regulated market operated by the Exchange and
 - c) which has been authorised to operate as a UCITS fund.
15. **ex date** – first day on which a share is traded with no right to a dividend (settlement cycle minus -1 (one) work day of the central depository);
16. **financial instruments** – financial instruments defined in Article 3(1)(2) a. through c. of the CMA;
17. **fund replicating a specific index** – UCITS ETF with a strategy which replicates or tracks the performance of one or more indices;
18. **iNAV** (indicative net asset value) – intra-day NAV measure based on the latest information;
19. **Internet connection** – communication link using the Internet;
20. **issuer** – legal person, including the government, which has concluded a contract with the Exchange to list financial instruments on the regulated market;
21. **client** – person to whom a member firm provides services within the scope of the investment services and activities it performs;
22. **order book**– part of the trading system which contains all the orders under which transactions may be concluded;
23. **Code of Corporate Governance** – Code of Corporate Governance developed by the Exchange and the Croatian Financial Services Supervisory Agency;

24. **corporate actions** – include any activities relating to the exercise of rights attaching to securities, and to the changes concerning securities or to the status changes of the issuer;
25. **short selling** – transaction in a financial instrument which the member firm has borrowed or agreed to borrow for delivery on settlement;
26. **qualified interest** – any indirect or direct interest in a company accounting for a 10%, 20%, 30% or 50% participation in the capital or voting rights or enabling a significant influence on the management of the respective company within the meaning of the CMA;
27. **home Member State** – home Member State defined in the manner laid down by the provisions of the CMA;
28. **measures to protect market integrity** – measures which the Exchange is authorised to undertake under these Rules in respect of the member firm or issuer to protect a fair, orderly and efficient market;
29. **NAV** – net asset value per unit of the UCITS fund;
30. **market maker** – Exchange Member which, under a contract concluded with the Exchange, assumes special obligations with regard to maintaining liquidity of a particular financial instrument for a period of time in the course of the main trading session by simultaneously issuing bid and sell orders;
31. **persons discharging managerial responsibilities with the issuer and persons closely associated with them** – persons defined in Article 464(1) and (2) of the CMA;
32. **OTC (over-the-counter) transaction** – transaction in a financial instrument concluded off the regulated market or multilateral trading facility;
33. **open-end investment fund** – open-end investment fund with a public offering (UCITS fund) defined by the act regulating the establishment and operation of open-end investment funds with a public offering;
34. **data link** – lines of communication operated by the authorised communication services provider and used for maintaining a direct data connection with the trading system and other parts of the Exchange information system;
35. **data connections** – any communication links intended for the exchange of data and used by member firms or other users to access the trading system and other parts of the Exchange information system;

36. **order** – an instruction to buy or sell financial instruments which the member firm enters, on its own behalf and for its own account or for the account of a client, in the Exchange trading system;
37. **list of insiders** – list defined in Article 463 of the CMA;
38. **regulated information** – information defined in Article 395(1) item 4 of the CMA;
39. **inside information** – information defined in Article 455 of the CMA.
40. **Exchange Rules** – these Rules;
41. **kill switch** – a mechanism that allows cancelling of all outstanding orders and prevents entering new orders in the order book;
42. **temporary suspension of trading in a financial instrument** – measure to temporarily prevent trading in a particular financial instrument via the Exchange trading system;
43. **application software of the member firm** – application software developed by using the API or another appropriate protocol laid down by the Exchange.
44. **Application Programming Interface (API)** – technical specification of transaction messages used for exchanging data between the computer system of the member firm or another user and the trading system for the purpose of developing application software of the member firm or another user;
45. **computer system of the member firm** – includes the application software, computer and communication equipment and data link for data exchange between the computer system of the member firm and the trading system;
46. **reference price** – closing price on the previous trading day. The reference price changes in the course of the day as a result of volatility interruptions or because a new reference price of structured products or open-end investment fund units has been entered by a market maker;
47. **sponsored access** – arrangement under which the member firm allows certain clients to electronically issue orders which are automatically sent to the Exchange trading system with an identification of the member firm, without order entry in the internal computer system of the member firm;
48. **central depository** – central register of dematerialised securities defined in Article 488 of the CMA;
49. **central register** – central register of dematerialised financial instruments defined in Article 489 of the CMA;
50. **structured products** – transferable securities defined in Article 3(1) item 3 c of the CMA;
51. **underlying instrument** – transferable 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;

52. **theoretical opening price** – price of a financial instrument computed by the trading system in the pre-opening phase, in accordance with Articles 150 through 153 of these Rules;
53. **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 these Rules;
54. **third country** – any country which is not a Member State;
55. **trading** – procedure of issuing buy and sell orders and concluding transactions in financial instruments via the Exchange trading system;
56. **trading day** – trading day on the regulated market operated by the Zagreb Stock Exchange, Inc.;
57. **trader work station** – application software granted by the Exchange to the member firm for use for deals in the trading system;
58. **trading system** – application software, computer and communication equipment and data access network of the Exchange used for data exchange between the computer systems of member firms or other users and the Exchange trading system;
59. **management and supervisory board** – management and supervisory board, as defined by the provisions of the Companies Act, or by the provisions governing the establishment and operation of companies; if, instead of the management and supervisory board, a joint stock company has a managing (administrative) board, the provisions of these Rules relating to the management and supervisory board will apply mutatis mutandis to the managing (administrative) board;
60. **Commission Regulation (EC) No 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;
61. **regulated market** – regulated market within the meaning of Article 3(1)(20) of the CMA operated by the Zagreb Stock Exchange, Inc.;
62. **listing** – procedure which enables trading in a financial instrument on the regulated market;
63. **last price** – price of the last transaction in the financial instrument on a particular trading day;
64. **application for listing** – application to have the financial instruments listed on the regulated market;

65. **closing price** – the average price weighted by the volume of all order book transactions in a financial instrument concluded in the course of a particular trading day. If the financial instrument is not traded on a particular trading day, the closing price on the previous trading day will be taken as the closing price;

66. **closed-end investment fund** – closed-end alternative investment fund (closed-end AIF) with a public offering defined by the act regulating the establishment and operation of alternative investment funds.

67. **CA** – Companies Act (NN 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 144/12, 68/13 and 110/15);

68. **CMA** – Capital Market Act (NN 88/08, 146/08, 74/09, 54/13, 159/13, 18/15 and 110/15).

(2) Any terms used in these Rules which have been stated in either singular or plural form shall be taken to refer mutatis mutandis to both singular and plural, unless required otherwise by the context.

(3) A reference to a particular law or other legal regulation shall imply any future amendment to such law or regulation.

Manuals and Other Acts

Article 5

(1) Any manuals and other acts (resolutions, decisions, standards etc.) to implement these Rules shall be adopted by the Exchange.

(2) The Exchange shall publish any documents referred to in paragraph 1 of this article on its website at least seven day (7)s prior to the commencement of their application.

(3) In the event of a conflict of the provisions of these Rules and manuals or other acts of the Exchange, the provisions of the Rules shall apply.

2. MEMBERSHIP

2.1 GRANT OF MEMBER STATUS

Article 6

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

Eligible Members

Article 7

- (1) Any investment company or credit institution which meets the criteria laid down in the CMA and these Rules may become a member of the Exchange.
- (2) A person who meets specific criteria laid down in Article 8 of these Rules may also become a member of the Exchange with limited trading rights.
- (3) Any other person may also become a member of the Exchange in accordance with the provisions of a regulation which governs the resolution of credit institutions and investment companies.

Specific Criteria for Members with Limited Trading Rights

Article 8

- (1) In addition to membership criteria defined by these Rules, the person referred to in Article 7(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 europeae*);
 2. having a minimum equity of HRK 400 000.00;
 3. conducting business continuously for a minimum of 3 (three) years;
 4. enjoying a good reputation;
 5. having in place a risk management system proportionate to the type, scope and complexity of the services and activities performed, as well as an adequate system of internal controls;

6. evidence from trading data of having concluded 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 authorisation (licence) of the Agency or other competent authority, the existence of an effective method of preventing and detecting market abuse may also be a criterion for admission to membership of the Exchange.

Investment Company or Credit Institution Domiciled in Another Member State or Third Country

Article 9

The existence of an effective method of preventing and detecting market abuse is a specific criterion for admission to membership of an investment company or credit institution, or a person referred to in Article 7(2) of these Rules domiciled in another Member State or a third country.

Prerequisites for Admission to Membership

Article 10

A person applying for membership shall hold a member seat and meet the criteria for admission to membership laid down in Title 2 Part 2 of these Rules.

Member Seat

Article 11

(1) A member seat may only be acquired for the purpose of admission to membership of the Exchange.

(2) A member seats may be acquired from the Exchange or another person holding a member seat, subject to prior approval of the Exchange.

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

Article 12

- (1) Each member firm may hold one member seat.
- (2) By way of derogation from paragraph 1 this article, a member firm may hold 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 13

- (1) Member firms shall comply with organisational requirements for the provision of investment services and performance of investment activities and ancillary services defined by the CMA and any regulations adopted pursuant to that Act or by 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 mutatis mutandis to any persons referred to in Article 7 (2) of these Rules.

2.2.2 Personnel Requirements

Article 14

- (1) For the purpose of executing deals in the trading system, Member firms shall provide at least one broker or investment adviser trained to use the trading system.
- (2) Member firms shall designate:
 1. person responsible for supervising the computer system of the member firm, in particular in respect of:
 - a) assigning passwords and rights of access for the usernames in question to all trading system users at the relevant member firm;

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

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

2. person responsible for compliance with other obligations laid down in these Rules.

(3) Member firms shall notify the Exchange without delay of a change of the person referred to in paragraph 2(1-2) of this article.

(4) If the member firm engages in market maker activities, the person performing the said activities at the member firm shall be trained for market making activities.

(5) The member firm shall continue to maintain an appropriate level of professional competence of the persons set forth in paragraphs 1, 2 and 4 of this article, in accordance with these Rules and other acts of the Exchange.

(6) For the purpose of acquisition or maintaining the level of knowledge and skills necessary to execute certain deals in the trading system, the Exchange may laid down an obligation of training and professional development for the persons executing such deals at the member firm.

2.2.3 Technical Requirements

Member Firms' Computer System

Article 15

(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 links 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 enables 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 laid down by the Exchange.

Member Firms' Application Software

Article 16

- (1) The application software of member firms used for exchanging 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 continuously meets the requirements set forth in the technical documents of the Exchange, as well as protocols for communication with the trading system, and to any amendments to the technical documents and protocols laid down by the Exchange.
- (3) If the application software of a member firm does not meet the requirements set forth in the technical documents of the Exchange or protocols for communication with the trading system, the Exchange may disable access by the member firm to the trading system until the application software of the member firm complies with the requirements set forth in the technical documents of the Exchange and protocols for communication with the trading system.

Computer and Communication Equipment

Article 17

- (1) Member firms shall ensure that their computer and communication equipment is connected to the trading system by continuously meeting the requirements set forth in the technical documents of the Exchange.
- (2) Computer and communication equipment of member firms shall function uninterruptedly so as to enable connecting to and maintaining a stable and reliable data connection to the trading system.
- (3) If the computer and communication equipment of a member firm does not enable a constant and reliable data link to the trading system, the Exchange may disable access by the member firm to the trading system until the computer and communication equipment is aligned with the requirements set specified in the technical documents of the Exchange.
- (4) Member firms shall prevent access by unauthorised persons to the computer and communication equipment.

(5) Computer and communication equipment shall be set up in such manner to prevent unauthorised access to the trading system and enable the source of particular log-ins 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 connection to the trading system, shall be paid by member firms.

Security Standards

Article 18

(1) If a 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 etc., the Exchange may disable access by the member firm to the trading system.

(2) Member firms shall be liable for any damage which might occur in the case referred to in paragraph 1 of this article.

2.2.4 Settlement of On-Exchange Transactions

Article 19

Member firms shall ensure settlement of on-Exchange transactions in one of the following ways:

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

2.3 ADMISSION TO MEMBERSHIP PROCEDURE

Article 20

(1) Any person wishing to become a member of the Exchange shall submit an application for membership on a requisite form of the content specified by the Exchange.

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

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 authorisation 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; and
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 7(2) of these Rules shall also enclose the following to the application:

1. documents set forth in paragraph 2(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 authorities or, if no such document exists, proof that there are no 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 instituted ex officio,
 - c) against the economy,
 - d) against the judiciary,
 - e) forgery,
 - f) against 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 infringement representing a violation of the regulations within the scope of the Agency or other competent authority;
- 4. document providing an overview of its risk management system, proportionate to the type, scope and complexity of the services provided and activities performed by the applicant, including a description of its internal control system;
 - 5. statement confirming that it has concluded more than ten (10) transactions a month on the capital market in the past three (3) business years, including other relevant proof; and
 - 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 21

- (1) The Exchange decides on the application for membership within 30 (thirty) days of receiving the application and requisite documents.
- (2) A resolution by which an application for membership is denied must be properly explained.
- (3) The Exchange will publish a resolution on admission to membership on its website and notify it to other member firms and the Agency.

Article 22

- (1) Within no longer than three (3) months from the issuing of a 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 can provide for clearing and settlement of on-Exchange transactions;
 - 3. provide any technical prerequisites necessary for access to the trading system;

4. ensure that it has at least one person trained to use the Exchange trading system; and
5. submit proof of paid fees, according to the price list.

(2) The Exchange may request that the member firm present an appropriate payment security instrument.

Article 23

(1) On establishing that all the criteria referred to in Article 22 of these Rules have been met, the Exchange will adopt a resolution admitting the member firm to trading and 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 24

(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 conclude transactions on the trading system;
3. to receive trading information from the Exchange;
4. to receive information on listing of financial instruments on the regulated market and their delisting;
5. receive information on admission to, suspension and termination of membership of the Exchange; and
6. other rights laid down in these Rules and other acts of the Exchange.

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

(3) The right referred to in paragraph 1(2) of this article of the persons referred to in Article 7(2) of these Rules shall be limited exclusively to the right to conclude transactions for their own account.

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

Member Obligations

Article 25

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

1. to comply with these Rules and other acts of the Exchange;
2. to ensure that the organisational, personnel and technical requirements as well as the requirement of clearing and settlement of on-Exchange transactions, laid down in these Rules and other acts of the Exchange, is met constantly for the duration of membership;
3. submit data to the Exchange, in accordance with these Rules and other acts of the Exchange;
4. protect its computer system, and any 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 and
6. perform pecuniary and other obligations laid down in these Rules and other acts of the Exchange.

(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 26

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

(2) Technical requirements for access to the trading system, either directly or via remote access, will be regulated by a contract to be concluded 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 concerning the trading system, API and other documents designated by the Exchange as constituting a trade secret.

(4) The member firm undertake all measures which might be necessary to prevent any unauthorised person from accessing and using the trading system, directly or indirectly.

Username and Password

Article 27

(1) The Exchange will assign a username and an initial password to the member firm for log-in to the trading system, identification of transactions and any other actions by the member firm on the trading system.

(2) The member firm shall 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 verbally, and subsequently in writing, in the event 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. knowledge of unauthorised use or disclosure of the password used for access to the trading system;
4. unauthorised access to the trading system;
5. need to cancel or change the password used for access to the trading system for other justified reason.

(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 transactions concluded 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 28

(1) Each transaction includes unique identification codes to identify the member firm, as well as the natural person of the member firm who concludes deals via the trading system and their authorisation, or the computer system of the member firm which allows certain clients to electronically place orders sent automatically to the Exchange trading system via the computer system of the member firm, with an identification of the member firm.

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

Testing of Member Firms' Computer and Communication Equipment

Article 29

(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 connections to the trading system.

(2) The Exchange may request participation of the member firm 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 test environment provided. Testing must be done in the manner and time frame specified by the Exchange.

(4) The member firm may request Exchange assistance in the testing of the computer and communication equipment of the member firm in the test environment at any time.

(5) The member firm will 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 30

(1) The Exchange is authorised to test the trading system functionality during and after trading.

(2) The Exchange is authorised to request participation of the member firm in trading system testing. Testing must be done in the manner and time frame specified by the Exchange.

(3) Except in extraordinary circumstances, the Exchange will notify member firms in a timely manner of any trading system testing which might affect their daily operations.

Modifications to the Trading System and Application Software,
and Member Firms' Computer and Communication Equipment

Article 31

- (1) The Exchange reserves the right to introduce modifications to the trading system, such as computer and communication equipment modifications, changes to the application software, protocols for data connections to the trading system, etc.
- (2) Except in extraordinary circumstances, the Exchange will notify members firms in a timely fashion of any modifications to the trading system.
- (3) In the event of major modifications which might require a modification to the application software and/or computer and communication equipment of member firms, the Exchange notification will include a description of changes, planned testing time and date on which such trading system changes enter into force.
- (4) Modifications to the trading system will be implemented in the manner and time frame laid down by the Exchange.
- (5) Member firms shall follow Exchange instructions relating to trading system modifications and shall modify their application software or computer and communication equipment accordingly.
- (6) Member firms may modify their application software or computer and communication equipment connected to the trading system, subject to the conditions and manner laid down in the technical documents of the Exchange.
- (7) Any modifications to the application software or computer and communication equipment which might affect a smooth operation of the trading system must be reported to the Exchange without delay.
- (8) The Exchange may request that modified application software or computer and communication equipment of the member firm be tested, subject to the conditions and manner laid down in the technical documents of the Exchange.
- (9) Member firms may request that the Exchange test their modified application software or computer and communication equipment, subject to the conditions and manner laid down in the technical documents of the Exchange.

Deficiency in the Operation of Member Firm's Computer System or Computer and Communication
Equipment

Article 32

(1) Where the Exchange identifies, on the basis of testing or in some other manner, that the computer system or computer and communication equipment of a member firm does not meet the requirements specified in the technical documents of the Exchange, the member firm shall eliminate the deficiencies which have been detected.

(2) The Exchange is authorised to order the member firm not to use a part of or the entire application software or computer and communication equipment until such time as the deficiencies detected have been eliminated.

Preventive and Corrective Trading System Maintenance and Upgrade Procedures

Article 33

(1) The Exchange may disable access to or use of the trading system or limit its functionalities on account of preventive maintenance procedure or necessary 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 undertaking such actions.

Trading System Use and Transactions

Article 34

(1) Member firms are entitled to participate in regulated market trading and conclude transactions in accordance with these Rules and their status, except in the cases laid down in Titles 2, 5, 6, 9 and 11 of these Rules.

(2) Member firms shall conclude transactions in accordance with the CMA and other regulations, these Rules and other acts of the Exchange.

(3) A member firm which permits 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 acts of the Exchange regulating Exchange trading;
3. ensure that its computer system enables secure identification of the client and any orders issued by 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 effective trading, and any behaviour indicating market abuse;
5. ensure that it has the right at any time to disable trading by its client via direct access or sponsored access to the trading system; and
6. undertake other measures and procedures to ensure that client orders are fully compliant with the provisions of the CMA and other regulations, these Rules and other acts of the Exchange.

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

(5) The Exchange has the right to disable trading by the member firm and/or its client via direct access or sponsored access to the trading system at any time if it believes that such trading not to be in accordance with the provisions of these Rules or other acts of the Exchange 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 to be laid down by the Exchange.

Notification of the Exchange

Article 35

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

1. expiry of the authorisation (licence) to provide investment services and perform investment activities;
2. access to, suspension and termination or other status changes with regard to membership of the clearing and/or settlement system;
3. any changes of persons authorised to access and trade on the trading system;
4. any change of its management board or executive directors, if the member firm has a managing board;
5. in the event of financial or other circumstances at the member firm which may reasonably be expected to affect the performance of obligations by the member firm or to have an impact on Exchange functioning, other Members of the Exchange, investors or regular functioning of the market (e.g. liquidity problems, member firm's default or overindebtedness, institution of bankruptcy or liquidation proceedings, litigation or arbitration 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 of the member firm; and
7. changes of qualified interest 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 functioning of the market.

Submission of Order and/or on-Exchange Transaction Record Data

Article 36

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

Supervision of Employees

Article 37

(1) Member firms shall inform any persons using the trading system and performing the activities related to Exchange trading about the content of legal and other regulations, these Rules and other acts of the Exchange regulating Exchange trading.

(2) Member firms shall ensure that their employees adhere to the rules and standards of the profession.

Market Abuse

Article 38

Any form of market abuse by member firms is prohibited.

Reputation of the Exchange and Use of Exchange logo

Article 39

(1) No Member of the Exchange shall give advice or recommendations, issue or disseminate written material or use the media in any manner which is or may be harmful to the interests or reputation of the Exchange.

(2) A member firm may state the fact of membership of the Exchange on its stationery, website or in other 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 member firm and Exchange.

(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 40

(1) Membership may terminate:

1. at the request of the member firm or
2. by exclusion from membership.

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

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

(4) Termination of membership occurs on the date stipulated in the Exchange resolution terminating membership.

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

2.5.1 Termination of Membership at the Request of the Member Firm

Article 41

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

(2) A request for termination of membership shall be submitted to the Exchange on a requisite form of the content to be determined by the Exchange.

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

2.5.2 Termination of Membership by Exclusion from Membership and Suspension

Article 42

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

1. if within 3 (three) months of the day a resolution on admission to membership is adopted the member firm fails to comply with the criteria set forth in Article 22 of these Rules;

2. if the member firm no longer complies with the criteria for membership (e.g. due to expiry of the licence to provide investment services and perform investment activities, etc.);
3. pursuant to a decision of the clearing and/or settlement system operator disabling the use of clearing and/or settlement by the member firm;
4. dissolution of the member firm as a legal person;
5. failure by the member firm to perform its obligations under the contracts concluded with the Exchange;
6. in the event of grave or repeated violations of these Rules or other acts of the Exchange, as a measure to protect market integrity;
7. 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 have an impact on Exchange functioning, other Members of the Exchange, investors or regular functioning of the market (e.g. liquidity problems, member firm's default or overindebtedness, institution of bankruptcy or liquidation proceedings, litigation or arbitration of significant value, etc.);
8. if necessary to ensure a fair, orderly and transparent market;
9. in other cases laid down by law or other regulations.

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

(3) A resolution on termination of membership by exclusion or on suspension must be properly explained.

(4) The Exchange will publish a resolution on termination of membership or suspension of a Member firm on its website and shall notify it to other member firms and the Agency.

Article 43

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

(2) Prior to deciding to terminate membership by exclusion, 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 actual state of affairs may be determined from the information

available to the Exchange, when the response of the member firm is not feasible or for other justified reasons.

(3) In the event of termination of membership by exclusion, the member firm may not reapply for admission to membership before expiry of one (1) year from the day of being excluded from membership.

Article 44

(1) A resolution on suspension of all or particular Exchange services is temporary.

(2) Suspension may be imposed for a predetermined period of time or its lifting may be made conditional on the cessation of circumstances giving rise to the suspension, but it shall not exceed twelve (12) months.

(3) For the duration of its suspension, the member firm shall pay membership fee and other charges to the Exchange according to the price list and shall also perform 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 fee and other charges according to the price list shall cease from the day of instituting bankruptcy proceedings against it or making public a decision of the Agency or another competent authority on the occurrence of the insured event.

(5) For the duration of suspension, the member firm has no right to state the fact of its membership in its correspondence or in other manner, or to use the Exchange logo.

(6) If the circumstance giving rise to suspension do not cease by expiry of a period of twelve (12) months from the day of adoption of the Exchange resolution on suspension, the member firm will be excluded from membership.

2.6 MARKET MAKER

Article 45

- (1) The Exchange may grant the status of market maker in respect of one or more financial instruments to any member firm which meets the criteria laid down in the CMA and Article 47 of these Rules and other acts of the Exchange.
- (2) Financial instruments in respect of which a member firm may engage in market making shall be determined by the Exchange.
- (3) The member firm with limited trading rights referred to in Article 7(2) of these Rules may engage in market making provided that it has an appropriate authorisation of the Agency or other competent authority.
- (4) Every member firm is entitled to submit an application to the Exchange to engage in market making.
- (5) A list of member firms and financial instruments in respect of which member firms engage in market making shall be published by the Exchange on its website.

Market maker rights and obligations

Article 46

- (1) The market maker shall issue simultaneous order book buy and sell orders on each trading day, subject to the terms and in the manner laid down in the CMA, these Rules and other acts of the Exchange.
- (2) Any market maker which performs the obligations defined by these Rules and other acts of the Exchange shall be entitled to a specific 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 market makers.

2.6.1 Organisational, Personnel and Technical Market Making Requirements

Article 47

Any member firm intending to engage in market making shall:

1. ensure that its market making does not affect the performance of regular trading activities;
2. establish a permanent and effective system to prevent and control the information exchange so that the provision or specific services and performance of activities by the member firm (e.g. filling order for the account of a client etc.) does not affect its market making or constitute market abuse;
3. establish a permanent and effective system to prevent conflicts of interest which may arise in the course of market making and performance of other activities at the member firm, and potentially harm client interests;
4. maintain records market maker's orders and transactions concluded on the basis of such orders, in accordance with the provisions of the CMA, these Rules and other acts of the Exchange;
5. have a computer system available to enable engaging in market making.

2.6.2 Market Maker Status

Grant of Market Maker Status

Article 48

(1) Any member firm intending to engage in market making shall apply to the Exchange for the grant of market maker status on a form of the content specified by the Exchange.

(2) If the member firm and the issuer of a financial instrument have concluded or are to conclude a market making contract, the member firm shall submit the contract to the Exchange in the manner and form to be specified by the Exchange. The Exchange will publish the contract on its website, without disclosing the sections which refer to the commercial terms of the contract. The member firm shall submit any subsequent amendments to the contract to the Exchange, and shall notify it of contract termination.

(3) Where the member firm performs or is to perform other activities for the issuer or management company to enable greater visibility or quality of the financial instrument in respect of which it engages in market making, the member firm shall submit a list of such activities to the Exchange. The member firm shall submit any subsequent amendments to the list of the activities to the Exchange as well, and shall notify it of termination of particular activities.

(4) The Exchange will decide on the application for the grant of market maker status within thirty (30) days of receiving the application and requisite documents.

(5) Once the Exchange has ascertained that the member firm meets all the criteria laid down in Article 47 of these Rules, the member firm is to conclude a market making contract with the Exchange.

(6) The member firm shall be granted market maker status by concluding a market making contract with the Exchange.

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

Termination of Market Maker Status

Article 49

(1) The member firm may request to have its market maker status terminated for one or all financial instruments in respect of which it engages in market making.

(2) The request for termination of the market maker status is to be submitted to the Exchange on a form of the content specified by the Exchange.

(3) On receiving a request referred to in paragraph 2 of this article, the Exchange will adopt a resolution terminating the market maker status within five (5) days of receiving it.

(4) The member firm shall engage in market making for at least twenty (20) trading days from the day of adoption of the Exchange resolution terminating the market maker.

(5) The market maker status of the member firm shall be terminated on the last market making day set forth in the Exchange resolution referred to in paragraph 3 of this article.

(6) The member firm may reapply for the grant of market maker status on expiry of two (2) months from the day of its market maker status has ceased.

Article 50

The member firm's status of market maker for one or all financial instruments in respect of which it engages in market making may be terminated by Exchange resolution in one or more of the following cases:

1. for failure of the member firm to meet personnel, organisational, technical or other market making requirements laid down in these Rules and other acts of the Exchange;

2. for failure of the market maker to perform its obligations laid down in these Rules and other acts of the Exchange;
3. by termination of its member status or suspension;
4. on maturity of the financial instrument;
5. by cessation of the financial instrument in respect of which the member firm engages in market making;
6. by delisting of the financial instrument in respect of which the member firm engages in market making;
7. for other reasons which might compromise the continuity, stability and liquidity of the market.

Notification

Article 51

- (1) The Exchange shall notify the Agency and other member firms of any grant and termination of the market maker status.
- (2) Notification of the grant and termination of the market maker status shall be published by the Exchange on its website.

2.6.3 Market Maker's Obligations

Article 52

- (1) For a specific period of time during the main trading session on each trading day, the market maker shall place simultaneous order book buy and orders, which must meet the minimum order size and maximum price spread.
- (2) The minimum quoting time of a market maker order, as well as the maximum bid and ask spread and the minimum order size, shall be specified 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 market maker order, the Exchange assigns financial instruments to classes, depending on their liquidity.
- (2) The criteria taken into account in the classification of financial instruments are the average order book depth and the average daily turnover.
- (3) The numerical criteria for the liquidity classification of financial instruments and the methodology of their calculation are specified by the Exchange once a year, taking into account market and other circumstances, such as the average daily turnover, average transaction size, etc.
- (4) The classification of financial instruments is performed at the beginning of each quarter on the basis of trading data for the previous quarter.
- (5) Data on the classification of financial instruments are published by the Exchange on its website at least two (2) days prior to the commencement of its application.

Order Book Depth

Article 54

The order book depth is a liquidity indicator, measuring changes in the price of a particular financial instrument on the entry of sell and buy market orders of the size specified by the Exchange, taking into account market and other circumstances, such as the average value of the order etc.

Newly-Listed Financial Instrument

Article 55

- (1) The market maker shall perform any obligations in respect of a newly listed financial instrument which cannot be assigned to any liquidity class as if it were a financial instrument of the liquidity corresponding to the average liquidity of the financial instrument in the market segment concerned.

(2) On expiry of a month from the financial instrument listing, based on trading data for that period, the Exchange will assign the financial instrument referred to in paragraph 1 of this article to an appropriate liquidity class and align market maker's obligations with such classification.

Market Maker's Order Quoting Time

Article 56

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

(2) In calculating the market maker's order quoting time, the following is not to be taken into account:

1. pre-opening phase and volatility interruption;
2. temporary trading suspension of the financial instrument being subject to market making;
3. any time during which the market maker is temporarily relieved from its obligations, in accordance with these Rules; and
4. duration of any measures undertaken to regulate a volatile market.

Bid and Ask Price Spread

Article 57

The bid and ask price spread is the difference between the prices of simultaneous buy and sell orders quoted by a market maker.

No Market Making Obligations on a Particular Trading Day

Article 58

Market making obligations for a particular trading day cease on expiry of the minimum quoting time in respect of an order which meets all criteria laid down in these Rules and other acts of the Exchange.

Temporary Relief under Extraordinary Circumstances

Article 59

- (1) The market maker may submit a request to the Exchange seeking temporary relief from its obligations under extraordinary circumstances, such as, if due to a natural disaster or similar circumstances it becomes impossible to estimate the value of a financial instrument, in case of a mandatory takeover bid or if a company takeover is initiated, etc.
- (2) The request referred to in paragraph 1 of this article must be properly explained.
- (3) The Exchange will decide by the end of the same trading day on any requests submitted by 14:00 hours, or by the start of the main trading session on the following trading if the request is submitted after 14:00 hours.
- (4) The Exchange may grant temporary relief to the market maker for a maximum of thirty (30) days, which may be extended in reasonably justified cases, and will notify it to member firms and the public via its website without delay.

Temporary Relief for Technical Reasons

Article 60

- (1) The market maker shall notify the Exchange promptly if it cannot engage in market making for technical reasons.
- (2) In the case referred to in paragraph 1 of this article, the Exchange will grant temporary relief to the market maker and notify it to member firms and the public via its website without delay.
- (3) The market maker shall notify the Exchange without delay of the time in which it has not been able to engage in market making.
- (4) The Exchange may verify the market maker's notification referred to in paragraph 3 of this article and seek additional explanations.
- (5) If the Exchange finds temporary relief for technical reasons not to have been justified, the market maker will be deemed not to have performed its obligations laid down in Article 52 of these Rules and other acts of the Exchange.

Measures to Regulate Volatile Market

Article 61

Where the value of the CROBEX® index deviates by more than +/- 5% from the last value on the previous trading day, the Exchange will grant temporary relief to the market maker until the end of that trading day.

Data Dissemination

Article 62

The Exchange will publish statistical market making data by each financial instrument, including the percentage of market maker's order 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.

Monitoring of Obligations Performance

Article 63

- (1) The Exchange monitors the performance of market maker's obligations on a daily and monthly basis.
- (2) In the event of failure of the market maker to perform its daily obligations on more than two (2) consecutive trading days or meet the minimum quoting time requirement on a monthly basis, the market maker will not be entitled to the discount for the respective month specified by the price list.
- (3) In the event of failure of the market maker to perform its obligations in two (2) consecutive months, the Exchange may adopt a resolution terminating the market maker's status.
- (4) In addition to the measure referred to in paragraph 2 of this article, the Exchange may also impose one of the measures to protect market integrity provided for in these Rules on the market maker for failure to perform its obligations.
- (5) The Exchange is entitled to seek an explanation of any actions the market maker has taken or failed to take and which are related to its market making activities.

Extraordinary Market Maker

Article 64

- (1) Should a market maker forfeit 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 extraordinary market maker.
- (2) Only a member firm which meets the criteria laid down in the CMA and Article 47 of these Rules and other acts of the Exchange may be an extraordinary market maker.
- (3) The extraordinary market maker may be appointed for a period not longer than two (2) months.
- (4) The Exchange may grant greater rights to the extraordinary market maker than those laid down in these Rules and other acts of the Exchange.

2.6.4 Specific Provisions on Market Makers in Structured Products

Article 65

- (1) Without prejudice to 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 if the price of an underlying instrument reaches the barrier of the structured product.
- (2) By way of derogation from Article 52(2) of these Rules, the minimum quoting time of the market maker order, as well as the maximum bid and ask spread and the minimum order size, will be specified by the market maker in the structure products market making contract to be concluded with the Exchange.
- (3) Market makers in structured products are not subject to the provisions of Articles 53 through 55 of these Rules.
- (4) 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 in structured products need not perform the obligations referred to in Article 52(1) of these Rules.
- (5) 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 in structured products may place only a buy order.

(6) The market maker in structured products shall promptly notify the Exchange if the price of the underlying instrument reaches the barrier of the structured product.

(7) The Exchange will promptly notify member firms and the public via its website of any occurrences referred to in paragraphs 4 through 6 of this article.

(8) By way of derogation from Article 63(2) of these Rules, In the event of failure of the market maker to perform its daily obligations on more than two (2) consecutive trading days or meet the minimum quoting time requirement at the level of two (2) months, the market maker will not be entitled to the discount specified by the price list in the respective month.

2.7 CRISIS COMMUNICATION

Article 66

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

(2) A person referred to in paragraph 1 of this article shall be available between 8:00 and 18:00 hours on each trading day.

3. REGULATED MARKET

Financial Instruments Tradeable on the Regulated Market

Article 67

Any financial instruments for which the Exchange has obtained approval of the Agency or in respect of which such approval stems from the provisions of the CMA may be traded on the regulated market, 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 transferable securities or which constitute the grounds for a cash payment determined on the basis of transferable securities, currencies, interest rates 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; and
5. units in collective investment undertakings, in accordance with the provisions of the CMA.

Market Segments

Article 68

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

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

3.1 FINANCIAL INSTRUMENT LISTING ON THE REGULATED MARKET

Article 69

The provisions of these Rules shall apply from the day on which a financial instrument is listed on the regulated market, or from the day the issuer or another person submits an application to list the financial instrument on the regulated market, until the day of its delisting from the regulated market.

Article 70

- (1) The Exchange is responsible for deciding on the listing of financial instruments on the regulated market.
- (2) The application for listing shall be submitted to the Exchange on a form of the content specified by the Exchange.
- (3) The application form is published 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 laid down in the CMA.

3.1.1 Applicant

Article 71

- (1) An 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 be listed on the regulated market even without consent of the issuer, subject to the criteria laid down in the CMA, these Rules and other acts of the Exchange.
- (3) By way of derogation from paragraph 1 of this article, an application for listing may also be submitted by another person, in accordance with the provisions of a regulation which governs the resolution of credit institutions and investment companies.
- (4) An application for listing of an open-end investment fund on the regulated market shall be submitted by the management company.

3.1.2 Listing application and other documents

Article 72

The applicant shall enclose the following to the application:

1. Prospectus or a statement saying that the applicant is exercising a right to be exempted from the obligation to publish the Prospectus;
2. statement saying that the applicant is complying fully with the provisions of the CMA and other regulations, and that it has obtained all requisite permissions, licences and approvals from competent regulatory bodies;
3. copies of all permissions, licences and approvals issued by the competent authority with regard to the listing procedure;
4. statement confirming that it has an appropriate internal organisation, systems and procedures in place to ensure timely availability of information to the market;
5. proof of payment of the listing fee according to the price list.

Article 73

If the listing application concerns shares, in addition to documents referred to in Article 72 of these Rules, the applicant shall also enclose the following:

1. minutes of the annual general meeting which adopted a resolution to list the company's shares on the regulated market;
2. resolution to enter the fact of the capital increase in the court register;
3. market making contract in respect of shares concluded between the issuer and market maker, when the shares are to be listed on the Prime Market.

Article 74

If the listing application concerns debt securities, in addition to documents referred to in Article 72 of these Rules, the applicant shall also enclose the following:

1. resolution of the competent body of the issuer to issue debt securities;
2. decision of the Government of the Republic of Croatia or Member State or third country granting approval for the issue of debt securities, if the issuer is a local or regional self-government, or the Republic of Croatia, Member State or third country, where applicable.

Article 75

If the listing application concerns structured products, in addition to documents referred to in Article 72 of these Rules, the applicant shall also enclose the following:

1. market making contract in respect of structured products concluded between the issuer and market maker; and
2. statement on the credit rating assigned, where applicable.

Article 76

If the listing application concerns units in an open-end investment fund, in addition to documents referred to in Article 72 of these Rules, the applicant shall also enclose the following:

1. authorisation for the operation (operating licence) of the management company;
2. authorisation for the operation of the open-end investment fund whose units are the subject of the application for listing on the regulated market;
3. Prospectus of the fund and approval of the Prospectus;
4. Rules of the fund and approval of the Rules;
5. key investor information of the UCITS fund;
6. latest audited annual reports and, where necessary, semi-annual reports of the fund; and
7. market making contract in respect of units in open-end investment fund concluded between the issuer and market maker.

Article 77

If the listing application concerns shares in a closed-end investment fund, in addition to documents referred to in Article 72 of these Rules, the applicant shall also enclose the following:

1. authorisation for the operation of the management company;
2. authorisation for the operation of the closed-end investment fund whose units are the subject of the application for listing on the regulated market;

3. Prospectus of the fund and approval of the Prospectus;
4. Rules of the fund and approval of the Rules;
5. latest audited annual reports and, where necessary, semi-annual reports of the fund.

Article 78

If the listing application concerns money market instruments, the applicant shall also enclose the following to the application:

1. documents referred to in Article 72 points 2 and 4 of these Rules;
2. information memorandum including at least the following:
 - a) key information on the issuer (company name, registered office, legal form of the issuer, substantial investments, overview of business, significant judicial or arbitration proceedings, risk factors, etc.);
 - b) audited annual accounts for the financial year preceding the listing or, if the issuer has published its semi-annual or quarterly accounts since the date of the latest audited annual accounts, these must be included in the information memorandum with an indication of whether they have been audited or not;
 - c) characteristics, amount and description of rights arising from the money market instruments;
 - d) other data which may be relevant for the assessment of the market value and investing 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 79

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

Article 80

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

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

3.1.3 Orderly Listing Application

Article 81

The listing application is deemed orderly if submitted by an authorised person, duly signed by an authorised person and accompanied by all requisite documents and those requested by the Exchange.

3.1.4 Listing Resolution

Article 82

(1) A resolution to list a financial instrument on the regulated market shall be adopted by the Exchange in the manner and time frame specified by the CMA and other regulations.

(2) A financial instrument will be deemed listed on the regulated market on the day of adoption of the resolution referred to in paragraph 1 of this article.

(3) The Exchange shall specify the first day of trading in the financial instrument in the resolution referred to in paragraph 1 of this article.

(4) The resolution referred to in paragraph 1 of this article shall be submitted by the Exchange to the Agency and published on its website at least one (1) day prior to the commencement of trading in the financial instrument.

(5) On adoption of the resolution referred to in paragraph 1 of this article following an application submitted by a person without consent of the issuer, the Exchange will inform the issuer that its financial instruments are being traded on the regulated market managed by the Exchange.

(6) The Exchange will ensure that calculations and estimates are provided, in respect of any share being admitted to trading on the regulated market, in accordance with Article 33(3-4) of Commission Regulation (EC) No 1287/2006.

3.2 CRITERIA FOR REGULATED MARKET LISTING

3.2.1 General Criteria for Regulated Market Listing

Article 83

(1) Financial instruments being listed on the regulated market and their issuers shall comply with criteria laid down in the CMA, these Rules and other acts of the Exchange.

(2) Financial instruments may be listed on the regulated market only if fair, orderly and effective trading in them is possible.

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

(4) The listing applicant shall comply with the obligation to publish the prospectus and other information, if such obligation is laid down by the provisions of the CMA, specifically:

1. where the obligation to publish the prospectus is laid down by the provisions of the CMA, the listing applicant shall submit the prospectus to the Exchange, stating when the prospectus has been approved and by which body and when the issuer has complied with its obligation to disclose the prospectus to the public and in which manner; or

2. where an exemption from the obligation to publish the prospectus is permitted by the provisions of the CMA, the listing applicant shall submit a written statement to the Exchange to the effect that it is exercising the exemption from the obligation to publish the prospectus and proof that it has notified the Agency or other competent authority thereof, in accordance with the provisions of the CMA.

(5) Financial instruments must be freely transferable.

(6) Efficient settlement of transaction must be provided in respect of any financial instruments for which an application for listing on the regulated market has been submitted; that criterion will be deemed to be met if a financial instrument is issued in dematerialised form and entered in the central depository or central register and included in the clearing/and or settlement system.

(7) The circumstance of pre-bankruptcy, bankruptcy or liquidation proceedings being instituted against the issuer of a financial instrument shall constitute the basis for denial of the application for listing of financial instruments on the regulated market.

(8) The provision of paragraphs 3 and 7 of this article shall apply mutatis mutandis to the management company and open-end investment fund.

(9) The provisions of paragraph 7 of this article shall not apply in the case of a new issue of a financial instrument if same-class financial instruments have already been listed on the regulated market.

Free Float

Article 84

(1) Free float shall be determined on the basis of figures for the total number of all same-class shares outstanding of an issuer registered 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 free-float ratio of shares, the following are not deemed to be free float:

1. issuer's own (treasury) shares and
2. shares held by a person controlling 5% or more of such shares, except where the shares are held by a collective investment undertaking or pension fund.

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

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

3.3 CRITERIA FOR REGULAR MARKET LISTING

3.3.1 Shares

Article 85

(1) Shares to be listed on the Regular Market shall meet the criteria laid down in Article 83 of these Rules and additional criteria laid down in this article.

(2) At least 15% of the shares to be listed must be free float.

(3) In exceptional cases, shares may be listed even if they do not meet the free float requirement laid down in paragraph 2 of this article if, considering a large number of same-class shares and the free float ratio, this does not compromise orderly market functioning.

3.3.2 Structured Products

Article 86

(1) Structured products to be listed on the Regular Market shall meet the criteria laid down in Article 83 of these Rules and additional criteria laid down in this article:

1. the issuer of structured products shall provide for a member of Exchange to engage in market making.

(2) The provision of paragraph 1 point 1 of this article shall not apply to the rights to subscribe new shares.

3.3.3 Units in Open-End Investment Funds

Article 87

Units in open-end investment funds to be listed on the Regular Market shall meet the criteria laid down in Article 83(1-3, 5 and 6) of these Rules and additional criteria laid down in this article:

1. distribution of fund units to the public;

2. management company shall provide for a member of the Exchange to engage in market making in respect of open-end investment fund funds.

3.3.4 Other Financial Instruments

Article 88

Other financial instruments to be listed on the Regular Market shall meet the criteria laid down in Article 83 of these Rules.

3.4 CRITERIA FOR OFFICIAL MARKET LISTING

3.4.1 Shares

Article 89

(1) Shares to be listed on the Official Market shall meet the criteria laid down in Article 83 of these Rules and additional criteria laid down in this article.

(2) At least 25% of the shares to be listed must be free float.

(3) In exceptional cases, shares may be listed even if they do not meet the free float requirement laid down in paragraph 2 of this article if, considering a large number of same-class shares and the free float ratio, this does not compromise orderly market functioning.

3.4.2 Debt Securities

Article 90

Debt securities to be listed on the Official Market shall meet the criteria laid down in Article 83 of these Rules.

3.4.3 Other Financial Instruments

Article 91

Other financial instruments to be listed on the Official Market shall meet the criteria laid down in Article 83 of these Rules.

3.5 CRITERIA FOR PRIME MARKET LISTING

3.5.1 Shares

Article 92

(1) Shares to be listed on the Prime Market shall meet the criteria laid down in Article 89 of these Rules and additional criteria laid down in this article.

(2) The expected market capitalisation of share in respect of which a listing application is submitted must be at least HRK 100 000 000.

(3) Any shares for which a listing application is submitted must meet the minimum daily turnover and the average order book depth criteria to be specified by the Exchange or the issuer shall conclude a market making contracts in respect of the shares to be listed with at least two (2) market makers.

3.6 SHARE TRANSITION AMONG REGULATED MARKET SEGMENTS

Article 93

The procedure of share transition among segments of the regulated market shall be launched:

1. at the request of the issuer or person authorised by the issuer;
2. following a periodic review by the Exchange to determine whether the issuer and/or shares meet the criteria for listing in a specific segment of the Regulated market and/or whether the issuer complies with the publish-listing requirements.

3.6.1 Share transition among regulated market segments at the request of the issuer or person authorised by the issuer

Article 94

(1) The application for share transition among regulated market segments shall be submitted on a form of the content specified by the Exchange.

(2) The application form shall be published on the Exchange website.

(3) In deciding on the application for transition among regulated market segments, the Exchange will check whether the issuer or shares meet the listing criteria for the regulated market segment in question laid down in these Rules.

(4) Should its checks find that the issuer or the shares do not meet the listing criteria for the regulated market segment in question or that such transition might compromise the standards of the respective segment, the Exchange will issue a resolution denying the application.

(5) An application for the transition of depositary receipts to or from the Official or Prime Market may be submitted only by the issuer of shares to which the receipt refers or by the issuer of depositary receipts.

3.6.2 Share transition among regulated market segments on the basis of a period Exchange review

Article 95

(1) The Exchange will perform a periodic review every six (6) months to determine whether the issuer or the shares meet the listing criteria for the respective regulated market segment and/or whether the issuer complies with the post-listing requirements for the Official or Prime Market laid down in these Rules.

(2) Should its two (2) consecutive periodic reviews find the issuer or the shares not to meet the listing criteria for the respective regulated market segment and/or detect non-compliance of the issuer with the post-listing requirements for the Official or Prime Market laid down in these Rules, the Exchange will initiate a procedure to relegate shares from a higher to a lower segment of the regulated market.

(3) After initiating the procedure referred to in paragraph 2 of this article, the Exchange will seek a response of the issuer with regard to the circumstances prompting the Exchange to initiate share relegation from a higher to a lower segment of the regulated market and any actions the issuer plans to take in order to comply with the listing criteria for the respective regulated market segments and/or its post-listing requirements.

(4) In the event of failure to comply with the criteria and/or post-listing requirements detected in two (2) consecutive periodic reviews, the Exchange may adopt a resolution relegating the shares from a higher to a lower regulated market segment or a delisting resolution, except where it finds that the delisting might substantially harm the interests of investors or orderly market functioning.

(5) The provisions of paragraphs 1 through 4 of this article shall be without prejudice to the right of the Exchange to perform a extraordinary review in exceptional circumstances to determine whether the issuer and shares meet the criteria for listing in a specific segment of the Regulated market and/or whether the issuer complies with the post-listing requirements for the Official or Prime Market laid down in these Rules.

4. POST-LISTING REQUIREMENTS

4.1 GENERAL PROVISIONS

Public Disclosure of Price Sensitive Information

Article 96

(1) Following the listing of a financial instrument on the regulated market, the issuer is required to publicly disclose regulated and other information, in accordance with the provisions of the CMA and other regulations and these Rules.

(2) Any information which is subject to mandatory public disclosure under the provisions of the CMA and other regulations shall be disclosed to the public within the scope and in the time frame specified by such regulations.

(3) Any information which is subject to mandatory public disclosure under these Rules shall be disclosed to the public within the scope, in the time frame and manner specified by these Rules and other acts of the Exchange.

(4) The issuer shall submit information referred to in paragraphs 2 and 3 of this article simultaneously to the Exchange for the purpose of public disclosure in the electronic form and manner to be specified by the Exchange.

(5) Information referred to in paragraph 4 of this article shall be disclosed to the public without delay on the Exchange website.

(6) Where financial instruments of an issuer are listed on the regulated market without consent of the issuer, compliance of the issuer with the requirements of the CMA and other regulations, these Rules and other acts of the Exchange, is obligatory for the person who has listed the financial instruments on the regulated market without consent of the issuer, unless otherwise laid down in the CMA and these Rules.

(7) Where units in an open-end investment fund are listed on the regulated market, compliance with the requirements of the CMA and other regulations, these Rules and other acts of the Exchange, is obligatory on the management company, with the provisions of Title 4 of the Rules relating to the requirements on the issuer shall apply mutatis mutandis to the management company.

Article 97

- (1) The issuer shall submit to the Exchange any information deemed appropriate by the Exchange for the purpose of investor protection and ensuring smooth functioning of the market.
- (2) The Exchange may seek a response of the issuer with regard to any circumstances or facts relating to the financial instrument or issuer which affect or might affect the price of the issuer's financial instruments and are not derived from the information submitted earlier by the issuer to the Exchange.
- (3) The Exchange may request that the issuer disclose information set forth in paragraphs 1 and 2 of this article, specifying the form and the time frame of disclosure of such information.
- (4) Where the issuer fails to disclose that information in accordance with paragraph 3 of this article, the Exchange itself will disclose the information on receiving the issuer's response.

Language

Article 98

- (1) The issuer whose financial instruments are listed on the regulated market shall disclose price sensitive information to the Exchange in the language specified by the provisions of the CMA.
- (2) The issuers whose instruments are listed on the Official Market and Prime Market shall provide the information in both Croatian and English.

Simultaneous Public Disclosure

Article 99

- (1) When stating or disclosing price sensitive information, the issuer of listed 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. must simultaneously be submitted to the Exchange.

Parallel Listing

Article 100

Where, in addition to the listing on the regulated market operated by the Exchange, a financial instrument is also listed on another regulated market in the Republic of Croatia or 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 101

An issuer whose financial instruments are listed on the regulated market shall inform the Exchange without delay of the choice or change or choice of the home Member State with regard to the disclosure of regulated information.

Choice of Official Register of Regulated Information

Article 102

An issuer whose financial instruments are listed on the regulated market shall inform the Exchange without delay of the choice or intention to change the official register of regulated information.

Choice of Media for Disclosure of Regulated Information

Article 103

An issuer whose financial instruments are listed on the regulated market shall inform the Exchange without delay of the choice or intention to change the media for public disclosure of regulated information.

List of Insiders

Article 104

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

(2) The obligation referred to in paragraph 1 of this article shall not apply to the person who has listed financial instruments on the regulated market without consent of the issuer.

Exchange Fee

Article 105

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 Issuer of Shares Listed on the Regular Market

Article 106

The issuer whose share 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 disclosed information, immediately upon occurrence of such change.

4.2.1.1 Annual General Meeting

Article 107

(1) The issuer shall submit notice of its Annual General Meeting (AGM) to the Exchange in the time frame specified in the CA or regulations governing the establishment and operation of companies.

(2) Notice of the AGM must 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 submit to the Exchange without delay any resolutions and disclose information about the resolutions adopted by its AGM.

(4) Where the management is authorised by the AGM to autonomously decide on a particular issue, the issuer shall disclose such a decision without delay.

4.2.1.2 Corporate Actions

Article 108

(1) In the event of dividend (interim dividend) payment, the issuer shall notify the Exchange of the following:

1. amount of dividend 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 shares – may not be earlier than two (2) trading days following the day of public disclosure on the dividend payment resolution approved by voting; and
3. payment date – as early as possible after the record date (recommended to be the next trading day) and to be clearly specified as the day on which dividend will be paid.

(2) Any proposed resolutions and resolutions adopted by the issuer's AGM or management in respect of other corporate actions must include:

1. record date in respect of the holders entitled to a payment in cash and/or securities, unless otherwise laid down by law;
2. ex date – as the first day of trading in the respective shares with no right to payment in cash and/or securities – being at least one (1) working day of the central depository prior to the record date in respect of the holders entitled to a payment in cash and/or securities, unless otherwise laid down by law; and
3. payment date – as early as possible from the record date in respect of the holders entitled to payment (recommended to be the next trading day) and to be clearly specified as the day on which payment in cash and/or securities will be effected.

(3) The issuer shall submit to the Exchange the information referred to in paragraphs 1 and 2 of this Article at least two (2) trading days prior to the ex date.

4.2.1.3 Code of Corporate Governance

Article 109

(1) Any issuer of shares listed on the regulated market, with the exception of share in closed-end investment funds, shall be subject to the Code of Corporate Governance.

(2) Not later than the day of submission of the annual report, the issuer shall submit to the Exchange a filled out questionnaire, which forms an integral part of the Code of Corporate Governance, and shall also publish it on its website.

4.2.2 Obligations of the Issuer of Debt Securities Listed on the Regular Market

Article 110

The issuer of debt securities 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 disclosed information, immediately upon the occurrence of such change.

4.2.2.1 Meeting of the Holders of Debt Securities

Article 111

(1) The issuer shall submit notice of the meeting of its debt securities holders to the Exchange at the same time as that it informs debt securities holders thereof, and not later than five (5) trading days prior to the day of the meeting of debt securities holders.

(2) Notice of the meeting of debt securities holders must contain any information which the issuer is required to make available to debt securities holders under the CMA and other regulations, and which may be necessary for the exercise of their rights.

(3) The issuer shall submit to the Exchange without delay any resolutions and disclose information about the resolutions adopted at the meeting of debt securities holders.

Corporate Actions

Article 112

Any proposed resolutions and resolutions adopted by the meeting of the issuer's debt securities shall be subject *mutatis mutandis* to the provisions of Article 108(2 and 3) of these Rules.

4.2.3 Obligations of the Issuer of Structured Products Listed on the Regular Market

Article 113

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

1. changes in characteristics of the structured product (e.g. change of its strike price, barrier, etc.),
2. redemption price of the structured product and
3. changes in the issuer's credit rating.

4.2.4 Obligations of the Management Company of an Open-End Investment Fund Listed on the Regular Market

Article 114

The management company of an open-end investment fund with units 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 disclosed information, immediately upon the occurrence of such change.

Number of Units Issued and Fund (indicative) Net Asset Value per Unit

Article 115

- (1) Each trading day, the open-end investment fund management company shall disclose information on the number of units issued and the fund net asset value (NAV) per unit.
- (2) In addition to the information referred to in paragraph 1 of this article, the management company of an ETF replicating a particular index shall disclose information on the fund indicative net asset value (iNAV) per unit every sixty (60) seconds during the trading day.
- (3) In addition to the information referred to in paragraphs 1 and 2 of this article, each trading day the management company of an actively managed ETF shall disclose composition of the fund's portfolio before trading opens.
- (4) If the management company is unable to calculate the fund NAV and iNAV per unit, it shall promptly notify the Exchange thereof and disclose the information to the public.

Information Concerning the Open-End Investment Fund

Article 116

The management company shall promptly submit to the Exchange the following:

1. information on material changes to the prospectus, as well as changes to the fund rules and key investor information, on approval by the competent authority if such approval is necessary;
2. semi-annual and audited annual report of the fund within the scope and time frame laid down by law governing the establishment and operation of open-end investment funds;
3. any other legal and business event related to the management company and open-end investment fund under its management, where events which might affect the fund operation are concerned; and
4. any information of significance for investor protection and appropriate functioning of the market.

4.2.5 Obligations of the Issuer of Shares in a Closed-End Investment Fund Listed on the Regular Market

Article 117

(1) The issuer of shares of a closed-end investment fund 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 disclosed information, immediately upon the occurrence of such a change.

(2) Obligations of the closed-end investment fund shall be performed by its management company, or by the fund itself if it has an internal manager.

Net Asset Value and Net Asset Value per Share

Article 118

Information on the fund net asset value and net asset value per share of the fund shall be submitted to the Exchange in the time frame specified by the regulations governing the establishment and operation of alternative investment funds.

Information Concerning the Closed-End Investment Fund

Article 119

The issuer shall promptly submit to the Exchange the following information:

1. information on changes to the prospectus and changes to the fund rules, on approval by the competent authority if such approval is necessary;
2. audited annual report of the fund within the scope and time frame laid down by CMA;
3. any other legal and business event related to the issuer and closed-end investment fund under its management, where events which might affect the fund operation are concerned; and
4. any information of significance for investor protection and appropriate functioning of the market.

4.3 OFFICIAL MARKET

4.3.1 Obligations of the Issuer of Shares Listed on the Official Market

Article 120

The issuer of shares listed on the Official Market shall comply with any post-listing requirements laid down for the issuers whose shares are listed on the Regular Market and additional obligations laid down by these Rules.

4.3.1.1 Management and Supervisory Board Meetings

Article 121

(1) The issuer shall submit to the Exchange information on management and supervisory board meetings not later than two (2) trading days prior to the day of the meeting at which the said bodies are to decide on the following:

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

(2) The issuer shall submit any resolutions and documents being adopted by virtue such resolutions to the Exchange not later than the opening of trading on the following trading day.

4.3.1.2 Acquisition and Disposal of Financial Instruments by Persons Discharging Managerial Responsibilities with the Issuer and Persons Closely Associated with Them

Article 122

(1) The issuer shall submit to the Exchange information on any acquisition and disposal of the issuer's shares or other financial instruments related to such shares by the persons discharging managerial responsibilities and persons closely associated with them within five (5) trading days from the acquisition or disposal concerned.

(2) The date of the acquisition or disposal of a financial instrument shall be taken to be the day of the Exchange transaction or the day of concluding a legal transaction (e.g. purchase or sale, grant of a gift etc., irrespective of whether under deferment) or the day of the occurrence of another legal basis of the acquisition or disposal of the financial instrument.

4.3.2 Obligations of the Issuer of Debt Securities Listed on the Official Market

Article 123

The issuer of debt securities listed on the Official Market shall comply with any post-listing requirements laid down for the issuers whose debt securities are listed on the Regular Market and additional obligations laid down by these Rules.

4.3.2.1 Management and Supervisory Board Meetings

Article 124

(1) The issuer shall submit to the Exchange information on management and supervisory board meetings not later than two (2) trading days prior to the day of the meeting at which the said bodies are to decide on the following:

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

(2) The issuer shall submit any resolutions and documents being adopted by virtue such resolutions to the Exchange not later than the opening of trading on the following trading day.

4.4 PRIME MARKET

4.4.1 Obligations of the Issuer of Shares Listed on the Prime Market

Article 125

The issuer of shares listed on the Prime Market shall comply with any post-listing requirements laid down for the issuers whose shares are listed on the Official Market and additional obligations laid down by these Rules.

4.4.1.1 Calendar of Events

Article 126

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

1. financial statements,
2. AGM,
3. dividend payment, and
4. other activities related to investor relations.

(2) With regard to the annual accounts, the issuer may specify the week of disclosure.

(3) The issuer shall disclose a calendar of events for each financial year prior to the commencement of the financial year, and any change in the calendar as soon as it occurs, but not later than a week before the originally scheduled date or before the changed date, whichever falls earlier.

4.4.1.2 Annual Report

Article 127

After their disclosure to the public or simultaneously with it, the Issuer shall present the annual accounts in conferences with interested financial analysts and representatives of the media.

4.4.1.3 Company Takeover or Corporate Divestiture

Article 128

(1) The issuer shall submit to the Exchange information on the takeover of the company or corporate divestiture which is price sensitive.

(2) Information referred to in paragraph 1 of this article shall cover in particular the following:

1. purchase price,
2. method of payment,
3. material facts 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, and
7. other key transaction terms, particularly where these may affect its validity,

unless the regulations governing company takeover specify otherwise.

(3) The company or business being taken over should be described by covering a description of the business and principal activities, financial condition and indicators, including any historical data.

4.4.1.4 New Share Issuance

Article 129

When issuing new shares, the Issuer shall issue transferable securities (new share subscription rights) to enable the shareholders with pre-emption rights to exercise their right to the subscription and purchase of new shares, and enable their trading in such securities on an MTF operated by the Exchange for at least ten (10) trading days prior to the first day of subscription of the new issue.

4.5 SPECIFIC PROVISIONS FOR THE ISSUERS OF DEPOSITARY RECEIPTS

Article 130

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

(2) The issuer of securities to which depositary receipts relate shall meet any disclosure requirements under the regulations applying to such issuers and comply with the obligations laid down in the CMA and other regulations, as well as additional obligations to disclosure information to the public laid down in these Rules.

(2) The obligations referred to in paragraph 2 of this article may also be performed by the issuer of depositary receipts in lieu of the issuer of underlying securities to which such depositary receipts relate.

4.6 SPECIFIC PROVISIONS FOR THE ISSUERS OF FINANCIAL INSTRUMENTS FROM MEMBER STATES OR THIRD COUNTRIES

Article 131

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

(2) The issuers of financial instrument from other Member States and third countries shall meet disclosure requirements under the regulations applying to such issuers and in accordance with the obligations laid down by the CMA and other regulations, as well as additional obligations to disclose the information relating to particular types of financial instrument or particular regulated market segments laid down in these Rules.

4.7 REGULATED MARKET DELISTING

Article 132

(1) Delisting may occur:

1. pursuant to an AGM resolution on delisting from the regulated market;
2. pursuant to a decision of the Agency, court or other public authority;
3. on maturity or early redemption of the financial instrument;
4. in the cases specified in the Prospectus or other documents relating to the listing;
5. where issuer and/of financial instrument no longer meets the criteria for listing in a particular segment of the regulated market, and/or in the event of non-compliance of the issuer with post-listing requirements laid down in these Rules;
6. in the event of bankruptcy proceedings being instituted against the Issuer;
7. in the event of liquidation proceedings being instituted against the Issuer;
8. by dissolution of the Issuer;
9. by cessation of the financial instrument;
10. at the request of any other person, in accordance with the provisions of a regulation which governs the resolution of credit institutions and investment companies.

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

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

AGM Resolution on Regulated Market Delisting

Article 133

(1) In the case referred to in Article 132(1)(1) of these Rules, the issuer of shares domiciled in the Republic of Croatia whose AGM adopts a resolution to delist its shares from the regulated market shall submit a request for share delisting from the regulated market to the Exchange, together with a decision to enter the delisting resolution in the court register and minutes of the AGM which adopted the resolution to delist shares from the regulated market.

(2) Where the resolution on share delisting from the regulated market is adopted by more than a nine-tenth (9/10) majority of the votes cast, the Exchange will delist the shares from the regulated market on the following trading day from receipt of the resolution or on expiry of a particular period of time from the entry of the resolution in the court register, where so specified in the resolution on regulated market delisting.

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

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

(5) In the case referred to in paragraph 4 of this article, the Exchange will delist the shares from the regulated market on expiry of three (3) months from receipt of the request for share delisting from the regulated market and documents set forth in paragraph 1 of this article.

(6) The issuer shall pay a delisting fee to the Exchange in accordance with the price list.

Maturity or Early Redemption of the Financial Instrument

Article 134

In the case referred to in Article 132(1)(3) of these Rules, delisting will occur on the same or the next trading day from the receipt of a decision of the issuer or central depository, or central register whose services are involved in respect of the financial instrument concerned.

Delisting in the Cases listed in the Prospectus or Other Listing Documents

Article 135

In the case referred to in Article 132(1)(4) of these Rules, the Exchange will adopt a delisting resolution on the basis of information contained in the Prospectus or other documents relating to the listing.

Failure to Meet Listing Criteria for a Particular Regulated Market Segment and/or Non-Compliance with Post-Listing Requirements Laid Down by the Rules

Article 136

(1) In the case referred to in Article 132(1)(5) of these Rules, the Exchange will generally adopt a delisting resolution on completing two (2) consecutive periodic reviews in the manner specified in Article 95 of these Rules, except where otherwise dictated by circumstances.

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

(3) In the case referred to in paragraph 1 of this article, delisting will occur on expiry of three (3) months from the day of adoption of the delisting resolution, except where otherwise dictated by circumstances.

Bankruptcy of the Issuer

Article 137

In the case referred to in Article 132(1)(6) of these Rules, the Exchange will pass a delisting resolution at the request of the bankruptcy administrator for delisting from the regulated market and pursuant to a decision to institute bankruptcy proceedings against the Issuer.

(2) In the case referred to in paragraph 1 of this article, delisting will occur on expiry of three (1) months from the day of adoption of the delisting resolution.

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

Liquidation Proceedings

Article 138

(1) In the case referred to in Article 132(1)(7) of these Rules, the request for delisting shall be submitted by the liquidator.

(2) The provisions of Articles 133 of these Rules shall apply *mutatis mutandis*.

Dissolution of the Issuer and Cessation of the Financial Instrument

Article 139

In the case referred to in Article 132(1)(8 and 9) of these Rules, delisting will occur on the same or following trading day after the Exchange receives from the issuer a decision on the entry of the status change or dissolution of the issuer in the court register, or a decision of the central depository or central register.

Article 140

The Exchange accepts no liability for direct or indirect damage and/or loss of profit as a consequence of the delisting resolution adopted.

5. TRADING

Calendar of Trading Days and Trading Hours

Article 141

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

Exchange Trading System

Article 142

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

Article 143

The trading system is used for:

1. concluding order book transactions;
2. concluding off-order book transactions; and
3. reporting and disclosure of OTC transactions.

5.1 TYPES OF TRADING

Article 144

Trading may be:

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

Article 145

Order book trading may take place:

1. in continuous trading and
2. in auctions.

Article 146

Off-order book trading may be:

1. a block trade,
2. a public auction, and
3. public offering.

Article 147

The Exchange will specify the modality in which trading may take place in respect of particular financial instruments and/or markets or market segments.

5.2 Order Book Trading

5.2.1 Continuous Trading

Article 148

Continuous trading consists of the following stages:

1. pre-opening session and
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.

5.2.1.1 Pre-Opening Session

Article 149

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

Article 150

(1) During the pre-opening session, member firms enter orders in the trading system; any transactions are conducted at the end of the pre-opening session at a uniform price – the opening price.

(2) The opening price is calculated in up to three steps, proceeding to each following step only in case the opening price cannot be calculated in the previous step.

(3) The steps of the opening price calculation involve:

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

Maximum Clearing Volume

Article 151

- (1) The maximum clearing volume step is aimed at determining the price or prices at which the maximum volume will be traded.
- (2) First, the cumulative buy and sell volume is determined at each price level. The cumulative buy volume at a particular price level is the buy volume quoted at that price augmented by a sum of all volumes at higher prices. The cumulative sell volume at a particular price level is the sell volume quoted at that price augmented by a sum of all volumes at lower prices.
- (3) On 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 clearing volume is the minimum cumulative buy and sell volume quoted at that price.
- (4) The greatest possible size of the maximum clearing volume will be selected from the maximum clearing volume at a particular price.
- (5) If there is only one price at which the maximum clearing volume may be traded, that price will be the opening price.
- (6) In case the maximum clearing volume may be traded at two or more prices, the step in which the minimum residual balance is determined will follow.

Minimum Residual Balance

Article 152

- (1) In determining the minimum residual balance, the minimum price of the residual balance (i.e. the volume which will not be traded at the end of the pre-opening session) is sought from among two or more prices with the maximum clearing volumes. The minimum residual balance at each price level is the difference between the cumulative buy and sell volumes.
- (2) On determining the minimum residual balance at each price level, the minimum value of the minimum residual balance will be selected.

(3) If there is only one price at which the minimum residual balance may be traded, that price will be the opening price.

(4) In case the maximum volume producing the minimum residual balance may be traded at two or more price, the step in which the average price is calculated will follow.

Average Pre-Opening Price

Article 153

In calculating the average price, an average of the prices identified in the step involving the determining of the residual value, that is, the prices producing the smallest value of the minimum residual balance will be determined.

5.2.1.2 Main Trading Session

Article 154

(1) Any orders which have not been filled in the opening session remain in the trading system.

(2) After the main trading session opens, member firms may continuously enter new orders, and modify or cancel existing orders.

(3) During the main trading session, any orders entered will be continuously compared by the trading system and matched automatically whenever possible to result in a transaction, according to their order book sequence.

5.2.2 Auction

Article 155

In the auction, transactions are concluded under a procedure identical to that in the pre-opening session.

Article 156

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

Article 157

(1) Shares will be classified by the Exchange for trading in auctions every three (3) months according to the liquidity criteria, including the average daily turnover and the average number of concluded 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 specified in Article 159 of these Rules for continuous trading even before the expiry of three (3) months.

(3) Numerical criteria for the share classification for trading in auctions will be specified by the Exchange and published on its website.

Article 158

(1) Each first Friday of the quarter, based on data for the previous quarter, the Exchange will determine a list of shares to be traded in auctions.

(2) The list of shares to be traded in auctions will be sent by the Exchange to members firms and published on its website.

(3) Trading in auctions will commence on the following trading day, after the list of shares has been published on the Exchange website.

Fast Transition to Continuous Trading

Article 159

- (1) Based on the liquidity criteria, including specific weekly turnover, the number of order book transactions in a single trading week and the number of order book transactions on a single trading day, the Exchange may transfer a share traded in auctions to continuous trading.
- (2) Numerical criteria for a fast transition of shares to continuous trading will be specified by the Exchange and published on its website.
- (3) At the end of each trading week, the Exchange will check whether any shares traded in auctions meet the criteria for a fast transition to continuous trading.
- (4) Notification of a particular share's fast transition to continuous trading will be submitted by the Exchange to member firms and published on its website.
- (5) Continuous trading in the shares will commence on the following trading day, after notification of it has been published on the Exchange website.

5.2.3 Volatility interruption

Article 160

The volatility interruption mechanism is used in share, structured products and open-end investment fund units trading.

Article 161

- (1) The Exchange will set limits of price change in respect of each share and open-end investment fund unit according to liquidity and/or criteria of the market on which the share or unit is listed.
- (2) The Issuer may set a limit on the price change in respect of a structured product at the time of its listing.
- (3) The limits of price change referred to in paragraphs 1 and 2 of this article will be published by the Exchange on its website.

Article 162

The Exchange will determine the duration of volatility interruption in respect of a particular financial instrument by other acts.

Article 163

The price at which transactions are to be concluded at the end of the volatility interruption will be determined in the manner described in Articles 150 through 153 of these Rules.

Pre-Opening Volatility Interruption

Article 164

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.

Main Trading Session Volatility Interruption

Article 165

- (1) The volatility interruption will be triggered on entry in the trading system of an order which, if filled, might result in one or more transactions in excess of the permitted limit of price change.
- (2) The order triggering the volatility interruption will be filled via transactions which are within the limit of price change, and a volatility interruption will be triggered automatically.
- (3) Any unfilled volume at a price exceeding the limit will be parked in the order book in the trading System for the duration of the volatility interruption, except immediate orders which will be deleted.
- (4) Afterwards, the main trading session will resume and the price achieved in the volatility interruption will be set as the new reference price for the monitoring of price changes in percentage terms.
- (5) In case the volatility interruption does not result in transactions, the reference price will remain unchanged.

(6) Should the volatility interruption end within the last two (2) minutes of the close of trading, the commencement of the variable ending will at any rate coincide with the time trading closes.

Change in the Reference Price of Structured Products and Open-End Investment Fund Units

Article 166

(1) In the event of a change in market conditions, the market maker in structured products and units in open-end investment funds may submit a request to the Exchange seeking a new reference price to be set.

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

Volatility Interruption in Auction Share Trading

Article 167

If the theoretical price at the close of trading in auctions exceeds the permitted limit of price change in respect of a particular share, trading will be extended for the duration of the volatility interruption.

5.2.4 Variable Ending

Article 168

(1) Pre-opening, volatility interruption and trading in auctions have a variable ending.

(2) The exact time at which the pre-opening session, volatility interruption or trading in auctions ends is determined autonomously by the trading system within a predefined period of time, using a random number generator without involvement or influence of Exchange employees.

5.2.5 Hard Limit

Article 169

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

Article 170

- (1) A hard limit is expressed in percentage terms of the reference price.
- (2) If a member firm tries to enter a buy order in the trading system at the price which exceeds the reference price by more than the predetermined limit, the trading system will prevent the entry of such a buy order (upper limit).
- (3) If a 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 the predetermined limit, the trading system will prevent the entry of such a sell order (lower limit).

Hard Limit in Share and Open-End Investment Fund Unit Trading

Article 171

- (1) The Exchange may set a hard limit in share and open-end investment fund unit trading.
- (2) The limit of price change will be published by the Exchange on its website.
- (3) In exceptional cases, the Exchange may abolish the limits referred to in paragraph 1 of this article autonomously or at the request of the market maker in open-end investment fund units.
- (4) The request referred to in paragraph 3 of this article must be properly explained.

Hard Limit in Structured Products Trading

Article 172

- (1) Hard limit in structured products trading may be set by the issuer at the time of their listing.
- (2) In exceptional cases, the Exchange may abolish the limits referred to in paragraph 1 of this article autonomously or at the request of the market maker in structured products.
- (3) The request referred to in paragraph 2 of this article must be properly explained.

5.2.6 Short Selling

Short Selling

Article 173

Short selling is permitted only in respect of the financial instrument which the Member firm has borrowed at the time of the order entry or agreed to borrow for delivery on settlement;

Article 174

- (1) On selling borrowed financial instruments or purchasing for the purpose of returning the loan, the member firm shall notify the Exchange of the transactions concluded.
- (2) The manner and time frame of notification shall be specified by the Exchange.
- (3) A member firm which engages in market making is not required to notify the Exchange of the transactions concluded in the manner laid down in paragraph 2 of this article if done in the market making role.

Article 175

Once a month, the Exchange will publish on its website cumulative short selling volume and turnover in respect of each financial instrument.

5.2.7 Orders in Order Book Trading

5.2.7.1 Types of Order Book Orders

Article 176

Orders may be:

1. buy orders and
2. sell orders.

Article 177

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

1. a limit order – order with a specified price. The order will be filled at the price specified in the order or a better price.
2. a 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 only a time limit on validity set to "immediate".

Article 178

With regard to the time limit on validity, orders may be one of the following:

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 is cancelled.
5. immediate – the order is cancelled unless it is filled immediately on being entered in the trading system.

Article 179

(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 a 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 cancelled.

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

Article 180

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

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

– total amount – the volume of financial instruments 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 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 181

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

Article 182

The interrelations among particular types of orders as they are turned into transactions will be determined by the trading system in the manner described in these Rules.

Article 183

The types of orders which may be used in particular market segments or order book trading modalities shall be specified by the Exchange.

5.2.7.2 Order Parameters

Article 184

(1) The parameters of an order being entered in the trading system are as follows:

1. ticker of the financial instrument,
2. unit price of the financial instrument (except in market orders),
3. volume (quantity) of the financial instrument,
4. type of the order,
5. indication of basic type (buy or sell order),
6. number of the member firm's position account in the clearing system, and
7. investor account.

(2) The method of entering the number of position account in the clearing system and investor account in the order shall be specified by the Exchange.

5.2.7.3 Order Transparency

Article 185

(1) An order must include the volume and 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 are available to member firms through the order book.

Stating Order Price

Article 186

The price is stated:

1. in respect of shares and open-end investment fund units – 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 such instruments.

Order Volume

Article 187

The Exchange may lay down the increment of volume and price change for the entry of orders in respect of particular financial instruments and/or particular markets or market segments.

Time of Order Entry

Article 188

On the entry of orders in the trading system, each order will be assigned a time stamp, corresponding to the time of its entry.

Order Sequence

Article 189

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

Order Validity in the Trading System

Article 190

The order will be valid from the time it is entered in the trading system until such time as:

1. the order has been deleted by the trading system due to expiry;
2. the order has been deleted by the Exchange, in accordance with these Rules and other acts of the Exchange;
3. the order has been cancelled or modified by the member firm; or
4. the order has been fully filled.

Maximum Order Validity in the Trading System

Article 191

- (1) The maximum validity of the order in the trading system is 365 days from the day it is entered in the trading system, irrespective 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 delete the order in the order book.

Order Deletion by the Exchange

Article 192

(1) The Exchange will delete an order from the trading system:

1. on suspension or termination by exclusion from membership;
2. by order of authorised state bodies;
3. in case of kill switch use at the request of the clearing system;
4. in case the member firm's position in the clearing system is closed; and
5. in case of a corporate action, if necessary, in accordance with notification of the central depository or central register on the corporate action being undertaken.

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

1. at the request of the member firm, if access by the member firm to the trading system has been disabled for legitimate reasons;
2. in the course of trading surveillance, in accordance with the provisions of Article 269 of these Rules.

(3) The Exchange will notify the member firm whose order has been deleted from the trading system only in the case referred to in paragraph 2(2) of this article.

Order Cancellation or Modification by the Member Firm

Article 193

(1) The member firm may cancel or modify an 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.

Commitment

Article 194

A member firm which enters an order to buy or sell a particular quantity of financial instruments commits itself to buy or sell the financial instruments at the price stated in the order or that which is better for the member if the order is turned into a transaction.

Article 195

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 effective trading, and any behaviour pointing to market abuse.

Article 196

The Exchange waives responsibility and liability for the reconciliation of the member firm's order records with the order book in the Exchange trading system.

5.2.8 Order Book Transactions

Transaction

Article 197

- (1) A transaction occurs when the trading system matches a sell order to a buy order in respect of the same financial instrument.
- (2) As the transaction occurs, the orders which are matched to result in the transaction will be filled in whole or in part.
- (3) Relevant provisions of these Rules and other Exchange acts related to trading in financial instruments are also deemed to constitute an integral part of the legal transaction concluded by executing the transaction.

Financial Instruments in Transaction

Article 198

The financial instruments which are the subject of transaction are those referred to in both the sell and buy order, of the quantity stated in the order which has been filled in whole.

Price

Article 199

The price of financial instruments is the price determined by the trading system based on the orders entered in a particular trading modality or session.

Accrued Interest

Article 200

- (1) The prices of interest bearing financial instruments are stated net of the accrued interest as clean prices.
- (2) In addition to the price determined in the transaction, the seller is also entitled to the accrued interest for the period running up to the payment date.

Transaction Time

Article 201

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

Transaction Venue

Article 202

The transaction venue is the place at which the Exchange has its registered office.

Commitment

Article 203

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

Ex-Dividend and Ex-Interest Transactions

Article 204

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

Finality of Transactions

Article 205

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

Exchange Fee

Article 206

(1) The member firm shall pay a fee to the Exchange for any transactions concluded.

(2) The size and method of calculating the fee referred to in paragraph 1 of this article shall be specified in the price list.

5.3 OFF-ORDER BOOK TRADING

5.3.1 Block trades

Article 207

(1) Any financial instruments listed on the regulated market may be the subject of block trades.

(2) A block trade may be:

1. a transaction concluded between two members of the Exchange or
2. a transaction concluded by one member of the Exchange.

Article 208

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

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

Article 209

(1) Block trades are done by an exchange of messages via the trading system.

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

5.3.2 Public Auction

Article 210

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 is to acquire, assign or transfer 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 rules of the auction.

Article 211

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

Article 212

Any person who is not expressly excluded under the regulations of the Republic of Croatia or predefined auction criteria may be an auction participant.

Article 213

Auction participants are represented by member firms or by the Exchange.

Article 214

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

Article 215

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

Article 216

(1) Auction parameters shall determine:

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 constitute an integral part of the advertisement announcing the auction.

Article 217

(1) An advertisement announcing a public auction must be published in at least one daily newspaper available in the entire territory of the Republic of Croatia at least seven (7) days prior to the auction date.

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

Article 218

During the time set for entering buy orders, the member firm representing the buyer will enter the bids according to the following parameters:

1. FoK (Fill or Kill) buy order placement;
2. price increment – solely for the entry of one or more ticks;
3. bid quantity must correspond to 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 219

- (1) Where the starting price exceeds the tick, in the course of bidding the member firm representing a potential buyer must enter a bid price equal at least to the starting price or the starting price augmented by the auction tick or else a multiplier of the auction tick.
- (2) 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 and impose a measure to protect market integrity on the member firms which caused the auction to fail.
- (3) The auction nullification will be notified by the Exchange to member firms and the public via its website.
- (4) The Exchange will inform member firms and the public of the day of repeat public auction via its website.
- (5) In the case referred to in paragraph 4 of this article, the organisation fee in respect of the public auction shall be paid by the member firms which caused the public auction to fail according to the price list.

Article 220

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

1. for an auction with a fixed ending: between 11:00 and 12:00 hours;
2. for an auction with a variable ending: from 11:00 until the auction closes, with that time being set autonomously by the trading system, using a random number generator with no involvement or influence of Exchange employees, to occur between 12:00 and 12:15 hours.

Article 221

- (1) The sell order will be entered by the Exchange on expiry of the time set for the entry of buy orders.
- (2) The Exchange will enter the sell order by 12:59:59 at the latest.

Article 222

The best bid will be selected by the Exchange trading system by closing the sell order against the best buy order at 13:00 hours.

Article 223

On completing the public auction, the Exchange will notify member firms and the public thereof 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 224

To ensure the performance of their obligations arising from legal transactions concluded at the public auction, the Exchange may request that the member firms representing public auction participants deposit security instruments to be specified by the Exchange.

Article 225

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

5.3.3 Public Offering via the Exchange

Article 226

(1) The issuer of shares, or the issuer or owner of shares in the secondary offering, may conduct an (initial or secondary) public share offering via the Exchange trading system, according to public offering models specified by the Exchange.

(2) The duration of the public offering, lot size, tick size and other parameters of the public offering shall be specified by the issuer or owner of shares in a contract to be concluded with the Exchange.

(3) Parameters of the public offering referred to in paragraph 2 of this article shall be disclosed by the Exchange on its website.

5.4 OTC TRANSACTIONS

Article 227

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

Article 228

A member firm or other person referred to in Article 227 of these Rules concluding an agreement with the Exchange for the provisions of OTC transaction reporting services shall disclose any OTC transactions via the Exchange trading system.

Article 229

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

Article 230

The person reporting an OTC transaction shall be responsible for the completeness, truth and accuracy of data on the OTC transaction.

Article 231

Under the circumstances it deems necessary for maintaining a fair and orderly trading environment and for protecting investor and public interest, the Exchange will cancel any reports of OTC transactions in the course of the same trading day on which it is reported if one or more elements of such report are erroneous.

Article 232

The person who reports the OTC transactions with more or more erroneous elements shall submit a request to the Exchange to cancel the report as soon as practicable, but not later than five (5) minutes after the close of trading.

Article 233

On receiving a 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 it should be cancelled, where possible.

5.5 TRADING SUSPENSION

5.5.1 Trading Suspension for Technical Reasons

Article 234

(1) The Exchange may suspend trading if, due to trading system disturbances (access data network for data exchange between the computer system of the member firm and the trading system) or for other relevant reasons, 30% or more member firms are unable to establish a connection with the trading system.

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

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

(3) The information on trading suspension shall be published by the Exchange on its website and submitted to the Agency.

5.5.2 Trading Suspension Due to Extraordinary Market Volatility

Article 235

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

- (a) before 13:00, for one (1) hour;
- (b) at or after 13:00, for thirty (30) minutes.

(2) Should the CROBEX® index fall again by 10% or more compared to its last value on the previous trading day at or after 13:00, trading will continue until the end of the trading day, except where the CROBEX® index falls 15% or more compared to its last value on the previous trading day, in which case trading will be suspended until the end of the trading day.

(3) The information on trading suspension shall be published by the Exchange on its website and submitted to the Agency.

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

Article 236

The provisions of Articles 234 and 235 of these Rules shall be without prejudice to the right of the Exchange to suspend or temporarily suspend trading in any financial instrument or particular segment of the regulated market operated by it in accordance with the provisions of the CMA and these Rules.

5.6 RESPONSIBILITY OF THE EXCHANGE

Article 237

The Exchange waives responsibility and liability to member firms 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 other 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 Exchange, of the computer system of the member firm, data connection or trading system;
2. failures, data loss or modification, failure to conclude expected deals and/or in another manner occurring due to the use or attempted use of the computer equipment of the member firm or Exchange, or the computer system of the member firm, data connection or trading system for any other purposes except those specified in these Rules
3. interruption in the electricity supply, electric shock, fire or other circumstances beyond control of the Exchange, which directly or indirectly cause irregularities or interruption in the operation of the computer equipment of the member firm or Exchange, of the computer system of the member firm, data connections or trading system, and which directly or indirectly prevents a fair, orderly and effective trading;
4. use of the computer system of the member firm, data connections or trading system in the manner which is not compliant with the provisions of these Rules, implementing acts, technical instructions and other instruction for the use of information equipment or data connections provided by the Exchange, equipment manufacturer and/or distributor or communication services provider.

6. CLEARING AND/OR SETTLEMENT

Article 238

(1) The clearing and/or settlement of particular and/or all transactions in financial instruments concluded on the regulated market takes place in accordance with the rules and instructions of the clearing and/or settlement system selected by the Exchange, in accordance with the provisions of the CMA and other regulations.

(2) The Exchange will notify member firms and the public of its choice of the system for the clearing and/or settlement of particular and/or all transactions concluded on the regulated market via its website immediately on receiving the Agency's approval.

Kill Switch at the Request of the Clearing System

Article 239

(1) The Exchange may enable the use of the kill switch mechanism to the clearing system operated or managed by a central counterparty.

(2) At the request of the clearing system operator and in the cases laid down in the clearing system rules, the Exchange will delete open orders of a member firm in respect of its particular position account in the order book and prevent it from placing new orders concerning financial instruments adequate for clearing in the clearing system.

(3) The request referred to in paragraph 2 of this article must state the number of the member firm's position account in the clearing system and the legal basis for kill switch use laid down in the clearing system rules.

(4) At the request of the clearing system operator to stop using the kill switch mechanism in respect of the member firm's particular position account, the Exchange will enable the member firm to place new orders concerning financial instruments appropriate for clearing in the clearing system. Any orders requoted by the member firm in the order book shall be assigned a new time stamp by the trading system.

(5) The request referred to in paragraph 4 of this article to stop using the kill switch mechanism must state the number of the member firm's position account in the clearing system.

(6) The Exchange will immediately notify other member firms and the Agency of the use of the kill switch mechanism via the trading system.

(7) Standards for the application of the kill switch mechanism shall be specified by the Exchange and disclosed to the public on its website.

7. TRADING TRANSPARENCY

Disclosure of Order and Market Depth Data

Article 240

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

1. in respect of financial instruments being traded in the main trading session – at least the five (5) best buy and sell orders at each price level;
2. in respect of trading in auctions – the theoretical opening price and volume to be traded at the time the pre-opening session closes, in accordance with Articles 150 through 153 of these Rules.

Disclosure of Transaction Data

Article 241

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

1. transaction date;
2. transaction time;
3. ticker of the financial instrument;
4. unit price of the financial instrument;
5. currency in which the price is expressed;
6. transaction volume of the financial instrument; and
7. trading venue in which the transaction is concluded.

Ensuring Trading Data Availability to The Public

Article 242

The Exchange continuously ensures the availability of the data referred to in Articles 240 and 241 of these Rules during regular trading hours, as close to the real time as possible, at a fee laid down in the price list.

8. CONFLICT OF INTEREST COMMITTEE

Article 243

The Conflict of Interest Committee is an advisory body of the Exchange.

Article 244

(1) The Exchange, Exchange shareholders, members firms and issuers, as well as members of the management or supervisory board and employees of these persons, must not place their private interest before the public interest of orderly regulated market operation.

(2) A conflict of interest exists when private interests of the persons referred to in paragraph 1 of this article are contrary to the public interest of orderly regulated market operation, in particular when private interest of such persons influence, may be deemed to influence or may affect their impartiality:

1. in performing the activities related to the operation of the regulated market;
2. in relation to the persons who participate in trading on the regulated market; and
3. in due performance of Exchange obligations.

Competence

Article 245

(1) The Conflict of Interest Committee is competent for:

1. initiating the procedure for determining the existence of a conflict of interest and issuing an opinion on whether a certain act or omission constitutes a violation of Article 244(2) of these Rules; and
2. preparing recommendations and guidelines to effectively prevent conflicts of interest.

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

Members

Article 246

(1) The Conflict of Interest Committee consists of five (5) members, including:

1. a member of the Exchange Management Board;
2. a representative of Exchange shareholders;
3. a representative of Exchange members;
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 referred to in paragraph 1(3 and 5) of this article shall be proposed by relevant professional associations of the Croatian Chamber of Economy, if any.

Appointment of Committee Members

Article 247

(1) Members of the Conflict of Interest Committee shall be appointed by the Exchange for a term of two (2) years in the manner and according to the procedure laid down in these Rules.

(2) Not later than 30 (thirty) days before the end of the term of the Conflict of Interest Committee members, the Exchange will invite the proposers referred to in Article 246(2) of these Rules to propose candidates within fifteen (15) days from the date of invitation dispatch.

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

(4) The list of Conflict of Interest Committee members, stating the grounds on which each member has been appointed, shall be published by the Exchange on its website.

End of Mandate of Committee Members

Article 248

(1) The mandate of the Conflict of Interest Committee members shall end:

1. by death or under the circumstances preventing the Committee member from discharging his or her duties;
2. by resignation;
3. in the event of circumstances incompatible with the discharge of duties as member of the Conflict of Interest Committee (e.g. damage to the Exchange reputation, exclusion from membership in a professional association, inappropriate public statements of the member, etc.); or
4. on expiry of the term for which the member was appointed.

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

(3) The mandate of a member appointed according to paragraph 2 of this article will run until the end of term of the member in whose place he or she was appointed.

Decision Making

Article 249

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

(2) The Conflict of Interest Committee shall adopt:

1. opinions – on the existence of a conflict of interest in respect of a particular person and circumstances;
2. recommendations – on the procedure and measures relating to a person found to have a conflict of interest; and
3. guidelines – for the purpose of effectively preventing conflicts of interest.

(3) If the Conflict of Interest Committee fails to adopt an appropriate decision within seven (7) days from submission of a request by the Exchange or a Committee member, the Exchange will take action irrespective of the absence of such decision.

(4) Opinions, recommendations and guidelines of the Conflict of Interest Committee will be published on the Exchange website.

Exemption of Committee Member

Article 250

(1) A member who has a conflict of interest in discharging duties as the Committee member shall, at his or her own request or at the request of another Committee member or the Exchange, be excused from participating in the activities of the Conflict of Interest Committee each time it decides on a matter which gives rise to such conflict of interest.

(2) The exemption of a member shall be decided by the Committee, with the member concerned having no right to participate in the adoption of an exemption decision.

Rules of Procedure

Article 251

Other issues related to the work of the Conflict of Interest Committee which have not been regulated by these Rules will be regulated by the Rules of Procedure to be adopted by the Exchange, subject to prior opinion of the Committee.

9. SUPERVISION

Article 252

(1) In order to preserve the integrity of the capital market and investor trust, within the scope of its competence laid down by the CMA, other regulations and these Rules, the Exchange shall conduct the surveillance of:

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

(2) The provisions of Title 9 of these Rules relating to the issuer shall apply *mutatis mutandis* to the management company of open-end investment funds.

9.1 TRADE SURVEILLANCE

Article 253

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

Article 254

(1) The Exchange carries out trade surveillance by:

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

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

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

9.1.1 Rules and Procedures to Prevent and Detect Market Abuse

Article 255

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

1. preventing market abuse laid down in Title 9 Part 1 Chapter 2 of these Rules; and
2. detecting market abuse laid down in Title 9 Part 1 Chapter 3 of these Rules.

Article 256

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

1. entering, modifying and cancelling orders; and
2. executing the transactions concluded by member firms via the trading system for their own account or for the account of their clients.

9.1.2 Exchange Measures and Procedures to Prevent Market Abuse

Article 257

The measures and procedures undertaken by the Exchange to prevent market abuse are in particular:

1. systematic collection and evaluation of trading data and other information;
2. establishing an appropriate investor information system and mechanisms to protect trading in order to ensure fair, orderly and effective trading;

3. placing financial instruments and issuers in an observation segment;
4. temporary trading suspension of a financial instrument; and
5. education of capital market participants on the subject of market abuse.

9.1.2.1 Observation Segment

Article 258

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

(2) Any financial instrument and/or issuer finding itself in particular specific circumstances requiring disclosure to investors may be the subject of surveillance.

(3) Any financial instrument and/or issuer may temporarily be placed in an observation segment:

1. if the issuer is undergoing a takeover bid or if the bidder has disclosed its intention to publish a takeover bid for the issuer;
2. if the issuer is undergoing a status change in accordance with the CA or regulation governing the establishment and operation of companies;
3. if the issuer is undergoing a restructuring or if it is subject to bankruptcy or liquidation proceedings, including major proceedings for the enforced collection of receivables and account blockage, being instituted against the issuer;
4. if the issuer is not able to service its liabilities in respect of a financial instrument;
5. if significant resolutions of the issuer's management or supervisory board or annual general meeting are pending;
6. if decisions of the Government and other public authorities relating to the issuer, which may have a major impact on the price of the financial instrument, are pending;
7. in case of unconfirmed market rumours which may have a major impact on the price of the financial instrument; or
8. if there are any other circumstances which may lead to major uncertainty with regard to the issuer or pricing of the financial instrument.

(4) A list of financial instruments and/or issuers placed in the observation segment shall be disclosed by the Exchange, stating the grounds for it, on its website.

(5) The issuer may submit a written request to the Exchange seeking to have its placement in the observation segment terminated. The request must be properly explained.

9.1.2.2 Response to Volatility Interruption

Article 259

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

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

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

(4) The provisions of this article shall not apply if the financial instrument is listed on the regulated market without consent of the issuer.

9.1.2.3 Temporary Trading Suspension of Financial Instruments

Article 260

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

1. pursuant to a decision of the Agency or other competent authority;
2. where necessary for the purpose of a particular change being implemented in respect of the financial instrument by the central depository or central register and/or clearing and/or settlement system;

3. in the cases laid down by a regulation which governs the rehabilitation of credit institutions and investment companies; and

4. in other cases, where so required for the purpose of investor protection.

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

Article 261

(1) Without prejudice to the cases set forth in Article 260 of these Rules, the Exchange may also suspend trading in the shares:

1. if it receives notification about the intention to publish a takeover bid and/or in the event of a takeover bid for the target company, where the shares are subject to continuous trading;

2. if the issuer notifies the Exchange about submitting a motion to initiate pre-bankruptcy proceedings, bankruptcy or liquidation proceedings, where the shares are subject to continuous trading;

3. for non-compliance by the issuer with the provisions of these Rules in the section which refers to its post-listing requirements.

(2) In the case referred to in paragraph 1(1) of this article, the Exchange will suspend trading in the shares on receiving notification from the issuer and/or bidder, within the meaning of the regulations which govern company takeovers.

(3) In the case referred to in paragraph 1(2) of this article, the Exchange will suspend trading in the shares on receiving notification from the issuer about the pre-bankruptcy proceedings, bankruptcy or liquidation proceedings being instituted.

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

Article 262

(1) Without prejudice to the cases set forth in Article 260 of these Rules, the Exchange may also suspend trading in bonds and/or money market instruments:

1. if the issuer is unable to service its obligations in respect of a financial instrument (e.g. interest payment, redemption on maturity, etc.);
2. if the issuer notifies the Exchange about submitting a motion to initiate pre-bankruptcy proceedings, bankruptcy or liquidation proceedings;
3. for non-compliance by the issuer with the provisions of these Rules in the section which refers to its post-listing requirements.

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

(3) In the case referred to in paragraph 1(1 through 3) of this article, a temporary suspension of trading in bonds/money market instruments may not exceed ten (10) trading days.

Article 263

(1) Without prejudices to the cases set forth to in Article 260 of these Rules, the Exchange may also suspend trading in a structured product:

1. if the issuer notifies the Exchange that the price of the underlying instrument has reached the barrier 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 non-working day of the regulated market or Exchange on which the underlying instrument is listed, at the request of the issuer of the structured product;
4. in the event that the structured product matures early, at the request of the issuer of the structured product.

(2) In the case referred to in paragraph 1(1) of this article, the Exchange will suspend trading in the structured product on receiving notification from the issuer that the price of the underlying instrument has reached the barrier of the structured product;

(3) In the case referred to in paragraph 1(2) of this article, the Exchange will suspend trading in the structured product on receiving notification from the issuer about the trading suspension of the underlying product. Trading in the structured product will resume after the Exchange receives notification from the issuer that the trading suspension of the underlying product has been lifted.

(4) In the case referred to in paragraph 1(3) of this article, the Exchange will suspend trading in the structured product on receiving notification from the issuer about a non-working day of the regulated market or Exchange on which the underlying instrument is listed; The issuer of the structured product shall submit a request to the Exchange seeking a temporary trading suspension not later than five (5) trading days before the day of the requested temporary suspension of trading in the structured product.

(5) In the case referred to in paragraph 1(4) of this article, the Exchange will suspend trading in the structured product on receiving notification from the issuer about the early maturity of the structured product.

Article 264

(1) Without prejudice to the cases set forth in Article 260 of these Rules, the Exchange may suspend trading in open-end investment fund units:

1. if the management company is unable to calculate and disclose the indicative net asset value (iNAV) of the fund per unit longer than thirty (30) minutes;
2. in case the calculation of the index being replicated by the ETF is suspended.

(2) In the case referred to in paragraph 1(1) of this article, the Exchange will suspend trading in open-end investment fund units based on a reasoned request of the management company.

(3) In the case referred to in point 2, paragraph 1 of this article, the Exchange shall suspend the trading in open-end investment fund units pursuant to a reasoned request of the management company or market maker, provided that the Exchange is not the provider of the index concerned.

Article 265

In the cases referred to in Article 260(1), point 4, Articles 261 and 262, Article 263(1), points 2 and 3, and Article 264 of these Rules, the Exchange will not suspend trading if there is a possibility that such suspension might substantially harm the interests of investors or orderly market functioning .

9.1.3 Exchange Measures and Procedures to Detect Market abuse

Article 266

The measures and procedures undertaken by the Exchange aimed at detecting market abuse are in particular:

1. monitoring trends and detecting major deviations in the movement of prices or turnover of particular 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 implementation of the trade cancellation procedure;
5. monitoring correlation between media reports or disclosure by the issuers of financial instruments and turnover and price movements prior to and after disclosure;
6. conducting surveillance of Exchange members.

Assessment Principles on Suspicion of Market Abuse

Article 267

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

1. whether the activity affects triggering of the volatility interruption mechanism, 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 by its activity such a person poses a risk to market integrity;
4. structural characteristics of the market, type of financial instrument, characteristics of participants in that market;
5. relevant changes in the market environment, including but not limited to the rules of trading;
6. opinions and recommendations of the Agency relating to the prevention and detection of market abuse.

9.1.3.1 Procedure with Unusual Orders, Transactions or Member Activities Indicative of Market Abuse

Article 268

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

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

Exchange Powers in a Surveillance Procedure

Article 269

In order to preserve market integrity, protect investors and ensure fair and orderly market activities, in the event that an order is entered or a transaction concluded in the manner which may give rise to the effects contrary to the provisions of the CMA and other regulations or these Rules, in conducting surveillance, the Exchange has the right to:

1. order the member firm to cancel the order;
2. delete the order;
3. cancel the transaction;
4. inspect the records and documents of the member firm which the Exchange deems necessary for conducting surveillance; and
5. impose a market protection measure on the member firm, in accordance with these Rules.

9.1.3.2 Trade Cancellation

Article 270

(1) The Exchange will cancel a transaction pursuant to a decision of the Agency, court or other public authority.

(2) In order to ensure fair, orderly and effective market activities and protect investors, the Exchange has the right to cancel a transaction concluded on the regulated market:

1. if it may lead to a distorted view of the market with respect to the price and volume of financial instruments;
2. if it is a result of an obvious error in entering order parameters in the trading system.

(3) The Exchange may also cancel a transaction at the request of a member firm.

(4) The Exchange will not cancel a transaction resulting from the pre-opening session, volatility interruption or a transaction concluded in auction.

(5) Trade cancellation does not preclude any obligations of member firms to the Exchange arising from the transaction.

9.1.3.2.1 Erroneous Order Parameter Entry

Article 271

(1) Under the circumstances it deems necessary for maintaining a fair, orderly and effective conduct of market activities and investor protection, the Exchange has the right to cancel a transaction if one or more order parameters based on which the transaction was concluded are wrong:

1. ticker of the financial instrument;
2. volume of the financial instrument;
3. price of the financial instrument;
4. entry of a sell order instead of a buy order and vice versa;
5. other operational errors in the execution of orders.

(2) In assessing the circumstances referred to in paragraph 1 of this article, the Exchange will take into account current market circumstances, trading activity, volatility, transaction size and other parameters affecting the valuation of the financial instrument.

(3) The Exchange will not cancel a transaction resulting from an erroneous entry of the order price if the transaction does not differ substantially from the dominant market price of the financial instrument prior to the time of transaction conclusion.

Special Provisions for Structured Products

Article 272

(1) With regard to structured financial products, the price at which a transaction is concluded shall be considered to differ substantially from the prevailing market price:

1. where the difference exceeds 10% in respect of turbo certificates (leveraged certificates) and warrants, or if the transaction is concluded at a price lower than HRK 5.00 and the difference exceeds HRK 0.50; and

2. where the difference exceeds 3% in respect of other types of certificates, or if the transaction is concluded at a price lower than HRK 5.00 and the difference exceeds HRK 0.15.

The prevailing market price at the time of transaction conclusion will be determined by the Exchange on the grounds of the theoretical price calculation to be provided by the market maker based on the structured product price valuation model, taking into account the price of the underlying instrument and the type and characteristics of the structured product.

Trade Cancellation Procedure

Article 273

(1) A trade cancellation request shall be submitted by a member firm on a form of the content specified by the Exchange.

(2) The request referred to in paragraph 1 of this article shall be submitted by the member firm to the Exchange within thirty (30) minutes from transaction conclusion or not later than five (5) minutes after the trading closes.

Article 274

(1) On detecting the need for or receiving a trade cancellation request from a member firm, the Exchange will send out a notice via the trading system and its website to the effect that a particular transaction is being verified, which means that it may be cancelled.

(2) On completing the verification, the Exchange will send out a notice via the trading system and its website saying that a particular transaction has been cancelled or that the transaction is valid.

9.2 SUPERVISION OF MEMBER FIRMS

Article 275

(1) Supervision of member firms refers to the monitoring of compliance of the member firms with their obligations laid down in these Rules and to the detection of violations of the following provisions of these Rules:

1. rules of trading;
2. rules to prevent and detect market abuse; and
3. compliance with membership and market making criteria.

(2) The persons authorised by the Exchange in writing shall have the right to conduct supervision of a member firm by inspecting any business accounts and records kept by the member firm in relation to its business operations.

(3) Member firms shall provide access of the persons authorised by the Exchange to their business premises, accounts, records and other documents which may be 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 one (1) day before it begins.

(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, are confidential and shall not be disclosed by the Exchange to third persons.

(6) The provision of paragraph 5 of this article shall not apply to the provision of information of the Agency or other competent state authorities.

9.3 SUPERVISION OF ISSUERS

Article 276

(1) The Exchange shall conduct supervision of issuers and any financial instruments listed on the regulated market to determine whether an issuer or financial instrument meet the criteria for listing on the regulated market and/or whether the issuer meets its post-listing requirements laid down in these Rules, in particular its obligation to disclose:

1. financial statements within the time frame laid down in the CMA;
2. notices of the AGM date and any resolutions adopted by it within the time frame laid down in 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, in view of the circumstances of each particular case, the Exchange shall take the following actions or perform the following activities:

1. monitor the notifications sent by the central depository or central register and/or clearing and/or settlement system relating to any corporate actions and status changes of the issuer, or changes in the circumstances which may affect the issuer's status or the status or characteristics and the exercise of rights attaching to the financial instrument;
2. monitor particular daily newspapers and periodicals, as well as the official journal of the Republic of Croatia;
3. monitor the disclosure of information in the media, as well the information made available to the public by the issuers via the Exchange;
4. seek issuer response on the circumstances and facts relating to the issuer or financial instrument which are price sensitive;
5. take other action and perform other activities in accordance with these Rules.

10. COMMITTEE FOR MARKET PROTECTION MEASURES

Article 277

The Committee for Market Protection Measures is an advisory body of the Exchange.

Competence

Article 278

(1) The competence of the Committee for Market Protection Measures shall include:

1. proposing the initiation of supervision of issuers or member firms;
2. issuing opinions on whether a particular action of issuers or member firms constitutes a violation of these Rules;
3. issuing recommendations for the imposition of market protection measures against issuers or member firms; and
4. preparing guidelines to improve supervision of issuers or member firms and the very system of market protection measures.

(2) The Committee for Market Protection Measures shall discuss and decide on the issues within its competence at the request of the Exchange.

Members

Article 279

(1) Members of the Committee for Market Protection Measures shall have appropriate professional knowledge in the field of economy, law and finance, and the majority of the Committee members shall have professional expertise in the field of capital markets.

(2) The Committee for Market Protection Measures consists of seven (7) members, including:

1. a member of the Exchange Management Board;
2. a representative of the academic community in teaching and research at the Faculty of Economics and Business;
3. a representative of the academic community in teaching and research at the Faculty of Law;

4. a representative from the ranks of arbitrators listed with the Permanent Arbitration Court of the Croatian Chamber of the Economy;
 5. a representative of Exchange members;
 6. a representative of the issuers whose financial instruments are listed on the Official or Prime Market;
- and
7. a representative of professional investors.
- (3) The persons set forth in paragraph 2(5 and 7) of this article shall be proposed by the relevant professional associations at the Croatian Chamber of the Economy, if any.

Appointment of Committee Members

Article 280

- (1) The members of the Committee for Market Protection Measures shall be appointed by the Exchange for a term of three (3) years in the manner and according to the procedure laid down in these Rules.
- (2) No later than thirty (30) days before the end of the mandate of the Committee members, the Exchange shall invite the proposers referred to in article 279(2) of these Rules to propose candidates within fifteen (15) days from the date of invitation dispatch.
- (3) If proposers fail to submit their proposals within fifteen (15) days from the date of invitation dispatch, the Exchange will autonomously appoint members of the Committee for Market Protection Measures.
- (4) The list of the Committee for Market Protection Measures members, stating the grounds on which each member has been appointed, shall be published by the Exchange on its website.

End of Mandate of Committee Members

Article 281

- (1) The mandate of the Committee for Market Protection Measures members shall end:
 1. by death or under the circumstances preventing the Committee member from discharging his or her duties;
 2. by resignation;

3. in the event of circumstances incompatible with the discharge of duties as member of the Committee for Market Protection Measures (e.g. damage to the Exchange reputation, exclusion from membership in a professional association, inappropriate public statements of the member, etc.); or

4. on expiry of the term for which the member was appointed.

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

(3) The mandate of a member appointed according to paragraph 2 of this article will run until the end of term of the member in whose place he or she was appointed.

Decision Making

Article 282

(1) The Committee for Market Protection Measures shall decide by a majority of the votes in meetings, provided that the majority of all members is present at the meeting.

(2) The Committee for Market Protection Measures shall adopt:

1. opinions – on whether a particular action of the issuer or member firm constitutes a violation of these Rules;

2. recommendations – for the implementation of market protection measures in the event that a violation of these Rules by the issuer or member firm is established; and

3. guidelines – to improve the market surveillance of issuers and member firms, and the very system of market protection measures.

(3) In the event that the Committee for Market Protection Measures fails to adopt an appropriate decision within seven (7) days from submission of a request by the Exchange or a Committee member, the Exchange will take action irrespective of the absence of such decision.

Exemption of Committee Member

Article 283

(1) A member who has a conflict of interest in discharging duties as the Committee member shall, at his or her own request or at the request of another Committee member or the Exchange, be excused from participating in the activities of the Committee for Market Protection Measures each time it decides on a matter which gives rise to such conflict of interest.

(2) The exemption of a member shall be decided by the Committee, with the member concerned having no right to participate in the adoption of an exemption decision.

Rules of Procedure

Article 284

Other issues related to the work of the Committee for Market Protection Measures which have not been regulated by these Rules will be regulated by the Rules of Procedure to be adopted by the Exchange, subject to prior opinion of the Committee.

11. MARKET PROTECTION MEASURES

Article 285

The Exchange may impose a market protection measure on a member firm or issuer for violation of the provisions of these Rules and/or other acts of the Exchange.

11.1 MEASURES IMPOSED ON MEMBER FIRMS

Article 286

The market protection measures which the Exchange may impose on a member firm are the following:

1. non-public warning;
2. public warning;
3. fine;
4. suspension of membership; and/or
5. exclusion from membership.

11.2 MEASURES IMPOSED ON ISSUERS

Article 287

The market protection measures which the Exchange may impose on an issuer are the following:

1. non-public warning;
2. public warning;
3. fine; and/or
4. delisting.

11.3 TYPES OF SANCTIONS

11.3.1 Non-Public Warning

Article 288

- (1) Non-public warning is pronounced for a minor violation by the issuer or member firm of the provisions of these Rules and other Exchange acts.
- (2) Non-public warning shall be pronounced in writing.

11.3.2 Public Warning

Article 289

- (1) Public warning is pronounced for grave or frequent violations by the issuer or member firm of the provisions of these Rules and other Exchange acts in the same calendar year.
- (2) The Exchange may also pronounce a public warning if it finds that a non-public warning would not be sufficient to affect the conduct of the respective member firm or issuer or that there are justified reasons to inform the public of the market protection measure imposed.
- (3) Public warning shall be pronounced in writing.
- (4) Public warning shall be published on the Exchange website.

11.3.3 Fine

Article 290

- (1) A fine may be imposed as an ancillary or principal sanction.
- (2) A fine shall be imposed as an ancillary sanction along with a non-public or public warning.
- (3) A fine shall be imposed as the principal sanction for grave or repeated violations by the issuer or member firm of the provisions of these Rules and other Exchange acts.
- (4) A fine shall amount to:
 - up to HRK 100,000.00, when imposed as an ancillary sanction;

– up to HRK 250,000.00, when imposed as the principal sanction for grave or repeated violations by the member firm or issuer of the provisions of these Rules and other Exchange acts;

– up to HRK 500,000.00, when imposed as the principal sanction for particularly grave violations by the member firm or issuer of the provisions of these Rules and other Exchange acts.

(5) In determining the amount of the fine, the Exchange will also take into account the size and financial strength of the member firm or issuer.

11.3.4 Suspension and Exclusion from Membership

Article 291

The measure of suspension or exclusion from membership shall be imposed in the cases laid down in Article 42 of these Rules.

11.3.5 Delisting

Article 292

Delisting as a market protection measure shall be imposed in the cases when the issuer or financial instrument no longer meet the criteria for listing on the respective market and/or for non-compliance of the issuer with its post-listing requirements, laid down in these Rules and other Exchange acts.

11.4 DETERMINING SANCTION TYPE AND AMOUNT

Article 293

(1) In deciding on the market protection measures to be imposed on a member firm or issuer, the Exchange will take into account all circumstances of the case, any prior violations of the Rules and other acts of the Exchange committed by the member firm or issuer, as well as the opinion or recommendation of the Committee for Market Protection Measures.

(2) In deciding on the gravity of a violation of the Rules and other Exchange acts, extenuating circumstances are deemed to include in particular:

1. evidence of discontinued conduct violating the Rules and other acts of the Exchange submitted by the member firm or issuer immediately on learning about the sanction procedure or before it is initiated; and

2. cooperation in eliminating possible consequences of any violation of the Rules and other acts of the Exchange, on the member firm's or issuer's own initiative, immediately on detecting a circumstance which is deemed to constitute a violation of the Rules and other acts of the Exchange.

(3) In deciding on the gravity of a violation of the Rules and other Exchange acts, aggravating circumstances are deemed to include in particular:

1. continued conduct of the member firm or issuer conduct which further violates the Rules and other acts of the Exchange even after receiving a prior Exchange resolution establishing such conduct of the member firm or issuer to have violated the Rules and other acts of the Exchange;

2. similar repeated conduct of the member firm or issuer which further violates the Rules and other acts of the Exchange even after receiving a prior Exchange resolution establishing such conduct of the member firm or issuer to have violated the Rules and other acts of the Exchange;

3. refusal of the member firm or issuer to cooperate with the Exchange in the procedure;

4. obstruction of the Exchange work in the course of the procedure, including the provision of false, misleading or incomplete information;

5. role in initiating or enticing other member firms or issuers to violate the Rules and other acts of the Exchange, and any action and activities undertaken in order to ensure the participation of other member firms or issuers in the violation of these Rules and other Exchange acts.

Procedure to Establish Facts

Article 294

(1) The Exchange shall allow the member firm or issuer to provide its response about any facts and circumstances relevant for resolving the issue, except when the true state of affairs may be determined from the facts and data available to the Exchange, when the response of the member firm or issuer is not possible or for other legitimate reasons.

(2) In order to establish the facts and circumstances which are relevant for determining the true state of affairs, the Exchange may:

1. hear the members of the management, procurators and other employees of the member firm who, in the opinion of the Exchange, may have necessary knowledge of the facts, documents, data or other evidence relevant for explaining the true state of affairs.

2. conduct on-site supervision of the member firm, in accordance with Article 275 of these Rules.

(3) The member firm or issuer shall answer any questions and, at the request of the Exchange, submit any documents, data and other evidence relevant for explaining the true state of affairs.

(4) Any act by the member firm or issuer contrary to the provision of paragraph 3 of this article shall be deemed a particularly grave violation of the provisions of these Rules.

11.4.1 Opinion and Recommendation of the Committee for Market Protection Measures

Article 295

On establishing the facts and circumstances relevant for determining the true state of affairs, the Exchange shall seek an opinion or recommendation of the Committee for Market Protection Measures on a particular case, except if the Committee has already deliberated on a factually equivalent or similar matter.

12. DISPUTES

Article 296

The Exchange and the member firm or issuer or another person which concludes an agreement with 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.

13. TRANSITIONAL AND FINAL PROVISIONS

Amendments to the Rules

Article 297

- (1) Amendments to these Rules shall be adopted by the Exchange Management Board.
- (2) Amendments to the Rules shall enter into force on the day specified in an Exchange decision, subject to prior approval by the Agency.

Interpretation of Individual Provisions of the Rules

Article 298

- (1) Authoritative interpretation of provisions of these Rules shall be provided by the Exchange.
- (2) A request for an authoritative interpretation of provisions of these Rules shall be submitted to the Exchange in writing, indicating the provision concerned and stating the grounds for interpretation.
- (3) The Exchange is authorised to request additional clarifications from the person submitting the request.
- (4) The Exchange shall issue the interpretation in writing within thirty (30) days from the submission of the request referred to in paragraph 2 of this article.
- (5) The authoritative interpretation shall have legal effect from the date of the entry into force of the provision of the Rules in respect of which it is provided.

Article 299

The Exchange may derogate from the application of any provision of these Rules if necessary in a particular case in order to prevent damage from occurring or to protect investors or Exchange interests or prevent unlawful conduct or for the purpose of harmonisation of law. The Exchange shall notify the Agency of any action taken under this article.

Entry into Force

Article 300

(1) These Rules shall enter into force within one (1) month from the date of the adoption of an Agency decision approving these Rules.

(2) By way of derogation from paragraph 1 of this article, the provisions of the Rules relating to the listing of and trading in open-end investment fund units shall enter into force on the date of the adoption a decision approving the extension of the [Exchange's] operating licence, of which the Exchange shall notify member firms, the Agency and the public in a timely manner.

(3) By way of derogation from paragraph 1 of this article, the provision of Article 184(1)(6) of the Rules shall enter into force on the date specified by Exchange decision.

(4) Any manuals and other acts necessary for the implementation of these Rules shall be adopted by the Exchange not later than thirty (30) days of the entry into force of the Rules. Until said acts are adopted, the manuals and other acts adopted pursuant to the Rules referred to in paragraph 6 of this article shall apply *mutatis mutandis*, provided that they are not contrary to the provisions of these Rules.

(5) Any procedures initiated prior to the entry into force of these Rules shall be completed under the provisions of the Rules referred to in paragraph 7 of this article.

(6) From the date of the entry into force of these Rules, any specialist contracts concluded by that date shall be deemed to be market making contracts in respect of shares, in accordance with these Rules; they shall be subject to the provisions of these Rules and other Exchange acts regulating the rights and obligations of market makers in shares.

(7) On the date of the entry into force of these Rules, the Rules approved by Decision of the Agency of 6 September 2013 (Class: UP/I-451-04/13-04/2, Ref. No 326-772-13-5) and the amendments to the Rules approved by Decision of the Agency of 23 May 2014 (Class: UP/I-451-04/14-04/3, Ref. No: 326-772-14-5) shall cease to have effect.