



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

Market Makers Manual

Zagreb, November 5, 2025

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Pursuant to Article 4(1) and Articles 51 through 70 of the Exchange Rules (hereinafter: the Rules), this Manual regulates the following:

- financial instruments in respect of which Exchange members may engage in market making;
- organisational, personnel and technical market making requirements;
- grant and termination of the market maker status at the request of the member firm; and
- market making parameters.

1 Introduction

Market maker is an 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 during the continuous trading session by simultaneously issuing quotes.

2 Financial Instruments

Financial instruments in respect of which a member firm may engage in market making are the following:

- shares,
- Bonds,
- structured products,
- ETF units and
- money-market instruments.

3 Organisational, Personnel and Technical Market Making Requirements

3.1 Organisational Market Making Requirements

Any member firm intending to engage in market making must:

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 exchange of information so that the provision of specific services and activities by the member firm (e.g. executing orders for the account of a client etc.) does not affect its market making or constitute market abuse within the meaning of the Regulation (EU) No 596/2014;
3. establish a permanent and effective system to prevent a conflict of interest which may arise in the course of market making and while performing other tasks at the member firm, and which may harm client interests;
4. keep records of the market maker's quotes and transactions concluded based on such quotes.

3.2 Personnel Market Making Requirements

A member firm intending to engage in market making must ensure that the (natural) person performing such tasks at the member firm is trained for engaging in market making, i.e. that such a person meets the following criteria:

- holds recognized qualifications for brokerage activities or investment advice in accordance with the provisions of the Capital Market Act (hereinafter: the CMA) and other applicable regulations, or meeting the broker criteria as laid down by the Member State of the member firm's domicile;
- completes education for the use of the XETRA® trading system;
- completes market making education organised by the Exchange.

The member firm should apply for education of the person to engage in market making¹ to the Exchange. The application is to be submitted to the ZSE Academy to the e-mail address: *akademija@zse.hr*.

Education consists of lectures to be delivered in the manner, at the time and place to be specified by the Exchange.

On completing education, the participant will be issued by the Exchange an appropriate certificate of the education completed and the participant's data will be entered in a record of persons who have completed market making education.

Before performing market making tasks for the first time, the person who has completed education is required to undergo appropriate testing in a designated XETRA® simulation environment.

To enable testing for the performance of market making tasks, the member firm should request access to the test environment in the application for the grant of market maker status².

3.3 Technical Market Making Requirements

A member firm intending to engage in market making must have a trading system which enables the performance of market making tasks.

¹ Annex 2 to this Manual

² Annex 1 to this Manual

4 Grant of Market Maker Status

4.1 Applying for the Grant of Market Maker Status

A member firm intending to engage in market making must apply to the Exchange for the grant of market maker status³.

The application for the grant of market maker status must include at least the following:

1. information on the type of financial instrument in respect of which the member firm intends to engage in market making;
2. information on the date on which the member firm plans to commence market making;
3. type and brief description of the trading system the member firm plans to use to perform market making tasks;
4. statement of the market maker that it fully complies with the organisational, personnel and technical requirements for engaging in market making laid down by the CMA, these Rules and other acts of the Exchange.

If the member firm intends to engage in market making through a natural person, in the application for the grant of market maker status that member firm is required to specify data for each natural person who will perform market making tasks and a list of financial instruments in respect of which that person is to perform market making tasks.

4.2 Deciding on Market Maker Applications

An incomplete or irregular application for the grant of market maker status will be returned to the member firm for correction and completion.

If the application is complete and regular, the Exchange will proceed to determine whether the member firm complies with the market making requirements.

The Exchange has the right, in the course of the verification procedure and at any time during which the member firm engages in market making, to request from the member firm to present or enable the examination of documents and procedures it may deem necessary for determining whether the member firm complies with the market making requirements.

If the Exchange finds that the member firm does not comply with market making requirements, it will instruct the member firm to undertake measures necessary for compliance within an appropriate time frame, if possible. If the member firm fails to comply even on expiry of the appropriate time, the Exchange will adopt a resolution refusing the application for the grant of market maker status.

If the member firm complies with all the requirements laid down for market makers, the member firm and the Exchange will conclude a market making contract.

³ Annex 1 to this Manual

4.3 Market Making Contract

A member firm which complies with all the requirements laid down for market makers will conclude a market making contract⁴ with the Exchange.

A member firm which complies with all the requirements laid down for market makers in structured products will conclude a structured products market making contract⁵ with the Exchange. An annex to the structured products market making contract will be concluded in respect of each individual structured product of the same issuer following the conclusion of the principal contract.

The member firm will be granted market maker status by concluding a market making contract with the Exchange.

The fact that the member firm has been granted market maker status in respect of a particular financial instrument will be published by the Exchange on its website and notified to other Exchange members. Similarly, the Exchange will publish on its website the date from which the member firm will commence market making in a particular financial instrument, provided that it has informed the Exchange of such a date.

The member firm is required to inform the Exchange of the date from which it will commence market making at least 2 (two) trading days before exercising the rights and performing the obligations of market maker.

⁴ Annex 4

⁵ Annex 5

5 Market Making Requirements and Parameters

5.1 Market Makers in Shares or ETF Units

The market maker in shares or ETF units is required to issue bid and ask quotes for 60 % of the time during continuous trading on each trading day, where:

- the quoted buy and sell volume must be equal to or higher than the minimum volume laid down in this Manual; and
- the quoted price range must be lower or equal to the maximum spread laid down in this Manual.

For the purpose of determining the minimum quoted volume and the maximum spread, shares or ETF units are assigned to liquidity classes based on data on their average daily turnover. The liquidity classification is done at the beginning of each quarter on the basis of trading data for the previous quarter.

5.1.1 Average daily turnover

The calculation of the average daily turnover of a particular share or ETF unit will take into account the turnover made within the order book. It will not take into account block trades or OTC transactions.

5.1.2 Criteria for share or ETF unit liquidity classification

For the purpose of determining market making parameters, shares or ETF units are assigned to three liquidity classes according to the following criteria:

Class/category	Average daily turnover
1	> EUR 33,000.00
2	> EUR 13,000.00
3	≤ EUR 13,000.00

5.1.3 Maximum spread

The maximum spread is the maximum permitted difference between bid and ask quotes entered by the market maker.

The maximum spread that a market maker must enter in the trading system is determined as a percentage, and is shown in the following table:

Class/category	Maximum spread
1	2 %
2	5 %
3	7 %

5.1.4 Minimum volume

The minimum volume of quotes to be issued by the market maker in the trading system is shown in the table below:

Class/category	Minimum quoted amount (in EUR)
1	EUR 4,600.00
2	EUR 1,900.00
3	EUR 1,300.00

The minimum volume of shares or ETF units is expressed in units. The Exchange will calculate the minimum volume corresponding to the minimum quoted amount once a month, according to the following formula:

$$Q = \text{Limit} / P$$

where:

Q = minimum volume of share or ETF unit expressed in units;

Limit = minimum quoted amount expressed in the euro for the class to which a share or an ETF unit belongs;

P = average price of the share or ETF unit on the last day of the previous month.

The minimum volume Q of particular shares or ETF units in a market maker quote is rounded up to the first next higher integer.

Once a month, the Exchange will calculate the minimum volume of shares or ETF units in a market maker quote to be provided to the market maker and will also publish it on its website.

5.1.5 Methodology of calculating quoting time

The market maker's quoting time is calculated as a portion of the total duration of trading.

The following will not be taken into account in calculating the market maker's quoting time:

1. opening auctions and closing auctions;
2. temporary trading suspension of the financial instrument which is subject to market making;
3. any time of the market maker's temporarily relief from its obligations, in accordance with the provisions of the Exchange Rules.

5.2 Market makers in bonds and money-market instruments

The market maker in bonds and money-market instruments is required to issue bid and ask quotes for 60 % of the time during continuous trading on each trading day, where:

- the quoted buy and sell volume must be equal to or higher than the minimum volume laid down in this Manual (point 5.2.2.); and
- the quoted price range must be lower or equal to the maximum spread laid down in this Manual (point 5.2.1.).

Methodology of calculating quoting time is specified in point 5.1.5. of this Manual.

5.2.1 Maximum spread

The maximum spread is the maximum permitted difference between bid and ask quotes entered by the market maker.

The maximum spread that a market maker in bonds must enter in the trading system is determined as a percentage and is 1%.

5.2.2 Minimum volume

The minimum volume of quotes to be issued by the market maker in bonds in the trading system is 10.000,00 EUR.

5.3 Market makers in structured products

The issuer of a structured product is required to designate a market maker which must be an Exchange member.

The market maker in a structured product is required to issue bid and ask quotes on each trading day.

The minimum market maker's quoting time, the maximum spread and the minimum quoted amount will be specified by the market maker in the structured product market making contract to be concluded with the Exchange.

6 Market Making Termination at the Request of the Member Firm

The member firm which no longer intends to engage in market making must apply to the Exchange for termination of the market making⁶.

In the application the member firm is required to specify the financial instruments to which the market making termination refers and the date by which it plans to continue its market making activity.

The Exchange will adopt a resolution terminating market maker status in respect of the financial instruments referred to in the application within 5 (five) days of the date of its receipt.

The member firm is required to engage in market making until the date specified in the application, but in any case, for at least 20 (twenty) trading days after the date of the Exchange resolution.

7 Transitional and Final Provisions

This Manual shall enter into force on 12 November 2025.

On the entry into force of this Manual, the Market Making Manual of 5 November 2025 shall cease to have effect.

8 Annexes

Annexes to be found below form an integral part of this Manual and are intended to facilitate and simplify the use of this Manual.

⁶ Annex 3

Annex 1

Application for the grant of market maker status

Member of the Zagreb Stock Exchange

Company/name	
Registered office and address	
Management Board	
ID No (OIB)	

hereby applies, in accordance with Article 54 of the Exchange Rules, to be granted market maker status in respect of the following financial instrument:

	Type, ISIN and identifier (ticker) of the financial instrument	Date⁷
1.		
2.		
3.		

Type and brief description of the trading system the member firm plans to use to perform market making tasks:

--

Data on brokers⁸ to perform market making tasks at the member firm:

	Name and surname	Phone	E-mail

☐ requesting access to the test environment for the purpose of market making testing (tick X)

⁷ date on which the member firm plans to commence market making

⁸ For each natural person who will perform market making tasks it is necessary to specify the financial instruments in respect of which that person is to perform market making tasks.

The following person is registered as a candidate for the testing:

Name and surname	
OIB	
E-mail	
Phone	

Member represents and warrants as follows: (i) that all personal data provided in this Application are accurate, complete and that they have been collected on valid legal grounds for the processing; (ii) that the purpose of processing for which personal data have been collected include the exchange of personal data with the Exchange for the purpose of market maker status acquire; (iii) that the Member has duly and transparently informed the persons referred to under this Application whose personal data are provided to the Exchange with the rights of data subjects laid down in applicable regulations.

As regards the Exchange treatment of personal data provided in this Application by a Member, the Exchange hereby undertakes: (i) before the Market Making Contract signing, the Exchange shall use and treat subject personal data solely for the purpose of organizational, human resources and technical prerequisites verification and after the Market Making Contract signing for the purpose of subject contract enforcement; (ii) that workers of the Exchange to whom subject personal data are available are obliged with the confidentiality obligation; (iii) that it has undertaken appropriate technical and organisational measures to ensure the appropriate level of data security; (iv) to make available to the Member all the information necessary to prove compliance with the obligations referred to in applicable regulations.

The Exchange is considered as the creator of the archival material in accordance with the Law archives. Therefore, in accordance with the Special List of archives and records the Exchange is obliged to keep permanently the documentation connected with the Members.

Detailed information's with respect to personal data protection are provided in the Zagreb Stock Exchange Policy available at the following internet page www.zse.hr

With its signature on this application form the member firm confirms that it complies with and that following the grant of this application it will comply with all organisational, personnel and technical market making requirements, as well as other requirements and obligations laid down in the Rules and other acts or the Exchange with amendments.

The Member firm shall promptly notify the Exchange in writing of any change of information stated in this application form.

In, on

Signature

.....

(Name and surname, title of the applicant)

Enclosed please find the following documents:

1. copy of the agreement between the market maker and the issuer of the financial instrument in respect of which market maker status is sought, if any;
2. list of other activities or services provided or to be provided to the issuer by the member firm, enabling a greater recognition and quality of the financial instrument subject to market making, if any;
3. proof of recognised qualifications for brokerage activities or investment advisory services in accordance with the provisions of the CMA and other applicable regulations, or proof of compliance with the requirements for a broker as prescribed by the Member State in which the member has its registered seat;
4. evidence of competence acquired to use the XETRA® trading system;
5. evidence of market making competence acquired through education organised by the Exchange.

<i>Grant of application⁹ (to be filled in by the Exchange)</i>		
<i>Granted</i>	<i>Date</i>	<i>Signature</i>
YES/NO		

⁹ 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.

Annex 2

Application for market maker education

Member of the Zagreb Stock Exchange

with its registered office in (street, number, city)

ID No (OIB)

hereby officially applies for the market education, and also registering the following employee for participation in it:

Name and surname:

E-mail:

Tel:

In, on

Signature

Member represents and warrants as follows: (i) that all personal data provided in this Application are accurate, complete and that they have been collected on valid legal grounds for the processing; (ii) that the purpose of processing for which personal data have been collected include the exchange of personal data with the Exchange for the purpose of market maker education; (iii) that the Member has duly and transparently informed the persons referred to under this Application whose personal data are provided to the Exchange with the rights of data subjects laid down in applicable regulations.

As regards the Exchange treatment of personal data provided in this Application by a Member, the Exchange hereby undertakes: (i) to use and treat subject personal data solely for the purpose of market maker education implementation; (ii) that workers of the Exchange to whom subject personal data are available are obliged with the confidentiality obligation; (iii) that it has undertaken appropriate technical and organisational measures to ensure the appropriate level of data security; (iv) to make available to the Member all the information necessary to prove compliance with the obligations referred to in applicable regulations.

The Exchange is considered as the creator of the archival material in accordance with the Law archives. Therefore, in accordance with the Special List of archives and records the Exchange is obliged to keep permanently the documentation connected with the Members.

Detailed information's with respect to personal data protection are provided in the Zagreb Stock Exchange Policy available at the following internet page www.zse.hr

Please send your duly completed application form to akademija@zse.hr.

Annex 3

Application for termination of market making

Member of the Zagreb Stock Exchange

Company/name	
Registered office and address	
Management Board	
ID No (OIB)	

hereby applies, in accordance with Article 55 of the Exchange Rules, for termination of its market maker status in respect of the following financial instrument:

	ISIN and identifier (ticker) of the financial instrument	Date¹⁰
1.		
2.		
3.		

By submitting this application form, the member firm confirms that it will continue its market making activity until the date specified in this application form, in any case, for at least 20 (twenty) trading days from the date of adoption of an Exchange resolution on market making termination.

The market maker status of the member firm will terminate on the last day of market making specified in the Exchange resolution on market making termination.

In, on

Signature

.....

(Name and surname, title of the applicant officer)

Grant of application¹¹ (to be filled in by the Exchange)		
Approval	Date	Signature
YES/NO		

¹⁰ Date of a planned end of market making activities.

¹¹ The Exchange will adopt a resolution on market making termination within five (5) days of receiving this application form.

Annex 4

Market making Contract¹²

The Zagreb Stock Exchange, Zagreb, Ivana Lučića 2a/22 (hereinafter referred to as: Exchange), represented by Ms Ivana Gažić, President of the Management Board, and Mr Tomislav Gračan, Member of the Management Board,

and

_____ (hereinafter referred to as: Member firm)

represented by _____, _____,

(hereinafter referred to collectively as: Parties)

have concluded in Zagreb on _____ the following

**MARKET MAKING
C O N T R A C T
(draft)**

- Whereas* the Exchange has a trading system which enables the member firms wishing to perform market making activities and meeting the requirements for it to do so;
- Whereas* the liquidity conditions in the Croatian stock market indicate the need for additional liquidity provision by market maker;
- Whereas* the Member firm intends to assume and regularly perform the obligations arising out of its market maker status;
- Whereas* the Member firm has been designated market maker in respect of _____ (ticker of financial instrument)

Now, therefore, the Parties hereto have agreed as follows:

Introductory provisions

Clause 1

The Parties hereto agree that:

- The market maker obligations are stipulated by the provisions of the Rules, other regulatory Exchange documents and Croatian regulations, and the Member firm shall fully adhere to them and act with due care and diligence;
- The Member firm shall perform duties and exercise the rights of market maker in respect of (ticker of financial instrument) _____ of the issuer _____ of _____.

¹² Market Making Contract for shares, ETF units, bonds and money-market instruments

Subject matter and purpose of the Contract

Clause 2

This Contract further specifies mutual rights and obligations of the Parties in relation to the grant of market maker status to the Member firm.

Rights and obligations of the Parties

Clause 3

The Exchange shall:

- provide access to the trading system to the Member firm for the purpose of its performance of market maker activities;
- inform the Member firm of potential changes related to the provisions of the Exchange Rules regulating the market maker activity;
- inform the Member firm of potential changes related to the trading system functioning which affect the performance of market maker activities;
- monitor the performance of any obligations of the Member firm in performing its market maker activities.

The Member firm shall:

- perform market maker activities with due care and diligence;
- inform the Exchange of any personnel, organizational or other structural changes which might affect the discharge of market maker duties.

Public disclosure

Clause 4

The Exchange shall disclose to the public any statistical indicators of the performance of obligations by individual Member firms performing market maker activities, specifying the Member firms and the terms under which they perform market maker activities in respect of particular financial instrument.

Start of Market maker rights and duties

Clause 5

The Exchange shall provide access to the trading system to the Member firm for the purpose of performing market maker activities within 5 (five) days of signing this Contract.

The Member firm shall begin to exercise market maker rights and perform market maker obligations within 5 (five) days from the day on which the Exchange provides it access to the trading system for the purpose of performing market maker activities.

The Member firm shall announce to the Exchange the day on which it will begin to act as market maker at least 2 (two) trading days before beginning to exercise market maker rights and perform market maker obligations. The Exchange shall publish this announcement.

Contract between Member firm and Issuer

Clause 6

If the Member firm enters into a contract with the issuer of the financial instrument in respect of which it has been designated market maker, under which it undertakes to meet stricter criteria as a market maker than those stipulated by the Exchange (e.g. smaller spread, longer minimum quoting time or size etc.), the Exchange will publish such information.

Confidentiality

Clause 7

Any documents and information of the Exchange or of the Member firm, the publication or disclosure of which to third parties may harm the legitimate interests of the Exchange or of the Member firm and which are not provided, made or obtained in order to be made public, shall be deemed confidential.

The Parties shall treat the information and documents referred to in the previous paragraph with extra care and shall make sure that the employees of Parties with access to such information and documents are aware of the fact that they are confidential and may not disclose them, make them available or give access to them to unauthorized third parties.

Person to perform market maker trading at the Member firm

Clause 8

Prior to signing this Contract, the Member firm shall submit to the Exchange the information regarding the (natural) person(s) who will perform market maker trading at the Member firm, as well as any related changes.

Responsibility

Clause 9

The Member firm assumes sole responsibility and liability for any potential direct or indirect damage or loss of profit incurred by the Exchange or third parties either directly or indirectly in its performance of market maker activities.

In the event of an action against the Exchange for the reasons referred to in the previous paragraph, the Member firm shall participate in the litigation as intervener on behalf of the Exchange and shall reimburse any Exchange expenses resulting from such action.

Applicable law

Clause 10

This contract is governed by the laws and other regulations of the Republic of Croatia.

Headings

Clause 11

Headings of individual sections of this Contract serve for easier navigation through the text only and shall have no significance in the application or construction of this Contract or of its individual provisions.

Amendments

Clause 12

This Contract may be amended by the Parties in writing only, in the same manner and form in which this contract has been concluded.

Previous agreements

Clause 13

On the day this Contract enters into force, all previous written or oral agreements between the Parties concerning the relations regulated by this Contract shall cease to have effect.

Severability

Clause 14

In the event that any individual provisions of this Contract are or may become invalid for being contradictory to the cogent provisions of statutory regulations of the Republic of Croatia, the parties shall agree to amend the Contract in such manner to ensure its full compliance with applicable regulations, taking into account the original intent of the parties stated when entering into it. Until the Contract is harmonized with the cogent provisions of statutory regulations of the Republic of Croatia, the provisions of the respective statutory regulations shall apply directly instead of the provisions which are or may become invalid for the reasons described in the previous sentence.

Effective date

Clause 15

This Contract shall enter into force on the day of its signing (effective date) by the authorized representatives of the parties specified in the Contract.

Term

Clause 16

This Contract has been concluded for an indefinite term.

Termination

Clause 17

This Contract may be terminated:

- by forfeiture of market maker status by the Member firm;
- in the event of its termination by the Member firms, giving a minimum notice of 20 (twenty) trading days.

Each party shall deliver its notice of Contract termination to the other party by registered mail to the address specified in this Contract or to another address specified in the notification of the change of address.

The provisions on responsibility and liability shall continue in effect even after the termination of this Contract.

As a result of forfeiture of the market maker status, the Exchange shall deny access to the Member firm to the trading system for the performance of market maker activities.

Change of address

Clause 18

Each of the Parties shall promptly notify its change of address to the other party in writing, in the manner stipulated for delivery of the notice of contract termination.

Disputes

Clause 19

The Parties shall attempt to resolve any dispute arising out of or relating to the existence, construction and application of this Contract amicably by negotiation and agreement, and in the event of failure to do so, they shall refer the dispute for resolution to the court to the competent court in Zagreb.

Number of copies

Clause 20

This Contract has been made in 4 (four) identical copies, 2 (two) for each Party.

The Parties hereto and their representatives hereby state that they hold all requisite authorizations, licenses and permissions to sign this Contract assume any obligations arising out of it.

The Parties hereto have read, studied and understood this Contract, and proceed to sign and stamps it in witness of their free will to accept it.

For the Exchange:

For the Member firm:

Annex 5

Market Making Contract for structured products

The Zagreb Stock Exchange, Zagreb, Ivana Lučića 2a/22 (hereinafter referred to as: Exchange), represented by Ms Ivana Gažić, President of the Management Board, and Mr Tomislav Gračan, Member of the Management Board,

and

_____ (hereinafter referred to as: Member firm)

represented by _____, _____,

(hereinafter referred to collectively as: Parties)

have concluded in Zagreb on _____ the following

**MARKET MAKING CONTRACT
FOR STRUCTURED PRODUCTS**

- Whereas* the Exchange has a trading system which enables the Member firm wishing to perform market maker activities for structured products and meeting the requirements for it to do so;
- Whereas* the Exchange Rules stipulate that market maker activities must be performed in respect of each structured product;
- Whereas* the Member firm intends to assume and regularly perform the obligations arising out of its market maker status;
- Whereas* the Member firm has been designated market maker for structured products at its own request, pursuant to a Contract with the Issuer;

Now, therefore, the Parties have agreed as follows:

Introductory provisions

Clause 1

The Parties agree that:

- the market maker obligations are stipulated by this Contract, the provisions of the Rules, other regulatory Exchange documents and Croatian regulations, and the Member firm shall fully adhere to them and act with due care and diligence;
- the Member firm shall perform the obligations and exercise the rights of market maker set forth in the Annexes to this Contract, which are concluded in respect of each structured product.

Clause 2

This Contract further specifies mutual rights and obligations of the Parties in relation to the grant of market maker status to the Member firm.

Rights and obligation of the Parties

Clause 3

The Exchange shall:

- provide the access to the trading system to the Member firm for the purpose of its performance of market maker activities;
- inform the Member firm of potential changes related to the provisions of the Exchange Rules regulating the market maker activity;
- inform the Member firm of potential changes with respect to the trading system functioning which affect the performance of market maker activities;
- monitor the performance of any obligations by the Member firm in performing its market maker activities.

The Member firm shall:

- perform market maker activities with due care and diligence;
- inform the Exchange of any personnel, organizational and other structural changes which might affect the discharge of market maker duties.

Public disclosure

Clause 4

The Exchange shall disclose to the public any statistical indicators of the performance of obligations of the Member firm in performing the market maker activities set forth in the annexes to this Contract, as well as the terms of performance.

Start of market maker rights and obligations

Clause 5

The Exchange shall provide access to the trading system to the Member firm for the purpose of performing market maker activities within 5 (five) days of signing this Contract.

The Member firm shall begin to exercise market maker rights and perform market maker obligations within 5 (five) days from the day on which the Exchange provides it access to the trading system for the purpose of performing market maker activities.

The Member firm shall announce to the Exchange the day on which it will begin to act as market maker at least 2 (two) trading days before beginning to exercise market maker rights and perform market maker obligations. The Exchange shall publish this announcement.

Parameters of market maker activities

Clause 6

The parameters of market maker activities in respect of each individual structured product shall be defined by the market maker in the Annex to this Contract.

The Exchange shall publish the said parameters separately.

Contract between Member firm and Issuer

Clause 7

If the Member firm enters into a contract with the issuer of the Structured product in respect of which it has been designated market maker, under which it undertakes to meet stricter criteria as a market maker than those stipulated in the Annex to this Contract (e.g. smaller spread, longer minimum quoting time or size etc.), the Exchange will publish such information.

Confidentiality

Clause 8

Any documents and information of the Exchange or of the Member firm, the publication or disclosure of which to third parties may harm the legitimate interests of the Exchange or of the Member firm and which are not provided, made or obtained in order to be made public, shall be deemed confidential.

The Parties shall treat the information and documents referred to in the previous paragraph with extra care and shall make sure that the employees of Parties with access to such information and documents are aware of the fact that they are confidential and may not disclose them, make them available or give access to them to unauthorized third parties.

Person to perform market making activities at the Member firm

Clause 9

Prior to signing this Contract, the Member firm shall submit to the Exchange the information regarding the (natural) person(s) who will perform market maker activities at the Member firm, as well as any related changes.

Responsibility and liability

Clause 10

The Member firm assumes sole responsibility and liability for ordinary damage and loss of profit incurred by the Exchange or third parties in its performance of market maker activities.

In the event of an action for damages against the Exchange over the damage caused by the Member firm in performing market maker activities, the Member firm shall participate in the litigation as intervener on behalf of the Exchange and shall reimburse any Exchange expenses resulting from a final court decision on such action.

Applicable law

Clause 11

This contract is governed by the laws and other regulations of the Republic of Croatia.

Headings

Clause 12

Headings of individual sections of this Contract serve for easier navigation through the text only and shall have no significance in the application or construction of this Contract or of its individual provisions.

Amendments

Clause 13

This Contract may be amended by the Parties hereto in writing only, in the same manner and form in which this Contract has been concluded.

Previous agreements

Clause 14

On the day this Contract enters into force, all previous written or oral agreements between the Parties concerning the relations regulated by this Contract shall cease to have effect.

Severability

Clause 15

In the event that any individual provisions of this Contract are or may become invalid for being contradictory to the cogent provisions of statutory regulations of the Republic of Croatia, the parties shall agree to amend the Contract in such manner to ensure its full compliance with applicable regulations, taking into account the original intent of the parties stated when entering into it.

Until the Contract is harmonized with the cogent provisions of statutory regulations of the Republic of Croatia, the provisions of the respective statutory regulations shall apply directly instead of the provisions which are or may become invalid for the reasons described in the previous sentence.

Effective date

Clause 16

This Contract shall enter into force on the day of its signing (effective date) by the authorized representatives of the parties specified in the Contract.

Term

Clause 17

This Contract has been concluded for an indefinite term.

Termination

Clause 18

This Contract may be terminated:

- by forfeiture of market maker status by the Member firm;
- if the Issuer terminates a Contract it has with the Member firm for the performance of market making activities;
- at the request of the Member firm, giving a minimum notice of 20 (twenty) trading days.

Each party shall deliver its notice of Contract termination to the other party by registered mail to the address specified in this Contract or to another address specified in the notification of the change of address.

The provisions on responsibility and liability shall continue in effect even after the termination of this Contract.

As a result of forfeiture of the market maker status, the Exchange shall deny access to the Member firm to the trading system for the performance of market maker activities.

Change of address

Clause 19

Each of the Parties shall promptly notify its change of address to the other party in writing, in the manner stipulated for delivery of the notice of contract termination.

Disputes

Clause 20

The Parties shall attempt to resolve any dispute arising out of or relating to the existence, construction and application of this Contract amicably by negotiation and agreement, and in the event of failure to do so, they shall refer the dispute for resolution to the court to the competent court in Zagreb.

Number of copies

Clause 21

This Contract has been made in 4 (four) identical copies, 2 (two) for each Party.

The Parties hereto and their representatives hereby state that they hold all requisite authorizations, licenses and permissions to sign this Contract assume any obligations arising out of it.

The Parties hereto have read, studied and understood this Contract, and proceed to sign and stamps it in witness of their free will to accept it.

For the Exchange:

For the Member firm:

Annex to the Market Making Contract for structured products

The Zagreb Stock Exchange, Zagreb, Ivana Lučića 2a/22 (hereinafter referred to as: Exchange), represented by Ms Ivana Gažić, President of the Management Board, and Mr Tomislav Gračan, Member of the Management Board,

and

_____ (hereinafter referred to as: Member firm)

represented by _____, _____

(hereinafter referred to collectively as: Parties)

have concluded in Zagreb on _____ the following

Annex No. 1 to the MARKET MAKING CONTRACT FOR STRUCTURED PRODUCTS

Clause 1

The Member firm shall perform market maker duties and rights in respect of the following structured product:

Ticker:

ISIN:

Clause 2

The Market maker shall adhere to the following parameters in the performance of market maker activities in respect of the structured product referred to in Clause 1 of this Annex:

1. It shall quote buy and sell orders between _____ and _____.
2. It shall simultaneously quote at least _____.
3. The maximum bid/ask spread shall be _____.

Clause 3

This Annex forms an integral part of the Market Making Contract for structured products. Any issues which are not expressly defined by this Annex shall be subject to the provisions of the Market Making Contract for structured products.

For the Exchange:

For the Member firm: