

Pursuant to Articles 119 to 193 of the FBiH Law on Business Companies (The Official Gazette of the Federation of Bosnia and Herzegovina (FBiH) no. 45/00, 2/02, 29/03, 68/05, 91/07, 84/08, 88/08, 7/09, 63/10) and Articles 151 and 153 of the FBiH Securities Market Law (The Official Gazette of the Federation of Bosnia and Herzegovina (FBiH) no. 85/08 and 109/12), the Sarajevo Stock Exchange Shareholders' Assembly adopted on June 26th, 2014 the following

**STATUTE  
of the "Sarajevo Stock Exchange" joint stock company Sarajevo**

**Article 1**

- (1) This Statute shall regulate, pursuant to the FBiH Law on Business Companies and the FBiH Securities Market Law (hereinafter: the Law) the issues of importance relating to the legal status and SASE's appearance in the property, management, capital stock and shares, status amendments and the termination of SASE's operation.
- (2) The Statute of the Sarajevo Stock Exchange (hereinafter: the Statute) shall regulate:
1. General provisions
    - a. term and legal status of the Stock Exchange;
    - b. aims of the Stock Exchange;
  2. the company name, seat, business activity and representation
  3. trade secret and informing procedures
  4. capital stock;
    - a. the amount of capital stock, the number, class and nominal value of shares
    - b. proceedings in case of non-payment of subscribed stock
  5. Establishment and use of the reserves and safety funds;
  6. Means of profit distribution and payment of dividends;
  7. Means of loss cover;
  8. Shares and shareholders' rights;
  9. Stock Exchange Management;
    - a. management bodies;
    - b. constitution and methods of convening and decision-making at the Stock Exchange Assembly;
    - c. constitution, means of appointment, dismissal and authorization of the Supervisory Board, the Management Board and the Board of Auditors of the Stock Exchange;
    - d. Stock Exchange Secretary;
  10. Other Stock Exchange bodies;
    - a. Stock Exchange Listing Committee;
    - b. The Stock Exchange Commission;
    - c. Stock Exchange Arbitrage;
  11. Stock Exchange Council;
  12. Membership at the Stock Exchange;
  13. Organization and business operations of the Stock Exchange;
  14. Annual report;
  15. Duration and termination of the Stock Exchange;
  16. Transitional and final provisions/Statute amendment procedures;

## **1. GENERAL PROVISIONS**

### **1.a. Term and Legal Status**

#### **Article 2**

- (1) A stock exchange is a legal entity organized as a joint stock company and managed by the shareholders pursuant to the Law and this Statute. The entity was established for individual service operation as a location or as an information system for matching the supply and demand of securities and their trading on the official or free market under set rules and regulations and as such appears in the property, acquires rights and undertakes responsibilities that are ensured by the entity's overall assets.
- (2) The Stock Exchange shareholders may be legal entities or natural persons.

#### **Article 3**

By adopting this Statute, the members and the shareholders of the Stock Exchange shall be obliged to abide by the terms and conditions of this document and all the other rules stipulated by the Stock Exchange bodies SASE. Furthermore, they consent to the competencies of SASE bodies in the decision-making process over the rights of the members regarding their membership and operation at the Sarajevo Stock Exchange.

### **1.b. Stock Exchange Aims**

#### **Article 4**

- (1) The Stock Exchange is established with the aim to:
  - a. regulate, facilitate and enhance turnover of securities, financial derivatives and other financial instruments;
  - b. ensure transparent, public, equal, efficient and economic market for securities;
  - c. provide compliance with the legal principles and enactment of a fair and decent procedure at an organized market.
- (2) The securities trading methods and the operation of the Stock Exchange shall be regulated by the Rules and other acts passed by the Sarajevo Stock Exchange.

## **2. COMPANY NAME, HEADQUARTERS, BUSINESS ACTIVITY AND REPRESENTATION OF THE STOCK EXCHANGE**

### **2.a. Company Name**

#### **Article 5**

- (1) The name of the company is: **"SARAJEVSKA BERZA- BURZA VRIJEDNOSNIH PAPIRA" d.d. SARAJEVO**
- (2) Short name of the company is: **"SARAJEVSKA BERZA-BURZA" d.d. Sarajevo**
- (3) The name of the company in English is: **"SARAJEVO STOCK EXCHANGE"**
- (4) The abbreviation of the company's name in English is: **"SASE"**.
- (5) The company name can be used independently in the official language of Bosnia and Herzegovina whereas the company name and its short form in English can be used solely with the company's name on the BiH official language.

## **Article 6**

- (1) The Stock Exchange shall have its logo that will be used together with the company name in official business correspondence and public communication.
- (2) The Stock Exchange shall have its stamp and seal. The shape, placement and use of the SASE logo, stamp and seal shall be regulated by the Management Board.
- (3) The SASE logo is comprised of four connected blue squares with white letters inside the squares spelling out "SASE." Underneath it there is a blue box with "The Sarajevo Stock Exchange" written inside and below it, it is written "Sarajevska berza-burza."
- (4) SASE uses a memorandum in legal property whose visual characteristics and content are defined by the Management in accordance with this Statute and the Law.

## **2.b. Seat**

### **Article 7**

The seat of the Sarajevo Stock Exchange is in Sarajevo, 4/I Đoke Mazalića street.

## **2.c. Business Activity**

### **Article 8**

- (1) The business activity of the Sarajevo Stock Exchange is the following:
  - a. ensures conditions and organizes the connection between the supply and demand for trading of securities;
  - b. provides information on demand, supply, market value and other information on securities;
  - c. establishes and publishes rates and prices for securities;
  - d. performs other activities in accordance with the law, this Statute and other general acts of the Commission.
- (2) The business activity of the Stock Exchange is registered at the Court Register as follows:
  - 66.11 – administration of financial markets,
  - 58.14 – publishing journals and periodicals.
- (3) The Stock Exchange can perform other activities commonly performed within the business activity registered with the court registrar in the scope and manner necessary for the operation provided they do not stand as the regular activity of the Stock Exchange
- (4) The Stock Exchange shall operate on the whole territory of the Federation of Bosnia and Herzegovina.
- (5) The Stock Exchange shall perform other activities delegated by the Commission.

## **2.d. Representation of the Stock Exchange**

### **Article 9**

- (1) The General Manager is the legal representative of the Sarajevo Stock Exchange.
- (2) The executive directors represent the Stock Exchange within the limits defined by the decision of the General Manager and registered in the court registrar.
- (3) The General Manager can authorize a third party to represent the Stock Exchange, with the exemption of the chairman and members of the SASE Supervisory Board, by issuing a written authorization that defines the content, the limits and the duration of the representation authorization.

### **3. TRADE SECRET AND INFORMING PROCEDURE**

#### **3.a Trade Secret**

##### **Article 10**

(1) A trade secret shall be considered as information on current operations, plans and intentions deemed to cause substantial damage to the Sarajevo Stock Exchange if discharged to third parties without the consent of SASE. Moreover, it shall not be possible to define within the scope of the corporate confidentiality the public information in accordance with the law and other regulations and information on violation of the law and other regulations.

(2) Confidential shall be all information defined and regulated by the SASE Rules and the Regulation on Corporate Confidentiality.

(3) The individuals obliged to retain the corporate confidentiality over specific confidential information shall be informed of the SASE Rules and the written decision on keeping corporate confidentiality.

##### **Article 11**

(1) Confidential information shall be deemed all information submitted to the Sarajevo Stock Exchange by other legal entities carrying the label confidential.

(2) Maintaining corporate confidentiality shall be an obligation for all the employees of the Sarajevo Stock Exchange, SASE members and their employees, SASE body representatives, private individuals authorized to conduct brokerage activities in the trade of securities and external bodies who had gained insight into the confidential information during the scope of their business conduct.

##### **Article 12**

(1) During their mandate and six months afterwards, the Chairman and the members of the SASE Supervisory Board and other Stock Exchange bodies, the general manager and the SASE employees shall not:

- a. disseminate to other entities information and make available the documents in hold that have the characteristics of containing confidential data pursuant to the provisions of the Law on Securities and other regulations adopted by the Commission unless otherwise authorized by the law, this Statute, the Rules and other SASE regulations;
- b. give advice on the sale and purchase of securities and present stances on propitiatory conditions for the sale or purchase of specific securities.

(2) The Sarajevo Stock Exchange Management shall regularly inform the individuals mentioned in paragraph (1) of this Article on the type and content of the confidential information.

#### **3.b Informing Procedure**

##### **Article 13**

The Stock Exchange shall publish its announcements in at least one of the daily newspapers available on the territory of the Federation of Bosnia and Herzegovina.

##### **Article 14**

(1) The announcements and reports shall in practice be submitted in written form to the SASE members or they shall be posted on the SASE notice board.

(2) The reports intended for the employees of the Sarajevo Stock Exchange shall be posted on the SASE notice board.

## **4. CAPITAL STOCK**

### **4.a. Amount of Capital Stock**

#### **Article 15**

(1) The amount of capital stock of the Stock Exchange amounts to 1.967.680.00 KM (in letters: one million nine hundred and sixty seven thousand six hundred and eighty KM).

(2) The capital stock from paragraph 1 of this Article is divided into 6,149 (in letters: six thousand one hundred and forty nine) standard – ordinary shares with a nominal value of 320.00 KM (in letters: three hundred and twenty KM) of which each share carries one vote.

(3) The Sarajevo Stock Exchange founders in the first issue of shares were the following:

- |   |                 |
|---|-----------------|
| 1. "BIFIM" d.d. Bihać                           | with 250 shares |
| 2. "FIMA Int." d.o.o. Sarajevo                  | with 250 shares |
| 3. "VGT-BROKER" d.d. Visoko                     | with 250 shares |
| 4. "CENTRAL BROKER HOUSE & GROUP" d.d. Sarajevo | with 250 shares |
| 5. "BS-BROKER" d.d. Sarajevo                    | with 250 shares |
| 6. "CREDOS" d.o.o. Sarajevo                     | with 250 shares |
| 7. "BOND INVEST" d.o.o. Mostar                  | with 250 shares |
| 8. "eBROKERS" d.o.o. Sarajevo                   | with 250 shares |

### **4.b Increase of Stock Capital**

#### **Article 16**

(1) The Stock Exchange can increase its capital stock in accordance with the Law on Business Companies and other regulations:

- a. by issuing new shares of the current class through a public bid and a closed-door sale;
- b. by increasing the nominal value of the current shares and/or by issuing free shares from the personal source of assets.
- c. by a conditional increase of capital stock.

(2) The Stock Exchange can conduct a conditional increase of its capital stock in accordance with the Law and other regulations of the FBiH Securities Commission (hereinafter: the Commission) that regulate the issuing and turnover of the securities provided that the increase of capital stock pursuant item (b) paragraph (1) of this Article cannot exceed more than 50% of the annual SASE profit.

(3) The decision on the increase of capital stock shall be passed by the SASE Shareholders Assembly on the basis of a proposal of the SASE Supervisory Board by a 2/3 majority of represented shares with the rights of vote where such a proposal includes all the elements stipulated under the Law and other regulations.

(4) The Shareholders Assembly can authorize the Supervisory Board to make the decision on the increase of capital stock up to a maximum of 1/3 of the capital stock as on the day of the decision making.

#### **Article 17**

The increase of capital stock becomes valid after its entry into the issuers register.

## **The issue of shares through a public bid or a closed-door sale**

### **Article 18**

- (1) The Stock Exchange can increase the capital stock by issuing new shares of the current class provided that the shares from the previous issue have been paid in total.
- (2) The issue of new shares through a public bid or a closed sale shall be conducted in accordance with the Law on Business Companies.

## **Increase of capital stock from personal source of assets**

### **Article 19**

- (1) Provided that the SASE Assembly has adopted the latest annual financial report of the Sarajevo Stock Exchange together with the report of the external auditor and the Board of Auditors and that the reserves fund has reached or exceeded the mandatory amount as defined under this Statute and in accordance with the Law, the Stock Exchange may increase the the capital stock from the capital reserves above the mandatory amount as defined under this Statute and in accordance with the Law.
- (2) The Sarajevo Stock Exchange can increase its capital stock from personal source of assets pursuant to paragraph 1 of this Article conducting one of the following methods:
  - a. increase of nominal value of current shares;
  - b. issuing of free shares to the existing SASE shareholders.

### **Article 20**

- (1) The decision on the increase of capital stock from personal sources shall be passed by the SASE Shareholders Assembly on the basis of a proposal of the SASE Supervisory Board by a 2/3 majority of represented shares with the rights of vote
- (2) The decision on the increase of capital stock from personal source of assets pursuant to paragraph (1) of this Article shall include the following:
  - a. the total volume of the increase of capital stock, the volume of the specific source of assets used for the increase of capital stock pursuant to the provisions of the previous Article and the means of increasing the capital stock pursuant to the provisions of the previous Article of this Statute.
  - b. in case of an increase of the nominal value of current shares, the volume of increase, the nominal value of the shares after the increase and a provision stating its validity for all the shares of the Sarajevo Stock Exchange.
  - c. in case of issuing free shares to existing SASE shareholders, their total number and nominal sum, the percentage or other formula whose application on the existing number of shares shall determine the number of free shares that each shareholder is entitled to receive thus ensuring the total number of shares in each individual case and reaching a sum of the nominal value of free shares corresponding to the total amount of the approved increase of capital stock.

### **Article 21**

The SASE Management Board shall inform the Commission and the Registrar of Securities in the Federation of Bosnia and Herzegovina (hereinafter: the Registrar) of the increase of SASE's capital stock performed pursuant to Article 20 of this Statute and afterwards it shall submit an application

to the court registrar for the entry of the amended volume of capital stock in the court register within 8 days of receiving the decree on the increase of capital stock in the Commission's registrar.

### **Conditional increase of capital stock**

#### **Article 22**

(1) The conditional increase of capital stock is conducted under the following circumstances:

- a. merging of the Stock Exchange with other companies;
- b. consolidation of the Stock Exchange to another company or vice versa

(2) The decision on the conditional increase of capital stock shall be passed by the SASE Shareholders Assembly on the basis of a proposal of the SASE Supervisory Board by a 2/3 majority of represented shares with the rights of vote

(3) The decision on the conditional increase of capital stock shall include the following:

- a. reasons, volume and means of conditional increase;
- b. number and nominal value of convertible bonds and bonds with pre-emption rights;
- c. ordinal number of the issue and the total number of issued convertible bonds and bonds with pre-emption rights;
- d. description of rights stemming from convertible bonds and bonds with preemption rights;
- e. class, number and nominal value of shares to be issued on the basis of a conditional increase of capital stock;
- f. the deadline for the issue which cannot exceed 5 years from the day of the passing of the decision on conditional increase of capital stock;
- g. the price of the convertible bonds and bonds with pre-emption rights;
- h. the start and the end time together with a list of places for the subscription and payment of the securities;
- i. the name, surname and the function of the person authorized to conduct the issuing;
- j. other elements defined by the Law and other regulations of the Commission that regulate the issuing and turnover of securities.

### **4.c Decrease o Capital Stock**

#### **Article 23**

The Stock Exchange can decrease its capital stock up to the minimum volume of capital stock defined by the Law due to:

- a. distribution and loss cover remaining after the previous distribution and loss cover at the expense of the share bonus, retained profit and capital reserves;
- b. the transfer of a part of capital stock into the capital reserves for covering future operational losses;
- c. the harmonization of the volume of capital stock with the changes in the value and structure of property or the level of SASE operational efficiency.

#### **Article 24**

The decrease of capital stock is primarily conducted through the withdrawal of the personal shares of the Sarajevo Stock Exchange on the day of the passing of the decision on decrease of capital stock followed by the reduction of the nominal value of shares in the ownership of the shareholders up to the minimum amount defined by the Law (by-laws) if at the time of the passing of the decision there

are issued shares with a nominal value higher than the stated amount and finally by buying up and withdrawing shares in the ownership of shareholders.

#### **Article 25**

The decision on conducting a decrease of capital stock shall be passed by the SASE Shareholders Assembly by a 2/3 majority of represented shares with the rights of vote in which case the decision shall include all the elements defined by the Law and regulations of the Commission that regulates the issuing and turnover of securities.

#### **Article 26**

The SASE Management and the Supervisory Board shall, in line with their competencies, undertake and ensure that the decision on the decrease of capital stock is published in at least one of the daily newspapers on the territory of the Federation of Bosnia and Herzegovina. This publishing shall be done twice in the period of 30 days from the day of the passing of the decision. The decision shall then be registered with the Commission and Registrar in accordance with the Law and other laws and regulation that regulate the issuing and turnover of securities.

### **5. ESTABLISHMENT AND USE OF THE CAPITAL RESERVES AND THE SECURITY FUND**

#### **5.a. Capital Reserves**

##### **Article 27**

The Sarajevo Stock Exchange has capital reserves amounting to 25% of the Stock Exchange capital stock. These reserves are formed by allocation from profits incurred in the last fiscal year and retained profits from previous years together with share bonuses.

##### **Article 28**

(1) At least 10% of annual net profit shall be allocated for the capital reserves until it reaches the volume pursuant to Article 27 of this Statute.

(2) Provided that the allocations for the capital reserves stemming from paragraph (1) of this Article do not reach the amount pursuant to Article 27 of this Statute by the end of the fifth fiscal year including the year for the registration of the harmonization of the Stock Exchange status in the court registrar, the SASE annual statement of account for the fifth and every following fiscal year will present an allocation of 20% net profit for the capital reserves until it incurs the amount pursuant to Article 27 of this Statute.

##### **Article 29**

The assets from the capital reserves can be used, in accordance with the decision of the SASE Shareholders Assembly, for covering of loss and/or incidental operational costs of the Stock Exchange whereas a part of the capital reserves exceeding the obligatory amount pursuant to Article 27 of this Statute can be used for the increase of nominal value of current shares or issuing of free shares pursuant to the provisions of this Statute and the laws and by-laws.

#### **5.b Security Fund**

##### **Article 30**

(1) The Sarajevo Stock Exchange has its security fund. The members of the Stock Exchange pay in proportional contributions to the Security Fund in equal amounts of 1,500.00 KM.



(2) The members of the Sarajevo Stock Exchange shall pay in their contributions to the Security Fund within 60 days from the day of enforcement of this Statute. SASE shall open a separate account for that purpose where the members of the Stock Exchange will pay in their contributions.

(3) The Security Fund can be used for settling debts to the members of the Stock Exchange solely under circumstances that they terminate their membership at the SASE or in cases of bankruptcy proceedings or stock exchange settlement.

(4) In circumstances pursuant to paragraph (3) of this Article, the Stock Exchange is entitled to a separate settlement of its receivables from its members.

(5) The means of using the assets from the security fund, the criteria for establishing the volume of the fund and the means of paying in the contributions by the SASE members will be closely regulated by a separate act to be passed by the SASE Supervisory Board.

## **6. MEANS OF PROFIT DISTRIBUTION**

### **Article 31**

(1) The profit of the Sarajevo Stock Exchange can be distributed and used for the payment of dividends in the maximum amount of 50%, for the allocation of funds into the capital reserves and the security fund or for the enhancement of SASE's operational activities.

(2) The dividends are paid to the shareholders which were included on the list of shareholders on the day the decision on the payment of dividends is passed, in proportion to the nominal value of their corresponding shares. For the shares where the payment has not been due or performed, if such shares exist, the payment will be made in proportion to the payments already made since the day of the payment until the end of the relevant fiscal year for the payment of dividends.

(3) The decision on the distribution and means of profit distribution shall be passed by the SASE Assembly on the basis of a proposal of the SASE Supervisory Board and on the grounds of a financial report of the Stock Exchange followed by the report of the external auditor and the Board of Auditors.

## **7. MEANS OF LOSS COVER**

### **Article 32**

(1) The decision on the distribution and loss cover shall be passed by the SASE Assembly on the basis of a proposal of the SASE Supervisory Board and on the grounds of a financial report of the Stock Exchange followed by the report of the external auditor and the Board of Auditors.

(2) The distribution of profit and loss cover shall be conducted in the following order and at the account of:

- a. the capital reserves for assets exceeding the amount pursuant to paragraph 27 of this Statute;
- b. accumulated profit;
- c. capital stock.

(3) The distribution and loss over at the account of the capital stock shall be conducted by the decrease of capital stock pursuant to the provisions of this Statute, the provisions of the Law and other laws and regulations of the Commission that regulates the issuing and turnover of securities.

(4) If the Stock Exchange incurs a loss in the semi-annual settlement of account of 1/3 (one third) of its capital stock and the obligatory volume of capital reserves pursuant to Article 27 of this Statute or if during a fiscal year circumstances arise and indicate that the value of the Stock Exchange assets

has decreased or that by the end of the fiscal year it tends to be less than the obligatory amount, the SASE Supervisory Board shall, without procrastination, convene a session of the SASE Shareholders Assembly which shall, on the basis of the report of the SASE Supervisory Board, the balance sheet, profit-and-loss-statement and the report of the external auditor and the Board of Auditors, pass a decision on the distribution and loss cover together with the conditions and means of proceeding with the operational activities or a decision on termination of SASE's operational activities.

## **8. SHARES AND SHAREHOLDERS' RIGHTS**

### **8.a. Shares**

#### **Article 33**

The SASE shares are dematerialized, indivisible and made out to the name of the share holder.

#### **Article 34**

(1) The Stock Exchange can issue ordinary shares and acquire personal shares in accordance with this Statute, the Law and other regulations.

(2) The share class, its nominal value and the total number of shares of each class together with the rights stemming from each share is regulated by the decision on the issue of shares or by the decision on the increase of capital where each such decision shall substitute a relevant provision of this Statute and become its constitutive part.

### **8.b Shareholder's Rights Stemming from ordinary Shares**

#### **Article 35**

The share holds rights for the participation in the following:

- a) managing a shareholders company;
- b) distribution of profit;
- c) division of leftover property from the Stock Exchange bankruptcy or liquidation procedure.

#### **8.b.I. Participation in the work of SASE Assembly and decision-making**

##### **Article 36**

A shareholder is entitled to participate in the work of the SASE Shareholders' Assembly and to take part in the decision-making process directly or through a proxy in which case each ordinary share carries one vote exempting the situation of electing members of the Supervisory Board and the Board of Auditors where each share is entitled to a number of votes equal to the number of members being elected.

#### **8.b.II Issues and proposals for the SASE Assembly and nomination of candidates for SASE bodies**

##### **Article 37**

(1) The shareholder and/or a group of shareholders holding a minimum of 5% of the total number of shares with the rights of vote are entitled to make a written proposal of the issues and decision proposals to be included on the agenda for the following SASE Shareholder's Assembly at any time

prior to the announcement on the convention of the Assembly. Furthermore, they are entitled to amend the agenda and the decision proposals of the Assembly within eight days from the day of announcement of the Assembly's convention.

(2) The shareholder and/or a group of shareholders holding a minimum of 5% of the total number of shares with the rights of vote are entitled to make a written nomination for one or more candidates of the SASE Supervisory Board and/or the Board of Auditors whose appointment has been included on the agenda of the SASE Assembly.

### **8.b.III Request for the convention of the SASE Shareholder's Assembly**

#### **Article 38**

(1) The shareholder and/or a group of shareholders holding a minimum of 10% of the total number of shares with the rights of vote are entitled to submit a request to the SASE Supervisory Board to convene a SASE Shareholders' Assembly and to propose an agenda. Additionally, they are entitled to directly convene the Assembly, but shall thus inform in writing the Commission, under circumstances when the SASE Supervisory Board fails to announce the convention of the Assembly within 15 days from the day of submitting the request.

(2) The shareholder and/or a group of shareholders holding a minimum of 10% of the total number of shares with the rights of vote are entitled to convene directly the SASE Shareholders' Assembly without a prior submission of a request to the SASE Supervisory Board under circumstances that the Supervisory Board has failed to convene the Assembly five months after the end of the fiscal year to inform the shareholders of the SASE annual report which shall include financial reports and reports of the external auditor, the Supervisory Board and the Board of Auditors.

### **8.b.IV Insight into SASE's reports and documentation**

#### **Article 39**

(1) The shareholder is entitled to, directly or through a proxy with a compensation of actual profit expense, get an insight into the copies of reports and documents of the Sarajevo Stock Exchange that are of significance for getting background information and participating in the management of the Sarajevo Stock Exchange, most notably into the following:

- a. the SASE Statute with its amendments and addendums;
- b. balance sheet, profit-and-loss-statement, reports on tax settlement for the last three fiscal years and other financial reports that the Stock Exchange is entitled to publish or submit to the SASE Shareholders' Assembly, the Commission and other public institutions;
- c. the reports from the Shareholders' Assemblies and the meetings of the Board of Auditors
- d. list of SASE Supervisory and Management Boards members and other individuals, if applicable, entitled to represent the Stock Exchange. The list should include data on their addresses, date of election or appointment and the duration of its mandate or appointment period together with information on the functions these persons perform in other legal entities.

#### **Article 40**

(1) The shareholder is entitled to get an insight into the reports and documentation of the Sarajevo Stock Exchange once it submits a written request to the SASE together with a statement from the Registrar on SASE share ownership and an identification document.

(2) Following the announcement of the convention of the SASE Shareholders' Assembly, the shareholder is entitled to get an insight, within SASE premises, into the SASE financial reports, auditors' reports and reports of the Supervisory Board and Board of Auditors together with the documentation related to the decision proposals included in the Assembly's agenda.

#### **Article 41**

Prior to getting an insight into the reports and documentation of the Sarajevo Stock Exchange, the shareholder shall be informed of the data and documentation regulated by this statute as confidential and shall sign a statement with an obligation to preserve to data as confidential.

### **8.b.V Shareholder's right to request an audit of SASE's operations**

#### **Article 42**

(1) The shareholder and/or a group of shareholders holding a minimum of 10% of the total number of shares with the rights of vote is entitled to submit a request to the Board of Auditors to audit the semi-annual or annual report and/or to conduct an audit of the financial operations.

(2) The shareholder and/or a group of shareholders holding a minimum of 20% of the total number of shares with the rights of vote are entitled to submit a written proposal to the SASE Shareholders' Assembly to appoint an external auditor for an extraordinary review of all issues regarding the Stock Exchange operations in the last five years prior to the submission of the proposal.

### **8.b.VI The right of participation in property distribution after bankruptcy or stock exchange settlement**

#### **Article 43**

(1) The shareholder whose name was listed on the Company's shareholders' list with the Registrar on the day the Assembly made a decision on the distribution of profit shall be entitled to participate in the profit settlement in proportion to the ratio of the sum of the nominal value of his shares in the Company's capital stock pursuant to the law, this Statute and other regulations.

(2) The shareholder is entitled to participate in the distribution of property after bankruptcy proceedings or stock exchange settlement in proportion to the ratio of the sum of the nominal value of his shares in the SASE capital stock pursuant to the law regulating bankruptcy proceedings or stock exchange settlement.

### **8.c. Personal shares**

#### **Article 44**

(1) The Sarajevo Stock Exchange shall not, directly or indirectly, make a subscription of personal shares nor shall it guarantee instalments on account, grants or loans for the sale of personal shares.

(2) On the grounds of the decision of the SASE Shareholders' Assembly, the Stock Exchange can acquire personal shares whose nominal value, including the shares acquired directly or indirectly by an individual controlled by the Stock Exchange or by another party in its own name but in the account of the Stock Exchange, does not exceed 10% of the capital stock value.

(3) Acquiring personal shares pursuant to paragraph (2) of this Article cannot result in the reduction of the capital reserves pursuant to Article 27 of this Statute.

#### **Article 45**

(1) The Stock Exchange can acquire personal shares on the grounds of the decision of the SASE Supervisory Board solely under circumstances when it shall be deemed as necessary in preventing serious damage to the Stock Exchange.

(2) In case of the situation stemming under paragraph 1 of this Article, Supervisory Board shall immediately inform the shareholders at the next Assembly session on the reasons for the acquisition, the number and the nominal value of the acquired shares, their participation in the capital stock and the price of the shares' acquisition.

(3) The SASE cannot exercise the rights that the personal shares hold.

#### **Article 46**

The SASE Shareholders' Assembly, the Supervisory Board and the Management Board shall, each in the scope of its competencies, undertake and ensure that in the drafting and adoption of the financial reports, the personal shares are accounted and thus decisions were adopted and amendments made in the scope of the capital reserves and capital stock pursuant to the provisions of the law and other laws, regulations and standards regulating the drafting of the accounting and financial reports.

### **9. STOCK EXCHANGE MANAGEMENT**

#### **9.a. SASE bodies**

##### **Article 47**

SASE bodies include:

- a. The Shareholders' Assembly;
- b. The Supervisory Board;
- c. The Management Board;
- d. The Board of Auditors;

#### **9.b. Shareholders' Assembly**

##### **Article 48**

(1) The Assembly is comprised of all the Stock Exchange shareholders.

(2) The right of participation and decision-making at the SASE Stock Exchange is granted to every shareholder that was listed at the Registrar's shareholders' list 30 days prior to the day of the Assembly or the last working day before the mentioned time framework if the deadline is on a non-working day.

(3) The Assembly shall appoint, on the grounds of a proposal by the Chairman, two shareholders to verify the minutes from the Assembly.

(4) The Voting Committee, constituted of three members appointed by the SASE Supervisory Board in a decision on the convention of the Assembly, shall establish the quorum and the voting results.

(5) The Chairman and the members of the SASE Supervisory Board, the members of the Board of Auditors, the manager and the members of the management board shall be present at the Assembly.

(6) The Assembly shall in practice take place in the SASE headquarters.

(7) The Assembly shall be convened at least once a year.

#### **Article 49**

(1) The SASE Shareholders' Assembly shall pass decisions on the following:

1. the increase and decrease of capital stock;
2. the issue of new shares of the current or new class and the issue of bonds and other debt securities;
3. the adoption of the SASE annual report including the financial report and the auditors' reports together with the reports of the Supervisory Board and the Board of Auditors.
4. profit distribution;
5. methods of loss covering;
6. merging of the Stock Exchange with other companies or consolidation of the Stock Exchange to another company or vice versa;
7. division of the joint-stock company
8. the termination of the operation of a joint-stock company by conducting stock exchange settlement and the approval of the initial liquidation balance sheet and the end balance after termination of the liquidation process;
9. the purchase, sale, trade, acquisition or granting of leasing services, acquisition or granting of loans and other transactions directly or through subsidiaries during a fiscal year in the amount exceeding one-third of the book value of the assets of the joint-stock company in accordance with the balance sheet at the end of the previous fiscal year. Additionally, this is applicable for small-scale transactions that require the approval of the Supervisory Board if this Board had not approved the proposed transaction unanimously;
10. individual election or appointment or dismissal of the SASE Supervisory Board members;
11. the appointment of the external auditor and the appointment and dismissal of the members of the Board of Auditors.
12. the establishment, reorganization and liquidation of subsidiaries and the approval of their statutes;
13. compensation for the members of the SASE Supervisory Board and Board of Auditors;
14. adoption of the SASE Statute and the Rules together with their amendments and addendums;
15. adoption of the Rules of Procedure
16. the amendments and addendums of the Statute provisions that do not relate to the issues pursuant to the items 1,2,7 and 8 of this Article or other issues for which, pursuant to the law and the statute of the company, the Assembly is entitled to pass specific decisions with legal consequences in the form that they allow amendments to the relevant provisions of the Statute;
17. adoption of the SASE annual financial plan;
18. appointment and dismissal of the arbiters from the list of Sarajevo Stock Exchange permanent Arbitrage;
19. other issues of importance for the operation of the joint-stock company in accordance with the law and statute of the joint-stock company.

(2) The Assembly shall pass a decision on the SASE Annual report within six months after the end of the fiscal year. The annual report shall include the financial report and the auditors' reports, the report of the Supervisory Board and the Board of Auditors and the distribution of profit together with the means of loss covering for the fiscal year in matter.

#### **9.b.I. Assembly Convention**

#### **Article 50**

(1) The Assembly is convened by the Supervisory Board upon its own initiative, the Management proposal or the request of the authorized shareholders. The Assembly can additionally be convened

by the authorized shareholder or a group of shareholders under circumstances defined by this Statute, the law and other regulations.

(2) The written request for the convention of the SASE Shareholders' Assembly containing the reasons for the convention and the proposed agenda can be submitted to the Supervisory Board by the shareholders pursuant to Article 38 of this Statute or by the members of the Supervisory Board or Board of Auditors. If the Supervisory Board fails to make an announcement on convention of the Assembly within 15 days of the day of the request submission, the claimant shall be authorized to directly convene the Assembly and to inform the Commission in written form.

(3) The claimant pursuant to paragraph (2) of this Article shall be authorized to directly convene the Assembly without submitting a request to the Supervisory Board under circumstances that the Supervisory Board has failed to convene the Assembly five months after the end of the fiscal year in order to get the Assembly members declaration on the annual report that includes the financial and the auditors reports, the report of the Supervisory Board and the Board of Auditors.

(4) If convening the Assembly directly, the claimant pursuant to paragraph (2) of this Article shall engage the company Secretary to establish the composition of the Assembly's working bodies, disseminate information on the convention of the Assembly pursuant to Article 53 of this Statute and conduct any other necessary activities for holding the Assembly.

(5) The SASE Supervisory Board member pursuant to paragraph (2) of this Article shall be authorized to submit a request for convening the Assembly under the following circumstances:

- a. when the Supervisory Board has failed to analyze and adopt the Management's semi-annual report on conduct of business within 30 days from the day of the report;
- b. when the Supervisory Board has failed to analyze and adopt the Management's annual report on conduct of business within 60 days from the day of the report
- c. when one or more members of the Supervisory Board have failed to report to the Supervisory Board direct or indirect interest in accordance with the provisions of this Statute, the Law and other regulations.

(6) The Board of Auditors shall be authorized submit a request for the convention of the SASE Shareholders' Assembly pursuant to paragraph (3) of this Article under the following circumstances:

- a. after the termination of the audit conducted upon the request of the shareholder or a group of shareholders with more than 10% of shares with the rights of vote;
- b. after establishing malfunction in the work of the Chairman and members of the Supervisory Board, the general manager and the executive directors.

(7) The convened Assembly can be cancelled provided that the shareholders with more than 50% of shares with the rights of vote submit a written notification of their absence from the convened Assembly.

(8) The cancellation of the Assembly is announced in the same manner as its convention where the cancellation must be announced at least three days prior to the date of the Assembly.

## **Article 51**

(1) The announcement on the agenda, the location, the date and the time of the SASE Shareholders' Assembly shall be posted in at least one of the daily newspapers on the territory of the Federation of Bosnia and Herzegovina latest 20 days prior to the scheduled date of the Assembly.

(2) Should the Assembly be scheduled to take place elsewhere but the SASE headquarters, the announcement pursuant to paragraph (1) of this Article should be delivered to each of the shareholders by registered letter, fax or e-mail at the address specified by each of the shareholders.

(3) Apart from the announcement and the delivery of the announcement pursuant to paragraphs (1) and (2) of this Article, the Stock Exchange shall ensure to provide additional announcements under circumstances and manners regulated by the Commission.

#### **Article 52**

(1) The shareholder and/or a group of shareholders holding a minimum of 5% of the total number of shares with the rights of vote are entitled to make a written proposal of the issues and decision proposals to be included on the agenda for the following SASE Shareholder's Assembly at any time prior to the announcement on the convention of the Assembly. Furthermore, they are entitled to amend the agenda and the decision proposals of the Assembly within eight days from the day of announcement of the Assembly's convention stemming under Article 51 of this Statute.

(2) The SASE Supervisory Board shall make an announcement on the proposal stemming from paragraph (1) of this Article in the same manner as the announcement on the Assembly convention.

(3) The expenses of the individual announcements pursuant to paragraph (2) of this Article that contain up to 100 words shall be paid by the Stock Exchange, while the proponent shall bear costs of an announcement of a longer proposal.

#### **9.b.II. Assembly participation registration and the decision-making quorum**

##### **Article 53**

(1) The SASE Shareholders' Assembly can be attended by the SASE shareholders, the representatives of the shareholders or their proxies who have made a proper registration with the Voting Committee latest within 3 days prior to the Assembly date.

(2) Each shareholder and/or their proxy shall present to the Voting Committee or its authorized personnel an identification document or a share certificate issued by the Registrar latest 30 minutes prior to the start of the Assembly.

(3) The Assembly can be attended by other persons as well provided that they have submitted an approval of their attendance to the Assembly Chairman together with their registration form.

(4) The Sarajevo Stock Exchange will bear all the costs of holding the SASE Assembly.

(5) The establishment of the quorum at the Assembly shall be conducted by the Voting Committee.

##### **Article 54**

(1) The Assembly can make decisions provided that the attendees, personally or through their proxies, are SASE shareholders with more than 50% of the shares with the rights of vote.

(2) In circumstances of a lack of quorum pursuant to paragraph (1) of this Article, 60 minutes after the scheduled start of the Assembly, the session will be cancelled and the Assembly convener shall make an announcement on the new convention of the Assembly earliest 15 days or latest within 30 days of the original Assembly date.

(3) In circumstances pursuant to paragraph (2) of this Article, the quorum shall be constituted of shareholders holding more than one third of shares with the rights of vote.

(4) Exceptionally, the Assembly Chairman can suspend the session to a maximum of 15 days but shall fix an exact date and location for the Assembly to be resumed.

#### **9.b.III The Voting Committee**

##### **Article 55**

(1) The Voting Committee is comprised of a chairman and two members appointed by the SASE Supervisory Board in the decision on the Shareholders' Assembly convention.

(2) The Voting Committee members cannot be members of the SASE Management or the Supervisory Board nor individuals who hold 5% or more of shares with the rights of vote or individuals who are under their significant influence and control exempting the employees of the Stock Exchange.



(3) For the purpose of holding a Shareholders Assembly, pursuant to the provisions of this Statute, the Voting Committee shall:

- a. establish the number of shares with the rights of vote whose owners have submitted a registration application for participating and decision-making at the SASE Assembly and shall submit a report on this information to the SASE Supervisory Board Chairman and the SASE General Manager latest three days prior to the Assembly date;
- b. establish the quorum, i.e. the number of shares with the rights of vote to be represented at the SASE Shareholders' Assembly, conduct verification and establish the identity of the attendees at the Assembly and submit a written report on this information to the Assembly Chairman and the recording secretary prior to the start of the Assembly;
- c. establish the results of the voting for each of the items on the Assembly agenda and submit a written report to the Assembly Chairman and the recording secretary.
- d. hand over to the Chairman the Assembly ballots for each of the items on the agenda.

#### **9.b.IV Assembly management and record taking**

##### **Article 56**

- (1) Prior to the appointment of the Assembly Chairman, the Assembly shall be presided by the present shareholder with the largest number of shares with the right of vote or his proxy, or in case this is not possible, the Assembly shall be presided by the oldest representative of the shareholders or its proxy to be defined by the Voting Committee.
- (2) The Assembly Chairman presiding over the Company' Assembly up to the appointment of the Assembly President shall be authorized and responsible to establish and declare the presence of a quorum needed for the decision-making presences on the basis of a written report submitted by the Voting Committee, to establish and declare the regularity of the convention, to open the Assembly and manage its work until the election of the Assembly President.
- (3) The Assembly shall appoint the Assembly Chairman and two record signers by a majority vote among the present shareholders or their proxies.
- (4) The Assembly Chairman manages the Assembly and conducts the following:
  - a. opens the Assembly session;
  - b. determines the validity of the Assembly convention;
  - c. determines the presence of a quorum for the work of the Assembly on the grounds of report submitted by the Voting Committee
  - d. pronounces the validity of the Assembly agenda;
  - e. ensures the Assembly follows the set agenda;
  - f. establishes and announces the results of voting for each of the items on the agenda on the grounds of a report submitted by the Voting Committee;
  - g. pronounces the end of the Assembly session;
  - h. signs the Assembly record.

##### **Article 57**

- (1) A record shall be made for each Assembly session containing the following:
  - a. the company name and the headquarters of the Sarajevo Stock Exchange;
  - b. place and time of the venue (Assembly);
  - c. the name and surname of the Assembly Chairman, the recording secretary, the record signers and the members of the Voting Committee;
  - d. the agenda;
  - e. the decisions;
  - f. information on voting results;

g. the shareholders and SASE Supervisory Board members' complaints at the decisions of the Assembly.

(2) Written proposals and reports submitted at the Assembly shall be handed in together with the Assembly records.

(3) The Secretary shall ensure that the record has been made within thirty days from the day of the Assembly.

(4) The record shall be signed by the Assembly Chairman, the record-taker and the person verifying the record.

(5) The shareholder is entitled to request that he be submitted with a copy of the records or an excerpt of the records from all the SASE Assembly sessions.

#### **Article 58**

The Stock Exchange shall permanently store and preserve the records from the Shareholders' Assembly together with the attendance list and the records on the voting of the shareholders, the announcements and the invitations for the Assembly.

### **9.b.V Decision-making**

#### **Article 59**

The Assembly shall make decisions by a two-thirds majority of represented shares with the rights of vote on issues explicitly thus regulated by the specific provisions of the Law on Business Companies, including separate voting for each class of shares. Decisions-making by a simple majority of shares with the rights of vote and a joint voting of share classes will be implemented for all other issues under the Assembly's competency exempting the appointment of the SASE Supervisory Board members and the Board of Auditors which is to be conducted pursuant to provisions of this Statute.

#### **Article 60**

(1) The voting at the Assembly shall be conducted through voting ballots containing the company name of the shareholder and the number of shares in ownership.

(2) The voting is conducted in the manner that the shareholder opts for one of the two proposal on the ballot ("FOR " or "AGAINST") or chooses one of the names of the candidates during the voting on the appointment of SASE body members.

(3) The voting results shall be determined by the Voting Committee.

#### **Article 61**

Should the voter circle both "For" and "Against" option on the ballot or should he fail to circle any of the options or if he should circle more names of candidates than planned for the appointment as SASE body members, the ballots will be regarded as invalid ballots and shall thus be accounted for in the total number of represented shares with the rights of vote for determining the majority vote.

### **9.b.VI Decision-making through a proxy**

#### **Article 62**

(1) The right on participation and decision-making at the SASE Assembly can be achieved by granting authorization to proxies.

(2) The shareholder's proxy shall have a valid letter of attorney for representing the shareholder.

(3) The proxy shall act in line with the directions given by the shareholder. Should the proxy not be given directions, he should act on reasonable judgment in the best of interest for the shareholder-the principal.

### **Article 63**

(1) The letter of attorney for the participation and decision-making at the SASE Assembly is granted in the form of a written statement signed by the shareholder the principal and the proxy which is then directly forwarded to the Stock Exchange secretary by mail, fax or email latest within the time period defined by the provisions of this Statute for the registration of shareholders for the participation at the SASE Shareholders' Assembly.

(2) The letter of attorney ceases to be valid should the shareholder-principal himself be registered for participation at the Assembly with an explicit statement of intention to take part in the decision-making process. The granted letter of attorney shall also become invalid should the shareholder-principal grant it to another person or revoke the letter of attorney by submitting the revocation in written form to the Stock Exchange pursuant to paragraph (1) of this Article.

### **Article 64**

Should the shareholder or its proxy submit to the Voting Committee within seven days of the day of the Assembly an authenticated statement by the shareholder, or an official document or any other relevant proof that makes the letter of attorney used for decision-making at the Assembly invalid, the Voting Committee shall declare the votes gained on the basis of the controversial letter of attorney as invalid and shall send a written notification to the SASE Supervisory Board which is obliged to suspend the implementation of the decision for which the invalid votes were decisive and to convene an Assembly session for the new decision making on the same issue within 30 days from receiving the notification from the Voting Committee on the invalid votes.

## **9.b.VII Contesting the decisions of the SASE Assembly and nullity of the decisions**

### **Article 65**

(1) The decisions of the SASE Shareholders' Assembly can be contested due to violations of the provisions of this Statute and/or violation of provisions regulating the decision-making process or because the decision content and/or its implementation might result in the violation of other provisions of this Statute and/or legal provisions and legally grounded rights and interests of the Stock Exchange or its shareholders.

(2) The contesting of the SASE Assembly decision at the court where SASE has been registered in the company registrar within 60 days of the adoption of the decision by the Assembly can be launched by the following parties:

- a. the shareholder present at the Assembly and whose objections have been registered in the Assembly record can contest the decision in matter on the same grounds as the objection;
- b. the shareholder who was absent from the Assembly which has been convened contrary to the provisions of this Statute;
- c. the shareholder present at the Assembly whose proposal or objection has not been registered properly in the Assembly record;
- d. the SASE Supervisory Board and Management and each of its members should the implementation of the decision result in economic transgression, criminal offence or inflict damage to the Stock Exchange.

### **Article 66**

The decision of the SASE Assembly is invalid under the following circumstances:

- a. the Assembly has not been convened pursuant to the methods defined in Article 50 of this Statute;

- b. the decision was passed at an Assembly session lacking the necessary number of votes;
- c. the decision is violating the provisions of this Statute, the provisions of the law and regulations of the Commission.
- d. the decision was not registered in the Assembly records;
- e. the decision has been declared invalid by the Court.

### **9.c. The SASE Supervisory Board**

#### **Article 67**

- (1) The SASE Supervisory Board is comprised of a Chairman and four members.
- (2) The composition of members of the Supervisory Board is the following:
- a. one employee of the issuer whose securities are on the SASE Official Market
  - b. only employee of the issuer whose securities are listed for trading on the SASE Free Market;
  - c. three other candidates.
- (3) Any number of potential candidates can be nominated for each of the items pursuant to paragraph (2) of this Article, however, only one candidate is appointed for items a, b and c and three candidates for item c.
- (4) The Supervisory Board cannot be composed of the following parties;
- a. the employee of the Sarajevo Stock Exchange
  - b. the employee of the Registrar of Securities
  - c. a member of the legislative, executive or judicial authority in Bosnia and Herzegovina;
  - d. the holder of 10% or more securities or of the portion of shares of the SASE member or any other individual in its connection;
  - e. employee with the Stock Exchange member;
  - f. a person with criminal records for activities unrelated with the responsibilities in the Supervisory Board, five years after the validity of the sentence, excluding prison time. .
  - g. persons older than 65 years at the day of the appointment.

#### **Article 68**

- (1) In addition to the conditions stemming under Article 67 of the Statute, a person who fulfils one of the following criteria shall be nominated and appointed for the member of SASE Supervisory Board:
- minimum VI degree – Associates Degree of education in economic or law with at least five years of experience in the profession,  
or
  - minimum VI degree – Associates Degree of education in other field with 3 years of work experience in the field of capital market,  
or
  - minimum completion of the first cycle of studying (Bachelor Degree) in line with the Bologna Process and 5 years of work experience in the field of economic or law or 3 years of work experience in the field of capital market.
- (2) Besides the conditions listed under paragraph 1 of this Article, the candidate needs to have a positive reputation in the business environment.

#### **Article 69**

- (1) The members of the SASE Supervisory Board are entitled to participate at the SASE Assembly without the rights of vote.

(2) The financial compensations for the Chairman and the members of the SASE Supervisory Board shall be published in the SASE annual report.

#### **Article 70**

(1) The Chairman and the members of the SASE Supervisory Board and their close relatives cannot hold individually 10% or more securities whose issuers are members of the Stock Exchange or persons connected to them and they cannot conduct operations and perform activities unrelated to the principle of investor protection.

(2) The members of the SASE Supervisory Board shall perform their duties in line with the highest business and technical standards expected of them as members of the SASE bodies.

#### **Article 71**

The SASE Supervisory Board is competent over the following:

1. supervise the operations at the Sarajevo Stock Exchange,
2. supervise the activities of the SASE Management,
3. submit the annual report on SASE's activities to the SASE Assembly,
4. appoint the SASE Management and elect the Chairman of the Supervisory Board,
5. appoint members of the Stock Exchange Listing Committee,
6. appoint members of the SASE Committee,
7. adopt the code of ethics for the SASE Management,
9. have an insight into the SASE's books, documentation, the cash box and other items,
10. make decisions on the adoption of the Management's report under circumstances regulated by a specific law
11. adopt the Rules of Procedure
12. request at any time from the SASE Management a report on any of the issues related to SASE's operations that might significantly effect or are expected to effect the status of the Stock Exchange,
13. prepare a proposal of a solution for each of the items on the Assembly's agenda together with the SASE Management ( exempting the appointment of the members of Supervisory Board and the auditors when the proposals are prepared by the Supervisory Board itself) and analyze and adopt the proposal of the SASE Rules,
14. approve the issuing of new shares pursuant to the Law,
15. make decisions on appeals against the decisions of the SASE Listing Committee unless otherwise regulated by this Statute or the Law and a different appeals institution was proposed,
16. define the amount of compensation for the SASE commission members,
17. make decisions on the appeals against the decisions of the SASE Management unless these competencies have been assigned to another body pursuant to the SASE Rules,
18. analyze the reports on the operations of the Stock Exchange and issue proposals to the Management on removing the identified irregularities,
19. propose means of profit distribution aimed at enhancing the Stock Exchange performance and propose methods of loss cover,
20. approve the purchase, sale, exchange, leasing and other transactions of the SASE assets within the current fiscal year in the scope of 15-33% of the SASE's book value of the total assets,
21. appoint the chairman and the members of the Compensation Committee and the Appointment Committee,
22. educate temporary commissions and define their composition and duties,
23. convene the SASE Assembly and
24. review and make other decisions as authorized under the law, the Statute and other by-laws.

#### **Article 72.**

(1) The Chairman and the members of the SASE Supervisory Board are appointed simultaneously for a mandate of four years where the SASE Assembly shall conduct a vote of confidence for the members of the Supervisory Board after two years from the date of their appointment have expired.

(2) The same person can be appointed for either the chairman or the member of the SASE Supervisory Board without any limitations to the number of appointments.

(3) Exempting paragraph (1) of this Article, the SASE Supervisory Board member that has been appointed as replacement for the dismissed member and under circumstances when the complete Supervisory Board has not been dismissed, the duration of the newly appointed Board member will last until the expiry of the mandate of all the other Board members who have been appointed at the time of the constitution of the complete SASE Supervisory Board.

(4) The duration of the Supervisory Board members' mandate shall be regulated pursuant to paragraph (3) of this Article in circumstances when all the members of the SASE Supervisory Board who have gained their mandates at the time of the appointment of the complete Supervisory Board have been successively dismissed.

(5) The Chairman and the members of the SASE Supervisory Board shall be registered at the issuers' registrar within the Commission.

#### **Article 73**

The Chairman and the members of the SASE Supervisory Board and members of the other SASE bodies cannot be members of the legislative, executive and judicial institutions of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina, the Cantons and municipalities, members of Supervisory Boards and general managers of legal entities with a majority of state capital.

#### **Article 74**

The Chairman and the members of the SASE Supervisory Board shall submit updated information to the Stock Exchange on the following:

- a. professional qualifications and membership in the professional institutions;
- b. a complete business resume and relevant work experience;
- c. an updated list of companies with the Chairman's or the members' investments;
- d. an updated list of companies where they are holding any position.

#### **Article 75**

(1) The shareholder and/or a group of shareholders holding 5% of shares with the rights of vote may propose one or more candidates for the appointment at the position of the SASE Supervisory Board member by submitting to the Supervisory Board a written proposal containing proof of the candidates' fulfilment of the conditions pursuant to Article 67, paragraph 2, items a, b, c of this Statute together with proof of the absence of obstacles for the appointment of Supervisory Board members pursuant to the provisions of this Statute latest within eight days of the day of the announcement on the convention of the SASE Assembly whose agenda includes item on the election and appointment of SASE Supervisory Board members.

(2) Should the authorized shareholders fail to nominate the candidates for the set number of SASE Supervisory Board members within the set deadline pursuant to paragraph (1) of this Article, the candidates will be proposed by the SASE Supervisory Board.

## **Article 76**

(1) The SASE Supervisory Board members are elected after the voting process in accordance with the provisions of this Statute where each ordinary share is entitled the number of votes equal to the number of members being elected thus the total number of votes stemming from each of the ballots is equally distributed to all the candidates whose names have been circled on the ballot and the candidates with the largest number of votes are appointed as the members of the SASE Supervisory Board.

(2) A separate ballot is prepared for each of the listed items pursuant to Article 67, paragraph (2), items a, b, c during the procedure of the election of SASE Supervisory Board members. Each ballot shall include a note on the number of candidates being elected for each separate item taking into consideration the regional representation and the ethnical composition of the employees together with the regional representation of the issuers.

(3) The first constitutive session of the Supervisory Board convened by the Stock Exchange Secretary within 15 days from the day of the Shareholders Assembly shall include the appointment of the Supervisory Board Chairman among the members of the Board.

(4) The SASE Supervisory Board may dismiss its member from the position of a Board Chairman and in parallel appoint another member to the position of the Supervisory Board Chairman.

(5) The Chairman and each of the Supervisory Board members individually sign a contract with the Stock Exchange which has previously been approved by the SASE Shareholders Assembly. The contract, signed on behalf of the Stock Exchange by the SASE general manager, defines among the basic competencies and responsibilities the type, criteria and amount of compensation to be received for performing the duties of the Chairman or members of the SASE Supervisory Board.

(6) The Chairman and each of the SASE Supervisory Board members shall perform their duties responsibly and with due attention pursuant to the provisions of this Statute, the Law and other regulations and shall be loyal to the Stock Exchange and act in the best of interest of the Stock Exchange and its shareholders.

## **Article 77**

(1) The SASE Assembly is entitled to dismiss the Chairman and the members of the SASE Supervisory Board even before the end of their mandate in the following circumstances:

- a. should the Supervisory Board or any of their members lose trust of the shareholders;
- b. should the Assembly fail to adopt the SASE Annual report including the financial report, the auditors' reports, the report of the Supervisory Board and the report of the Board of Auditors;
- c. should the regulations for their appointment cease to exist;
- d. should the SASE Shareholders' Assembly establish the responsibility of the SASE Supervisory Board Chairman and its members for the damages inflicted to the Stock Exchange pursuant to Article 81 of this Statute;
- e. should the Chairman or the members lack the possibility or fail to perform their duties in the Supervisory Board;
- f. should the Chairman or the members submit their resignation to their position in the Supervisory Board.

(2) The proposal for the dismissal of the members of the SASE Supervisory Board prior to the end of the expiry of their mandate can be submitted by any of the SASE shareholders in accordance with this Statute, the Law and other regulations of the Commission.

(3) The proposal for an early dismissal of the SASE Supervisory Board members shall include the grounds for such a proposal based on positive regulations.

(4) The proposal for a dismissal of the SASE Supervisory Board member shall in parallel include a proposal of the new candidate for the position.

#### **Article 78**

- (1) The SASE Supervisory Board session shall require a quorum of two-thirds of the total number of the Board members.
- (2) Should two-thirds fail to be a round number it is then rounded of to the first preceding round number.
- (3) The SASE Supervisory Board shall make decisions by a majority vote of the present members.
- (4) Exceptionally, in an emergency situation the Supervisory Board may make a decision in another manner (via fax, email) as established under the Rules of Procedure of the Supervisory Board.
- (5) The SASE Supervisory Board Chairman and the members are not entitled to vote on issues related to them personally.

#### **Article 79**

- (1) The SASE Supervisory Board session may be attended by the SASE general manager, the executive directors and the SASE Secretary.
- (2) Non-members of the SASE Supervisory Board may attend the session exclusively on the basis of a written invitation by the SASE Supervisory Board Chairman.

#### **Article 80**

- (1) The session of the SASE Supervisory Board shall be held at least once every three months.
- (2) The session shall be convened by the SASE Supervisory Board Chairman.
- (3) The SASE Supervisory Board Chairman shall convene the Supervisory Board session at the request of the SASE general manager or two members of the Supervisory Board latest within 14 days of the issuing of the request otherwise the session may be convened by the claimant.
- (4) A written invitation for the SASE Supervisory Board session shall include the location of the venue, the exact date, the session start time and the agenda and it shall be submitted to all the Supervisory Board members latest 14 days prior to the scheduled date of the session.
- (5) In emergency situations underlining the need for the passing of decisions necessary for the normal functioning of the Stock Exchange, the time framework pursuant to paragraph (4) of this Article may be shorter.
- (6) The convention and the holding of the Supervisory Board session is defined in detailed in the Rules of Procedure of the Supervisory Board which includes the operational and functional aspects of work of the Supervisory Board.

#### **Article 81**

- (1) The Stock Exchange is entitled to a compensation of damages in circumstances when the Chairman and the members of the SASE Supervisory Board act in opposition to the provisions of this Statute, the Law and other regulations that regulate their work, or if they advisedly or with complete inobservance act contrary to the Constitution, the Law, the Statute and other acts of the Sarajevo Stock Exchange that results in inflicting damages to the Stock Exchange.
- (2) The Chairman and the members of the SASE Supervisory Board whose dereliction or improper dereliction of duty has inflicted damages to the shareholders and/or the Stock Exchange shall share the unlimited joint and several liability for the damages.
- (3) The request for the compensation of damages pursuant to the provisions of paragraphs (1) and (2) of this Article may be submitted by the SASE Management or shareholders with a minimum of 5% of ordinary shares.

#### **9.c.I SASE Management**

#### **Article 82**

- (1) The SASE Management manages the work and operations of the company, represents the Stock Company and ensures the legitimacy of its business operations.



- (2) The SASE Management is constituted of a general manager and the executive directors:
  - a) Executive Director of the Trading and Surveillance Department and
  - b) Executive Director of the Information Technology Department.
- (3) Should there be no executive managers appointed, the SASE Management is to consist of a general manager of the company.
- (4) The duration of the mandate for the SASE management members is four years.
- (5) Enacting its competencies, the Management shall act in the best interest of the Stock Exchange and its shareholders.
- (6) The SASE general manager shall be responsible for the performance of the SASE Management.

#### **Article 83**

- (1) The SASE Supervisory Board appoints and dismisses, on the grounds of a proposal by the Chairman or at least two members of the SASE Supervisory Board, the SASE general manager.
- (2) The mandate of the SASE General Manager lasts 4 years.
- (3) The same person can be appointed to the position of a general manager without limitation to the number of mandates.
- (4) The position, the competencies, the responsibilities and the rights of the general manager are regulated by a Contract signed by the general manager and the SASE Supervisory Board.
- (5) The Securities Commission of the Federation of Bosnia and Herzegovina shall give its consent for the appointment of the SASE general manager.

#### **Article 84**

- (1) The executive directors organize the work, represent the Stock Exchange and ensure the legitimacy of the business operations in the area and scope defined by a Rulebook on Internal Organization and Job Classification.
- (2) The executive directors are appointed and dismissed by the SASE Supervisory Board on the grounds of a proposal by the general manager, for the duration of the mandate of the general manager.
- (3) The same person can be appointed to the position of an executive director without limitation to the number of mandates.
- (4) The salary and other material benefits of the executive director are defined by a contract signed between the executive director and the SASE general manager, previously approved by the SASE Supervisory Board.

#### **Article 85**

- (1) The position of the SASE general manager and executive director can be performed by a person with a university degree and the relevant work experience defined by the SASE general acts.
- (2) The SASE Supervisory Board can establish additional conditions and terms for the candidate of the SASE general manager or executive director.

#### **Article 86**

- (1) The mandate of the general manager and/or the executive directors can be terminated prior to the official expiry date should the SASE Supervisory Board pass a decision on their dismissal, or should the general manager or executive director submit their resignations or by a mutual consent.
- (2) Should there be an early dismissal of the SASE Management members, the provisions of Article 77 of this Statute shall thus be applied.

**Article 87**

The SASE general manager shall issue a written authorization authorizing one of the executive directors or the SASE secretary and defining the competencies for their performance if the general manager shall be hindered to perform his duties.

**Article 88**

Should the SASE Management or any of its members hand in their resignation, they shall be obliged to perform their duties during the period of notice defined by the SASE Supervisory Board which shall not be less than 30 days.

**Article 89**

The SASE Management members shall submit updated information on the following:

- a. proof of professional qualifications and membership in corporate organizations;
- b. a complete work resume and relevant work experience together with any changes in the work resume;
- c. the list of companies that the management member has invested.

**Article 90**

(1) The SASE Management shall be competent over the following:

1. to prepare the measures under the competency of the SASE Shareholders Assembly on the grounds of a request by the Assembly;
2. to execute the decisions of the SASE Assembly;
3. to provide the shareholders at the Assembly with confidential information in the issues of the Stock Exchange to be discussed by the agenda;
4. to inform the SASE Supervisory Board of the SASE business policy and other principled operational issues, provide information on the operational trends most notably the financial issues and operations that may have a significant effect on the financial status of the Stock Exchange and other important issues regarding the Stock Exchange operations should the SASE Supervisory Board request this information;
5. to submit to the SASE Supervisory Board the annual and semi-annual reports on business operations including the balance sheets and the profit and- loss balance together with the auditor's report;
6. to publish the issue price of new shares;
7. to make decisions on the admission of new SASE members;
8. to make decisions on termination of membership and temporary exclusion from operations in accordance with this Statute and the SASE Rules;
9. to make decisions on a temporary cessation of SASE operations regarding a certain type of securities;
10. to make decisions to exclude a certain security from the Free market in accordance with the provisions of the SASE Rules;
11. to adopt SASE Fees which includes the amount of all compensations for the transactions made on SASE, the charges for the securities at the SASE Official market and the amount of the admission fee and annual membership fee for the SASE members and other charges for the SASE services;
12. to sign contracts with the SASE employees;
13. to ensure unhindered business operations at SASE;

14. to organize and supervise business operations on SASE and undertake adequate measures against the offenders in accordance with the SASE Rules;
15. to inform the Commission pursuant to the laws and other regulations;
16. to approve the purchase, sale, exchange, leasing and other transactions of the SASE assets within the current fiscal year in the scope of 15% of the SASE's book value of the total assets;
17. to adopt SASE Rules of procedure and its amendments;
18. to adopt the Rulebook on Internal Organization and Job Classification together with its amendments;
19. to adopt other general and individual acts regulating SASE's internal organization and operations in accordance with the positive legal regulations that allow for the regulation, facilitation and improvement of trading with securities and other financial instruments, to ensure an open, public, equal, efficient and economic securities market, to ensure compliance with the legal principles and implementation of a fair and correct procedure at an organized market;
20. to review and pass decisions on all other issues stemming under its competency in accordance with the law, other regulations, the Statute and SASE general acts.

(2) The decisions of the SASE Management shall be recorded at the SASE Management Decision Book. The decisions should be numbered and recorded chronologically. The SASE Management Decision Book shall be kept within the SASE premises at the Stock Exchange headquarters.

(3) The SASE Management members shall inform the SASE Supervisory Board whereas the SASE employees shall inform the Management on the presence of a conflict of interest over certain operational issues or the potential risk of a conflict of interest.

### **9.c.II The Board of Auditors**

#### **Article 91**

(1) The Stock Exchange has a Board of Auditors constituted of a Chairman and two members appointed and dismissed by the SASE Shareholders' Assembly in accordance with the methods defined by this Statute for the appointment and dismissal of the chairman and the members of the SASE Supervisory Board.

(2) The Board of Auditors shall conduct an audit of the annual and semi-annual SASE accounting reports and an audit of financial operations of the Stock Exchange upon the request of the shareholders with a minimum of 10% of shares with the rights of vote. The audit shall be followed by a report that the Board of Auditors shall submit to the SASE Assembly and the Supervisory Board latest within eight days of concluding the audit.

(3) The shareholder requesting an audit shall compensate all the audit expenses unless the SASE Assembly decides otherwise.

(4) The Board of Auditors is authorized and responsible for preparing and proposing the procedures for minimizing the risks of violations or breaches, for ensuring and supervising the application of accounting standards and for proposing the accounting policies.

(5) The Board of Auditors is authorized to cooperate with the external auditor without mediation of the SASE Supervisory Board and the SASE Management and to engage financial and other experts from outside the Stock Exchange.

#### **Article 92**

The Board of Auditors is authorized to request the convention of the SASE Supervisory Board session and the SASE Shareholders Assembly should it deem that the interests of the shareholders have

been threatened or shall it determine irregularities in the work of the Chairman or members of the SASE Supervisory Board, the SASE general manager or members of the SASE management.

#### **Article 93**

(1) The Chairman and the member of the Board of Auditors cannot be a member of the SASE Supervisory Board or Management, nor can it be employed at the Stock Exchange or have any direct or indirect financial interest in the Stock Exchange except the salary that it is entitled to receive in line with the position.

(2) The compensation and other rights of the Board of Auditors shall be regulated by a contract that shall be signed, on the grounds of a decision of the SASE Assembly, by the SASE general manager and each individual member of the Board of Auditors.

(3) The Chairman and the member of the Board of Auditors shall submit to the Stock Exchange an updated list of companies in which they have invested.

### **9.d. The SASE Secretary**

#### **Article 94**

(1) The Sarajevo Stock Exchange has a Secretary appointed by the SASE Supervisory Board on the grounds of a proposal of the SASE general manager for the same duration of a mandate as the general manager.

(2) The position of the SASE Secretary may be held by a person with a law degree and with at least three years of professional experience in the area of corporate law. The SASE Supervisory Board may establish additional conditions for the potential candidate of a SASE Secretary.

(3) The position, the competencies, the responsibilities and the rights of the SASE Secretary shall be defined in a contract signed between the SASE general manager and the SASE Secretary with a prior consent of the SASE Supervisory Board.

#### **Article 95**

The SASE secretary shall be responsible for:

- to provide a list of shareholders from the Registrar;
- to register the records kept at the SASE Shareholders Assemblies and the SASE Supervisory Board sessions
- to archive documents established under the law and the Statute exempting the financial reports.
- to prepare the session and to keep the minutes of the Assembly and Supervisory Board sessions;
- to draw up and distribute to the competent persons the decisions of the SASE Assembly, the records and the decisions of the SASE Supervisory;
- to ensure an insight into the SASE documentation to the shareholders pursuant to the provisions of this Statute.
- to conduct other activities and functions as defined under the Statute and SASE's general acts.

## **10. OTHER BODIES**

### **10.a. The SASE Listing Committee**

**Article 96**

- (1) The Listing Committee shall pass decisions on the admission of securities from the SASE Official market.
- (2) The Committee is comprised of five members of which four members are appointed and dismissed by the Supervisory Board and one member, SASE employee, shall be appointed by the SASE Management in accordance with the conditions defined under the SASE Rules.
- (3) The mandate of the Committee shall last four years with the possibility of a reappointment.
- (4) The Committee's operations and responsibilities of its members shall be stipulated by the SASE Rules.

**10.b The Stock Exchange Commission****Article 97**

- (1) The Stock Exchange Commission passes decisions on the proceedings of establishing a possible violation of the SASE Rules' provisions and defines responsibilities and issues measures to the offenders in accordance with the SASE Rules.
- (2) The composition, the appointment and dismissal procedures for the Commission members and the means of its operation shall be regulated by the SASE Rules.
- (3) The mandate of the Commission shall last four years with the possibility of a reappointment.

**10.c The SASE Arbitrage****Article 98**

- (1) The SASE Arbitrage is present at the Sarajevo Stock Exchange.
- (2) The disputes that arise in operations with securities at the Stock Exchange may be resolved by the relevant parties in front of the SASE Arbitrage.
- (3) The SASE Arbitrage is authorized to resolve other disputes related to the operations with securities should the disputed parties agree to do so.

**Article 99**

- (1) The arbiters at the SASE Arbitrage are appointed by the SASE Assembly on the grounds of a proposal by the SASE Assembly.
- (2) The SASE Assembly shall verify the list of permanent arbiters of the SASE Arbitrage and the arbiters with the potential of being appointed for the Council Chairman.
- (3) The mandate of the arbiter is four years.
- (4) The Arbitrage is passed in a Council of three arbiters. Each of the parties appoints one arbiter and they thus appoint the Council Chairman. In case they fail to agree on the appointment of the Council Chairman, this decision is then made by the Arbitrage Chairman.
- (5) A single arbiter can make a decision in the arbitration if the disputed parties agree to it.

**Article 100**

- (1) The dispute settlement is charged by a special fee to be defined by the SASE Supervisory Board.
- (2) The decision of the SASE Arbitrage is final with no grounds for an appeal.

## **11. THE STOCK EXCHANGE COUNCIL**

### **Article 101**

(1) SASE may establish a Stock Exchange Council as part of its efforts in improving the operations and the capital market.

(2) The SASE Council shall be comprised of the Council President and four members.

(3) The Council President and the members are individually appointed and dismissed by the Assembly and it makes decisions on all other issues of importance for the work of the Council with the majority of votes.

(4) Shareholders and/or representatives of the shareholders with long-term experience in the field of capital market and operations relating to the capital market shall be appointed into the SASE Council.

(5) The persons from the previous paragraph are in general known to the SASE Assembly members and do not have to have any special formal, professional experience.

### **Article 102**

The Council's function is advisory and includes:

- Providing support to the development of the capital market in the Federation of Bosnia and Herzegovina
- Acting on the strategic level;
- Channelling and initiating processes related to the widest issues of the capital market, corporate management, development of the stock exchange trading system, financial products and further development of important activities in the field of stock exchange members and issuers;

The SASE Council shall act in the interest of all the members and issuers with the aim of developing the capital market.

## **12. MEMBERSHIP AT THE SARAJEVO STOCK EXCHANGE**

### **Article 103**

(1) The members of the Stock Exchange are legal entities authorized to conduct the operations regarding brokerage in the trade of securities.

(2) The membership at the Sarajevo Stock Exchange can be granted through a membership admission procedure conducted by the relevant SASE body.

(3) The SASE Statute and Rules define the SASE membership admission and termination procedures.

### **Article 104**

(1) The members of the Stock Exchange can be brokerage companies or authorized banks (hereinafter: professional brokers) which shall fulfill the following conditions for conducting operations regarding the trade of securities:

- a. have a license issued by the Commission authorizing it to conduct operations regarding the trade of securities in accordance with the Law on Trade of Securities, the by-laws and the SASE Rules;
- b. pay-in a relevant amount of money into the SASE Security Fund pursuant to the provisions of this Statute;
- c. pay-in a one-off admission fee for gaining membership at the SASE, the annual membership fee for retaining the status of a SASE member for a full year and other duties and fees regulated by the SASE Fee;
- d. be adequately equipped for accessing the BIS (SASE Information System);

- e. fulfill other conditions, possess licenses and consents regulated by the Law on Trade of Securities, the by-laws and the SASE Rules.

(2) The SASE members shall permanently abide by the conditions set forth in paragraph (1) of this article.

(3) Each SASE member that does not fulfil the obligations stemming under item c, paragraph 1 of this Article for a period longer than 6 (six) months from the moment the obligation has arisen will be excluded from the operations by the SASE Management until it fulfils its obligations.

(4) The number of SASE members is unlimited.

(5) All SASE members shall enjoy equal rights and shall be allocated equal responsibilities.

(6) The membership on SASE cannot be succeeded.

#### **Article 105**

(1) The Stock Exchange shall approve membership of a professional broker that meets the set conditions within 15 days of the issued request for membership admission.

(2) The decision on the admission of new SASE members shall be made by the SASE Management.

(3) After the issuing of a decision on the admission of a new member at the Stock Exchange the new member shall sign a contract with the SASE defining the use of the Stock Exchange resources as defined by the SASE acts.

(4) The termination of the SASE membership status shall be decided in accordance with the provisions of this Status and the SASE Rules, the provisions of the Law and other regulations.

#### **Article 106**

The membership at the Stock Exchange is terminated under the following circumstances:

- a. the member voluntarily stepping-down from his position;
- b. by depriving the professional broker of its license;
- c. pursuant to the decision of the SASE Commission which has issued a measure of membership exclusion due to the violation of SASE Statute and Rules;
- d. membership exclusion on the grounds of a decision by a relevant SASE body due to the broker's failure to meet the responsibilities defined by this Statute and the SASE Rules;
- e. the liquidation or termination of the member's existence.

#### **Article 107**

The detailed conditions for the SASE membership, the conditions for operation and the rights and responsibilities of the SASE members and private individuals authorized to conduct brokerage services in the trade of securities are set forth in the SASE Rules.

### **13. ORGANIZATION AND BUSINESS CONDUCT AT THE STOCK EXCHANGE**

#### **Article 108**

The operation with the securities at the Sarajevo Stock Exchange is regulated by the SASE Rules.

#### **Article 109**

The activities and tasks conducted within the scope of SASE's operations and the internal organization and job classification shall be regulated by the Rulebook on Internal Organization and Job Classification and the Rules of Procedure adopted by the SASE Management.

## **SASE Employees, their rights and responsibilities**

### **Article 110**

(1) The allocation of employees to the working places and the definition of their status is conducted by the SASE general manager.

(2) The rights and responsibilities of the SASE employees are defined in accordance with the Law, the contract, the Statute and the SASE general acts.

(3) The SASE employees cannot be members of the SASE Supervisory Board or Board of Auditors nor can they be engaged to perform the activities of a professional broker, a banker or an issuer whose securities are being traded on SASE.

### **Article 111**

The individuals aforementioned in the previous Article shall submit updated information to the Stock Exchange on the following:

- a. professional qualifications and membership in the professional institutions;
- b. a complete business resume and relevant work experience;
- c. an updated list of companies with their investments;
- d. an updated list of companies where they are holding any position.

### **Article 112**

(1) On the grounds of the submitted information, the Stock Exchange shall draw up a cumulative list on the acquisition and/or the alienation of securities for the SASE Supervisory Board members, the members of the SASE Management, the SASE Board of Auditors and the SASE employees.

(2) The cumulative list on the acquisition and/ or the alienation of securities pursuant to paragraph (1) of this Article shall regularly be updated by the SASE after any form of amendment and the list shall be archived within the premises of the Stock Exchange.

## **Competition ban, the conflict of interest and the internal Stock Exchange transactions**

### **Article 113**

(1) The Chairman and the SASE Supervisory Board members together with the SASE Management shall not conduct any business that may be deemed as a competition to the activities of the Stock Exchange nor can it hold any of the aforementioned positions or be employed in any company or run a private business that may be deemed to be a competition to the Sarajevo Stock Exchange.

(2) Each SASE Supervisory Board and Management member shall inform the SASE Supervisory Board of a direct or indirect interest in the legal entity that the Stock Exchange is planning to conduct business with, and shall not take part in the decision-making process regarding the relations between the Stock Exchange and the legal entity. The SASE general manager and/or the executive manager may participate in the mentioned activities solely on the grounds of a written consent issued by the SASE Supervisory Board Chairman.

## **14. ANNUAL REPORT**

### **Article 114**

The Stock Exchange shall draw up, submit and publish an annual report on its operations in accordance with the law and the regulations of the Commission.



**Article 115**

The fiscal year is regarded the same as a calendar year. The SASE Management shall submit to the Commission an annual report with the status of activities on December 31 covering the previous fiscal year.

**15. DURATION AND TERMINATION OF THE STOCK EXCHANGE****Article 116**

The Stock Exchange has been established for an unlimited period of time and shall terminate its operation under conditions defined by the law and this Statute.

**16. PROVISIONAL AND FINAL PROVISIONS****Article 117**

(1) The amendments and addendums to this Statute shall be made in accordance with the means and procedures defined for its adoption.

(2) The amendments and addendums to this statute shall be made also at the request of the Commission for the purpose of harmonization with the Law and other regulations of the Commission.

(3) The provisions of the Law on Business Activities, the Law on the Securities Market and other relevant regulations shall be applied to the issued not regulated under the provisions of this Statute.

**Article 118**

The Statute and its amendments and addendums shall enter force 15 days after gaining approval by the FBiH Securities Commission.

**Article 119**

This Statute's entry into force shall result in the fact that the SASE Statute no. S-XIV-1-464/08 dated June 11, 2008 with all its decisions on amendments and addendums is to be declared invalid.

Broj: S – XXVIII – 1-727/14  
Sarajevo, 22. 12. 2014. godine

Adnan Bunjo  
Assembly Chairman

*This statute has been approved the Decision of the Securities Commission of the Federation of BiH No. 04 / 1-19-193 / 14 of 25. 02. 2015 and entered into force on 12. 03. 2015.*