

SARAJEVO STOCK EXCHANGE OF SECURITIES

Sarajevo, Đoke Mazalića 4/I Assembly

Pursuant to Articles 153 and 154 of the Law on Securities ("The Official Gazette of the FBiH" No. 85/08 and 109/12) and Article 51 of the Statute of the Sarajevo Stock Exchange the Decision of the Assembly no. S-XXVIII.1-728 / 14 of 22. 12. 2014 and the Conclusion of the Assembly no. S-XXIX-1-499 / 15 of 16. 04. 2015, the Assembly of Shareholders of the Sarajevo Stock Exchange of Securities, joint stock company Sarajevo, adopted the following

RULES OF THE SARAJEVO STOCK EXCHANGE OF SECURITIES

I. GENERAL PROVISIONS

Article 1

The Rules herewith regulate the business performed by the Sarajevo Stock Exchange of Securities, a joint stock company Sarajevo (hereinafter: the Stock Exchange), the terms and conditions and the means of business performance, as well as other matters related to the Stock Exchange business activity in accordance with the relevant provisions of the Law on Securities Market.

Definitions

Article 2

The terms used in the Rules of the Sarajevo Stock Exchange (hereinafter: the Rules) and other general acts of the Stock Exchange, in their respected case and number, shall have the following meaning:

- The term **Stock Exchange** – „Sarajevo Stock Exchange“ – joint-stock company Sarajevo.
- The term **Issuer** means the issuer of securities.
- The term **Commission** means the Securities Commission of the Federation of Bosnia and Herzegovina.
- The term **Registry** means the Registry of Securities of the Federation of Bosnia and Herzegovina, joint- stock company Sarajevo.
- The term **Member of the Stock Exchange** means a professional intermediary, a bank accepted into the Stock Exchange membership on the grounds of a compliance with the conditions set forth by the law, by-laws and the Stock Exchange.
- The term **Broker** means a natural person authorized by the member of the Stock Exchange to conclude stock exchange deals provided they meet the conditions defined under the Law on Trade of Securities and by-laws.
- The term **DUF** means a company for management of IF and other funds pursuant to the LIF.
- The term **IF** means an investment fund in accordance with the LIF.
- The term **Rules** means Rules of the Sarajevo Stock Exchange of Securities, a joint stock company Sarajevo
- The term **Statute** means the Statute of the Stock Exchange.

- The term **Instructions** means the Instructions for the application of these Rules issued by Management Board or employees of the Exchange, which is authorized by the Management Board for their issuance.
- The term **Security** means a transferable document in non-material form – electronic format, issued in series and used as grounds for achieving the rights of the issuer and transfer of the rights in accordance with the law and the decision on its issuing.
- The term **Debt securities** means bonds and other security series which give the owner the right of payment of a principal and an eventual interest, i.e. other revenues.
- The term **Financial derivatives** means derived financial instruments whose value depends on the price of the subject of the contract and whose type, quantity, quality and other characteristics are standardized and traded under authorization.
- The term **Stock Exchange market** means the place or the information system for connecting the supply and demand of securities with the aim of trading with the securities in accordance with the rules defined beforehand.
- The term **Official market** means a segment of the Stock Exchange market that arranges the supply and demand of securities in accordance with the specifically defined trading methods, established by the conditions for the listing of securities and specially defined obligations for the issuers having their securities listed at the Official Market.
- The term **Free market** means a segment of the stock exchange market that arranges the connection between the supply and demand in accordance with the previously defined rules aimed at trading with securities that were not listed at the Official Market.
- The term **Market for issuers in the bankruptcy proceedings** means a sub-segment of the Free Market that trades securities of issuers who have filed for bankruptcy proceedings.
- The term **Off-the-exchange market – OTC** means decentralized market of securities which takes place through professional intermediaries.
- The term **Supervisory Board** means the Supervisory Board of the Sarajevo Stock Exchange.
- The term **Management Board** means the management board of the Stock Exchange.
- The term **Stock Exchange Commission** means the Stock Exchange Commission that discusses and makes decisions on the violation of the Rules by the members of the Stock Exchange and authorized brokers.
- The term **Board** means the Listing Board.
- The term **Restrictive account** means a private account of the employee of the Stock Exchange member, its spouse, in-laws or blood relative, household members and members who are directly or indirectly financially dependent on the employee of the Stock Exchange member together with the private account of the natural person of the Stock Exchange member who trades through the Stock Exchange member.
- The term **BCL** means Business Company Law
- The term **SML** means Securities Market Law
- The term **IFL** means Investment funds Law
- The term **Market support operations** means operations of simultaneous announcements of the constant demand and supply of securities on your own behalf and on behalf of your own account in order to maintain the constant supply and demand for certain securities
- The term **BIS** means the Stock Exchange Information System.
- The term **BTS** means the Stock Exchange Trading System a constituent part of the BIS.
- The term **Communication line** means an electronic connection between the Stock Exchange information system and the information system of the member.
- The term **VPN (Virtual-private-network)** means a technology that enables the secure transfer of sensitive data over insecure networks such as the Internet. This technology establishes electronic

"tunnels" for data exchange and communication between each brokerage house notably with SASE and the Register, while data security during the transmission is achieved by cryptographic algorithms.

- The term **Public Disclosure Platform (PDP)** means the electronic platform for public or limited disclosure of issuers via the internet channel which can include news, publication of issuers, financial statements and other information

Article 3 – Definition and Stock Exchange Business Activity

The Stock Exchange is founded and operates as a joint stock company, established with the aim of creating conditions and organizing the supply and demand connection of securities and trading of securities on the stock market, according to predetermined rules of the Stock Exchange.

(2) The Stock Exchange shall conduct the following activities:

- a) assures the conditions and organizes connection off supply and demand with the aim of trading in securities;
- b) provides information on supply, demand, market prices, as well as other information on securities;
- c) determines and publishes the price list of securities;

(3) The Stock Exchange can perform business education activities, publishing of publications, magazines and books, as well as the placement of information and publications at home and abroad, and other activities in accordance with the Law, bylaws, these Rules and other Stock Exchange acts.

II – MEMBERS OF THE STOCK EXCHANGE

Article 4

Members can be companies - professional intermediaries or banks that are licensed by the Commission to perform business in accordance with the provisions of the Securities Market Act.

Article 5 – Request for membership

The procedure for admission into the Stock Exchange membership began on the basis of the request for admission (hereinafter: the request) to be submitted in two copies, directly or by registered postal mail.

Article 6

(1) The applicant is obliged to attach to the request the evidence of meeting the requirements for the admission to the Stock Exchange membership.

(2) The request stemming under the previous paragraph should also include:

- the Commission's permission to perform activities with securities,
- evidence of deposit of adequate funds for the purpose of payment into the security fund
- accounting reports for the previous business year if the company has been active for more than a year
- consolidated text of the Statute and the Court Register excerpt,

- evidence of the admission to membership in the Registry,
- evidence of the admission to membership into the “Association of a Self-Regulated Organization-Professional Brokers in a Security Trade”,
- Irrevocable statement of the applicant on accepting all regulations of these Rules, the Statute and the Stock Exchange general provisions, and pursuant to the previously issued acts, its amendments with the obligation to follow and implement it.

(3) The request is submitted in the original copy while attachments to the request are submitted in an original or certified copy.

Article 7 - Decision-Making Procedure of the Management Board on the Request

(1) The Management Board shall decide on the request within fifteen (15) days from receiving a complete application.

Article 8

(1) Requests that are not prepared in accordance with the Rules and Statutes or do not contain the required documentation, shall be returned by the Management Board to the applicant to supplement or correct and the deadline for supplementing or amending shall not be less than eight (8) and more than fifteen (15) days.

(2) If the applicant fails to supplement or amend the request within the given deadline, it will be rejected by the Board.

(3) The Management Board shall reject the request if it finds that the company is not eligible for membership in the Exchange.

Article 9

(1) The Management Board is obliged to submit the decision to the applicant within five (5) days after passing of the decision. The explanatory note of the decision must include an evident reason for its adoption. The other members of the Exchange, the Commission and the Registry shall be informed about the admission of a new member.

(2) The applicant may lodge a complaint against the decision from the previous paragraph to the Supervisory Board within 15 days of receiving the decision or within the expiry of the period referred to in Article 7 if the Management Board fails to make a decision.

Article 10 – Fulfilment of obligations following the passing of the decision

(1) Pursuant to the time frame and the manner established in the decision on the admission to membership, the applicant is obliged to sign the contract on the BTS rental and meet other requirements that apply to the Members of Stock Exchange, in accordance with the Rules and Statute of the Stock Exchange.

(2) If its obligations under the previous paragraph are not met within the defined deadline, the Management Board can recall its decision or allocate additional time for the applicant to fulfil the obligations. If, even in the additional period, the applicant fails to fulfil his obligation, the decision of the Management Board on admission to the Stock Exchange shall be considered as revoked.

Article 11

The Members shall accept all provisions of these Rules, the Statute and the acts adopted on their basis as of the day of their admission to the Stock Exchange, and are shall be obliged to continuously comply and implement the aforementioned provisions.

Article 12 – List of Exchange Members

The current list of members of the Stock Exchange is published on the website of the Stock Exchange.

II.1. Rights and duties of Members of the Stock Exchange

Article 13- The Rights of the Members of the Stock Exchange

Members of the Stock Exchange have the following rights:

- a) use the BTS and conclude trades by using the BTS,
- b) simultaneously receive information which the Stock Exchange delivers to its members and which might affect the trade, including information on company takeovers published bids
- c) receive information related to admission, trade and exclusion of securities on the stock exchange market
- d) receive information on admission, suspension and exclusion of members of the Stock Exchange,
- e) participate in organized forms of training organized by the Stock Exchange,
- f) other rights provided for by the Rules and other acts of the Stock Exchange.

Article 14 – Duties of Members of the Stock Exchange

(1) In addition to the duties prescribed by the law and bylaws, members of the Exchange have the following duties:

- a) pay membership fees and other fees in accordance with the Stock Exchange tariff, according to the instructions of the Management Board,
- b) care for the reputation of the Exchange during public appearances and in doing business on the Stock Exchange,
- c) ensure the synchronization of the complete technical equipment (computers, fax machines, telephones, etc.) that is used in the headquarters and branch offices with regards to the correct date and time,
- d) submit periodical financial reports in the manner and deadlines prescribed by the Commission,
- e) submit to the Exchange the general business conditions and their consolidated text in case of possible changes,
- f) prevent access to and use of the BTS via personal identification elements to other unauthorized persons, other than an authorized broker who has already been assigned the identification elements by the Exchange,

g) keep records of customer complaints relating to the work of a Stock Exchange member and / or authorized broker,

h) acquaint the customers with the Rules of the Stock Exchange prior to the receipt of the order.

(2) Staff of the Stock Exchange members are required, if they want to trade as natural persons, to do so only through a member of the Stock Exchange in which they are employed.

(3) Members of the Stock Exchange are obliged to submit to the Stock Exchange an updated list of restricted account and record transactions occurring between the owners of restricted accounts.

(4) Members of the Stock Exchange are obliged to supervise the work of all employees and harmonize it with the law, the Commission's regulations, the Rules and other rules and regulations of the Stock Exchange.

(5) Member of the Stock Exchange shall be held liable for any violation of the Stock Exchange acts committed by a member of his staff.

Article 15 – Data Submission Obligation

The Member shall immediately inform the Stock Exchange about:

a) violations of the Rules and other legal acts regulating the capital market in the Federation,

b) any change of his powers, rights, duties and responsibilities in legal transactions, particularly on changes related to the conditions under which it gained membership of the Exchange,

c) the occurrence of disability payments (insolvency), Forced Settlement and the beginning of the bankruptcy or liquidation proceedings, and all other events that affect, or which may affect their financial condition and operations,

d) the beginning of judicial and other proceedings before state institutions resulting from transfers of securities,

e) any changes in the data to be entered in the register (in the form of copies of the registration court),

f) transactions referred to in Article 226 of the Law on Securities Market

h) any decision of the Securities Commission of FBiH, the Registry of Securities in the Federation, concerning the operation of the Member.

Article 16 – Procedure in case of non-fulfilment of obligations

(1) In case the Management Board finds that the Member does not fulfil its obligations under Article 14 and 15, or violates other prohibitions defined by these Rules (other than the prohibition laid down in Chapter V of the Rules) the Stock Exchange will warn the member while leaving the relevant deadline for fulfilment of obligations.

(2) If, even after the expiry of the period referred to in paragraph (1) of this article, the Member fails to fulfil its obligations, the Management Board shall forward the case to the Stock Exchange Commission.

Article 17 – Fulfilment of Financial Obligations

(1) The Member shall duly and timely meet its financial obligations arising from the concluded transactions, as well as other financial obligations that are determined by the Rules and the Stock Exchange tariff.

(2) The Member shall give instructions to the depositary bank to directly pay a fee for transactions concluded on the Exchange to Stock Exchange bank account

II.2 – Termination of Membership / Temporary Exclusion from Operation

Article 18 - Termination of membership at the Stock Exchange

(1) Membership of the Stock Exchange shall be terminated due to:

- voluntary withdrawal on the basis of the submitted written request of the Member,
- withdrawal of the license/work approval for the member of the Stock Exchange in accordance with the provisions of the SML,
- liquidation of members,
- if the competent authority of the Stock Exchange issues a membership termination measure due to the breach of obligations under this Statute and the Rules of the Stock Exchange and such a measure becomes enforceable.

(2) The decision on termination of membership shall be passed by the Management Board of the Stock Exchange and a complaint against the decision cannot be lodged.

Article 19– Temporary Exclusion

(1) The Management Board will temporarily exclude a member from the business on the Stock Exchange in accordance with the license suspension by the Commission or temporary exclusion from membership from the Register.

(2) The temporary exclusion measure lasts until the termination of the circumstances or the fulfilment of the conditions that led to the temporary exclusion.

(3) The execution of the member's orders in the BTS is retained during the period for which the Member is temporarily excluded.

(4) A complaint against the decision stemming under paragraph 1 of the Article herewith may not be lodged.

Article 20

The Management Board shall notify the members, the Commission and the Registry about the temporary exclusion or termination of membership at the Stock Exchange.

II.3. - Broker

Article 21

(1) A broker is a natural person with the license from the Commission to conduct broker activities and who is employed with the Member and holds the Member's authorization for trading on the Stock Exchange on its account and in its behalf.

- (2) The Management Board admits a broker in the stock exchange operations on the basis of:
- a) the application for admission,
 - b) authorization issued by a member for trading on the Stock Exchange on its account and in its behalf,
 - c) confirmation of employment with the Member of the Stock Exchange,
 - d) license from the Commission to conduct brokerage services in the securities trading.

(3) The Stock Exchange may require other information considered relevant for the admission of a broker into stock exchange operations.

Article 22

(1) The Member creates a dossier in which it enters all information about the authorized broker. The Member is obliged to have this information at least two years after employment termination of the authorized broker.

(2) The dossier referred to in paragraph 1 of this Article shall contain:

- a) the name, address and phone number,
- b) the date of commencement of work, information on promotions at work and the extension of authorizations,
- c) data on the acquired professional qualifications and degrees,
- d) CV,
- e) whether disciplinary measures or bans have been placed or undertaken against the broker
- f) if the broker has been convicted for economic offense or other criminal offense.

Article 23

(1) The Exchange may enact additional educational procedures and training to acquire or maintain knowledge and skills necessary for performing the Exchange operations.

(2) The training schedule shall be determined by the Management Board of the Stock Exchange in a separate Instruction.

Article 24

The broker authorized to perform Exchange operations may be authorized to represent only one Member.

Article 25 - Exclusion of a broker from stock exchange operations

(1) Management Board shall exclude a broker from stock exchange operations in the event of:

- Revocation of the license to conduct broker activities by the Commission
- Termination of the authorization to represent the member of the Stock Exchange that traded on the Stock Exchange for its account and on its behalf

(2) A complaint cannot be lodged against the Decision on termination stemming under paragraph (1).

III EXCHANGE MARKET

III.1. Organization

Article 26

(1) Market of the Stock Exchange consists of two segments:

- Official Market
- Free Market

(2) The Official market consists of:

- a. Companies shares market
- b. IFs shares market
- c. Bonds market
- d. Other securities market

(3) The Free Market is comprised of:

a. Companies shares market, divided into the following sub-segments:

- Free-market sub-segment 1 (ST1)
- Free market sub-segment 2 (ST2)
- Free-market sub-segment 3 (ST3)
- Sub-segment for shares of the issuer in bankruptcy proceedings

b. Bonds market

c. Other securities markets

(4) Securities of a single issuer may not be listed on two different segments of the market.

III.2. OFFICIAL MAREKT

III.2.1. Board for Official Market

Article 27 – Competencies of the Board for Official Market

(1) The Board is a body of the Stock Exchange authorized to make decisions on:

- The admission of securities to Official market on the Stock Exchange,
- Changes in the Official Market,
- Measures if issuers violate the obligations prescribed by the Rules
- Exclusion of securities admitted to Official market on the Stock Exchange.

(2) The Board shall decide the on the cases stemming under the first paragraph of this article on the basis of the criteria and the procedure specified by the Rules. If the Rules do not regulate certain issues, the SML shall be used shall be used in the decision-making process of the Board.

Article 28 – Board composition

(1) The Board shall have five (5) members. Four members, who meet the requirements, appointed by the Supervisory Board for a term of four (4) years with the possibility of re-appointment, and one (1) member who is employed at the Stock Exchange appointed by the Management Board, with the possibility of reappointment.

(2) Member of the Board may be a person who has a university degree and who is an acknowledged expert in the field of finance and corporate law.

(3) The members of the Board shall elect a President at the first meeting of the Board.

(4) The members of the Board the Stock Exchange are required to submit information on:

- the list of companies in which a member of the Board, member of the household or a legal entity in which a Board member has a significant stake, invested and which are listed on the Official market,
- list of companies where they hold any position.

(5) members of the Board are required to keep confidential information they receive at the meeting to decide on the application for admission to Official market.

Article 29 - Exemption of Board Member

(1) Board member may not participate in the consultation and decision-making in case there are grounds for disqualification that would prevent them from impartial and professional decision-making.

(2) Board Member who should take part in the consultation and decision-making in the case, must immediately upon becoming aware of the reason for the exemption, inform the President of the Board.

(3) The President of the Board shall decide on the exemption of the Board member while the Supervisory Board shall decide on the exemption of the President.

Article 30 - Board Decision-Making

(1) Decisions on subjects the Board is authorized for and pursuant to the written request sent by issuers, or upon their own initiative, are adopted by the Board by voting on a session closed for the public.

(2) The Board sessions are convened and presided by the Chairman of the Board.

(3) The Chairman of the Board leads discussion and voting on a particular subject.

(4) The Board makes valid decisions if the majority of the Board members are present at the session, and decisions made by the Board are valid if the majority of the Board members present at the session vote for it. If the voting result is indeterminate the Chairman of the Board shall have the deciding vote.

(5) The President of the Board may propose to the other members to hold the session or to harmonize certain issues electronically (by email or fax) if the circumstances in each case show the expediency and rationality of such practise, in which case an official note shall be made.

Article 30 - Board Decision-Making

Article 31 - Complaint against Board Decisions

(1) The issuer may lodge a complaint to the Supervisory Board against the Board's decisions. The complaint should be filed within eight (8) days after the decision receipt. The filed complaint shall not prevent decision execution, unless otherwise defined by the provisions of these Rules.

(2) A separate complaint may not be lodged against the conclusions brought by the Board on issues relating to the procedure or have occurred during the procedure related to the subject within the Board's competence.

Article 32 - Board Session Minutes

(1) Session Minutes are taken and comprise the following: session date and hour, present Board members, points of agenda, subject development and voting results, comments on specific items of the agenda. The adopted decisions or conclusions are enclosed with the Minutes alongside the supporting documents which were the basis for the Board's decision-making on a particular subject

(2) Minutes are made by the Stock Exchange employee authorized by the Management board present at the Board session.

(3) The Board members shall adopt the Minutes at the following Board session when they can comment its contents. The finally drafted Minutes enter into force after the Minutes keeper and the Chairman of the Board sign it.

(4) The original Minutes with attachments shall be kept in the Stock Exchange archive.

Article 33 - Board Member Dismissal

(1) The Board member can be dismissed:

- upon mandate expiration he was elected for,
- upon submitted request for dismissal,
- if he was sentenced to implicit imprisonment by the legally valid decision,
- if it is determined that he violated the membership duty or the Stock Exchange reputation or if he indicated that he is not able to perform his duties,
- if he neglects his Board duties.

(2) The Management makes decision on the Board member dismissal that it appointed, while the decisions on the dismissal of the others are made by the Supervisory Board.

Article 34 - Authorisation Assignment

(1) Certain tasks which according to the Rules are performed by the Chairman of the Board can also be performed by one of the Board members if he is authorized for that task by the Chairman of the Board.

III.2.2. Official Market Listing Conditions

Article 35

(1) An unlimited number of transferable securities which are fully paid and which meet the following criteria can be listed on the Official Market which:

a) for shares:

- The issuer is a joint stock company established and operating in accordance with the regulations of the Federation of Bosnia and Herzegovina,
- The sum of the capital stock and the capital reserves of the issuer including the profit or loss in the previous fiscal year amounts to a minimum of 4.000.000,00 KM
- The financial reports of the issuer have to be published for the period of at least three previous years and each report must be revised
- At least 25% of the share class that stands as the subject of the listing request needs to be issued by a public offer unless the market is operating satisfactorily with a lower percentage, in which case the approval of the Commission is required.
- Minimum share class size (considered to be the book-keeping value of share if the securities are not listed in organized trading, otherwise market capitalization) in the amount of 2.000.000,00 BAM,
- Share class owners - At least 150

b) for bonds:

- The issuer is a joint stock company established and operating in accordance with the regulations of the Federation of Bosnia and Herzegovina
- The sum of the capital stock and the capital reserves of the issuer including the profit or loss in the previous fiscal year amounts to a minimum of 4.000.000,00 KM
- The financial reports of the issuer have to be published for the period of at least three previous years and each report must be revised
- The minimum nominal value of the bond series must be 3.000.000,00 BAM.

c) for other securities:

- The issuer is a joint stock company established and operating in accordance with the regulations of the Federation of Bosnia and Herzegovina
- The sum of the capital stock and the capital reserves of the issuer including the profit or loss in the previous fiscal year amounts to a minimum of 4.000.000,00 KM
- The financial reports of the issuer have to be published for the period of at least three previous years and each report must be revised

(2) The Board makes decision on admission of securities to the listing.

(3) A security can be admitted to the Official market even if it does not meet the criteria of the minimum value of class / series of securities or the number of owners of securities unless it thereby differs significantly or if there is a reasonable expectation that this requirement will be met in a short period of time upon admission to the listing.

(4) The Board can admit to the listing a security of a newly established company founded by merging of several companies, i.e. by a division of the existing company where it is considered that all requirements with regards to the number of years of operation and the realistic conditions together with the objectivity of the accounting reports have been duly met regardless of the fact that the securities of at least one merged or one divided company were listed on the SASE Official market prior to the restructuring procedure.

Article 36 – Securities of the issuers based outside of the Federation of Bosnia and Herzegovina

(1) Securities of the issuers based outside of the Federation of Bosnia and Herzegovina may be included in the Official market if they meet the requirements established by the Securities Market Law, the Commission's regulations, the criteria of these rules that apply to domestic issuers, as well as the requirements prescribed by the regulations applicable at the seat of the issuer.

Article 37 - Listing of securities of the public sector on the Official market

(1) Listing of securities of the state of Bosnia and Herzegovina, the entities, Brcko District and the Central Bank of Bosnia and Herzegovina at the Official Market, shall not be subjected to special conditions and limitations.

(2) The Management Board shall make a decision on the listing of the securities stemming under the previous paragraph, after receiving the request of the issuer and the approval of the Registry of Securities in the FBiH on the registration of the underlying securities.

III.2.3. – The procedure of listing securities on the Official market**Article 38 - Request for listing of Securities**

(1) The Procedure for admission of securities to the Official market starts on the basis of a stipulated filled request form which the issuer or an individual authorized by the issuer submits directly to the Stock Exchange or via certified mail.

(2) The following should be enclosed, in written or electronic form, to the signed request form stemming from the previous paragraph:

- copy of the decision on registration of the issuer at the Register of Issuers at the Commission,
- revised text of the Statute of the issuer,
- copy of audit reports for the last three business years,
- proof of registration of securities at the Registry
- list of the top ten security owners and their number of shares as well as the overall number of all security owners,
- list of security shares in the ownership of the issuer's Managements board,
- the Official Market leaflet,
- evidence on payment of fee for request processing.

(3) The Request must refer to the overall class of issued securities.

Article 39 - Request for Listing of Securities

(1) The listing leaflet is an official document of the issuer comprising data which allow the securities issuer an insight into the issuer's legal and financial status, business possibilities and rights derived from securities (hereinafter: the leaflet).

(2) The leaflet contains information prescribed by laws and regulations as the content of the leaflet for the issue of securities, in particular information on:

- the issuer,
- security that is the subject of listing,

- securities which may be acquired on the basis of the rights of that security, in the case of issuing of options, warrants or exchangeable securities,
- issuer's business,
- responsible persons of the issuer, and
- a statement of the responsible persons of the issuer.

Data from the leaflet must be in accordance with the nature of the issuer's business and enable the investors to objectively estimate the assets and liabilities, the financial position, profits and losses of the issuer and the rights contained in the securities.

(3) The Board approves the publication of data from the leaflet, but it is not responsible for the accuracy and completeness of the data contained in the Official Market leaflet.

Article 40 - Previous Request Review

(1) In the request review procedure, the Chairman of the Board must review whether all assumptions for the decision-making on the request are completed not later than seven (7) days after receiving the request:

- if the request was submitted by an authorized individual,
- if the request template comprises assigned data,
- if attachments from the second paragraph of Article 38. of the Rules are attached to the request template

(2) The Chairman of the Board shall return the request which is not composed in accordance with Article 38. of the Rules and send an invitation to the issuer to complete the request, i.e. correct it within the deadline not shorter than eight (8) and not longer than fifteen (15) days.

(3) If the issuer within the deadline from the second paragraph of this Article does not complete or correct the request, the Chairman of the Board can discard it.

Article 41 - Discussion on the Request and Listing on the Official market

(1) If the Chairman of the Board does not discard the request for admission of securities to the Stock Exchange listing due to incompleteness, he shall include it in the Board's session agenda not later than fifteen (15) days after receiving the request, which marks the start of the procedure for the eventful discussion on the request and the decision-making.

(2) Before the decision on the request is made the issuer is obliged to pay a fee for the decision-making on admission to the Stock Exchange listing, in accordance with the Stock Exchange price-list.

(3) The Board makes a decision on admission of securities to the Official market if it identifies that the requirements for the listing are met and that the leaflet for the Stock Exchange listing is made in accordance with the regulations.

Article 42 - Request Addendum

(1) The Chairman of the Board can request an addendum, i.e. correction of the request for admission within the deadline not shorter than eight (8) and not longer than fifteen (15) days, if the Board during the discussion on request identifies:

- that implementation of requirements or criteria for admission of securities to the Stock Exchange listing is not clearly expressed in the request forms,
- that information in the leaflet is incomplete, false or that some of the paragraphs in the leaflet are contrary to Article 39, paragraph 2 of the Rules, and it is possible to remove a deficiency.

Article 43 – Rejection of the Request

(1) If the issuer does not complete the request properly within the deadline from the first paragraph of Article 42 of the Rules, i.e. does not correct it, and if even upon the completion, i.e. correction of the request conditions for admission are not completed, the Board shall reject the request.

(2) The Board can also reject the request for admission to the Official Market due to circumstances which might endanger the investor's interests.

Article 44 - Decision-making on Admission

(1) The Board shall deliver the Decision to the applicant within five (5) days after the decision on the admission or rejection of listing securities in the Official Market. The decision should contain an introduction, the enacting terms, explanation and legal remedy.

(2) If the securities are listed on the Official market, the Board of the Stock Exchange informs the public on listing, not later than ten (10) days after the decision has been made.

(3) Upon passing of a positive decision and after approval of the leaflet by the Exchange, the issuer is obliged to deliver the final version of the leaflet within eight (8) days from the publishing of the decision, which the Stock Exchange shall publish via its web-site.

(4) In addition to the requirements stemming under the third (3) paragraph of this Article, the issuer is obligated within the deadline defined in the enacting terms on admission of securities to the Stock Exchange listing:

- to pay the fee for listing to the Official market, in accordance with the pricelist of the Stock Exchange
- to deliver the statement of the acceptance of the Corporate Governance Code of the Sarajevo Stock Exchange.

(5) If the issuer does not complete its obligations from this Article within the defined deadline, the Board can revoke the decision on admission to the listing. Decision revocation is made and announced in the same way as the admission decision was announced before.

Article 45

(1) On the basis of the fulfilled requirements for admission of securities referred to in Article 38. of these Rules as of the day of listing at the Official market, the issuers accept all provisions of these Rules, the Statute and acts issued on their basis, as well as any amendments, and acknowledge their compliance and implementation.

(2) The issuers listed at the Official market shall comply by the provisions of the Corporate Governance Code of the Sarajevo Stock Exchange; in case of non-compliance with certain provisions, the issuer must submit a written explanation to the Exchange.

Article 46 - Beginning of trading

(1) After the issuer has completed all duties stemming under Article 44 of these Rules, the management Board shall define the start of trading with the issuer's securities. It shall inform all Stock Exchange members, the public and the issuer of its decision at least (3) three days before the beginning of trading.

(2) The securities of the issuer listed at the Official market shall be continuously traded (MFTS).

Article 47 - Request for Listing Extension

(1) In the event of increase of the issuer's initial capital whose securities of the same class have already been admitted to the listing, on the basis of merging with another company, the issuer is obliged to submit the request for the listing extension to the Stock Exchange, after the registration of changes at the Registry of Issuers at the Commission and the Securities Registrar. The request should be accompanied by the corresponding documentation as stipulated under Article 48 of the Rules.

Article 48

(1) Should the issuer request extension of listing as a result of merging with another company, he shall be obliged to submit the following documentation alongside the request from Article 47:

- contract on acquisition which must comprise components in accordance with the ZPD regulations as well as follow other related ZPD regulations, together with the description of securities issued on the basis of the acquisition.
- Commission's approval
- 2 valid decisions on the verification of the merging contract adopted by the assembly of both companies,
- revised annual reports for the company which will be merged, for the last three years,
- document which indicates the security ownership dispersion grade and the list of ten largest shareholders as well as the data on number of shareholders or the share owners,
- relevant permission issued by the authorized body.

Article 49 - Additional Documentation Delivery

(1) The Board can request from the issuer to submit additional documentation alongside the request for the extension and the documentation defined in case of amendments to the issuer's capital as stipulated under Articles 47 and 48 of the Rules. This additional documentation shall be deemed necessary for the making of the decision on the request or for informing the public.

Article 50 - Procedure in the Event of Security Listing Extension

(1) Upon receiving the request for the Official market extension and the required documentation, the Board shall make a decision on the securities Official market extension.

(2) The Stock Exchange informs the members, the public and the Commission on the date of the security admission to the listing and on the security trade initiation not later than fifteen days (15) after the decision delivery.

Article 51

(1) Unless stated otherwise in this chapter, the provisions of the chapter on the listing of securities at the SASE Official Market shall be applied in the decision-making process by the Board on the listing extension request.

Article 52 - Procedure in the case of Security Conversion

(1) When the security conversion is a reason for the security listing extension, the issuer is obliged to deliver the decision on conversion approved by the Commission as well as the description of changes together with the request in line with the provisions of Article 47.

(2) Decision-making procedure of the Board in this event is equal to the procedure in the case of the listing extension.

III.2.3. Issuer's obligations

Article 53 – Annual Reports

- (1) The issuer whose securities are listed on the Official market must submit an annual business report, to be presented to the Assembly for adoption. The report must indicate that its adoption is expected latest within April 30 of the current year. The content and form of reports is prescribed by the Regulations of the Securities Commission of FBiH. Delivery will be made in electronic form.
- (2) In the case that the Shareholders Assembly does not adopt the annual business report, the issuer shall submit the relevant Decision by e-mail to the stock Exchange. After the re-adoption of the annual reports, issuer shall publish the Decision on approval of the annual report in the manner prescribed for the publication of reports on events that significantly affects the financial business, within eight days from the date of the Decision.

Article 54

- (1) In a situation when a law or accounting standards require from the issuer to draft a consolidated accounting report, they should be included in the revised annual report from the first paragraph of Article 53. of the Rules together with the following data:
 - statement of companies which are included in the consolidation,
 - an auditor's opinion on consolidated accounting reports,
 - consolidated balance sheet, consolidated income statement and consolidated statement of financial flows for the same items as stated in the report on conducted audit, or the leaflet, particularly data for the relevant business year and data for the previous business year.

Article 55 - Semi-Annual Reports

- (1) Issuer whose securities have been listed on the Official market shall submit to the Stock Exchange the semi-annual financial reports in an electronic version no later than 31.08. of the current year.
- (2) The content and the form of the semi-annual financial report are regulated by the Rulebook of the Securities Commission of FBiH.

Article 56 - Quarterly Reports

- (1) Issuers whose securities are listed on the Stock Exchange are required to submit quarterly financial reports on its operations in electronic form within 30 days after the end of the accounting period to which the report relates.

Article 57 – Complete report of the external auditor

The complete report of the external auditor on the audit of the annual reports of the issuer should be submitted to the Stock Exchange in electronic form until the date of the Shareholders Assembly on which the report will be reviewed, but not later than six months from the end of the fiscal year.

Article 58 – Shareholders Assembly

(1) The issuer is obliged, within the shortest period of time, and latest concurrently with its announcement in the public media, to deliver to the Stock Exchange the following data in electronic format relating to the joint stock company assembly session:

- date of the Assembly convention
- conditions for participation in the Assembly
- agenda and the proposal of Decisions for Assembly

(2) The issuer shall, within seven days after the Assembly, submit electronically to the Stock Exchange the text of the Decisions adopted at the Assembly including the Decision that have not been adopted in their initial forms.

(3) The Stock Exchange shall make this data available by publishing it on its website.

Article 59 – Ad-Hoc reporting to the issuer

(1) The issuer shall, as soon as possible, and no later than eight (8) days after the occurrence of the event, electronically submit to the Exchange a notice of the event which significantly affects the financial operations of the issuer, in accordance with and in the form prescribed by the Law on Securities Market and Rulebook of Securities Commission of FBiH.

(2) In addition to the information about the events referred to in paragraph (1) of this Article, the issuer shall submit electronically within the same period to the Stock Exchange the information about:

a) Data on business and other events, changed business conditions and events from the environment which might influence the legal and financial position of the company and issued securities' price with the emphasis on:

- business interruptions,
- relevant changes in the main activity performance,
- intended relevant changes in the company's accounting policy
- changes in the management and the management board,
- relevant legal procedures before the state institutions, arbitrage and similar institutions,
- significant changes on the market,
- previous company's business result perspectives, as well as possible relevant perspective deviations,
- gained or lost patents, licences, brands of importance which are of the high importance for the main activity,
- new products, i.e. services or parties which influence the business activity and the derived business results.

b) Decisions and resolutions, as well as other events which might influence the capital structure, such as:

- intended increase or reduction of the issuer's or joint companies' capital,
- changes in the content of the class right of securities admitted to the Stock Exchange listing and securities in which securities admitted to the Stock Exchange are replaceable,
- priority purchase right at the new issue of securities
- conducted purchase or sale of the issuer's own shares,
- revocation of debt securities admitted to the Stock Exchange listing, before they are due

- inability to fulfil the obligations due to the issued debt securities
- inability to pay dividends.

c) Projected data changes with the issuer and the amendment of the issuer's legal and organizational state which might influence the issued securities' price, such as:

- acquisition of the issuer to the other company or vice versa,
- merging with another company,
- change of legal organizational form
- other changed circumstances and events which cause the change of data stated in the leaflet for admission of securities to the listing, taking into concern the issuer's later announcements.

d) Other events and circumstances not well known which might have significant influence on the issued securities' price.

(3) The Stock Exchange can request from the issuer whose securities are listed to the Official market to deliver relevant updated data, if it deems necessary in order to inform the investor and other participants on the capital market. If the requested data has not been delivered, the Stock Exchange itself can issue an announcement for public.

Article 60 – Notification of convening the press conference

Issuer is obliged to notify the Exchange of intention of convening the press conference, at least one day before its convocation. If the press conference is convened during trading hours, then the Stock Exchange can halt the trading of securities of the issuer, to ensure equal information access to all investors. The trading halt can be done at least 30 minutes before the beginning of the press conference, and it can be extended until the end of trading day. The Exchange will notify its members and the Securities Commission of the halt.

III. 2. 4. Measures in case of violation of issuer's obligations and exclusion from the Official Market

Article 61 – Measure categories

- (1) In case of established violation of obligation by the issuer listed on the Official Market, the Board can decide on the following measures:
- non public warning
 - public warning
 - exclusion of securities from the Official Market

(2) The issuer who was pronounced one of the said measures is obliged to pay the costs of the procedure, based on the current Price list of the Exchange.

(3) An appeal against the decision pronouncing the „public warning“ or „exclusion of securities from the Official Market“ measure will postpone the execution of the measure..

(4) When the Board issues the measure, it will take into account the severity and frequency of the violation of issuer's obligation set by these Rules

Article 62 – Execution of issued measures

(1) The pronounced measures are implemented in the following manner:

- non public warning – delivering the decision to the issuer
- public warning – publishing the decision on the home page of the Exchange's website for duration of 10 days, after which that information is deleted from the website
- exclusion from the Official Market – delivering the decision which excludes the security from the Official market, and simultaneously transferring the security to the Free market segment.

Article 63 – Reasons for exclusion of securities from the Official market

(1) With previous notification to the Securities Commission, the Board can exclude the security from the Official Market if:

- the security wasn't traded on the Exchange for longer than 6 months,
- the issuer or the security are not fulfilling the requirements for the Official market,
- the issuer does not provide the Exchange with requested facts and information,
- it transpires that the security was admitted to the Official market on the basis of untrue and wrong facts,
- The Shareholder's Assembly of the issuer passes the decision on withdrawal from the Official market, in accordance with Securities Market Law,
- a situation arises under which the security of investors is under threat, in the opinion of the Board,
- under the occurrence of legal consequences of liquidation or bankruptcy proceedings of the issuer. Securities of the issuers which has started the bankruptcy proceedings will be excluded from the Official market and transferred to the Free market, and will be excluded from that segment when the liquidation process starts or when issuers ceases to exist.

(2) Board, in accordance with the Law, can also exclude a security from the Official market based upon a request of the Commission.

(3) In the case of exclusion of security from the Official market which has occurred due to the offence of the issuer, the issuer can submit an application for readmission to the Official market after a period of one (1) year has passed following the decision of the exclusion.

Article 64 – Exclusion due to withdrawal of the securities from the Official market

- (1) If the Shareholder's Assembly of the issuer of security listed on the Official market passes the decision of withdrawing the security from the Official market, the Board will pass the decision on exclusion of the security from the Official market.
- (2) Along with the request from the paragraph 1. of this Article, the issuer needs to submit a copy of a valid decision of withdrawing the security from the Official market, a certified copy of minutes from the Shareholder's Assembly meeting and proof that the consideration fee has been paid. The request should also be accompanied by a written statement of the Management Board stating that a complaint against the Assembly's decision filed by the shareholders has not been received within the legally set deadline.

Article 65 – Decision delivery

- (1) The Exchange is obliged to deliver the decision on the exclusion from the Official market to the issuer, within three days of the decision's passing.
- (2) Notification will be delivered to the members of the Exchange, Commission, Registry and the public.

III.2.5. Shares of investment funds

Article 66 – Segment of trading

Shares of investment funds (hereinafter: funds) are unconditionally listed on the Official market, in accordance with the Law and the bylaws of the Commission. They are listed on a special segment named „Funds“.

Article 67

- (1) For the listing of funds' securities on the Official market, all provisions of these Rules that regulate listing on the Official market are sensibly applied, except the ones that this chapter regulates differently.

Article 68 – Listing of funds' shares on the Official market

- (1) Application for the listing of funds' shares is sent by the Fund management company (DUF).
- (2) The applicant must deliver the following acts to the Board:
 - permission for managing the fund given by the Commission,
 - permission by the Commission for establishing the fund,
 - leaflet for the Official market,
 - decision of the Commission on successful issuing of securities that are applying,
 - decision on the issuing of securities in the Commission's Registry of issuers,
 - consolidated Statute text of Fund management company,
 - an extract from the Court's registry.

Article 69

- (1) The Exchange publishes the information on transactions, supply and demand for the shares of funds in a separate segment within the Exchange price list.

III.2.6. Securities of issuers based outside of Federation of BiH

Article 70 – Sensible application of provisions

For the listing of Securities of issuers registered outside of Federation of BiH, the procedure in cases of changes in issuer's capital, disclosure and reporting and the procedure of exclusion, the provisions of Rules which are valid for the securities and issuers from the Federation of BiH, the provisions of Securities market law and the special bylaws of Commission are sensibly applied, together with provisions of this chapter.

III.3. FREE MARKET

Article 71 – Segmentation of the Free Market for shares of joint stock companies

- (1) The Free Market for shares of joint stock companies consists of the following sub segments:
 - Sub segment 1 (ST 1)
 - Sub segment 2 (ST 2)
 - Sub segment 3 (ST 3)
 - Sub segment for issuers in the bankruptcy proceedings
- (2) Listed on the ST1 are the 30 most liquid shares of the Free Market which also have a free-float factor of at least 25% or have a free-float market capitalization available for the investors of at least 2 million KM, measured on the revision date. These issuers regularly fulfil their reporting obligations.
- (3) Revisions of symbols on ST1 is conducted semi-annually by ranking every symbol based on the following criteria:
 - a. $(\text{Days of trading with symbol} / \text{Possible trading days}) * \text{turnover with symbol}$
 - b. $\text{Days of trading with symbol} / \text{Possible trading days}$
 - c. $(\text{Days of trading with symbol} / \text{Possible trading days}) * \text{number of trades with symbol}$

The reference period for the revision is the last six months before the revision, and the revisions are conducted in May and November. In case bankruptcy proceedings are opened for an issuer between two revision periods, his shares are transferred to the Bankruptcy Sub segment and his place on the ST1 is taken by the symbol next in the revision list.

- (4) Initially shares are listed to the sub-segment ST2, where they stay until they fulfil the criteria for transfer to another sub-segment.
- (5) Shares of issuers who fulfil their disclosure requirements irregularly or not at all are transferred to the ST3 sub-segment. Investing in those shares can be considered risky, given the fact that no or limited financial information about those issuers exist and that therefore a (true) market price cannot be defined. Investors are urged to pay increased attention when trading in those securities.
- (6) Shares of an issuer are transferred from ST2 to ST3 in case that the issuer ignores a written warning sent to him by the Exchange seven days after the proposed deadline, and after a temporary suspension of trading in his shares as an additional measure. The trading suspension in this case is used to warn possible investors about dangers of investing in this security which will be transferred to the lowest market sub-segment ST3.
- (7) The return of an issuer from ST3 to ST2 is only possible if all of the following conditions are met:
 - a. The issuer applied for the pre-segmentation back to ST2
 - b. The issuer has signed an agreement regarding the publication of his disclosure reports with SASE
 - c. The issuer delivers the missing reports for the last three (3) business years in the format and as defined by the Securities Commission Rulebook.
- (8) Shares list on ST3 can be delisted from the Free Market in case all of the following conditions are met:
 - a. The Issuer did not file a request to be transferred back to ST2 in accordance with paragraph (7) of this article and
 - b. His shares were not traded in a period of 12 months after the demotion to ST3.
- (9) After the opening of bankruptcy proceedings on an issuer listed on the market, his shares are transferred to the Bankruptcy sub-segment.

III.3.1. Listing on the Free market

Article 72

- (1) Management Board of the Exchange lists the security on the Free market trading based on request by the professional intermediary, when the following conditions are met:
 - The security can be traded on exchange market
 - It was fully paid
 - It is transferable
- (2) The Management Board, on request by the professional intermediary, decides on listing the security on Free market based on following documentation:
 - The form of listing request which is set by the Management Board of the Exchange
 - The order of the client for buying or selling the security
- (3) The securities that are listed on the Free market are initially transferred to sub-segment ST2.

Article 73 – Decision delivery

(1) The Exchange is obliged to deliver the decision on listing the security on the Free Market to the sender of the request and the issuer whose security has been listed, and also to notify the other members of the Exchange, Commission, Registry and the public.

Article 74 – Complaint

A complaint can be lodged to the Supervisory Board against the decision of listing or rejection of listing of the security to the Free market, within 8 days of receipt of decision, but the appeal does not delay the execution of the decision.

Article 75 – Reporting of the issuer whose securities are listed on the Free market

The issuers whose securities are listed on the Free market are obliged to respect the provisions of reporting, in accordance with the regulations of the Securities Commission.

III.3.3. Exclusion from the Free market

Article 76 - Exclusion of a security from the Free market

- (1) The Management Board can exclude a security from the Free market in case that security reaches maturity, *ex officio* on the basis of information from the authorised body that the transformation of the issuer has been done, in the cases described in Article 71, paragraph (8), or in other cases specified by law.
- (2) Apart from provisions of paragraph (1) of this article, the Management Board can exclude a security of the issuer that does not operate or is not active, on the basis of available information.
- (3) An appeal against the decision of exclusion of security from the trading on the Free market can be lodged to the Supervisory Board within 8 days of receipt of decision, but the appeal does not delay the execution of the decision.

Article 77 – Temporary exclusion of a security from trading on the Free market

- (1) The Management Board can temporarily exclude a security from trading on the Exchange in case of a notice from the Registry that the issuer has a corporate action in progress. The exclusion will be effective until the end of corporate action.
- (2) After the corporate action is finished, the Exchange will enable trading of the security on the Free market on the basis of a notice from the Registry.
- (3) The Management Board can temporarily, for a maximum of 15 days, exclude a security from the Free market if the issuer does not provide a financial report in a compulsory format after a written warning from the Exchange.

Article 78 - Decision delivery

- (1) The Exchange is obliged to deliver the decision on listing the security on the Free Market to the sender of the request and the issuer whose security have been listed, and also to notify the other members of the Exchange, Commission, Registry and the public.

III.3.4. – Listing of securities of the issuers based outside of Federation of BiH on the Free market

Article 79 - Securities of the issuers based outside of Federation of BiH

Securities of the issuers based outside of Bosnia and Herzegovina cannot be listed on the Free market.

IV TRGOVANJE VRIJEDNOSNIM PAPIRIMA

IV.1. – Trading of securities on the Exchange market

Article 80 – Exchange operations

- (1) Exchange operations are the operations of buying and selling of securities listed on the Exchange market which are concluded through BTS.
- (2) Exchange operations can be prompt or forward. Forward exchange operations are regulated by special Exchange rules.
- (3) Prompt exchange operations are the operations in which obligations from concluded Exchange deals are completed within 3 days after the conclusion of the deal (T+3), based on rules of the Registry and the instruction of the Exchange.
- (4) All the provisions which regulate the trading in this chapter are applied both to securities listed on the Official market and on the Free market, unless specifically stated otherwise.

Article 81 – Exchange operations business parties

- (1) Exchange operations can only be concluded by the Exchange members.
- (2) Brokers must have the license for conducting all or particular exchange operations. License is given on a form stipulated by the Exchange.

Article 82 – Reporting of negotiated deals and OTC trades

Obligations and the procedure of buying and selling securities out of Exchange (negotiated deals and OTC trades) are regulated by the acts of Commission, Registry and the Exchange.

Article 83 – Objects of Exchange operations

- (1) The objects of Exchange operations are listed securities, including non-matured associated coupons, rights and obligations.
- (2) Date from which a security starts trading without a right to coupon or a dividend, is determined by the Law on Business Company and acts which regulate clearing and settlement.

Article 84 – Price, price step and the volume of exchange deals

- (1) In exchange operations, price of security is expressed with a price higher than zero (0).
- (2) Price of shares is expressed in convertible marks (KM) for one lot.
- (3) Price of bonds and other debt securities are expressed in percentage from nominal value or percentage from outstanding principal (coupon bonds) without added interest.
- (4) Buyers of bonds or other debt securities is obliged, in addition to price from the third paragraph of this Article, to pay the accrued interest in accordance with regulations of the Registry. Accounting of the accrued interest rates which the buyer of shares owes to the seller is conducted by the Registry.
- (5) Price step is a smallest allowed change in the price when entering a buy/sell order.
- (6) Price step for listed securities is determined by the Management Board.
- (7) The Management Board determines the size of the lot for securities which are traded through BTS. One (1) lot is a volume unit for trading in the Exchange.
- (8) Volume can only be a round number.

Article 85 – Trading days and hours

- (1) Exchange trading is carried out every working day. For state holidays, other off days and in case of special circumstances trading is not conducted on the Exchange.
- (2) Holiday calendar is established by the end of the year for the next year.
- (3) If a member of the Exchange decides not to work on days other than official non-working days set by the Exchange, he is obliged to notify its clients timely.
- (4) In special cases, $\frac{3}{4}$ (75%) of active Exchange members can suggest a change in the schedule of exchange trading, in a written manner.

Article 86 – Method of trading

- (1) BTS is a computer supported information system enabling entry, change and removal of orders, concluding of Exchange trades, review of orders and concluded trades, review of information on trades and securities listed at the Exchange.
- (2) Securities that are listed on the Exchange market are traded through continuous (MFTS) and auction methods.
- (3) Continuous method of trading (MFTS) is used on following market segments and sub segments:
 - Official market: market of stock companies, market of investment funds shares, market of bonds and market of other securities
 - Free market: market of stock companies listed on sub segments ST1 and ST2, set of bonds and market of other securities
- (4) Auction trading, with one or more daily auctions, is used on following market segments and sub segments:

- Free market: market of stock companies listed on sub-segment ST3 and the sub segments for the issuers in the bankruptcy proceedings.
- (5) Other than that, the Management Board can define hybrid methods of trading for special purposes, whose details of concluding transactions and purpose is regulated by Rulebook to which Commission must give its approval.

IV.1.1. – Receiving of clients' orders

Article 87 – Basis of Exchange intermediary

- (1) Before receiving the first order for buying/selling securities from a client, a member of Exchange must conclude a contract of performing brokerage services with the client, in written form. The contract of performing brokerage services is a contract by which the Exchange member is obliged to carry out the purchasing and selling of securities according to the orders and for the account of the client. Client is obliged to pay the brokerage fee and other fees in exchange for receiving those services.
- (2) The contract of performing brokerage services is concluded in a written form and according to the provisions of the Commission.
- (3) Every order which the Exchange member receives from its client must include all the information needed for unobstructed and clear execution of the order; especially the order type, time limit, the type and volume of security which is the object of the order.

Article 88 – Order definition

- (1) Order is unilateral state of will submitted by the principal to the professional intermediary stating that a specific trade with securities should be carried out in principal's name and for his/her account.
- (2) Clients' orders are executed by the professional intermediary by entering adequate order into BTS.

Article 89 - Admission of Order Submitted by client

- (1) Member is required to receive the order if it was issued in accordance with the law, the Commission's regulations, rules and other regulations of the stock exchange.
- (2) The Stock Exchange member admits orders of client for purchase or sale of securities at the company HQ, or another office implementing orders of parties.
- (3) It is considered that the order has been received after registration in the order book which is kept in electronic form and is located at the premises of the Member.
- (4) The entry of orders into the book of orders shall be done chronologically as the orders were received and they shall be marked by a corresponding ordinal number

- (5) The order may be received by phone or online, if the Stock Exchange member has an established system of archiving and identification of clients who have issued their orders in such manner. In case the order is received by phone, the member of the Stock Exchange must ensure an audio recording of the order and carry out an obligatory check of the client's identity
- (6) The Stock Exchange member, who conducts the client's order, is obliged to perform all activities in order to fulfil the order properly. This includes enabling of the security transfer which is subject to the order from the client's registry account opened at the Stock Exchange member
- (7) The Stock Exchange member is obliged to secure its clients with timely and complete information on trading at the Stock Exchange relating to the activities conducted upon the order submitted by the client.

Article 90 - Confirmation on Admission of Order Submitted by the Party

1) The Stock Exchange member is obliged to deliver to the party the confirmation on order admission comprising of:

- mark on the order admission,
- client's name and surname,
- client's account number at the Registry,
- date and time (hour and minute) of the order admission, in the event of order admission at the office of the Stock Exchange member or any other legal entity which does not conduct order, the date and time of the order that was forwarded to the HQ or the office of the member where the order is conducted is registered,
- securities trading symbol,
- order types (buy or sell),
- order type regarding price and validity constraints,
- amount,
- other possible order implementation conditions,
- name of the Stock Exchange member and the office of the Stock Exchange member, i.e. legal entity in whose office the order has been received,
- name and surname and signature of the responsible individual of the Stock Exchange member.

2) The Stock Exchange member is obliged to deliver to the party the confirmation on admission of order not later than the next following working day after the admission of the order.

3) Provisions from the previous paragraphs of this Article are implemented also in the event of changes i.e. order recall.

Article 91 - Order Admission Rejection

1) The Stock Exchange member is obliged to refuse a client's order in cases where the refusal of receipt of the order is stipulated under the Securities Market Law, as well as in cases where the reception and execution may constitute a violation of the prohibitions set out in Chapter V of these Rules.

2) If the member does not wish to admit the order of the client, he is obliged to inform him about it immediately. The member is obliged to state in the notice the reason for the order admission rejection, on which the person authorized by the Stock Exchange member shall draw up an official note.

Article 92 - Client's Orders Coverage

1) The client's orders for trading conducted by the Stock Exchange member have to be completely covered prior to their realization in view of the price and amount, regardless of whether it is the case of orders for buying or selling.

2) Coverage review comprises of:

- transfer of securities from the Registry to client's account in accordance with the client's order,
- buy orders: whether the client has paid an advance, in accordance with the regulations of the Securities Commission, at the open account at the brokerage house,
- sell orders: whether the client owns sufficient number of available securities at its account.

3) The Stock Exchange member is completely responsible for processing trade orders and is held liable for the damages caused to its client by the incorrect, irresponsible and careless proceeding with the client's order.

Article 93 - Client's Order Execution

1) The Stock Exchange member is allowed to conduct buy/sell orders only via the ETS.

2) The Stock Exchange member is obliged to fulfill the order of the party in the way it was stated, in accordance with the positive regulations.

3) If the party does not define the price in the order by which the member has got to realize the buy/sell order, such order validity is terminated with the expiry of a day when the Stock Exchange member has received it, i.e. upon the expiry of the first following working trade day if the order was received in time when there was impossible to enter orders to the ETS. The broker fulfills this order by entering the order without stating the price.

(4) The Stock Exchange member is obliged to ensure implementation of the order within 24 hours upon its admission regardless of the type of authorized location where the order has been received.

Article 94 - Client's Order Execution Method

1) The Stock Exchange member executes the client's orders for buying / selling by entering the relevant order to the ETS at the HQ of the Stock Exchange member, i.e. office of the Stock Exchange member where the client's order is conducted in accordance with the Stock Exchange Rules and the Commission's regulations.

2) The Stock Exchange member is obliged to execute the order of the party right after all conditions for the order implementation have been met. It is considered that the conditions for implementation are met when the Stock Exchange member receives the order and the deadline for order discard expires which is regulated by the rules on the ETS functioning and after the member audits the order coverage in accordance with this Rules.

3) The Stock Exchange member is obliged to execute the buy / sell orders following the sequence of admission of these orders, i.e. according to the regulations of the Securities Commission.

4) The Stock Exchange member is not allowed to buy / sell a security for his own account or for the account of an employee working at the Stock Exchange member if as a result of such a trade he would not be able to conduct the simultaneous order of the client, that is if it would be possible to conduct only by circumstances less convenient for the client.

Article 95 - Order Withdrawal

1) The Stock Exchange member is allowed to withdraw the client's order from the ETS during the time the market is open, if he holds relevant client's instruction and if the time of the trade schedule permits it.

2) The Stock Exchange can withdraw trade orders of the Stock Exchange member from the ETS in the following events:

- due to stopping i.e. suspension or permanent trade suspension of the security,
- permanent exemption of the member from the Stock Exchange business,
- upon written request submitted by the Stock Exchange member if he is not able to conduct the withdrawal by himself,
- in the event of error in the ETS functioning or some other technical error in the information system.

Article 96 - Account Types

1) BTS enables the usage of the following account types:

- home (dealer) account - is the account which the Stock Exchange members use for orders they implement on behalf of themselves and for their own account. The Stock Exchange member can only have one home account. The Stock Exchange member can operate for its own account only via its own home account

- client's account is the account which the Stock Exchange members use for orders they implement on behalf of themselves and for the account of the principal. At each order for the account of the principal, brokers are obliged to register the client's account mark.
- joint account is a special clients' account type which the Stock Exchange members use for the order input, i.e. business closure on behalf of themselves and for the account of someone else, in accordance with the Rules.
- private shares trade account is the account which the Stock Exchange members use for orders they implement on behalf of themselves and for the account of the client – issuer of securities traded with.
- custodian account is the account used by the members of the Stock Exchange for orders realized on their behalf and on behalf of the custodian bank
- portfolio account is the account used by the members of the Stock Exchange for order realized on their behalf and on the account of the client on the grounds of the portfolio management contract.

Article 97 - Order Execution for Account of Several Clients

- 1) When the Stock Exchange member at the same time receives more client's orders for buying/ selling of securities with equal completion requirements, it is possible to join such orders into one and execute it (hereinafter: joint account order).
- 2) When trading with the joint account, the Stock Exchange member is not allowed to conclude business for his own account or account of an employee of the Stock Exchange member.
- 3) When pursuant to the joint account order one or more trades are concluded, the Stock Exchange member is obliged to transfer the rights and commitments from the relevant trades, i.e. businesses to clients according to the following rules:
 - if the member has concluded the business, i.e. businesses for the equal price and the amount of securities are not sufficient for the implementation of the overall orders of all parties. On that occasion conducted is the overall order of the party received by the Stock Exchange member before the order of the other party has been received
 - if the member has concluded the trades at different prices, the best price order is completely conducted by the Stock Exchange member who has received the client's order before other client's order has been received.

Article 98 –Transfer of securities to the clients account

- 1) The Stock Exchange member is obliged, according to rules which regulate the completion of commitments from the closed Stock Exchange business, to ensure that upon the day of business completion, securities that he/she has purchased for the account of the relevant party are transferred to the client's account.

Article 99 – Funds of the client

1) The Stock Exchange member is obliged to open a special account at the bank with which he has signed the contract on performing depository activities (further in text: depositor) aiming to receive or conduct payments from business concluded for the client's account and to maintain the client's funds.

2) The Stock Exchange member is not allowed to receive or conduct payments from business closed for its own account using the account from the first paragraph of this Article

3) The member of the Stock Exchange shall pay the funds acquired from the sale of securities and the unused advance payment to the client as soon as all the conditions are met or he shall manage the funds in line with the request of the client and in accordance with the positive regulations

4) The Stock Exchange member is not allowed to use client's funds for its own account or for the account of other parties.

Article 100 - Report on concluded trades

1) The Stock Exchange member is obliged, not later than the next following working day upon the completion of commitments related to business concluded for the client's account, to send to the party the statement (account) for the trades concluded.

2) The listing from the first paragraph of this Article must comprise the following data:

- name and surname, i.e. title of the party,
- party's account number at the Registry,
- security mark (symbol),
- amount,
- price,
- order type (buys or sells),
- date and time of the business closure,
- commission account,
- amount of possible advance for purchase,
- the overall commitment amount, i.e. demand of the party according to possibly deposited advance,
- signature by the authorized Stock Exchange member.

Article 101

The Stock Exchange member is obliged to keep evidence on all orders and evidence on all concluded business for at least five (5) years from the end of the business year when the business event described by the documents has occurred.

IV.1.2 – Article 102 - Exchange Trading System (ETS)

1) In the ETS system a security can be in one of the following states:

- traded - trade is conducted via the ETS in accordance with the Rules,
- halted - the ETS system does not enable the business conclusion, order input is possible,
- suspended - the ETS system does not enable the business conclusion, order input is not possible
- temporary or permanently exempted - security is temporary or permanently exempted from the ETS

2) The security state is changed pursuant to decision issued by the Management board or the Admission Board, upon the completion of requirements from the Rules.

Article 103 - Order State

1) In the ETS system an order can be in of the following states:

- active - implementation is conducted in accordance with the price limitation from Article 118,
- inactive - order which implementation would mean violation of regulations from Article 118. The ETS does not enable the business conclusion with inactive orders,
- halted - order whose is forbidden. The Stock Exchange or the member are allowed to defer orders in accordance with the Rules. Only the member is authorized to activate the order. Upon activation, orders obtain a new mark and in accordance with the limitation from Article 118 of the Rules are placed in the active of inactive state.
- dynamically halted: The order is withheld as a result of the start of volatility interruption. These orders are automatically activated by the ETS within the implementation of volatility interruption
- Stopped - an order that is activated when the market reaches the stop price and, given the limitations of of prices, set in the active or inactive state.

(2) Upon the change of the limitation margin values from Article 118 of the Rules, the ETS transfers the order to the relative active or inactive state, not changing the order's time mark.

Article 104 - Possible Market States

1) The ETS market can only exist in one of the following states:

- closed: input, change and withdrawal of the order is not possible. Transactions are not concluded. Review of members' own orders is possible, but not the market depth
- pre-open: review, input, change and withdrawal are possible. Transactions are not conducted
- opening
- open market - review, input, change, withdrawal and closure of transactions according to the Rules is possible

(2) During the trade day according to the continuous trade algorithm, the ETS market is going through the following states:

- closed
- pre-open
- opening
- open market
- closed market

3) During the trade day according to the auction trade algorithm, the ETS market can be in one of the following states:

- closed market
- pre-open
- opening
- closed market

4) The Management decides on the exact time duration schedule and frequency in relation to the individual market states.

5) In situation of hybrid trade methods from Article 86, paragraph two (2) of the Rules, the Management can define a special market state schedule.

Article 105 - Order Types

At the time of order issuing, the client has one of the following options of choice:

- 1) With regards to type: purchase or sale order
- 2) With regards to price: market, limited and limited with discretion and a stop order
- 3) With regards to order validity time: daily, open and order until a specific date
- 4) With regards to additional terms of display and execution: order with hidden quantity
- 5) With regards to special terms of execution: all or none order, minimum quantity first trade order, minimum quantity all trades order
- 6) Possibility of issuing relevant order types is limited by the used trade algorithm (auction or continuous)

Article 106 - Price Limitation

1) Order types, with regards to the security rate, include:

- market order - the clients set no price restriction. It is executed by entering the order in the ETS without stating the price
- limit order with discretion - client defines the upper margin (buy order) i.e. lower margin (sell order) and authorizes the broker to execute the order (by entering the order in the ETS) by the price which is 20% less than the limit (buy order) i.e. 20% bigger than the limit (sell order). This order is valid for a maximum of 30 days from the day of order issuing
- limit order - client defines the upper limit (buy order) i.e. lower limit (sell order) by which he is ready to purchase/sell securities which are the subject of the order. The order is implemented by inputting the order with the stated price to the ETS.

- Stop order - which contains an additional parameter, the stop price. When the market reaches the stop price, the order is automatically activated as a stop market order or stop limit order, and executed if the conditions in the market exist.

Article 107 - Time Validity Limitation Orders

1) Orders with time validity limitation are orders where, apart from obligatory components of the order entry, time conditions of order validity are also given. The default in the ETS is a daily order i.e. if not entered otherwise, the order is considered to be a daily order. It is possible to use additional hidden amount or special execution conditions. Also, the following order types with the additional time validity condition are possible:

- daily order - is valid only on the same day when it was entered and after conclusion the ETS automatically removes unmatched daily orders before the trade start on the following day,

- open order - is valid until executed on the market or removed by the Stock Exchange member who entered it upon receipt of the relevant instruction by the client. Open orders are valid for up to six (6) months from the entry day, after which the ETS removes them automatically,

- order valid until the specific date – is an order valid only from the moment of order issuing until the defined date. The order until the defined date is valid for a maximum of six (6) months from the day of order entry. If the order was not completed until the defined date or within the six (6) months from the day of entry, changes or confirmation, the ETS will remove it automatically.

Article 108 - Order with hidden quantity

1) Order with hidden quantity is the order at which the overall order amount is not displayed at the market. Only the visible security amount is displayed at the market and the remaining, the remainder of the overall order amount, is stored in the hidden order amount not visible at the market. In the ETS such order is properly marked.

2) Combination between orders with hidden quantity and orders with special terms of execution is not possible

3) The minimum amount of orders where it would be possible to use the hidden amount is 10.000 KM. Should the value of the hidden order fall below the mentioned value the order shall automatically be converted into the order with fully visible amount. The parameters for calculation of the adequacy of using the hidden order shall be the total amount and the price of the order. In the event of the market order, the parameter for calculation of the adequacy of using the hidden order shall be the last official securities' rate. Should the rate not be defined, the use of the market order with hidden amount for the security in subject shall not be possible until at least one official rate is defined

Article 109 - Orders with Special Terms of Execution

1) Orders with the special terms of execution are orders by which, apart from obligatory components of order entry, limitation of the less possible amount necessary for the business closure is also given. Such orders are displayed at market separately from orders without special requirements as well as marked properly. Orders with special implementation requirements are not taken into account in the event of calculation of the balance rate.

2) Types of orders with special implementation requirements are:

- "all or none" order - is the order implemented only if the overall order amount is implemented. The order is displayed on the market separately from the order without special requirements and is marked properly. It is possible to use the order's time validity limitations.

- minimum quantity first trade order - is the order at which the first business is closed by the amount equal or bigger than 1,000.00 KM and the remaining part of the order is changed into the limited order. It is possible to use the order's time validity limitations.

- minimum quantity all trades order - is the order at which businesses are closed only by the amount equal or bigger than 1,000.00 KM. It is possible to use the order's time validity limitations. If the remaining part of the order is smaller than the minimum amount of that order, it is changed in a way that the minimum amount equals the remaining order amount.

3) Introduction of the order from the previous paragraph is not available in the event of auction trading method.

Article 110 - Time-stamp of entered order

1) The time-stamp of entered order is the exact time assigned by the ETS to the order upon its registration at the central electronic book of orders in the ETS. Upon defining the order's time mark + the ETS time system is respected. A single identification number (order number) is assigned to the order.

Article 111 - Order Sequence

1) Upon order entering into the ETS, the ETS assigns to the order a time mark equal to the entering time

2) The BTS identifies the order sequence in a way to, upon implementation of the active purchase orders, give the priority to active orders with the higher price i.e. upon implementation of active sell orders give the priority to active orders with the lower price. If there are more active orders within the same price, the sequence is determined in a way to give priority to active orders with the lower time stamp. Market orders have a priority over price orders. The retained orders are not taken into account in the event of sequence identification.

3) If an order with special terms due to regulations from the previous Article has priority over other orders but due the special terms cannot be paired with other orders, it is skipped in the implementation

of the certain opposite order. Implementation of the opposite order is conducted on the following order in line with the sequence stemming from the previous paragraph.

4) Trade conclusion apart from the order sequence from the two previous Articles is not allowed.

Article 112 - Obligatory and Arbitrary Components in Order Input into BTS

1) Upon order input into the BTS the following components are obligatory:

- a security symbol,
- mark of the Stock Exchange member,
- mark of the broker,
- amount of securities for purchase or sale,
- account type,
- account number,

2) Upon order input into the BTS the following components are arbitrary, i.e. depending on the client's order:

- security price,
- order's time limitation validity,
- special terms of display,
- special terms of execution,
- statement acting as a remark to the broker.

Article 113 – Market Opening

1) Market opening is the transitional process from a pre-opening phase into the opening market phase in continuous trading. Input of new, i.e. change or removal of the current orders is not possible during this period. The market opening process is conducted in the three following steps:

- beginning of the market opening is randomly decided by the ETS within a 5 minutes timeframe
- market opening without the order with special terms of execution
- verification of implementation possibilities of the order with special terms of execution

2) The market opening without the order with special terms of execution is conducted, depending on the market situation, in one of the following methods:

- if the best offer price is higher than the best demand price, trades are not concluded,
- if the best demand price is equal or higher than the best offer rate, trades are concluded by the balance price, according to the order sequence from Article 111 of the Rules

3) Upon the closed procedure of the market opening without the order with special terms of execution, orders with special implementation requirements are conducted in a way to verify consecutively the possibility of its implementation according to the order sequence from Article 111 of the Rules.

4) Upon the verification completion of the order with special implementation requirements, the market opening procedure is finished. The continuous trade is in the open-market state.

Article 114 – Price Balance

- 1) A price balance is the price by which, upon the market opening, trades between orders without special requirements are concluded in a way to achieve the largest quantity of traded securities
- 2) If the largest quantity of securities can be achieved at a variety of prices, the price balance is the one with the smallest remaining amount of securities
- 3) If there is a variety of prices, where the remaining part stemming under paragraph 2 of this Article, would be equal, the highest price is taken in case of the offer order, i.e. the lowest rate in case of the demand order
- 4) If there are a variety of prices with the same amount and the same remaining part, the price which is closer to the last balance price is taken. If two prices have the same distance from the last balance price, then the bigger price is taken
- 5) If there is a variety of prices with the same amount and the same remaining part and the final balance price does not exist, the average price comprising the following complete price is taken.

Article 115 - Open market

- (1) At continuous trading, when the market is opened for trading, BTS automatically concludes trades based on matching of active orders, whereby the order sequence from Article 111 is followed.
- (2) At continuous trading, if the entered bid (ask) price is higher (lower) than the best price of the opposite order and all other requirements are met, BTS will, in line with the boundaries from Article 118, automatically conclude trades at the price of the best opposite order. Conclusion of trades with a possible remainder of the order is carried out at the entered price.
- (3) On the open market, when trades are concluded, a market order cannot have a price outside of the static limits, in cases where the second best order has a price which is exactly at the static limit.
- (4) At the auction trading system, when the entered buy (sell) price is higher (lower) than the price of the opposite order and all other requirements are met, BTS will, in line with the limitation from Article 118, automatically concludes trades at the equilibrium price. At the trade conclusion, order with a lower time stamp has precedence, in case that their price is equal or more favorable than the equilibrium price.
- (5) At the auction trading system, the market is only open at the moment of the auction, when the BTS matches order into trades in accordance with Articles 113 and 114.
- (6) The possibility of conducting activities from paragraph (4) of this Article is defined by the Management Board.

Article 116 - Time and place of trade conclusion

(1) The time of trade conclusion is the moment when BTS, in line with these Rules, matches a buy order and a sell order. The authoritative trade time is the time on the BTS, when the BTS automatically concluded trades based on matching conditions of the active orders, in accordance with the sequence of Article 111.

(2) At trade conclusion, BTS assigns to every trade a unique trade identifier (ticket number).

(3) It is presumed that all trades were concluded at the seat of the Exchange.

Article 117 - Official single price and single price

(1) The official single price of a single day is the traded volume-weighted average price of all trades concluded with a specific security on a specific day and is calculated at the end of the trading day. If no security trades took place on this day, the official single price is the official single price of the previous trading day.

(2) The single price is the price from Paragraph (1) of this Article which is calculated during the trading day.

(3) Trades conducted with hybrid trading modes are not counted when the official single price and the single prices are calculated.

(4) The official single prices of the listed securities are published in daily price lists.

Article 118 - Static limits

(1) Static limits define the spread in which it is permissible to conclude trades with securities listed on the market. Static limits for securities are tied to the market segment / sub segment and amount to:

- Prime market (Official Market): +/- 10 % based on the previous official single price

- Free Market:

- market for shares of joint stock companies:

ST1: +/- 20% based on the previous official single price

ST2: +/- 50 % based on the previous official single price

ST3: +100% / - 90%

Bankruptcy market: no limits

- market for bonds and market for other securities: + / - 50% based on the previous official single price

(2) The static limits from paragraph (1) can be changed by the Management Board; they can be used after the approval of the Securities Commission.

(3) On the first trading day for security, the price is formed freely, i.e. without any static limits.

(4) Exceptionally from paragraphs (1) and (2) of this Article, the Management Board can, based upon request of a member, temporarily suspend the static limits for a security, if the last trade with the security was conducted more than 6 months ago, and if since then no trading took place with this security.

(5) In case of the situation described in paragraph (4) of this Article, the suspension of the price limits is conducted on the next trading day, after informing members and the public.

Article 119 - Dynamic limits and volatility interruptions

(1) In case an order is entered which would trigger a trade outside of the spread defined by the dynamic limits, BTS is automatically initiating a volatility interruption.

(2) The dynamic spread from paragraph (1) of this Article is defined by the maximum allowed percentage deviation (dynamic limit) from the reference price of a security.

(3) The dynamic reference price from paragraph (2) of this Article is the last official single price of a security. In case that during a trading day at least one volatility interruption was organized, the dynamic reference price is the price calculated at the last volatility interruption.

(4) The maximum allowed percentage deviation from paragraph (2) of this Article is + / - 3%. The Management Board of the Exchange can change this value by changing the Instructions for volatility interruptions, and also define different values for different segments and sub segments.

(5) The volatility interruption is carried out in one of the following ways:

- Securities which are traded with the continuous trading system: Trading in the security is halted. If the interruption occurred in the pre-open phase, the pre-open phase is prolonged.
- Securities which are traded with the auction trading system: The pre-open phase is prolonged.

(6) After the volatility interruption has been initiated, it goes through the following phases:

- The conclusion of trades for the symbol is halted, irrespective if the trade is inside or outside of the dynamic range.
- The market is automatically informed about the volatility interruption for this symbol
- The pre-open phase after start of the volatility interruption lasts for 15 minutes
- After 15 minutes have passed, the opening phase described in Article 113 is conducted, except that the random interval is 30 seconds instead of 500 seconds.
- After the new dynamic reference price is formed, the volatility interruption is finished; trading goes on according to the usual trading schedule.

(7) In the continuous trading system, if a volatility interruption is triggered in an interval of 15 minutes before the scheduled close of the market, the market for this symbol closes after the volatility interruption.

(8) A volatility interruption in the continuous trading system can be started with any type of order except the following:

- orders with special terms of execution from Article 109, paragraph (2) (All-or-None, Order with minimum volume for the first trade and order with a minimum volume for every trade). Entering of

those orders is possible only if they are inside the dynamic range, or BTS will reject them automatically.

(9) Detailed instructions regarding volatility interruptions are defined in the Instructions for volatility interruptions enacted by the Management Board.

Article 120 - Termination of concluded trades

(1) All trades concluded on the Exchange are considered final, without the need for trade confirmation of the transaction parties.

(2) A Trade can be terminated by the Exchange, in accordance with these Rules, or persons authorized by the law.

(3) The Exchange can, with the consent of both transaction parties, terminate a concluded trade because of error of one of the transaction parties. The transaction parties are required to send a termination proposal to the Exchange along with a written explanation within 60 minutes after the trade was concluded.

(4) With trades which were concluded in a period of 30 minutes before market closing, the termination proposal can be sent 30 minutes after market closing the latest.

(5) The termination of trades in accordance with these Rules can only be conducted until the final list of concluded trades is sent to the Securities Registry.

Article 121 - Changes of concluded trades

(1) Transfer of trades from a client's account to a member account and vice versa, as well as transfers from one client's account to another client's account is only possible in case of errors during entering client data into BTS.

(2) The broker who requests the transfer must send the Exchange readout of his order register which refers to the trade in question as well as other documentation which proves the error.

(3) Request for changes of concluded trades are accepted 30 minutes after market closure at the latest.

(4) In such cases, the Exchange can recall the erroneous data and, based on the right data, enter a new trade with the correct information.

Article 122 - Final processing of concluded Exchange trades

A report which lists all trades concluded through BTS is electronically sent to the Securities Registry after the time of possible trade termination has passed.

Article 123 - Reports on concluded trades

(1) The Exchange shall send trade reports about concluded trades to the involved members, their depositary and custody banks and the Securities Registry, until the end of the working day.

(2) A member of the Exchange who had trades on a particular day, but did not receive a trading report, shall report this to the Exchange as soon as possible, but not later than 08:45 the next working day.

(3) If the received trading report does not match with the brokers internal records, he must promptly or at the latest the next working day inform in writing the Exchange about this fact. In case of a mismatch, the records of the Exchange are binding.

Article 124 - Exchange price list and publishing of trade data

(1) The Exchange publishes daily price lists after the conclusion of trading.

(2) The amount of data published in the price lists is defined by the Management Board, in accordance with the Securities Commission regulations.

(3) The price lists are published through the web-site of the Exchange and sent to the media through e-mails.

(4) The prices lists from paragraph (1) of this Article are generated by the BTS and converted to a corresponding format by an employee of the Exchange.

(5) The price lists as well as trading data are property of the Exchange. Members of the Exchange have no right to publish this information without a written consent of the Exchange.

Article 125 - Indices of the Exchange

The indices of the Exchange are also published in the price lists. The content, composition and methodology are defined by the Management Board by a separate act.

Article 126 - Special (hybrid) trading modes

(1) The sale of share packages by the state, the organizing of special auctions for sale of share packages from portfolios of investment funds as well as for other investors can be organized on the Exchange in accordance with the Rulebook on Special Auctions.

(2) Organizing of public offering for securities is possible in accordance with the Rulebook on public offerings.

(3) If the need arises, the Exchange can define additional special trading modes. Those trading modes will be defined by corresponding Rulebooks or other implementing acts.

(4) The Rulebooks and other implementing acts from paragraphs 1-3 enter into force after their approval by the Securities Commission.

IV.2. Market maker activities

Article 127

(1) A Market maker is a professional intermediary with a license to conduct dealing in securities that conducts market making activities for one or more symbols traded on the Sarajevo Stock Exchange, in accordance with the law, rulebooks of the Securities Commission and the Rulebook on market making of the Exchange.

(2) The basic purpose of the market maker is to maintain the liquidity of a specific security. For this purpose, the market maker is required to maintain the supply and demand for this security, in an amount prescribed by the Exchange and with prices which are inside an upfront spread. Supply and demand is maintained by daily entering of buy and sell limit orders, issued from the members dealer account.

(3) The obligations and the list of market makers are published on the web-site of the Exchange.

(4) Market maker activities are conducted based upon an approval by the Exchange. The approval is granted if the member fulfils the proscribed requirements. The Exchange can limit the number of market makers for a specific symbol.

IV.3. – Clearing and settlement of Exchange trades

Article 128 - Fulfilling of obligations

(1) The settlement of trades with securities listed on the Exchange implies the fulfilment of the following obligations between the trade parties:

- Transfer of ownership of the securities to the buyer,
- Payment of the agreed monetary amount to the seller,
- Payment of trade fees.

Article 129

(1) Members who are trade parties in a trade are fully responsible for all obligations coming from the trade and they cannot limit or exclude their responsibilities.

Article 130

(1) Services regarding the clearing and settlement of trades conducted on the Exchange are carried out by the Securities Registry and the depository banks, in accordance with the law, bylaws of the Securities Commission and general regulations of the Security Registry.

Article 131 - Fulfilment deadline (Settlement cycle)

(1) All prompt Exchange trades have to be settled within three (3) business days after the conclusion of the trade (T+3), in accordance with these Rules and general regulations of the Securities Registry.

(2) The Exchange is in no way responsible for the success of the settlement process.

IV.4. – Usage of BTS and procedures in case of BTS malfunctioning

Article 132 - Use of BTS

(1) The right to access and use of the BTS broker workstation is only granted to employees of members who have acquired the status of a licensed SASE broker in accordance with these Rules.

(2) The decision to acquire the status of a BTS user and to grant access and rights of usage is made by the Management Board, along with a clear indication of the permission class.

(3) Usage of BTS workstations is defined in detail by the Instruction for BTS usage for members. Training for work on the stations and the usage of BIS and BTS is conducted by authorized Exchange personnel.

Article 133

(1) Installation of the client application on the members' workstations is conducted by authorized Exchange personnel or by the user, based on given instructions.

(2) The Exchange maintains and adjusts the trading workstations in the members premises, if there is need for a prompt reaction of the Exchange (in case of a breakdown of the client workstation), except in cases where there is a termination of telecommunication lines.

(3) Maintenance of the client workstation includes also the upgrade to new versions, and will be conducted after timely informing the members.

(4) The Exchange also conducts activities on delivering, installing and maintaining communication equipment needed in order to access the Exchange at the members' premises.

(5) Maintenance from paragraph (4) of this Article does not include maintenance of the computer, operating system or hardware components.

Article 134

(1) The user of the system is responsible for providing adequate conditions for the functioning of his own information system. These conditions are described in more detail by separate Instructions regarding the minimum requirements for functioning of an information system.

(2) Members-users of the BTS are required to provide:

- a computer workstation (computer with an adequate system software and telecommunications equipment as proscribed by the Exchange)

- at least one telecommunications line for connecting to the BIS. User of the system can have multiple telecommunication lines installed for backup reasons, however they can only use one line at a time for connecting to the BIS,
- time synchronicity of fax machines, voice-systems and servers where the electronic order book is kept, in line with Instructions about time synchronicity. The member is also required to accurately hold and archive all events regarding time synchronization and to provide those records upon request to authorized Exchange personnel,
- electronic event logs and revision traces of the electronic order book in a way defined by the corresponding Instructions,
- accurately conduct and archive electronic system event logs regarding the operating system and the database.

Article 135

(1) If the Exchange member wishes to change the purpose of the computer workstation, or if he stops using the BTS, irrespective of the reasons, he is required to inform the Exchange promptly.

(2) The Exchange is required to promptly, or seven (7) days after the request at the latest, to uninstall the client workstation and the authorization credentials and to disconnect it from BTS.

(3) The authorized user is required, in case he loses the access codes for BIS or BTS, to inform the Exchange promptly. The Exchange will thereafter deactivate those access codes.

(4) The system user is responsible for all possible damages through the use of lost passwords and authorization parameters.

Article 136

(1) The system user can develop and use his own internal applications, given that they do not endanger the functioning of the BTS.

(2) In case of endangering the BTS, the Exchange can limit or exclude the use of these applications.

(3) The system user is required to provide authorized Exchange personnel access to make a revision of the technical equipment installed at the members' premises, to observe the usage of equipment and compliance with the Rules, at any time.

Article 137

(1) If authorized Exchange personnel find out that during the trading hours the regular operation of the BTS is being hindered by activities conducted from a client workstation, the Exchange can temporary shut down this client workstation while informing the user about the reasons, and also warning the user to stop with the illicit behaviour.

(2) The Exchange member is required to promptly cease all activities from the previous paragraph, or to eliminate their cause, and to promptly inform the Exchange, who will, based on the delivered activity report, enable the client workstation again.

(3) The Exchange member is responsible for any damage done by activities mentioned in paragraph (1) of this Article to the Exchange or other users of the system.

(4) The Exchange member and the authorized BTS user are responsible for any actions contrary to the provisions of these Rules.

(5) In cases from the previous paragraph, as in cases of repeated behaviour, the Exchange shall disconnect the client workstation from the BTS and inform the system user about the reasons.

Article 138

(1) The Exchange is not responsible for any damage to the system user, his clients or third parties in cases of:

- inability of partial or complete trade system usage due to the breaking of telecommunication lines or damage at the location of the authorized user resulted by a force majeure or a mistake, i.e. improper equipment usage by the authorized user,
- improper work of the system software and hardware at the location of the system user
- improper or insufficient processing or transfer of data
- mistakes of SASE brokers on BTS or changes on the connection to the BTS
- mistakes in procedures used for enabling the proper system functioning in emergency situations comprising a force majeure
- other problems, mistakes or irregularities in the BTS caused by unexpected circumstances or events not influenced by the Stock Exchange, i.e. which are out of the Stock Exchange control domain.

Article 139 - Faulty functioning of the communications line

(1) The Stock Exchange is required to ensure access to the BTS in its premises in situations when the communication line of a member is not functioning, whereat every member has the right to use one working station at the Stock Exchange premises.

(2) The member has to inform the Exchange as soon as possible about the termination or problems in communications, and can also request the halting of his orders which are entered into the BTS.

(3) Trading on the Exchange is suspended for all members if 3/4 of active trading members cannot participate in the trading process.

Article 140

(1) Members are required to report all technical errors as well as irregularities in the BTS as soon as possible. They are required to report a description of the perceived errors and submit the report in writing.

(2) In case of malfunction of the central BTS server, or other major disturbances which make it impossible to assure the proper functioning of the BTS, electronic trading for all members is suspended.

(3) Information about the resumption of trading is transmitted to the members through the workstations, telephone lines and fax machines.

(4) If the malfunction which led to the trading suspension is not fixed within two (2) hours, the Exchange shall inform the members about either the prolongation of trading time for this day or the termination of trading for the day. Members with malfunctioning workstations shall receive the information by phone or fax machines.

(5) If trading is terminated for this day, the Exchange can appoint an alternative trading day and inform the members about it through telephone lines or fax machines.

Article 141 - Improper functioning of BTS-a

(1) The Exchange trade is considered not concluded if its conclusion was the result of a BTS malfunctioning.

(2) In this case, the Exchange informs the parties whose orders were improperly matched into a trade and cancels the trade.

(3) The Exchange informs the Securities Commission about major problems with communications and BTS functioning.

(4) Exchange members are required to update their records with the situation in the BTS after a trade was cancelled.

(5) In case that improper functioning of BTS is noted before or after the improper matching of orders into trades, the Exchange members are required to follow the instructions of the Exchange.

V – PROTECTION OF MARKET INTEGRITY

V.1. – Temporary halt of trading with a security

Article 142

(1) If there is a justified need for investor protection, the Management Board of the Exchange may temporarily suspend trading of securities on the Exchange, whether it is listed on the Prime or the Free market. The suspension can last until conditions for resumption of trading are met, but no longer than 15 working days, counting from the date the decision about temporary suspension was enacted.

(2) The Management Board of the Exchange is required to inform, without delay, the members of the Exchange, the Securities Commission and the public about its decision, along with an explanation.

V.2. – Forbidden behaviour

Article 143

(1) It is forbidden to conduct market abuse activities on the Exchange which include:

- a) use of privileged (inside) information in a way contrary to the Securities Market Law as well as corresponding bylaws
- b) market manipulation, defined in the Securities Market Law and the bylaws.

(2) Exchange members are not allowed to conduct or participate in market abuse activities referred to in paragraph (1) of this Article.

(3) With regards to the provisions which regulate market abuse, a member of the Exchange is also in breach of the Rules if he conducts any of the following activities:

- a) Enters fictive / notional order or concludes fictive / notional trades, whereat a fictive / notional order or trade is defined as any order or trade whose main purpose is the creation of a false or misleading situation on the market, with no regards to the objective or purpose of creating this false or misleading situation on the market.
- b) Prevents other participants to take part in this trades in order to realize beforehand arranged trades.
- c) Conducts adjustments of the current prevailing market price of securities with the objective to realize beforehand arranged trades away from the prevailing market price.
- d) Conducts or participates in activities of group which have the goal to ensure a dominant position on the buy side or on the sell side for securities, which leads, directly or indirectly to the fixation of buy and sell side prices or the creation of other unfair trading conditions.

(4) An Exchange member is required to reject the order of a client if its acceptance and entry would breach the injunctions from paragraph 1-3 of this Article.

(5) In order to help identify behaviour which points to market abuse, the Exchange defines a list of indicative behaviour of clients (Red Flags). This list defines the most frequent, but not all forms of manipulative conduct of clients which the Exchange member should pay attention to.

(6) An Exchange member who, despite the Red Flags warning signals, does not reject the client's order is considered responsible for breaches of this Rules, except if certain circumstances exist which clear him from the responsibility.

V.3. –The Stock Exchange Surveillance

Article 144

(1) The Stock Exchange monitors the security business at the Stock Exchange, and in the event of identified violations, i.e. irregularities, conducts measures according to its authorities in order to provide fair security trade. The Stock Exchange monitors the business of its members with the help of its extraordinary surveillance work-stations, and can review, monitor and confiscate all copied documentation related to the trade business at the Stock Exchange member's premises.

(2) Stock market surveillance is conducted within:

- the regular surveillance
- surveillance of the information system
- part-time surveillance

(3) The Management shall task the Stock Exchange officials with the authorization for the Stock Exchange trade surveillance. The Stock Exchange members and its employees shall follow the instructions of these officials.

(4) For purpose of surveillance of the information system, the Stock Exchange Member is required to keep electronic records of events of computer communication equipment, audit records of electronic order book, keep up-to-date and synchronize the time of computer workstations, server equipment and phone and fax devices with the system of the Stock Exchange and submit them to authorized persons of the Stock Exchange in electronic form.

Article 145 –Regular surveillance

(1) The Regular surveillance consists of regular daily surveillance of trade and, if necessary, regular annual surveillance of the Stock Exchange members.

(2) Regular daily surveillance is performed by surveillance workstations at the premises of the Stock Exchange. Special attention is paid to entered orders and closed transactions in terms of their impact on market integrity. Detailed manner of conducting regular daily surveillance of trade is defined by procedures for supervision.

(3) Regular annual surveillance shall be conducted at the premises of the Stock Exchange members, in dynamics and frequency defined by the Stock Exchange Management. The Stock Exchange member is informed about the planned annual surveillance at least 14 days before the scheduled date of surveillance.

Article 146 –Surveillance of the information system

(1) Regular surveillance of the information system consists of regular daily surveillance of use of the BIS, BTS, and regular annual surveillance of the Stock Exchange Members.

(2) Regular surveillance of the information system is performed by surveillance workstations in the premises of the Stock Exchange. Special attention is paid to control audit trail of electronic order book. Detailed manner of conducting regular daily surveillance of trade in terms of control audit trail of electronic order book is defined by the procedures for the surveillance.

(3) Regular annual surveillance of information system is carried out in the premises of the Stock Exchange members, in dynamics and frequency defined by the Stock Exchange Management. A member of the Stock Exchange is informed about the planned annual surveillance at least 14 days before the scheduled date of the surveillance.

Article 147 –Extraordinary surveillance

(1) The proposal for initiating of extraordinary surveillance may be submitted by:

- employee responsible for performing regular daily surveillance of trade, if he finds that there are indications of a violation of rules or other regulations governing the capital market,
- employee in charge of the analysis of data obtained from the system for surveillance information system,
- member of the Stock Exchange, in case of reasonable doubt for violation of the Rules or other regulations governing the capital market and
- Stock Exchange Commission, in the case of Article 151, paragraph (2) of these Rules

(2) In the proposal for initiating of extraordinary surveillance, the submitter describes the situation that caused the submission of requests to initiate extraordinary surveillance, and lists the members of the Rules or other acts that are suspected to have been violated in the present case.

(3) The Stock Exchange Management, based on a proposal to initiate extraordinary surveillance, determines whether the submission is justified, and if it determines that there are enough strong indications, it then orders an extraordinary surveillance in the present case.

(4) Extraordinary surveillance starts without determining the justification of the request in the case when the Stock Exchange receives order from Securities Commission or other competent state or entity authority. Management also does not determine justification of starting of surveillance when Stock Exchange Commission initiate appropriate proceedings by official duty, when determine or find out that, given the existing state of affairs in the proceedings in front of them, they should proceed according to the second article of the Stock Exchange.

(5) On the basis of an order of the Board on the initiation of extraordinary surveillance, authorized employee conducts all necessary actions to collect the facts in the present case, involving a detailed

analysis of available data in the BTS, departure and exclusion of the necessary documentation with the Member, taking statements from responsible persons, etc.

(6) While conducting activities associated with extraordinary surveillance, the accused member of the Stock Exchange is introduced to the subject of supervision, and if circumstances of supervision permit, he is introduced with the reasons of starting the extraordinary surveillance.

(7) After completing the supervision of the Stock Exchange Member, the authorized surveillance employee shall prepare a record, which shall be submitted to the Member to give objections or comments. The deadline for submission of comments on the record is seven (7) days.

(8) After the surveillance is done, and the deadline for objections on the record is passed, the authorized surveillance employee draws up an analysis in which he describes in details the facts established in the extraordinary surveillance, with an indication of whether in the present case was a violation of the Rules or other regulations governing the capital market. The present analysis is delivered and presented to the Management Board.

Article 148- Decision-making by the Management Board

(1) Based on the analysis of extraordinary surveillance under paragraph (8) of the preceding Article, the Board shall decide on the further course of the proceedings.

(2) If it was not possible to identify violations of rules or other regulations governing the capital market, further proceedings will be suspended.

(3) If the analysis shows that in the present case there was a violation of the Rules or laws that derive from the rules, but that the relevant violation was caused by mistake, and has no adverse effects on the integrity of the market or trade users (slightly / easier violation), Management may issue warnings to the member of the Stock Exchange and require the taking of specific actions that will prevent future repetition of this or similar errors.

(4) If a violation of the rules or regulations that derive from the rules that do not qualify in the manner referred to in paragraph (3) of this article are identified, or if it a violation of the regulations of other laws governing the capital market is identified, the Board shall pass the case to the Stock Exchange Commission, thereby suggesting the appropriate level of sanctions for the member.

(5) In the event that there are indications that there has been a violation of the provisions of the law or other acts by persons who are not members of the Stock Exchange nor their employees, the Board shall notify the Securities Commission, delivering analysis and documentation.

V.4. – The Stock Exchange Commission

Article 149 - The Stock Exchange Commission Competences

(1) The Stock Exchange Commission decides in the proceedings of establishing the violation of regulations of the Rules or other acts regulating the capital market, and is authorized to issue the violator one of the measures defined in Article 157 of these Rules.

(2) The proposal of sanctions given by the Board of the Stock Exchange for the violator of the Rules and other regulations is not binding for the Stock Exchange Commission.

Article 150 - The Composition of the Stock Exchange Commission

(1) The Stock Exchange Commission is comprised of the Chairman and two members, and three deputy members, appointed by the Stock Exchange Supervisory Board.

(2) One representative of the Stock Exchange Management Board and the Management as well as one representative of the Self-Regulated Organization of Professional Brokers in a Security Trade (SRO) are appointed as members and deputy members of the Stock Exchange Commission appointed for the period of four years, with the possibility of re-election.

(3) The mandate of the Stock Exchange Commission member and deputy member can stop even before the expiry of the mandate which he/she was appointed to, in the following situations:

- upon recall by the Management Board;
- by termination of a condition he/she was elected upon;
- after the submission of a request for termination of membership in the Exchange Commission.

(4) In case that the members absent and/or exempted and that there is no quorum, the deputy member (members) can substitute for the regular member during the session.

Article 151 –Procedure

(1) The Stock Exchange Commission shall make a decision in proceedings forwarded by the Management Board in accordance with Article 16, paragraph (2) and Article 148, paragraph (4) of these Rules.

(2) When The Stock Exchange Commission identify or find out, given the existing state of affairs in the proceedings, that they should start the procedure in accordance with the second Article of the Stock Exchange, the Commission shall propose to the Board initiation of a new extraordinary surveillance.

Article 152 –Statute of Limitation

(1) Proceedings before the Stock Exchange Commission as a result of violation of regulations of the Rules or other regulations governing the capital market are no longer allowed after the expiry of two (2) years from the date of starting of an extraordinary surveillance by the Management.

(2) With the start of the statute of limitations, all procedural actions shall be interrupted and the procedure shall be suspended.

Article 153 – Session

(1) The Stock Exchange Commission makes decision on issues within its incidence at the session. The Stock Exchange sessions are convened by the Chairman in consultation with other members.

(2) The session quorum is the presence of all the Stock Exchange Commission members.

(3) The Stock Exchange Commission makes decisions by majority of votes.

Article 154 – Exemption

(1) The member of the Stock Exchange Commission cannot participate in decision-making in the following issues:

- If he is a legal representative or a proxy, or if he is full-time or part-time employed with the member of the Stock Exchange – professional proxy against whom the proceedings for establishing responsibility for violation of the SASE Rules or other regulations governing the capital market;
- If he is the party himself;
- If he is indirectly or directly connected to the members of the Stock Exchange pursuant to these Rules, the SASE Statute, the laws and by-laws that regulate the issuing and trade of securities.

Article 155

(1) The Stock Exchange member, against whom the procedure is initiated, is informed by mail/fax on the date and time of the session, the violation he is being charged for, at least eight (8) days before the day scheduled for the session to be held.

The proposer of the procedure is also informed about the date and time of the session, if he is The Stock Exchange member and has the right to be present at the session.

(2) If the Stock Exchange member is not willing to participate at the session, he/she is allowed to deliver his written statement to the Stock Exchange at least one day before the session is opened. In this case, the Stock Exchange Commission shall review the case in his absence.

Article 156 - Course of the Session of the Stock Exchange Commission

(1) At the beginning of the session, an employee / employees of the Stock Exchange who performed extraordinary surveillance or representative of the Board shall represent the present case, citing all the circumstances and facts that are established in special surveillance.

(2) The Stock Exchange member against whom the procedure is initiated, if he used the right to attend the session of the Stock Exchange Commission, must be given the possibility to present his statement, explanations, and additional evidences or to explain his seeing of the procedural circumstances and all other information which might affect the identification of facts.

(3) The Stock Exchange Commission after discussion issues a decision about the sanction against the Member or the suspension of the proceedings. Exchange Commission may decide to suspend the proceedings:

- if the procedure before the Stock Exchange is obsolete,
- if it is no evidence that the violation was conducted by the Stock Exchange member,
- if there are circumstances that exclude the responsibility of the perpetrator.

Discussion and decision on the penalty is carried out in the absence of the Stock Exchange member against whom proceedings have been initiated.

(4) If the procedure continues due many of violations, it is stated in the decision what violations the procedure is terminated for, and what violations the Stock Exchange member is responsible for, and one of the measures is issued to him/her.

(5) At the session, the minutes are taken, which shall contain all that is important for a decision on the matter which is the subject of discussion.

(6) The Minutes is signed by the Commission Chairman and the recording secretary.

(7) All the available Stock Exchange documentation, together with the documentation collected during the previous monitoring procedure, represent the session material of the Stock Exchange Commission.

Article 157 – Measures

(1) As the measure for violation of the Rules and other regulations governing the capital market, the Stock Exchange Commission can issue one of the following measures to the Stock Exchange member:

- warning (non-public warning, warning with the notice within the Stock Exchange members, public warning)
- a fine amounting to BAM 50.000,00, depending on the violation type, paid in the reserve Fund within the Stock Exchange
- temporary or permanent exclusion from the Stock Exchange business.

(2) As single measures, warnings are passed only for the first time, the second and every next warning is passed only cumulatively with the penalty, unless more than two years have passed since the date of pronouncement of the last warning.

3) The fine and the temporary or permanent exclusion from the Stock Exchange business can be passed conditionally for the period of 2 years at most. On that occasion, the implementation of the issued measure can be conditioned by the new violation of the Rules caused by the member in the above stated period.

(4) During the identification of the measure type that shall be passed to the member who violated regulations of the Rules, and during the identification of the amount of penalty, the Stock Exchange Commission shall take into the consideration all the circumstances concerning the violation of regulations of the Rules as well as some prior violations of regulations of the Stock Exchange by the member.

5) The level of the violation of regulations of the Rules shall be estimated by the Stock Exchange Commission, regarding the intensity of violation of the principal's (client's) interests and/or the security market integrity, other members and the Stock Exchange itself.

Article 158 - Procedure Expenses

The Stock Exchange member, to whom the measure was passed, is obliged to pay the lump sum for the procedure expenses in accordance with the valid Stock Exchange price list.

Article 159 - Decision Issuing

1) Decision of the Stock Exchange Commission is issued in writing, and delivered to the Stock Exchange member within eight (8) days upon the procedure conclusion.

2) Decision must comprise the title of the Stock Exchange member as well as the name and surname of their agents, the violation description, the session date, the qualification of identified violation, the measure type, the expense decision, the remedy advice, the decision date, and the signature of the Chairman of the Stock Exchange Commission.

Article 160 – Complaint

The complaint against the decision of the Stock Exchange Commission can be lodged to **Securities Commission** within eight (8) days upon the decision receipt. The submitted complaint shall suspend decision implementation, except in the event of non-public warning.

Article 161

(1) The Stock Exchange shall notify the Securities Commission about their findings and the measures regarding the surveillance of the Stock Exchange business.

Article 162 – Implementation of Pronounced Measures

1) Passed measures are implemented in the following way:

- non-public warning - by delivering the decision to the perpetrator,
- warning with the notice within the Stock Exchange members - by delivering the notice to the members in a proper way,
- public warning - by publishing the notice on the home page of Stock Exchange web site, for a period of 10 days, after which the warning is deleted from the web-site.
- a fine – by payment within eight (8) days upon entering the decision into force, i.e. forced implementation
- temporary (no longer than six months) or permanent exclusion from the Stock Exchange business – by disabling execution of transactions via the BTS, temporarily or permanently.

2) If a fine or temporary or permanent exemption is passed, the public is informed through the home web page of the Stock Exchange, by a 10-day notice (a fine) i.e. for the duration of temporary exemption (measures of temporary exemption) or for a period of one month (in the case of permanent exemption of a member of the Stock Exchange). After expiry of these deadlines, the news will be deleted from the web-site.

VI. TRANSITIONAL ANF FINAL PROVISIONS

Article 163

Everything that has not been defined by these Rules, and for which the necessity for defining arises during the application of the Rules, the Stock Exchange may define by a special document.

Stock Market Liability

Article 164

(1) The Stock Exchange is not liable for any direct or indirect damages and/or loss of profit resulting from the consequences of using a trade system or resulting from the error in the functioning of the system or the faulty functioning of the system or resulting from other reasons the stock market cannot control (electric power cut, communication break and similar). Members are obliged to check whether the trade information delivered by the Stock Exchange is correct and complete.

(2) By using the BTS members agree to all obligations and liabilities resulting from the use of that system.

Article 165

(1) The Rules and changes and amendments to the Rules are drafted by the Stock Exchange Management, confirmed by the Management Board and adopted by the Stock Exchange Assembly.

(2) Changes and amendments to the Rules and general acts stemming from the Rules shall be made at the request of the Commission for the purpose of bringing them in line with the law and regulations of the Commission.

(3) The Rules and changes and amendments to the Rules are approved by the Commission and they shall take into effect thirty (30) days after the Commission renders a Decision by which it approves the document at issue.

Article 166

(1) The enforcement of these Rules terminates the implementation of the Sarajevo Stock Exchange Rules - no. 1-467 / 06 dated 16. 06. 2006 together with all its amendments.

Chairman of the Assembly