

Rules on Listing and Quotation

RULES ON LISTING AND QUOTATION OF THE BELGRADE STOCK EXCHANGE

Belgrade, 3 October 2007
Rules on Listing and Quotation

04/2 No. 3820/07

In accordance with Article 53 paragraph 1 item 7 of the Belgrade Stock Exchange Contract of Organization, in the process of harmonization with the Law on Business Companies of 07.12.2006, with reference to Articles 91 and 94 of the Law on the Market of Securities and Other Financial Instruments (Official Gazette of the RS No. 47/2006, hereinafter: the Law), the Board of Directors of the Belgrade Stock Exchange (hereinafter: the Exchange), on the XII/07 meeting, on 03.10. 2007, defined the final text of the following Rules:

THE RULES ON LISTING AND QUOTATION of the Belgrade Stock Exchange

I BASIC PROVISIONS

Article 1

These Rules shall further govern conditions, methods and procedures for admission, temporary suspension from trading and delisting of securities and other financial instruments from the regulated market, application and documentation submitted along with the application for admission of securities and other financial instruments to the regulated market, as well as other matters concerning the admission and delisting of securities and other financial instruments from the Exchange listings.

Article 2

Operations related to the process of admission of securities to the listings of the Exchange, temporary suspension from trading in securities as well as delisting of securities from the listing of the Exchange and other operations prescribed by these Rules, are carried out by the Listing and Quotation Committee (hereinafter: the Listing Committee), in compliance with the Law, the Articles of Association, the Rules of Business Operations of the Exchange and these Rules.

The provisions of these Rules relating to the securities are applied accordingly to other financial instruments.

The securities for which a request for listing on the Regulated Market has been filed with the Exchange by the issuer (hereinafter: the Listing Application), and which does not fulfill the conditions prescribed by these Rules for admission to the Regulated Market, the Listing Committee shall admit to the Unregulated Market, in compliance with the Rules of Business Operations of the Exchange (hereinafter: the Rules of the Exchange), except when the issuer has explicitly stated in the Listing Application that, in case of rejection of the application, the application for admission, that is, inclusion of securities, will be submitted to another market operator.

Provisions of the Rules of Business Operation of the Exchange shall apply to securities admitted to the unregulated market by the decision of the Listing Committee.

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II SUBJECT OF LISTING

Article 3

Securities and other financial instruments, which could be traded on the organized market in accordance with the laws, can be quoted on the Exchange listing, under the terms prescribed by these Rules.

Article 4

Securities which are the subject of the Listing Application must:

- 1) have all formal characteristics and fulfill other conditions prescribed by the law and by-laws of the Securities and Exchange Commission (hereinafter: by-laws), which govern the issue procedure and trading in securities,
- 2) be freely transferable, and
- 3) have the request relating to all securities of the same type and class which could be traded on the organized market.

Article 5

Warrants may be admitted to listing provided that the previously issued securities of the issuer of warrants have already been admitted to the listing of the Exchange.

III

ADMISSION OF SECURITIES TO THE LISTING OF THE EXCHANGE

Article 6

The issuer of securities from Article 4 of these Rules shall file the Listing Application to the Listing Committee, along with the prescribed documentation.

Article 7

The Listing Application Form is prescribed by the Director of the Exchange in compliance with the provisions of these Rules.

Along with the Listing Application the issuer shall furnish all data prescribed by the elements of Application in compliance with Paragraph 1 of this Article and give all important information and data relating to its business operations, as well as to securities which are the subject of the Listing Application, and which may influence pricing of those securities on the Exchange.

Article 8

Along with the Listing Application, the issuer shall submit the following documentation:

- 1) the prospectus of the issuer, compiled in the form and content of the prospectus for issuing of securities in accordance with the by-law, with the updated data in accordance with the last balance sheet statement, signed and verified by the person authorized by the issuer; with the copies of the resolution of the Securities and Exchange Commission on the approval of prospectus, issuing of securities and inclusion to the organized market (if such resolutions were issued)
- 2) the prospectus of the issuer for organization of trading on the regulated market compiled in the form and content defined by the decision of the Board of Directors of the Exchange, signed and verified by the person authorized by the issuer.

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- 3) financial reports in accordance with the law regulating accounting, as well the Report of the authorized auditor for the previous three years;
- 4) document on registration of a security with the Central Securities Depository and opening of the issue account, except when the Exchange is already in possession of the said document
- 5) decision of the authorized body of the issuer on issuing securities
- 6) public invitation for subscription and buying of securities
- 7) guarantee, if the issue of securities is guaranteed
- 8) decision of the authorized body of the issuer on submitting the request for inclusion to the regulated market; type, class, series, CFI code and ISIN number of securities and number (quantity) of securities for which the request is being filed for
- 9) copy of the contract with the bank through which subscription and payment of securities was performed
- 10) copy of the contract with the agent or underwriter of the issue, if such contract was concluded
- 11) information on paid dividends for the previous three years, specially containing data on dividend day and value of dividend per share
- 12) written statement of the competent body authorized for representing the issuer certifying that no legal action has been taken against the issuer by the Securities

Commission, i.e. written statement on legal actions taken

13) statement of the authorized body of the issuer that it performs its business activities in accordance with the law and Contract of Organization and/or Articles of Association of the issuer

14) statement of the number of shares in the free float in terms of these Rules, calculated in the way and in accordance with these Rules

15) latest statement from the competent registry of business companies on the registered data about the issuer

16) adopted code on corporate governance or statement on accepting to apply some other code, with the copy of the code text, except when the Exchange is already in possession the said.

Along with the Listing Application the issuer shall submit the contract on admission to the Regulated Market, signed by the issuer, the content of which is prescribed by the Director of the Exchange.

Article 9

Along with the documentation from Article 8 of these Rules, the Listing Committee may require from the issuer to submit the following proofs and documents:

1) report on the value of sold securities from the previous issues (issue of long-term debt securities/share in the case of share capital increase);

2) additional analyses of the authorized auditor employed by the applicant of the request for listing on the liquidity indicators, performance and financial structure;

3) statement on the issuer's liquidity (due, but outstanding obligations on the date of filing the request; the average monthly balance on the business account and the number of days the business account was blocked in the previous year and up to the date of filing the request; number of days the account was blocked, non-executed legal proceedings etc.);

4) statement on long-term obligations of the issuer due in the current year;

5) statement on real burdens on the company's assets;

6) plan on the inflow and outflow of funds;

7) possible requests for quotation of securities filed with another Exchange and decision of the named Exchange regarding the rejection of request;

8) other documentation which is, in the Securities Commission opinion, of importance for deciding on the filed Listing Application.

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Article 10

Notwithstanding provisions of Articles 8 and 9 of these Rules, debt securities issued by the Republic of Serbia and the National Bank of Serbia shall be admitted to the listing of the Exchange without meeting conditions prescribed for other issuers of securities. The Listing Application is filed with the Listing Committee along with the following documentation:

1) decision of the authorized body of the issuer to issue securities;

2) public invitation for subscription and buying of securities;

3) decision of the authorized body of the issuer on filing the Listing Application

4) report on the value of sold securities from the previous issues of debt securities.

The provisions from Paragraph 1 of this Article also refer to debt securities of the issuer which are guaranteed by the Republic of Serbia.

Article 11

The issuer filing for admission to listing shall be held liable for the authenticity and accuracy of data from the Listing Application and documentation submitted, and is obliged to update the aforesaid data on a regular basis in a timely manner, including the data released on its Internet page.

The Listing Committee shall not perform solvency valuations of the issuer of securities the Listing Application is being filed for.

Article 12

In case of filing subsequent Listing Applications, in order for Listing Committee to take request into consideration, the issuer shall submit, along with the application, only the report on changes and amendments in the documentation already filed with the Exchange, or the statement of the competent body of the issuer that there were no such changes.

Article 13

If the applicant of the Listing Application has filed incomplete documentation, in terms of Articles

8 and 9 of these Rules, the Listing Committee may issue additional deadline for filing the documentation, but not longer than three working days, except in case of Article 9 Paragraph 1, items 2 and 8 of these Rules, when the Listing Committee may define additional appropriate deadline for submitting documentation.

If the applicant of the Listing Application fails to submit the required documentation upon the expiration of additionally set date, in terms of Paragraph 1 of this Article, the Listing Committee shall reject the request for listing of securities by issuing explanatory resolution.

Article 14

The day of receipt of the Listing Application along with the full and complete documentation, in terms of Articles 8 and 9 of these Rules, i.e. the day of expiration of deadline from Paragraph 1 of Article 13 of these Rules, shall be considered as the day of receipt of the Listing Application.

Article 15

The Listing Committee shall not take into consideration the submitted application of the issuer:

1) if the Securities Commission, in accordance with the Law, in the period not longer than three months preceding the day of filing the application for listing, has disclosed a resolution on determined irregularities in the issuer's operations with securities which are the subject of the Listing Application. Notwithstanding the previous, the Committee shall take the issuer's application into consideration if the issuer has fulfilled, within the

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given deadline, all orders for elimination of irregularities instructed by the Securities Commission,

2) if the Securities Commission has instructed the Exchange, with its resolution, to temporary halt or exclude from the Exchange markets the securities which are the subject of the Listing Application and which are included to the unregulated market or admitted to the other listing of the Exchange.

3) if the Exchange has, with the resolution, temporarily halted the trade in securities which are the subject of the Listing Application, and which are included to the unregulated market or listed on the other listing of the Exchange;

4) if the procedure regulated by laws governing bankruptcy and liquidation has been started over the issuer.

In case from Paragraph 1 of this Article, the Listing Committee shall issue a resolution on rejection of the application, giving reasons due to which it did not take the Listing Application into consideration, delivering the said to the applicant and Director of the Exchange.

Article 16

The securities may be listed on Listing A (Prime Market) and Listing B (Standard Market) of the Regulated Market.

The Listing Committee shall determine the listing on which the security shall be listed on, depending on the listing criteria prescribed by these Rules.

Article 17

The security admitted to Listing A (Prime Market) must fulfill the following criteria:

1) minimal amount of the capital of the issuer - EUR 20 million,

2) minimal business operation period of the issuer - 3 years (36 months),

3) auditing of the financial statements according to the international accounting standards with the positive opinion for the year, i.e. for the last accounting period preceding the application for listing,

4) that the issuer has webpages made in Serbian and English language.

Along with the criteria of Paragraph 1 of this Article, for admission of shares to Listing A (Prime Market), the issuer must fulfill the following additional criteria:

1) that in the public free float, alternatively:

a) there is at least 25% of the total number of issued shares, not including the following shares:

i. persons owning individually more than 5% of shares of the total number of shares issued by the issuer, excluding shares owned by investment and pension funds, as well as other shares in custody accounts, fund management companies, insurance companies, broker-dealer companies and other investment companies with short-term investment strategies;

- ii. shares owned by the international organizations and institutions for development;
- iii. shares owned by the Republic of Serbia with the exception of shares in the Share Fund and Pension and Social Insurance Fund;
- b) there are shares of minimum 10 million EUR which are in the ownership of at least 500 shareholders;
- 2) that the dividends per preference shares have been paid out, if issued – in the way prescribed by the decision on their issue.

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The minimum amount of capital, in terms of Paragraphs 1 and 2 of this Article, is considered to be the permanent capital, i.e. the book value of capital according to financial reports from the last accounting period preceding submission of the Listing Application, or market capitalization on the day preceding the application of the request for shares traded on the Unregulated Market.

If the shares, for which the application for listing A (Prime Market) is being filed, have already been traded on the organized market, along with the criteria set in Paragraphs 1 and 2 of this Article, the aforementioned must fulfill the following liquidity requirements:

- 1) the average daily value of turnover of the shares in the last six months prior to submitting the request for listing at least RSD 500,000, and
- 2) in the last six months prior to submitting the request for listing at least 5 (five) transactions on daily average.

Along with the criteria from Paragraph 1 of this Article, for admission of debt securities to Listing A (Prime Market) the following additional criteria must be fulfilled:

- 1) the issue must be guaranteed by:
 - a. the first-class bank, according to the report of the NBS at the time of processing the filed application, or
 - b. other legal entity not having more than 10% share in the issuer's capital and vice versa, in case of which the guarantee must fulfill the conditions and criteria prescribed for admission of securities to Listing A (Prime Market), with submitting the documentation which is, in compliance with these Rules, filed along with the Listing Application,
- 2) appropriate numbers of balance ratios, taking into consideration the industry sector, the branch of economy to which it pertains or season influence on production according to the report of the authorized auditor engaged by the issuer,
- 3) that according to the last financial reports, the issuer, and his guarantee respectively, have not performed activities with a loss,
- 4) that the value of issue is at least RSD 100,000,000.00 and maximum 50% of the value of the current assets less short-term credit obligations,
- 5) that the issuer's account has not been blocked in the previous 60 days preceding the submission of the Listing Application.

Article 18

The security admitted to Listing B (Standard Market) must fulfill the following criteria:

- 1) minimal amount of the total capital of the issuer - EUR 4 million,
- 2) minimal business operation time of the issuer - 2 years (24 months),
- 3) auditing of financial statements performed according to the international accounting standards.

Along with the criteria of Paragraph 1 of this Article for admission of shares to Listing B (Standard Market), the issuer must fulfill the following additional criteria:

- 1) in public free float alternatively:
 - a) there is at least 25% of totally issued shares of the issuer excluding the following shares:
 - i. of persons individually owning more than 5% of shares of all shares issued by the issuer; excluding shares owned by investment and pension funds, as well as other shares in custody accounts, fund management companies, insurance companies, broker-dealer companies and other investment companies with short-term investment strategies;

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- ii. shares owned by the international organizations and institutions for development;

iii. shares owned by the Republic of Serbia with the exception of shares with the Share Fund and Pension and Social Insurance Fund;

b) shares of the minimum amount of EUR 2 million, which are owned by at least 250 shareholders;

c) shares owned by at least 500 shareholders.

1) that dividends per preference shares have been paid out, if issued – in the way prescribed by the decision on their issue.

The minimum amount, in the sense of Paragraphs 1 and 2 of this Article, is considered to be the permanent capital, i.e. the book value of capital according to financial reports from the last accounting period preceding submission of the Listing Application, or market capitalization on the day preceding the application of the request for shares traded on the Unregulated Market.

Along with the criteria from Paragraph 1 of this Article, for the admission of debt securities to Listing B (Standard Market) the following additional criteria must be fulfilled:

1) the issue must be guaranteed by:

a. the business bank, or

b. other legal entity which cannot have more than 10% share in the issuer's capital and vice versa, in case of which the guarantee must meet the conditions and criteria prescribed for admission of securities to Listing B (Standard Market), with submitting the documentation which is, in compliance with the Rules, filed along with the Listing Application, or

c. its own real means of insurance in the amount of issue, at least, and which gives the holder of a security priority in settling over other creditors

2) that according to the last financial reports, the issuer, and his guarantee respectively, have not performed activities with a loss,

3) that the value of issue is at least RSD 50,000,000.00 and maximum 50% of the value of the current assets reduced for short-term credit liabilities,

4) that the issuer's account has not been blocked within the last 60 days preceding the submission of the Listing Application.

Article 19

The Listing Committee shall pass, based on the Listing Application and submitted documentation in terms of Article 14 of these Rules, within five days from the date of the receipt of the Listing Application, the resolution on the admission of a security to listing on the Exchange or resolution on the rejection of the Listing Application.

Article 20

The Listing Committee shall determine, by the resolution on admission of a security to the Exchange listing, the listing on which the security shall be quoted, first trading day on the listing, indicative price of a security for the first trading, trading method for the security, as well as the means for expressing price of debt securities in trading orders.

Article 21

The Exchange shall deliver the Resolution on admission of a security to the Exchange listing to the issuer – the applicant of the request for listing, in the period of 2 (two) days from the date of passing the resolution.

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Article 22

If the issuer whose securities have been admitted to Listing B (Standard Market) meets the conditions for Listing A (Prime Market), the Listing Committee of the Exchange, at the proposal of the Director of the Exchange, may list the security on Listing A, along with the written authorization of the issuer and amended documentation at the request of the Listing Committee.

Article 23

The Exchange, in accordance with the law, publicly releases the resolution on admission of securities to the Exchange listing (with the data on issuer and type of securities) 2 (two) days from the date of passing the resolution at latest.

The Prospectus of the issuer whose securities have been admitted to listing is published on the webpage of the Exchange.

Article 24

After the resolution on admission of securities to the Exchange listing is passed, the Exchange shall conclude the agreement, from Article 8 Paragraph 2 of these Rules, with the issuer, which shall further regulate the rights and obligations of the issuer and the Exchange, in

relation to the admission of the security to the Exchange listing.

Article 25

The issuer who has received the Resolution on admission to listing is obliged to submit to the Exchange, in compliance with the law, by-laws, Rules and regulations of the Exchange, reports on important events in a timely manner, as well as all the other information on changes affecting the trading in securities, in accordance with the Agreement concluded with the Exchange.

The Issuer whose securities have been admitted to Listing A (Prime Market) is obliged to file the information from Paragraph 1 of this Article to the Exchange in the Serbian and English language, as well as to publish the said on its webpages in the mentioned languages.

Article 26

Trading in securities admitted to listing shall not start before publishing the resolution on admission of the security to listing in compliance with Article 23 Paragraph 1 of these Rules. A security listed on one of the listings of the Exchange shall not be traded on the other market within the Exchange nor on some other organized market in the country.

The issuer of the security admitted to the Exchange listing is obliged to previously inform the Exchange on filing a request for admission to listing on a foreign exchange, as well as notification on admission to that exchange.

Article 27

The Listing Committee shall reject the Listing Application:

1. if the security fails to meet the requirements and criteria for admission to the Exchange listing prescribed by these Rules,
2. in case of publicly disclosed data on the circumstances which may affect the public interest or investor's safety in the securities which are the subject of the Listing Application.

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A security is admitted to the unregulated market by the resolution of the Listing Committee from Paragraph 1 of this Article, except in case when the issuer has stated in the Listing Application that in the above situation the application for admission to another market operator will be filed.

The Exchange shall deliver the Resolution on rejection of the Listing Application to the issuer – applicant of the Listing Application and to the Securities and Exchange Commission, within 2 (two) days from passing the resolution.

IV TEMPORARY HALT OF TRADING

Article 28

The Exchange may temporarily halt the trading in all or specific securities from the listing of the Exchange in the cases defined by the Rules of the Exchange for temporary halting the trade in securities admitted to the Unregulated market of the Exchange, as well in cases defined by these Rules.

Trading in a particular security from the listing shall be temporarily halted particularly in the following cases:

- 1) due to the operations indicating manipulative activity,
- 2) significant deterioration in the business operations of the issuer,
- 3) expectation of releasing the information which could significantly affect the price of securities,
- 4) impossibility to transfer ownership over the securities,
- 5) occurrence of other circumstances which may lead to:
 - a. jeopardizing the conditions for trading in all or certain securities,
 - b. damage for the Members, buyers, and sellers of securities and for the Exchange itself,
 - c. breach of trust in securities trading,
- 6) in case of irregularities, incorrect data and documentation filed along with the Listing Application, identified by subsequent control.

Article 29

In cases from Article 28 of these Rules the Director of the Exchange shall halt the trading in all or in certain securities, by the resolution, upon the explained request of the Supervisor of the Exchange, i.e. based on the resolution of the Securities Commission,

temporarily, for a certain time period, not exceeding five working days.

If, during the period from Paragraph 1 of this Article, the conditions for cessation of the temporary halt of trading have not been achieved, the Listing Committee, at the proposal of the Director of the Exchange or upon its own initiative, shall pass the resolution on extending the temporary suspension from trading, in terms of Paragraph 1 of this Article, which shall last until meeting conditions to continue trading, but no longer than six months from the date of passing the resolution on temporary halt of trading.

After meeting the conditions for continuing the trade, the resolution on termination of temporary halt of trading shall be passed by the Director of the Exchange, or the Listing Committee according to Paragraphs 1 and 2 of this Article.

The Exchange shall deliver the resolution, issued in accordance with Paragraphs 1-3 of this Article, to the issuer and the Securities Commission, without delays, but not later than three days from the day of passing.

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Against the resolution from Paragraphs 1 and 2 of this Article, an appeal may be filed with the Board of Directors within 8 (eight) days from the day of receipt of the resolution, but the appeal shall not postpone the execution.

The Exchange is obliged to deliver the final resolution from Paragraph 5 of this Article immediately, without delay, but not later than three days from the day of passing, to the Issuer and the Securities Commission, as well as to publish it in two daily newspapers which are distributed in the entire territory of the Republic of Serbia, and on the webpage of the Exchange.

V DELISTING

Article 30

The Exchange shall delist securities from the listings in cases prescribed by the Law, as well in cases when the issuer files the request for delisting from the Exchange.

The Exchange may exclude, i.e. erase securities from the listing:

- 1) if the trading in security was not active enough,
- 2) if the issuer fails to fulfil its obligation in regard to the reporting and disclosure in accordance to the Law, by-laws, and the Exchange rules and agreement concluded with the Exchange,
- 3) if, by scrutinizing afterwards the data and documentation filed along with the Listing Application, there are some irregularities and inaccuracies discovered.

In case when the issuer ceases to fulfill the requirements for the Exchange Listing, the Listing Committee may issue appropriate deadline, not exceeding one month, during which he is obliged to ensure that listing requirements are met. The Resolution on delisting of securities from the Exchange listing is passed in case when, upon the expiration of the set deadline, the issuer has not met the listing requirements of the Exchange.

The Listing Committee passes the resolution on delisting (deleting) of securities from the Exchange listing, and by the said resolution it may:

- delist it from Listing A (Prime Market) and redirect it to the lower Listing B (Standard Market), or
- delist it from the Exchange listing and admit it to the Unregulated market, or
- delist it from the Exchange markets.

Article 31

The Exchange is obliged to deliver resolutions, passed in terms of Article 30 of these Rules, to the issuer and Securities Commission immediately, without delay, but not later than three days from the day of passing.

The appeal against the resolution from Article 30 of these Rules, passed for the reason from Article 30 Paragraph 2 of these Rules, may be filed with the Board of Directors of the Exchange in the period of 8 (eight) days from the day of receipt of the resolution, in case of which the resolution of the Board of Directors is final and appeal against the resolution shall postpone the execution of the resolution.

The Exchange is obliged to deliver the final resolution on delisting of securities from the Exchange Listing immediately, but not later than three days from the day of passing, to the Issuer and Securities Commission, as well as to publish it in two daily newspapers which are

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distributed in the entire territory of the Republic of Serbia, and on the webpage of the Exchange.

VI TRANSITIONAL AND CLOSING PROVISIONS

Article 32

The provisions of the Articles of Association and the Rules of Business Operation of the Exchange shall apply accordingly to all issues not regulated, in a specific way, by the provisions of these Rules.

Article 33

The Listing Committee shall decide on the Rules on its operations which shall closer regulate preparing and convening of meetings, definition of quorum, voting and passing of decisions, as well as other issues relevant to the work of the Listing Committee.

Article 34

The authentic interpretation of the provisions of these Rules shall be given by the Board of Directors of the Exchange upon the explained request in the written form.

The headings of certain sections, as well as the sub-headings within these sections of these Rules are solely for the purpose of easier orientation in the text and have no significance in the interpretation of certain provisions of these Rules.

Article 35

These Rules shall be released on the webpage of the Exchange, one day after obtaining the approval from the Securities Commission and shall enter into force on the eighth day from the day of releasing.

On the day of entering into effect of these Rules, the Rules on Listing and Quotation number 04/2-3047/06 from 25.12.2006 (came into force on 31.01.2007.) cease to be valid.

The Chairman of the Board of Directors
prof. dr Veroljub Dugalić