

04/2 no. 3043-1/09  
The Belgrade Stock Exchange  
THE BELGRADE STOCK EXCHANGE  
RULES OF BUSINESS OPERATION  
-Updated text –

**ANNOUNCEMENT OF THE AMENDMENT TO  
THE RULES OF BUSINESS OPERATION  
OF THE BELGRADE STOCK EXCHANGE**

The Rules of Business Operation of the Belgrade Stock Exchange jsc, Belgrade (number: 04/2-3821/07, with modifications and amendments number: 04/2-236/08, 04/2-1020/08, 04/2-3153/08 i 04/2-3154/08, hereinafter Rules of Business Operations), are amended by the Decision of the Board of Directors (number: 04/2-3043/09, dated 23.12.2009) and approved by the Decision of the Securities Commission (no. 5/0-06-4693/10-09, dated 30.12.2009). The amendments and modifications determined by the said Decision are incorporated into the updated text of the Rules of Business Operation (number: 04/2-3043/09).

**The Decision on the Amendment to the Rules of Business Operation of the Belgrade Stock Exchange: 04/2-3043/09) with the updated text of the Rules of Business Operation (no: 04/2-3043-1/09) according to the articles 10. and 11. of the Decision was**

**PUBLISHED ON THE EXCHANGE INTERNET PAGE, on 30.12.2009, and**

**COMES INTO EFFECT**

**upon expiry of eight days after being published on the Exchange internet page**

**- on January 8, 2010 –**

**BELGRADE STOCK EXCHANGE**

**Gordana Dostanić, Managing Director**

Subject to provisions of Article 53, Paragraph 1, Item 7 of the Contract of Organization of the Belgrade Stock Exchange, for the purpose of adjusting to the Law on Business Companies (number of Exchange: 04/1-1449-1/08, last no. of certification at IV Municipal Court III-906/08) and with respect to Articles 91 and 94 of the Law on the Market of Securities and other Financial Instruments (Official Gazette RS No. 47/2006, hereinafter: the Law), the Board of Directors of the Belgrade Stock Exchange a.d. Belgrade at the XV/09 meeting held on 23.12.2009, made the Decision (Exchange reg. no:04/2-3043/09) to amend the Rules of Business Operation of the Belgrade Stock Exchange jsc, Belgrade (no. 04/2-3821/07, with modifications and amendments number: 04/2-236/08, 04/2-1020/08, 04/2-3153/08 and 04/2-3154/08, hereinafter: Exchange Rules). The amendment of the Exchange Rules established by the Decision of the Board of Directors ((no: 04/2-3043/09, dated 23.12.2009) is incorporated into the following updated text:

**R U L E S O F B U S I N E S S O P E R A T I O N  
OF THE BELGRADE STOCK EXCHANGE A.D., BELGRADE**

**I**

**GENERAL PROVISIONS**

Article 1.

The Rules of Business Operation (hereinafter: the Rules) regulate the business operation performed by the Belgrade Stock Exchange, plc, Belgrade (hereinafter: the Exchange) as well as:

- 1) conditions and methods of performing business operations at the Exchange;
- 2) conditions and methods of performing business operations of the Members;
- 3) types and conditions of trading in securities and other financial instruments;
- 4) conditions and method of admission of securities and other financial instruments to the listing of the Stock Exchange, withdrawal and delisting;
- 5) methods of determining and publishing the interest rates, prices of

- securities and other financial instruments traded at the Exchange;
- 6) the way of performing the settling of transactions for the execution of business operations concluded at the Exchange;
  - 7) mutual rights and obligations of the Exchange and the Members;
  - 8) code of ethics
  - 9) prohibited activities of the Members;
  - 10) supervision and measures of supervision;
  - 11) other issues related to the operation of the Exchange.

#### Article 2.

Certain expressions used in the Rules and other rules and regulations of the Exchange in the appropriate case and number have the following meaning:

**OACCOUNTING VALUE OF A SHARE** - The value of a share which is determined by reducing the total asset figure by the amount of losses exceeding the capital value and by long-term reserves and liabilities, as well as the amount of deferred tax liabilities (if not included in the amount of long term reserves and liabilities), and by dividing it by the number of shares of the issuer;

**OAUTHORIZED USER** -The Broker of a Member – System User, who was authorized by the System user to use the client application for access and use of BelexFIX, under the terms and in the manner defined by the Rules and other Exchange regulations;

**OBELEXFIX** -The unique information system of the Exchange – the electronic system (platform) for remote trading, based on communication with its users via the FIX protocol, which is accessed by the authorized user by means of a personal user name and password using the certificate assigned to the System User by the Exchange;

**OBelexFIXAPI MODULE** – The Exchange program module enabling direct electronic connection between BelexFIX and application of the System User (certified by the Exchange in the part FIXAPI functionalities), for the purpose of using the FIXAPI service of the Exchange under the conditions defined by the Rules.

**OBLOCK TRADING** -Represents the block transaction in a security traded at the regulated or unregulated market, which has been concluded outside the session at which trading is conducted by the single price auction method or continuous trading method, in the bilateral relation of one buyer and one seller and according to conditions prescribed by the Rules;

-**OCLIENT APPLICATION** - The Exchange software for trading installed on servers and client work stations of the System Users and on the Exchange help-desks and forms the integral part of the BelexFIX;

**OCLIENT WORK STATION** - The personal computer of the Exchange Member satisfying the technical requirements prescribed by the Rules, in the business premises of the Member, on which the client application is installed for access to and use of the BelexFIX under the terms and in the manner defined by the Rules;

**O ELECTRONIC ORDER BOOK** -The electronic database formed out of the Members' trading orders placed electronically to the BelexFIX, with the subscribed allocated status of the trading order in compliance with the Rules;

**OFLUCTUATION ZONE** -The largest possible price deviation from the reference price, e.g. the price range within which the transaction is permitted at the same trading session;

**OHELP-DESK** -The work station with the installed trading application, within the area of the Exchange, which may be used by the Members for independent entering of trading orders into the BelexFIX, in the cases and by means prescribed by the

Rules;

OISSUER -Legal entity that issued the securities or other financial instruments traded at the Exchange;

OLISTING COMMITTEE -The Listing and Quotation Committee of the Belgrade Stock Exchange, the members of which are appointed by the Board of Directors of the Exchange and which performs the activities related to admission of securities and other financial instruments to the listings of the regulated market and other activities prescribed by the Rules, the Articles of Association of the Exchange and the Belgrade Stock Exchange Rules on Listing and Quotation (hereinafter: the Rules on Listing);

OMARKET MAKER -The Member who fulfilled the conditions prescribed by the Law and who signed the agreement with the Exchange on market making by which he is obliged to place the buy and sell orders on the continuous basis and for his own account for the securities to which the contract is related and under the conditions of the contract in compliance with the Rules;

OMEMBER - The legal entity – broker-dealers company or the authorized bank who besides the conditions prescribed by the Law and by-laws regulating the operation of the broker-dealers company has also fulfilled the conditions and criteria prescribed by the Articles of Association of the Exchange and to whom the Board of Directors of the Exchange by its decision has granted the status of the Member;

OMEMBER'S BROKER/AUTHORIZED BROKER – The physical person who besides the conditions determined by the Law and by-laws has fulfilled the conditions and criteria determined by the Articles of Association of the Exchange, who is authorized by the Member to participate in the Member's name and for the Member's account in concluding the business activities at the Exchange and to whom the Board of Directors of the Exchange by its decision has issued the license to trade;

OPERSONAL IDENTIFICATION MAGNETIC CARD - The legitimization badge with the unique identification code of the user – broker, Member of the Exchange, who is obliged to carry the aforesaid badge and display it in a visible manner during his stay at the Exchange;

OPRICE INCREMENT - The least possible increment in the price in relation to the last price achieved for every type of security. The value of the price increment, i.e. the rule on price augmentation, is determined in compliance with the Rules;

OPRIVILEGED INFORMATION – Any information on precisely determined facts concerning one or more issuers, buyers or sellers of securities, or facts concerning one or more securities, which is not available in public, and which may directly or indirectly influence the issuer, securities trading or securities price at the organized market;

OQUOTATION LIST - The Exchange report containing the data on securities traded on a particular date, quantities, prices and changes of prices;

OQUOTED PRICE - The price of the security from the trading order;

OREFERENCE PRICE - The single price, or the auction price, or the closing price, established at the previous trading session for the given security relative to which the fluctuation zone is determined. For the first trading in a security the reference price is determined in compliance with the Rules;

OSERVER- REGISTERED CLIENT CENTER - Server of the Exchange Member satisfying technical conditions prescribed by the Rules, on which the client application is

installed for access to and use of the BelexFIX under the terms and in the manner defined by the Rules;

OSYSTEM USER - Member of the Exchange who uses BelexFIX through Authorized users, in compliance with the Exchange regulations;

OTRADING ORDERS - Orders which in compliance with the Rules are placed by the Members at trading sessions for trading in a specified security. A trading order from the group of special orders cannot be used if its use has not been explicitly prescribed by the decision of the Board of Directors of the Exchange or by the Rules, thus the term “trading order” in the text of the Rules does not include an order from the group of special orders;

OTRADING SESSION - The time in which individual trading sessions are organized by types of securities and by methods of primary and secondary securities trading, at the regulated and unregulated market;

OTRANSACTION CONTRACT – The contract on buying and selling securities and other financial instruments concluded at the Exchange, produced in the electronic form;

OUSER APPLICATION – The software of the Exchange Member (with which the Exchange Member performs all its basic functions – back office), enabling electronic connection of its FIXAPI functionality (certified by the Exchange) with BelexFIX via the BelexFIXAPI module;

## II

### EXCHANGE OPERATIONS

#### Article 3.

The Exchange shall organize trading in securities and other financial instruments, which comprises the following activities:

- 1) to organize the public bid of securities and connect supply and demand of securities;
- 2) to issue the information on supply, demand and the market price of securities and other data significant for securities trading;
- 3) to determine and make available to the public the quotation list of securities;
- 4) to perform other activities in compliance with the Law.

In addition to the activities from Paragraph 1 of this Article, the Exchange shall carry out other activities in compliance with the Law, the by-laws, the Rules and other rules and regulations of the Exchange.

#### Article 4.

Further provisions on conditions and methods of conducting the business operations at the Exchange are prescribed by the Rules and other rules and regulations of the Exchange.

With respect to any issue related to other financial instruments, if not regulated in a specific way by the Rules, the provisions related to securities are applied accordingly.

## III

### MUTUAL RIGHTS AND OBLIGATIONS OF THE MEMBER/MEMBER'S BROKER AND THE EXCHANGE

#### Article 5.

The Member and its authorized brokers who have obtained that status by the approval of the Board of Directors of the Exchange in compliance with the provisions of the Articles of Association of the Exchange irrevocably accept all

the provisions of the Rules and regulations brought under the Rules, as well as their amendments, and are obliged to comply to and implement their provisions. Members shall adjust their rules in compliance with the regulations of the Exchange within three months from the date of granting the Membership approval. The obligation of the Member from Paragraphs 1 and 2 of this Article is valid for all amendments of the Rules and regulations of the Exchange, within the period referred to in Paragraph 2 of this Article.

#### Article 6.

The rights of a Member are:

- 1) to trade at the trading sessions at the Exchange through its authorized broker;
- 2) to use the facilities provided by the Exchange and the available Exchange equipment in compliance with the rules and regulations of the Exchange;
- 3) to use the BelexFIX in compliance with the Rules and other rules and regulations of the Exchange;
- 4) to have equal access to all information relevant for trading at the Exchange;
- 5) other rights determined by the Rules and other rules and regulations of the Exchange.

#### Article 7.

The obligations of a Member are particularly:

- 1) to comply with the provisions of laws and by-laws;
- 2) to pay the membership fee and commission on the transactions concluded at the Exchange and other fees determined by the Tariff Book of the Exchange;
- 3) to comply with the provisions of the Articles of Association of the Exchange and the Rules as well as with other rules and regulations of the Exchange and the prescribed rules of conduct;
- 4) to perform the business activities at the Exchange conscientiously and in compliance with the adopted code of ethics, the principles of good business practice and business morality;
- 5) to refrain from misuse of privileged information which is not available to all the participants at the Exchange;
- 6) to place the client's trading order in compliance with the Rules, immediately after checking its coverage as required by the Rules;
- 7) to refrain from participating in artificial formation of the price of securities;
- 8) to submit to the Exchange the data on the transactions concluded by the Member outside the Exchange for record keeping, in compliance with the Law, the by-law and the Rules;
- 9) to submit the information, data and reports essential for protection of the integrity of the securities market, public interest and interest of investors, upon request of the Exchange;
- 10) to submit the Member's Annual Report and the Audit Report to the Exchange;
- 11) to report to the Exchange on deregistering of the related entities and operations as well as on the proposed foundation of other legal entities with a significant interest;
- 12) to promptly notify and submit to the Exchange a detailed report in case of: change of business operation; change of the address of the registered office or branch offices; change of the data entered into the competent register of economic entities; the possibility of becoming insolvent or if it has already become insolvent; decision passed by the authorized body of the Member to

increase the share capital; change in the interest in other legal entity; legal action taken against the Member by the authorized government body; legal action taken against the Member by another Exchange; proceedings of financial recovery, bankruptcy or liquidation against the Member; restriction or termination of the working license, i.e. the Membership approval to trade or change of authorization with respect to these regulations by the authorized body; change of a member of the governing body of the Member; change in the legally prescribed percentage for acquiring a qualified interest in the capital of the Member of the Exchange; in case of temporary absence (longer than one month), or permanent termination of operation of the persons with the permission to trade at the Exchange;

13) to notify the Exchange in writing, without delay, on any change in its authorizations, rights, obligations and responsibilities in legal transactions, and particularly on changes related to conditions on the basis of which the Member has been granted the Membership approval of the Exchange, and on changes of data from the Application for membership, sending to the Exchange updated documents from Article 16 of the Articles of Association of the Exchange, immediately after receiving the decision of the body in charge;

14) to take care of the good reputation of the Exchange during public appearances as well as in the business activities at the Exchange.

15) to adjust the time in the local computer network with the time of BelexFIX.

Article 8.

The Member shall regularly and within the prescribed period fulfill the financial and other obligations deriving from concluded transactions and provisions of the Rules, other rules and regulations of the Exchange or the Tariff Book of the Exchange.

The Member shall deposit to the Exchange the collaterals prescribed by the Decision of the Managing Director of the Exchange, as insurance for all financial obligations.

The Exchange is authorized to activate the collateral instruments of payment from Paragraph 2 of this Article if the Member on due date does not fulfill the obligations referred to in Paragraph 1 of this Article.

Article 9.

Every office of a Member serving clients shall prominently display a Certificate of Membership provided by the Exchange, which shall remain the property of the Exchange and shall be returned upon termination of the Membership status. If the Certificate is not returned to the Exchange within seven days from the receipt of the decision concerning the termination of the Membership status, the Exchange shall publish the said decision in a daily newspaper, at the Member's expense.

The Member shall display in public and on his internet page his working hours for clients. The Member shall inform the Exchange, in due time, on every change concerning his working hours with clients.

The Member shall locate and mark its offices, as well as the offices of the legal entity with which it has signed the agreement according to which that legal entity, over the authorized broker, in the Member's name and for the Member's account shall receive clients' orders, in such a way as to eliminate any confusion by their clients as to the entity with which they are doing their business.

The Member of the Exchange is responsible for the correctness of orders referred

to in Paragraph 3 of this Article.

The Member shall promptly notify the Exchange of the conclusion of the agreement from Paragraph 3 of this Article, and no later than twenty four hours after its conclusion.

If an office is jointly occupied with any other business, the acceptable methods of differentiation of business in joint tenancy should include ceiling high or partial walls with prominent signs at entrances and wearing of badges by employees.

Article 10.

The Member shall adjust the record keeping and standardize the forms according to the form prescribed by the Exchange.

Article 11.

Each securities office, department or business activity of a Member shall be under supervision and control of the Member establishing it and of the personnel delegated such authority and responsibility by the Member.

Article 12.

The Member shall regulate with its internal regulations the schedule of placing clients' orders at the Exchange as well as the schedule of placing, during the same trading, orders of clients; orders of its brokers, employees and members of the governing bodies, as well as the closest members of their family; orders of brokers of other broker-dealers companies and authorized banks; and shall determine the way of handling the orders when the Member acts as the dealer and broker in the same trading.

Article 13.

The Member shall not at the expense of the interest and reputation of the Exchange or any other Member give counsels and recommendations, issue and distribute written materials, nor use the media.

Article 14.

The rights and obligations of a broker of the Member derive from the rights of the legal entity – Member of the Exchange represented by the broker, as well as from the type of trading approval assigned to the broker by the Exchange Board of Directors.

Beside the rights and obligations from Paragraph 1 of this Article, a broker of the Member shall particularly have the following obligations:

1. to conduct his business with clients and at the Exchange in good faith and in compliance with the principles of secure and good business practice;
2. to maintain the reputation of the Exchange in its business operations and in public;
3. not to misuse the certificate assigned to the System User, user name and password with which he accesses to and uses BelexFIX exclusively personally, and must not reveal them or in any other way make available to other persons.
4. not to misuse the personal magnetic identification card issued by the Exchange and enable third persons to have unauthorized access to the Exchange premises by using the said card.
5. to notify the Exchange of the noted irregularities related to the BelexFIX (technical errors, i.e. defects).

### **Market Makers**

Article 15.

In accordance with the Rules, the Member of the Exchange - Market Maker is a Member of the Exchange who fulfills legally prescribed conditions, and who has concluded the contract on market making with the Exchange obliging him to

continuously and for his own account, within the period of time during the exchange session specified in the contract, place buying and selling orders for securities defined by the contract, if the securities fulfill the conditions provided by the decision of the Director of the Exchange.

The contract from Paragraph 1 of this Article, the content of which is prescribed by the Director of the Exchange, defines:

- a. detailed rights and obligations of Market Makers and way of realization of conditions from the decision from Paragraph 1 of this Article, individually for each of the securities;
- b. date of the first stock exchange session, when obligations from the contract from Paragraph 1 of this Article begin.

The Exchange shall inform the issuer of the securities specified in the contract in writing about each concluded contract from Paragraph 1 of this Article, immediately after conclusion of the contract. The Exchange shall publish the information concerning the concluded contract on its Internet page.

Article 16.

The Exchange can conclude the contract from Article 15 of the Rules, concerning the same security, simultaneously with a number of members of the Exchange. Obligations set by this contract with each individual Member of the Exchange are equal for all Members of the Exchange - Market Makers for the same securities.

Article 17.

The Member of the Exchange - Market Maker shall not place trading orders which would result in a transaction in which he would simultaneously be the seller and the buyer.

Article 18.

Each decision concerning changing of conditions for performing market making business activities must be published no later than eight days before coming into effect.

Article 19.

The Managing Director of the Exchange can suspend a concluded contract or certain provisions of a concluded contract of market making:

- 1) if the Member of the Exchange who has concluded such contract:
  - makes such justified proposal in case of failing to fulfill contractual obligations;
  - does not fulfill contractual obligations,

or

- breaches other provisions of the Rules or other regulations of the Exchange
- 2) if that is necessary for the purpose of protecting the interest and safety of the participants in trading.

Suspension from Paragraph 1, Item 1 of this Article can be withdrawn only in case of a written request of the Member whose rights from the contract on Market Making are suspended, with enclosed justification concerning the fulfillment of obligations from the cited contract.

Article 20.

The Director of the Exchange can terminate a contract on market making in the following cases:

- a) if the Member violates the contract on market making, the Rules and other regulations of the Exchange

or

- b) if it is necessary for the reason of security of trading or interests of

other participants in trading.

Article 21.

In cases from Articles 19 and 20 of the Rules the Exchange shall inform the issuer of the securities from the contract on market making in writing about the measures taken, as well as the Member of the Exchange with whom the contract is concluded. The Exchange publishes the information concerning the measures on its Internet page.

IV

#### TYPES, CONDITIONS AND METHODS OF TRADING IN SECURITIES AND OTHER FINANCIAL INSTRUMENTS

Article 22.

The Exchange shall organize trading in securities which includes the organization of a public offer and connecting offer and demand of securities and other financial instruments (hereinafter: trading), with intermediation of the Members of the Exchange, at the regulated and unregulated market.

The Exchange shall organize trading in the following securities and other financial instruments:

- 1) shares,
- 2) debt securities,
- 3) warrants for buying shares and bonds and other securities granting right to buy shares or bonds,
- 4) derivatives,
- 5) certificates of deposit,
- 6) other financial instruments which may be traded at the Exchange in compliance with the Law.

At the regulated market trading is performed only in the securities and other financial instruments which are admitted to the Exchange listings according to the Rules on Listing and Quotation.

Securities fulfilling the conditions prescribed by the Law and in compliance with the Rules are admitted to the unregulated market, by the Decision of the Managing Director of the Exchange or by the decision of the Listing and Quotation Committee.

V

#### ADMISSION OF SECURITIES TO THE EXCHANGE MARKETS

##### **Regulated Market**

Article 23.

The activities related to admission of securities to the listings of the regulated market and other activities prescribed by the Rules, the Articles of Association of the Exchange and the Rules on Listing are performed by the Listing and Quotation Committee (hereinafter: the Listing Committee).

The security for which the request for listing has been filed with the Exchange by the issuer but which does not fulfill the conditions prescribed by the Rules on Listing is included into the unregulated market by the decision of the Listing Committee and in accordance with the Rules, except when the issuer explicitly stated in the application that in case of rejection he shall submit the request for admission or inclusion of his securities to another market organizer.

Securities included in the unregulated market by the decision of the Listing Committee are subject to the provisions of the Rules of Business Operations of

the Belgrade Stock Exchange.

Article 24.

The Rules on Listing precisely regulate conditions, way and procedure of admission of securities to the regulated market, documents submitted along with the request for admission, as well as temporary suspension of trading and exclusion of securities and other financial instruments from the regulated market.

### **Unregulated Market**

Article 25.

The decision on admission to and exclusion of securities from the unregulated market is made by the Managing Director of the Exchange.

The securities are included into the unregulated market in the following cases:

- by the decision of the Listing Committee if they do not fulfill the conditions for the regulated market, in accordance with Article 23 of the Rules, or
- by the decision of the Director of the Exchange, based on the request for admission of securities to the unregulated market;

Decision from Paragraph 2 of this Article determines the reference price of securities for the first trading, date of the first trading, method of trading in securities, as well as the way of expressing the price of debt securities in trading orders in accordance with the Rules. The Exchange concludes a contract with the issuer, the form and contents of which are prescribed by the Managing Director of the Exchange.

The Managing Director of the Exchange by his own decision can change the regulation from Paragraph 3 of this Article as well as the way of expressing the prices of debt securities in trading orders in accordance with the Rules.

The reference price from Paragraph 3 of this Article is determined by the decision on admission of securities to the unregulated market in the value equaling the accounting value of the share, or as the last sale price of the security in the initial public offering in compliance with the Law.

As an exception from Paragraph 5 of this Article, the reference price for the first share trading at the unregulated market is determined in the following manners:

- at the level based on the justified proposal of the issuer, and in the case when the accounting value is negative, as well as in the case of submitting a request for inclusion of other financial instruments;
- equal to the price from the contract on sale of capital in the process of privatization, by which the issuer (buyer) is obliged to pay the minimum price of shares, if the price from the contract is higher than the accounting value of shares,

The reference price defined by the provisions of this Article cannot be lower than 10 dinars.

Article 26.

The Exchange shall publish the list of issuers and the type of securities admitted to the unregulated market on its Internet page no later than 2 (two) days following the date of passing the decision from Article 25 of the Rules.

Article 27.

Securities trading at the unregulated market is organized according to the types of securities.

Article 28.

Along with the request of the security issuer for admission to the unregulated

market, the applicant shall submit to the Exchange the following documents:

- 1) the issuer's Prospectus for trading at the Exchange in the form and with the content defined by the decision of the Board of Directors of the Exchange concerning the scope and content of data of the public company published on the Internet page of the Exchange, signed and verified by the authorized person of the issuer;
- 2) decision of the Securities Commission concerning the approval for issuing of securities, or decision of the Securities Commission concerning the approval of inclusion of securities into the organized market (except for shares issued in processes of privatization);
- 3) the document certifying the registration of securities into the Central Registry of Securities (hereinafter: the Central Registry) and the opening of the issuing account, except when the specified document is already filed with the Exchange;
- 4) a copy of the issue's guarantee, if the issue is guaranteed;
- 5) the data on type, class, series, the CFI Code and the ISIN Number of securities and the number (quantity) of securities for which the request is filed;
- 6) a copy of the Contract with the agent or the underwriter, if the issuer has one.
- 7) for derivatives or other financial instruments – standard of derivative, or other financial instrument, as well as the data on the underlying of a derivative and/or other financial instrument.

The form of the request from Paragraph 1 of this Article is prescribed by the Managing Director of the Exchange.

Along with the request for inclusion of securities and other financial instruments into the unregulated market the applicant submits the Contract on admission to the unregulated market signed by the issuer.

In order to properly consider all the conditions for admission and organization of share trading, the Exchange may require additional documents.

Instructions for the procedure and way of delivering documents from Paragraph 1 of this Article and for the applicant's communication with the Exchange concerning the securities traded at the Exchange are prescribed by the Managing Director of the Exchange.

Article 29.

The Exchange may determine a subsequent deadline for submitting the request for admission into the unregulated market in the following cases:

- 1) if the applicant does not furnish the request and the relevant documents according to the Instruction from Article 28 of the Rules, or
- 2) if the request and relevant documents are not complete and in compliance with Article 28 of the Rules.

The deadline from Paragraph 1 of this Article cannot be longer than 15 working days.

As an exception from Paragraph 2 of this Article, at the written justified request of the applicant the Exchange can prolong the deadline from Paragraph 2 of this Article, but no longer than one month.

If the applicant fails to act as required by the Exchange within the subsequently determined deadline specified in this Article, it shall be deemed that the applicant has waived the claim, and the Exchange shall notify the Securities Commission and the applicant accordingly.

Article 30.

The day of receipt of the request for inclusion of securities into the unregulated market shall be deemed to be the day of receipt of the request with full and complete documentation in accordance with Articles 28 and 29 of the Rules.

#### **Special Procedure of Inclusion of Shares into Unregulated Market**

Article 31.

If the issuer, in accordance with the Law, the by-laws of the Securities Commission and the Rules, does not apply for admission of shares to the unregulated market, shares shall be included into the unregulated market at the request of the issuer's shareholder, who is obliged to submit to the Exchange, in addition to the request (the form of which is determined by the Managing Director of the Exchange), the following documents:

- 1) a copy of the written initiative sent to the issuer for submitting the request from Article 28 of the Rules, together with the copy of proof of delivery (reception stamp of the issuer, signed confirmation of delivery, etc.). The initiative must contain the information on the period of time left to the issuer for acting in accordance with the Law and the shareholder's request;
- 2) proof from the Central Registry, which can serve as basis for reliable confirmation, that the applicant is the legal owner of the shares whose inclusion into the unregulated market is requested;
- 3) the last balance sheet and profit and loss statement, sent to the competent register of the National Bank of Serbia;
- 4) data concerning the person authorized to represent the shareholders, if several legal owners of shares collectively submit the request, together with the written authorization attested by the competent body. The issued authorization must contain the data concerning the scope of authorization of the authorized person and must be signed by all the shareholders who are jointly submitting the given request;

In order to duly review all the conditions for the admission and organization of share trading, the Exchange may require additional proofs and documents. With respect to the admission of securities to the unregulated market at the request of shareholders, provisions of Articles 25, 29, and 30 of the Rules are applied.

Article 32.

Shares admitted to the unregulated market in accordance with Article 31 of the Rules are marked on the Internet page of the Exchange by a special sign "BP" (without Prospectus).

The mark from Paragraph 1 of this Article shall be erased if the issuer fulfills the conditions from Article 28 of the Rules.

Article 33.

The provisions of Article 32 are applied to securities included into the unregulated market in accordance with Article 28 of the Rules if the issuer does not update the data from the Prospectus at least until 31 March of the current year according to the data from the adopted annual balance for the previous year, until the delivery of the updated Prospectus.

Article 34.

The Exchange shall notify the Securities Commission of the issuers whose securities with mark "BP" are included into the unregulated market.

#### Article 35.

The issuer whose securities are admitted to the unregulated market is obliged to provide information to the public and to the Exchange in the scope and manner stipulated by the Law and by-laws of the Securities Commission, as well as to update its prospectus at least once a year.

#### Article 36.

The issuer whose securities are traded at the unregulated market and who fulfills the conditions required for the regulated market may submit the request for admission to listing to the Listing Committee along with the documents prescribed by the Rules on Listing and Quotation.

### VI

## THE EXCHANGE TRADING

#### Article 37.

Trading in securities and other financial instruments is organized at trading sessions at the regulated and unregulated market (hereinafter: the trading sessions).

Trading in securities is organized in compliance with the Law, the by-laws and the Rules.

The security traded at the regulated market or at the unregulated market must not be traded at another organized market in the country.

If the issuer has issued several securities of the same type and class, these securities are traded at the same market.

If the issuer has issued several securities of the same type but of different classes, based on the data in the Central Registry, trading is organized for each issue of shares with clear indication of difference in rights between the given issues, stated in the issuer's Prospectus.

The issuer of a security traded at the Exchange is obliged to notify the Exchange in advance of submitting the request for admission of securities to a foreign exchange, as well as of admission to that exchange.

#### Article 38.

Trading in securities and other financial instruments is organized by means of the information system of the Exchange - the electronic trading platform (hereinafter: the Belex), or in another manner approved by the Board of Directors and by the methods stipulated by the Rules.

Trading sessions are held every working day in the period determined by the calendar of the Exchange trading sessions.

The calendar of trading sessions for a specific market, listing or security is determined by the annual schedule adopted by the Board of Directors.

The Managing Director of the Exchange, with the authorization of the Board of Directors of the Exchange, may by his decision determine a different calendar of trading sessions for a particular market, listing or security, from the one determined by Paragraph 2 of this Article. The Decision of the Managing Director of the Exchange is published on the Internet page of the Exchange and enters into force 8 (eight) days after the date of publishing and, exceptionally, for justified reasons which demand urgent decision-making the decision may come into effect earlier.

#### Article 39.

The duration of trading phases within a particular trading method, i.e. beginning, duration and ending of phases within a particular trading method, is determined by the Managing Director of the Exchange, or a person authorized by

the Managing Director, for every particular market and security.

Article 40.

The right of presence on the Exchange Trading Floor is granted to the following persons:

- o upon decision of the Managing Director – authorized employees of the Exchange,
- o the Exchange supervisor,
- o Member's brokers,
- o authorized representatives of the Securities Commission and other government bodies, organizations and institutions.

All the persons on the Exchange Trading Floor during the trading sessions must have visibly displayed identification magnetic cards issued by the Exchange.

### **Trading orders**

Article 41.

Members of the Exchange are obliged to receive and handle the clients' trading orders in compliance with the Law, by-laws, regulations of the Exchange Member, the Rules and other rules and regulations of the Exchange.

The provisions from Paragraph 1 of this Article particularly refer to the way of receiving trading orders, elements of trading orders, as well as the way of handling the received orders.

Article 42.

Members place trading orders in compliance with the authorization granted by the Decision on the Membership approval and the Decision on License to trade at the Exchange for the authorized broker.

The Member places the orders from the previous Paragraph in his name and for the account of the client, or in the name and for the account of the client (broker operations) or in his name and for his account (dealer operations).

Article 43.

Trading order placed by the Member in its own name and for the client's account, can be placed exclusively on the basis of the client's order or of the order of a person authorized by the client to place trading orders in his name and in his account.

The Member is obliged to place the trading order from Paragraph 1 of this Article immediately, upon checking the client's order coverage in compliance with the Rules, provided that the trading session for the security is in progress at the moment of receipt of the client's order, or at the first next trading session, unless specified otherwise in the client's order.

The Member is obliged to place the clients' orders according to the schedule determined by the Member's regulations, unless specified otherwise by the Rules.

Article 44.

Trading orders placed on the Exchange by the Member must be covered and in compliance with the conditions of price and quantity of every single order, regardless of the fact whether they are buy or sell orders.

Before placing an order, The Member is obliged to check the coverage of the order in accordance with the Law and by-laws of the Securities Commission.

Exceptionally, with respect to the minimum price trading method, coverage of a buy order implies the fulfillment of publicly announced conditions provided by Article 86 of the Rules and means of securing total coverage of the buy order, defined by the contract between the Member – applicant of the buy order and client-buyer, in accordance with requirements of the maximum price and quantity of the buy order.

The Member is fully responsible for the coverage and handling of trading orders, as well as for the damage caused to the client and/or other participants in trading and organization of securities trading by his irregular, irresponsible or negligent acts with respect to the client's order, or by acting against the provisions of the Rules and other regulations of the Exchange.

Article 45.

Members shall enter trading orders electronically into the BelexFIX or, if securities trading is organized outside the BelexFIX, they shall submit trading orders in the prescribed form directly to the authorized employee of the Exchange.

The Member shall enter trading orders into the BelexFIX through the client work station.

Maximum number of trading orders entered by the same Exchange Member in the time unit is established by the decision of the Exchange Director.

The form of order for trading in securities outside the BelexFIX is determined by a special decision of the Managing Director of the Exchange.

The Member places trading orders into the BelexFIX through the client work station or electronically through the BelexFIXAPI module.

Article 46.

The Member is obliged to enter into the BelexFIX the received trading orders for the same security and for the account of the client before entering his own trading order or orders for the account of the following persons:

1. employees of the Member,
2. founder of the Member,
3. individuals or legal entities related to the above-mentioned persons.

The related persons from Paragraph 1 of this Article are considered to be the related persons as defined by the Law.

Article 47.

The elements of a trading order are:

- 1) the unique identification of the Member (the ordering party),
- 2) the mark of the security (name or symbol),
- 3) the mark of the number of order from the Member's Order Book (the ordering party),
- 4) the mark of the type of transaction (buy or sell),
- 5) the quantity of the security,
- 6) the mark of the order by price, with price determination
- 7) the mark of the time duration of the order, with expiration day for Good-till-Day Orders
- 8) identification of the client from the trading order in a way prescribed by procedures harmonized between the Exchange and the Central Registry
- 9) security account and type of the account with choice of the account depositor
- 10) money account with choice of the account depositor
- 11) mark of the fee
- 12) mark of the type of operation (broker or dealer)
- 13) date and time of placing the order,
- 14) the mark of the trading method – for orders placed directly at the Exchange desk,
- 15) the type of market (regulated or unregulated) – for orders placed directly at the Exchange desk,
- 16) other elements determined by the decision of the Board of Directors of the

Exchange.

The types and elements of orders and the minimum value at which an order can be placed are prescribed by the Board of Directors of the Exchange.

Article 48.

In securities trading, Members can place the following types of orders according to:

a) Size:

- single client order,
- set of orders (a set of equal orders with respect to the type of transaction, type of price and price, time duration and conditions of quantity);

b) Type of transaction:

- buy order,
- sell order;

c) Time limit:

- A Day Order,
- A Good-till-Day Order, no longer than 90 days,
- A Good-till-Cancelled Order – valid until cancelled within the period of 90 days;

d) Price:

- Limit Order,
- Market Order - a Day Order only;

e) Cancel Order;

f) Special order types:

- All-or-None,
- Edit Order,
- Order with hidden total quantity,
- Minimum fill order,
- Fill or Kill order,
- Stop order,
- At-the-Open Order,
- At-the-Close Order.
- Market Maker Order
- Order for block trading;
- Closing order

Types and methods of placing orders depending on the type of securities, trading method, trading phase and other conditions are prescribed by the decision of the Board of Directors of the Exchange, if the aforesaid have not previously been prescribed by the Rules.

A trading order belonging to the group of special orders may not be used if its use has not been explicitly approved by the decision of the Board of Directors of the Exchange or by the Rules, thus the term “trading order” hereinafter shall not include special orders group.

The Board of Directors of the Exchange may prescribe other types of trading orders.

Article 49.

In a trading order:

- 1) prices of shares are expressed in RSDs in full, unless it has been otherwise prescribed by the Decision of the Listing Committee, or the Decision of the Managing Director of the Exchange;
- 2) prices of debt securities are expressed in the percentage of their nominal

value, expressed with two decimals, or in the absolute or indexed absolute amount.

The way of expressing the price of debt securities in the trading order is prescribed by the Listing Committee or the Managing Director of the Exchange and the aforesaid represent the constituent part of the decision on admitting the securities to the regulated market, or the decisions on admitting the securities to the unregulated market.

With respect to the way of expressing the price of other financial instruments in the trading order the provision of this Article, Paragraph 1, Item 1 is applied.

The Managing Director of the Exchange shall make a decision on the minimum tick size for any type of security, i.e. the rules on the price increment relative to the last price for any type of security.

Article 50.

According to the conditions of price in the trading order, in case of a determined fluctuation zone, all orders entered into the BelexFIX obtain a status.

With respect to the status, limit orders may be:

- a) active – limit orders containing the price within the determined fluctuation zone, or
- b) inactive – limit orders containing the price out of the determined fluctuation zone.

Market orders may have only and solely the active status.

Depending on the given status, trading orders are entered into the electronic order book as active or inactive orders.

Only active orders participate in the trading session of the Exchange.

For every trading session the BelexFIX automatically checks and changes the status of the entered orders according to the new reference price, i.e. new fluctuation zone for the scheduled trading session.

Article 51.

All trading orders entered into the BelexFIX are marked by the Belex with the unique time stamp of order entry and with the unique identification number under which the placed order is registered in the electronic Order Book.

For securities trading outside the BelexFIX, the placed trading orders are considered simultaneously placed unless otherwise prescribed by the trading method rules.

Article 52.

The Member may place trading orders through the help desk if the client work station and/or server of the Member is not functional or when, due to the lack of power supply or other justified reasons, telecommunications connections between the Exchange and the Member were terminated.

The Exchange shall provide a sufficient number of help desks at its head office, at least 10.

Article 53.

The Managing Director of the Exchange decides on further conditions for using the help desk, and the use of the help desk is approved by the Managing Director of the Exchange or a person authorized by the Managing Director, upon the Member's written request.

The Member authorized to use the help-desk cannot in the period of using the help desk as referred to in Article 52 of the Rules place trading orders in the BelexFIX through its functional client work station, as well as electronically using the BelexFIXAPI module.

Article 54.

The data contained in the Member's trading order are deemed confidential and are accessible exclusively to the authorized persons employed with the Exchange and to the persons to whom these data are accessible according to the Law.

Article 55.

Members are forbidden to enter the trading orders:

- o which misuse the market by creating a privileged position of any participant on the market,
- o on the basis of privileged (inside) information,
- o which perform market manipulation.

Article 56.

Trading orders are cancelled by the placement of cancel orders.

The Member may at any time during the trading session cancel the already placed trading orders, as well as unexecuted quantities of the placed trading orders, unless the order is in the phase of execution, or when that action is not permitted by the trading method rules for the given security.

The Exchange may cancel a Member's trading orders in the following cases:

- a) cessation of trading,
- b) temporary suspension of trading, or exclusion of the security from the unregulated market, or delisting of the security,
- c) suspension of the Member,
- d) upon the written authorization of the Member if, due to the lack of power supply or other justified reason, telecommunications connection between the Exchange and the Member was terminated,
- e) in other cases provided by the Rules and other rules and regulations of the Exchange.

### **Trading**

Article 57.

Securities trading in accordance with the Rules, at the Exchange sessions, can be organized by the following methods of trading:

1. single auction price method,
2. continuous trading method, and
3. minimum price method – only in trading of shares at the unregulated market in accordance with the Rules.

Article 58.

For trading in securities the fluctuation zone is determined.

The fluctuation zone represents the biggest approved price deviation from the reference price, i.e. the price range within which it is permitted to conclude transactions at the same trading session.

Only trading orders with the active status participate in trading at the trading session.

Article 59.

For the first trading with a particular security, as well as for every next trading in a given security until the first transaction is concluded (hereinafter: the first trading), the fluctuation zone is determined relative to the reference price in the following range:

- a) -20% to +300%, for shares, and
- b) +/-10% for other securities.

Article 60.

For the next trading sessions the reference price for a particular security is set as:

- o single price, i.e. auction price, determined at the previous trading session – in the single price auction method, or
- o closing price, determined at the previous trading session – in the continuous trading method.

Article 61.

For the next trading sessions, the fluctuation zone is determined uniquely in the range of:

- a) +20/-12%, in share trading at the unregulated market,
- b) +10/-8% in share trading at the regulated market,
- c) +/-10% in debt securities trading,
- d) +/-20%, in trading in derivatives and other financial instruments.

If trading in particular securities is organized using the single price auction method at least once every working day, and if in three consequent trading sessions it is not possible to determine the particular security price on the basis of orders placed in the BelexFIX within the determined fluctuation zone, the fluctuation zone may be altered upon the decision of the Managing Director of the Exchange.

Exceptionally from Paragraph 2 of this Article, the Managing Director of the Exchange can change the defined fluctuation zone if the issuer of shares included into the unregulated market without the Prospectus submits the request and documents in accordance with Article 28 of the Rules.

#### **Single Price Auction**

Article 62.

The single price auction method comprises the following phases:

- 1) pre-opening – time period intended for placement and receipt of the Members' orders,
- 2) auction – time moment when the single price is determined,
- 3) trading – time moment when transactions are concluded at the single price, and/or
- 4) at-the-close trading – time period intended for receipt of orders at the single price and conclusion of transactions.

Article 63.

The pre-opening phase represents the period in which the Members may place trading orders.

The pre-opening phase comprises the following sub-phases:

- a) order entry – period of entering trading orders, followed by
- b) random period - period of limited receipt of trading orders and displaying of information.

The duration of the random period sub-phase is determined in the BelexFIX by the uncontrolled procedure based on the table of random numbers, which determines the duration of the period of admission of trading orders in the time interval between 1 to 300 seconds.

Article 64.

In the order entry sub-phase Members may place trading orders, including the cancel orders and orders for changing orders.

In the random period sub-phase Members may place trading orders, but not the cancel orders and orders for changing orders.

Article 65.

In the pre-opening phase the single price is not determined and the matching of orders and conclusion of transactions are not allowed.

Article 66.

The auction phase represents the moment of single price determination based on the placed trading orders.

During the single price determination the following criteria are applied:

1. maximization of the trading volume,
2. minimization of the difference between the possible price and the reference price.

Article 67.

Applying the criterion from Article 66 of the Rules, the single price is determined as the price of the greatest trading volume measured by the amount of the given security.

If the greatest trading volume can be achieved at more than one price, the price closer to the reference price is determined as the single price, except in the first trading when the higher price is determined as the single price.

If it is possible to determine two prices at which the equally greatest trading volume can be achieved and which are equally distanced from the reference price, the higher price is determined as the single price.

If only market orders have been placed on both bid and ask side, the single price is equal to the reference price.

The single price is the reference price for the next trading session.

Article 68.

If the single price cannot be determined by the relevant criteria, the reference price for the next trading session shall remain unchanged.

Article 69.

Transactions are concluded in the trading phase.

Transactions may be concluded solely at the single price.

If there is an imbalance of amounts on the bid and ask side at the determined single price, meaning that all trading orders with prices allowing the conclusion of transactions at the determined single price cannot be matched, the following order execution priorities are established:

1. market orders;
2. limit orders with a price "better" than the single price, that is:
  - a) for buy orders – orders with the price higher than the single price,
  - b) for sell orders – orders with the price lower than the single price;
3. orders with the limit price equal to the single price.

Among the trading orders with equal prices the execution priority is given to the trading order which has been placed earlier.

Article 70.

In at-the-close trading phase transactions may be concluded only and exclusively at the determined single price, or at the reference price, if the single price has not been determined.

In the at-the-close trading phase the BelexFIX shall transfer all unexecuted and partially executed trading orders with the status of active orders, which may be executed at the determined single price.

In the at-the-close trading phase Members may place solely and exclusively the following new trading orders:

- limit orders containing the price equal to the determined single price,
- cancel orders.

## **Continuous trading**

### Article 71.

Trading using the continuous trading method comprises the following phases:

1. pre-opening – time period intended for Member's order placement,
2. opening – time moment when the opening price is determined,
3. at-the-open trading – time moment when transactions are concluded at the determined at-the-open price,
4. continuous trading – period of continuous placing and matching of trading orders,
5. closing – moment when the at-the-close price is determined, and
6. at-the-close trading – period intended for Member's order placement at the at-the-close price and the conclusion of transactions at the at-the-close price.

### Article 72.

The provisions of the Rules related to the pre-opening phase in the single price auction are applied accordingly to the preopening phase of the continuous trading method.

### Article 73.

The provisions of the Rules related to the auction phase in the single price auction are applied accordingly to the opening phase of the continuous trading method.

### Article 74.

The provisions of the Rules related to the trading phase in the single price auction are applied accordingly to the at-the-opening trading phase of the continuous trading method.

### Article 75.

The continuous trading phase represents the time period in which the Members may continuously place trading orders, including the cancel orders.

### Article 76.

Trading orders continuously placed to the BelexFIX are entered into the electronic order book with the status of the active or inactive orders, in compliance with the price conditions of the order.

In the continuous trading phase the BelexFIX continuously compares the price conditions and the quantity of the existing placed but unexecuted orders to the newly placed trading orders, and when the conditions of trading orders permit, the transaction is concluded.

Trading orders waiting for execution are executed according to the price priority of the order, and if the prices in two or more orders are equal, the priority is given to the order placed earlier.

### Article 77.

The execution of a particular trading order is possible if an order of the opposite type transaction exists in the BelexFIX with the price equal or better than the active status order waiting for execution.

### Article 78.

A market order is immediately matched with an opposite order of the highest execution priority.

If at the moment of placing a market order there are no trading orders of the opposite transaction type, the market order is entered into the electronic order book with the status of the active order with the limit price equal to the price of the last transaction, unless until that moment transactions have been concluded, when an order with the active status is entered into the electronic

order book at the reference price.

Article 79.

If two opposite trading orders contain different prices at which a transaction can be concluded, the transaction shall be concluded at the price of the earlier placed order.

Article 80.

If in the pre-opening phase such trading orders have been placed to the BelexFIX that the highest limit price in the buy order is lower than the lowest limit price in the sell order, or there are solely sell orders or solely buy orders, or there are no trading orders, the price of the first concluded transaction in the continuous trading phase represents the at-the-open price.

Article 81.

The at-the-close trading phase represents the time moment in which the at-the-close price is determined.

The at-the-close price is determined alternatively as:

1. the price of the last transaction in the continuous trading phase, or
2. the average weighted price of a specified number of the last-traded units of each security, or
3. the average weighted price of the last-traded specified percentage of the total traded units of each security, or
4. the average weighted price of the last-traded units of each security in the specified time interval.

The Managing Director of the Exchange makes the decision on at-the-close price determination for every single market or security.

Article 82.

The provisions of the Rules related to the at-the-close trading phase in the single price auction are applied accordingly to the at-the-close trading phase in the continuous trading method.

Article 83.

If no transaction has been concluded during the trading in the continuous trading method, neither at-the-open price nor at-the-close price is published. In case of Paragraph 1 of this Article, the reference price remains unchanged for the next trading session.

#### **Minimum Price Method**

Article 84.

Trading in securities at the unregulated market may be organized by the minimum price method outside the BelexFIX, exclusively for shares placed by the Share Fund, upon its request and under conditions prescribed by the Rules.

Share trading by the method from Paragraph 1 of this Article can be organized only for the first trading of shares at the Exchange.

The minimum price shall be determined freely by the decision of the Share Fund. The price of a transaction concluded by the minimum price method is called the auction price.

The auction price shall be the reference price for the next trading session for trading in that share.

Article 85.

Trading by the minimum price method is organized upon the request of the Share Fund or the Member representing the Share Fund provided that the offer of shares has a unified price and amounts to at least 10% and at most 15% of the total number of the issuer's shares.

As an exception from Paragraph 1 of this Article, at the justified request of the Share Fund, the Managing Director of the Exchange can approve trading by the minimum price method even when an offer of shares, consolidated by the price, accounts for less than 10%, or more than 15%.

Trading in shares by the minimum price method must not be scheduled in the period shorter than 20 days since the date of filing the request.

Article 86.

The request from Article 85 contains the data on the minimum price of shares the selling of which is announced, the amount of shares offered for selling, as well as the conditions of the sell order participation determined and publicly disclosed by the Share Fund at least in one daily paper freely distributed in retail sale in the whole territory of the Republic of Serbia, in at least 100,000 copies and at least 15 days before the date of holding the auction.

The integral part of the request from Paragraph 1 of this Article is the notice of the Share Fund concerning the Member of the Exchange representing the Share Fund.

The Share Fund is obliged to place the sell order to the employee of the Exchange at the scheduled auction in accordance with the condition from Paragraph 1 of this Article.

Article 87.

The conditions of participation for buy orders from Paragraph 1 of Article 86 of the Rules are considered to be publicly announced conditions defined by the Share Fund.

The Share Fund shall issue to the applicant of buy order the certificate on the fulfillment of conditions to participate in trading according to Paragraph 1 of this Article.

Article 88.

The trading order must fulfill the condition of the applied and publicly announced minimum price and the offered quantity of shares.

Article 89.

When the auction using the minimum price method has been scheduled, only the Share Fund shall participate on the supply side, or the Exchange member who is representing him, while on the demand side shall participate only the Members who:

- previously fulfilled all the conditions prescribed by the Share Fund, and
- who have the buy orders that fulfill the conditions of minimum price and offered quantity.

The certificate of the Share Fund on the fulfillment of the aforesaid conditions is considered as the proof of fulfillment of conditions from indent 1 of Paragraph 1 of this Article.

Article 90.

By announcing the minimum price and the offered quantity of shares the employee of the Exchange opens the trading session for shares scheduled for the auction and receives the sell and buy orders that fulfill the conditions of the minimum price and offered quantity of the sell order.

Trading orders are placed directly, by personal delivery to the employee of the Exchange. Buy orders are placed along with the certificate of the Share Fund on the fulfillment of conditions to participate in trading. The time of receipt of the trading order is confirmed by the employee of the Exchange who notifies the time of delivery on the trading order.

In share trading using the minimum price method solely limit orders for the offered quantity can be placed.

Article 91.

The period of receipt of buy orders from Article 90 of the Rules shall last 5 (five) minutes and shall start 5 (five) minutes before the scheduled auction, in which period the received buy orders are not displayed on the board of supply and demand.

After the time specified in Paragraph 1 of this Article, the received buy orders are displayed on the board of supply and demand.

Article 92.

If only one buy order has been placed, the auction price announced by the employee of the Exchange shall be the price of the buy order by which the quantity of sell order shall be executed in full.

If there are more buy orders placed, the employee of the Exchange shall announce the highest bid price of the first round of auction.

Article 93.

Only Members who have placed buy orders in the first round of auction may participate in the second round of auction, which shall be opened after the expiration of a 5 (five) minute period, starting from the time of announcing the highest bid price of the first round of auction.

The buy order with the highest price in the first round of auction shall be transferred to the second round of auction by the employee of the Exchange.

Buy orders for the second round of auction are placed during a 5 (five) minute period starting from the time of announcing the highest bid price of the first round of auction and this shall last until the opening of the second round of auction.

Buy orders with the same or higher price than the highest bid price in the first round of auction shall be placed for the second round and during the second round.

While placing buy orders, Members are obliged to comply with the following rules of the price increment relative to the last achieved price:

- when price is in the range from 1 to 100 RSDs, the minimum price increment is 1 RSD,
- when price is in the range from 101 to 1.000 RSDs, the minimum price increment is 5 RSDs,
- when price is in the range from 1.001 to 5.000 RSDs, the minimum price increment is 10 RSDs,
- when price is in the range from 5,001 CSDs to 10,000 dinars, the minimum price increment is 50 RSDs,
- when price is more than 10,000 dinars, the minimum price increment is 100 dinars.

Article 94.

In the second round of auction, the auction price announced by the employee of the Exchange shall be the last and highest price of buy order by which the quantity of sell order shall be executed in full, and which has not been changed after the third call of the Exchange's employee for placement of new buy orders with a higher price.

Members are called by the employee of the Exchange to place new orders in the time intervals of 2 (two) minutes.

If after the third call of the employee of the Exchange from Paragraph 2 of this

Article two or more orders have the same highest bid price, the employee of the Exchange announces the auction price as the price from the first submitted buying order, by which the selling order is realized in full.

Article 95.

The second round of auction has no time limit.

Article 96.

If buy orders fulfilling the minimum price condition and offered quantity have not been placed at the scheduled auction, the auction price shall not be determined.

In case of Paragraph 1 of this Article, the auction by the minimum price method can be scheduled once again, in the period not shorter than 20 days from the day of a new request for scheduling the auction.

The request for scheduling a new auction from Paragraph 2 shall be submitted no later than 8 days from the date of auction, in the sense of Paragraph 1 of this Article.

If in the period from Paragraph 3 of this Article the request for scheduling a new auction is not submitted, or if at the scheduled auction the price is not determined, trading in shares is organized based on the decision of the Managing Director of the Exchange in accordance with Article 25 of the Rules.

The Share Fund can submit again a request for scheduling of trading by the minimum price method under conditions and in the way defined by the Rules, but not earlier than after the expiration of two months from the day of the last trading in the issuer's shares organized by the minimum price method, and provided that in the given period no transactions with the given shares have been concluded.

### **Block trading**

Article 97.

The block trading represents the block transaction with a security traded at the regulated or unregulated market.

A block transaction is the transaction concluded outside the trading session at which trading is performed by the single price or the continuous trading method, in the bilateral relation of one buyer and one seller.

All securities and financial instruments traded at the regulated and unregulated market, except futures and options, may be the subject of the block transaction.

Article 98.

A block transaction can be concluded only during the exchange session, if trading in a security or financial instrument which is the subject of the block transaction is not temporarily suspended, or if the security or financial instrument is not the subject of the special report in the sense of the Rules.

As an exception from Paragraph 1 of this Article, the Managing Director of the Exchange, at the proposal of the Exchange supervisor, can approve a conclusion of the block transaction of a security, or financial instrument which is the subject of the special report, if parties in the block transaction (Member of the Exchange and the client and related persons as defined by the Law and the Rules) are not persons whose activities are included in the special report.

The proof of the fulfillment of conditions from Paragraph 2 of this Article is the statement of the Member who submitted the order for block trading.

The Managing Director of the Exchange, after a justified proposal of the Exchange supervisor, taking into consideration the circumstances which were the basis for the special report, makes the decision on terminating the suspension

of block transactions with the given security or financial instrument.

#### Article 99.

If the subject of a block transaction is the security traded using the single price auction method, the block transaction may be concluded if the following conditions are cumulatively fulfilled:

1. at least one Member places simultaneously buy and sell order for the same security in the same quantity, at the same price and with the same settlement date,
2. the quantity of securities of the block transaction is equal at least to the sum of the traded quantity (volumes) of the given security at the last three trading sessions, accounting for at least 3% (three percents) of the total number of issued securities, excluding the traded quantity at the trading session on the day of concluding the block transaction,
3. the highest allowed price deviation of the security which is the subject of the block transaction in relation to the average weighted price determined at the last three trading sessions (excluding the trading session on the day of concluding the block transaction) is up to 10%, except when the quantity of securities in the block transaction accounts for at least 20% of the total number of issued securities of the same type and class, when the allowed price deviation may be up to 20%.

If the subject of a block transaction is a security traded using the continuous trading method, the block transaction may be concluded if the following conditions are cumulatively fulfilled:

1. at least one Member places simultaneously buy and sell order for the same security, in the same quantity, at the same price and with the same settlement date;
2. the value of the block transaction with a security traded by the continuous trading method is alternatively at least:
  - a) 200 million RSDs, if the subject of the block transaction are shares, or
  - b) 10 million RSDs, if the subject of the block transaction is a debt security, or
  - c) 10% of the total issue of securities of the same type and class, issued by the given issuer;
3. the highest allowed price deviation of a security in the block transaction in relation to the last at-the-close price is at most 3%, except when the quantity of securities in the block transaction is minimum 10% of the total number of securities of the same type and class issued by the given issuer, when the allowed price difference is up to 5%;
4. the quantity of securities in the block transaction cannot be bought or sold at the price from the block transaction at the trading session during which the subject of the block transaction is submitted to the Exchange for approval and registration.

The Board of Directors of the Exchange may decide on the changes of conditions for the conclusion of block transactions.

#### Article 100.

The Broker of the seller initiates the block transaction in the BelexFIX by entering all elements of the transaction in the block trading order, except data on the buyer, and sends the order to the broker of the buyer for confirmation. The confirmation of a block transaction by the buyer's broker is considered to be the input of the required data on the buyer and delivery of such confirmed

transaction to the Exchange, no later than 15 minutes from the moment when the seller's broker sent the block transaction for confirmation to the buyer's broker.

The confirmation of a block transaction by the buyer's broker must be done at the same Exchange session at which the seller's broker initiated the block transaction, no later than at the time defined by the calendar of the Exchange sessions.

In accordance with articles of the Rules and other regulations of the Exchange, the Exchange official, appointed by the Managing Director of the Exchange, shall approve or not approve the block transaction, no later than 60 minutes from the delivery of the block transaction confirmed by the buyer's broker to the Exchange.

If a block transaction has been approved by the Exchange official from Paragraph 4 of this Article, the block transaction is concluded and the transaction contract is issued in the form and in the way defined by the Rules.

Concluded block transactions are displayed separately and marked by a special mark.

Article 101.

The prices and trade volume of approved block transactions shall not influence the prices and trade volume achieved in trading in securities during the regular trading session, or the value of the index comprising the given securities.

The data related to block trading form a separate part of the report of the Exchange.

### **Derivatives trading**

Article 102.

Derivatives trading is organized in the BelexFIX at the regulated market.

Article 103.

Derivatives are, in compliance with the Law, financial instruments the price of which depends on the price of the underlying instrument, the type, quantity, quality and other characteristics of which are standardized.

The subject of the contract from Paragraph 1 of this Article may be shares, bonds, foreign currency, specific type of commodity, the Exchange index and other.

Derivatives may be:

- financial, and
- commodity.

Article 104.

Financial derivatives traded at the Exchange are:

- a) futures and
- b) options

The provisions of the Rules related to financial derivatives are applied accordingly to trading in warrants, commodity derivatives and other ownership rights whose market price is derived, directly or indirectly, from securities prices, foreign currency market prices or the interest rate market.

Article 105.

The Board of Directors of the Exchange shall determine the elements of the standard of financial derivatives and other financial instruments, as well as standardized rights and obligations of the contractual parties, the first and the last trading day, and the way of clearing and settlement of obligations from concluded derivative transactions.

#### Article 106.

The standard of a financial derivative or a financial instrument particularly contains:

- the name of the financial derivative,
- the underlying instrument of the financial derivative,
- maturity date/s or the delivery date/s, if any
- the quotation unit,
- the tick,
- the tick size, if any
- the first and the last trading day,
- the method of determining the daily settlement price,
- the method of determining the exercise price,
- the delivery method, if any

#### Article 107.

Financial derivatives and other financial instruments are traded using the continuous trading method.

The decision on the beginning and ending of the trading session for trading in financial derivatives and other financial instruments is publicly disclosed on the Internet page of the Exchange.

The decision from Paragraph 2 of this Article is made by the Managing Director of the Exchange or a person with his authorization.

#### Article 108.

The Board of Directors of the Exchange may approve trading at the derivatives market by its special decision only to the Member who fulfilled the conditions prescribed by the decision of the Board of Directors.

#### Article 109.

The Board of Directors of the Exchange may determine additional organizational and financial conditions for Members trading at the derivatives market.

The Board of Directors of the Exchange shall prescribe and publicly disclose the rules on the procedure in extraordinary cases of trading in derivatives and other financial instruments.

In decision-making from Paragraph 2 of this Article, the Board of Directors of the Exchange shall be driven by safety in trading and the interest of trading participants.

#### Article 110.

With respect to any issue pertaining to derivatives trading that has not been specifically regulated by the Rules, the provisions of the Rules relating to securities trading are applied accordingly.

### **Futures**

#### Article 111.

According to the Rules, the futures is a contract executed at the Exchange between the seller of futures and the buyer of futures, in compliance with conditions prescribed by the Exchange in the futures standards, in which the contractual parties set the value of the underlying instrument, or the price of the futures contract.

The delivery of the futures underlying instrument shall be in cash unless the futures standard provides otherwise.

#### Article 112.

The Exchange supervisor shall suspend the acceptance of futures trading orders for a particular Member if the Member ceases to fulfill the conditions

determined by the decision of the Board of Directors from Article 108 of the Rules.

### **Options**

Article 113.

The price determined in the option is called the exercise price.

In compliance with the Rules, the option contract (hereinafter: the option) is the right of the option buyer in relation to the option seller to:

- a) demand that the option seller deliver (sell) the underlying instrument on a specified date at the exercise price of the option (call-option with delivery of the underlying instrument), or
- b) demand that the option seller take the delivery (buy) of the underlying instrument on a specified date at the exercise price of the option (put-option with delivery of the underlying instrument), or
- c) demand that the option seller pay (according to the trading conditions) on a specified date the difference between the underlying instrument's market price and the exercise price of the option (call-option with cash settlement), or
- d) demand that the option seller pay (according to the trading conditions) on a specified date the difference between the option's exercise price and the underlying instrument's market price (put-option with cash settlement)

Article 114.

The Exchange supervisor shall suspend the acceptance of the options trading order for a particular Member if the Member ceases to fulfill the conditions determined by the decision of the Board of Directors from Article 108 of the Rules.

### **Warrants**

Article 115.

According to the Rules, the warrant is the right of the buyer of the warrant in relation to the issuer of the warrant to:

1. demand that the issuer of the warrant sell him the future issues of shares at a predetermined price (the subscription warrant), or
2. demand that the issuer pay on a predetermined date the difference between the underlying instrument's market price and the warrant's exercise price (call warrant).

The price of the warrant is called the warrant's exercise price.

Article 116.

The issuer of the warrant is obliged to file the request for admission to trading. The provisions of the Rules and the Rules on Listing regulating the admission, i.e. inclusion of securities into the Exchange markets are applied accordingly to the contents of the request for admission to trading and the documents submitted with the request.

Along with the documents from Paragraph 1 of this Article, the issuer of the warrant along with the request shall submit the following data:

- data on the issuer, including without limitation the data related to his financial position;
- data on the securities issued;
- description of the underlying instrument;
- date of expiration of the rights;
- rules on securing delivery by the issuer;
- the main risk factors;
- other data prescribed by the decision of the Board of Directors of the

Exchange.

The decision of the Board of Directors of the Exchange shall specify the elements of the request for admission to trading and additional information from Paragraphs 1 and 2 of this Article.

The Board of Directors of the Exchange shall approve trading in warrants upon the proposal of the Director of the Exchange.

### **Transactions**

Article 117.

The Exchange transaction may be concluded only on the basis of trading orders placed by the Members.

Exceptionally to Paragraph 1 of this Article, the Exchange transaction may be concluded on the basis of a trading order placed by the authorized person of the Central Registry, in his name and for the account of a Member who is also a member of the Central Registry and in compliance with the rules of the Central Registry.

The Republic of Serbia and the National Bank of Serbia may place trading orders directly, through their authorized broker, who was licensed by the Board of Directors of the Exchange to trade at the Exchange, under the conditions and in the manner prescribed by the Articles of Association of the Exchange for issuing the license to trade to the broker of the Member.

Article 118.

The Exchange transaction is concluded on the basis of a trading order placed to the BelexFIX, which is in compliance with the rules of a particular trading method executed in full or partially, by matching with the appropriate order opposite in terms of the type of transaction of the same or another Member.

The subject of transaction from Paragraph 1 of this Article is the security stated in the trading order, in the executed quantity.

The price of the security which is the subject of transaction from Paragraph 1 of this Article and which is traded by the continuous trading method is the price stated in the previously placed trading order.

Article 119.

The Exchange transaction is concluded at the moment when in compliance with the Rules the total quantity or part of quantity of a particular trading order placed to the BelexFIX has been executed.

On the basis of the transaction from Paragraph 1 of this Article, the transaction contract shall be concluded.

For all the transactions concluded at the Exchange (based on trading orders placed to or outside the BelexFIX and in accordance with the rules of the trading method) the transaction contract is made in the electronic form, which is submitted in that form to the Central Registry and the Member who concluded the transaction.

For transactions concluded in share trading by the minimum price method, at the justified request of the Members – participants in transactions, the Managing Director of the Exchange issues the confirmation concerning the data on the concluded transaction.

Article 120.

The Board of Directors of the Exchange prescribes the elements of the transaction contracts.

Article 121.

All transactions concluded in the BelexFIX are considered to be final without

additional confirmations of the Members who concluded the transactions.

Article 122.

Transaction cancellation in securities trading is permitted only if the transaction has been concluded in the phase of the continuous trading within the continuous trading method, except if the price and quantity of the transaction do not influence the course of trading and the determined at-the-close price, that is if it has been concluded due to an obvious technical error which may be clearly identified by examining the order book and other relevant documents of the Member who filed the request for transaction cancellation.

The technical error is considered to be the error due to:

- omission to enter the digit from the authentic numeric data,
- repeated entering of one of the digits from the authentic numeric data,
- permuted sequence of digits from the authentic numeric data.

The request for transaction cancellation can be filed by the Member, along with his explanation, to the Exchange supervisor in the written form in the period of 30 minutes from the conclusion of the transaction, but not later than 15 minutes after the closing of trading at the Exchange market on which the transaction has been concluded.

The decision on transaction cancellation is passed by the Managing Director of the Exchange or an authorized person, upon the justified proposition of the Exchange supervisor.

A block transaction, as well as a transaction concluded in trade by the minimum price method cannot be cancelled.

Article 123.

Under circumstances evaluated as necessary for maintaining the fair and correct performing of trading activities and protection of the investors and public interest, the Exchange supervisor may cancel any transaction concluded in the primary and secondary trading, supposing that one or more elements of the transaction, such as the price and the quantity of securities in transaction, are obviously wrong or indicate market manipulation.

The Exchange supervisor may cancel the trading orders of the Members in case of the error in the functioning of the BelexFIX or some other technical error in the BelexFIX.

The Exchange supervisor may cancel the trading orders of the Members which are contrary to the Rules and other rules and regulations of the Exchange.

The Exchange supervisor shall without delay inform on the cancelled transactions or trading orders the parties in the transaction, that is the Members whose trading orders are cancelled.

Upon the end of the trading session, the Exchange supervisor shall submit to the Director of business operations a justified written report on the cancelled transactions.

Article 124.

The concluded transactions may be cancelled in compliance with the Rules, exclusively until they are submitted to the Central Registry.

Article 125.

For any member who concluded a transaction in the BelexFIX the Exchange shall provide the review of all the transactions concluded by that Member.

If the review of concluded transactions from Paragraph 1 of this Article is not in accordance with the record of the Member on concluded transactions, the Member must without delay and at the latest until the beginning of the next trading session notify the Exchange supervisor on that matter in the written

form.

In case that the reason for the incompatibility of data cannot be clearly determined from the record of the Member or that of the Exchange, including the comparison of the incompatible data with the data from the record of Members who concluded the aforesaid transactions on the opposite side, the record kept by the Exchange shall be applicable.

Article 126.

During the installation of the user part of the BelexFIX, the unique identification code (certificate) is generated which identifies the Exchange Member.

Transactions in which a particular Member has been identified are considered as the transactions of that Member, who is obliged to execute them.

Article 127.

All the transaction contracts in the electronic form, upon the end of the trading session, are electronically delivered to the Central Registry.

Article 128.

With respect to the clearing and settlement of transactions concluded in securities trading at the regulated or unregulated market, the Members are obliged to act in compliance with the Law and rules of the Central Registry.

Article 129.

Upon execution of trading orders, the Member is obliged to immediately and until the next working day at the latest inform the client on all the details of the concluded transaction in compliance with the Law and the Rules.

#### **Record of Trading outside the Exchange**

Article 130.

Trading in debt securities performed outside the Exchange, and which are traded at the Exchange at the regulated and unregulated market, is executed in the manner and under conditions prescribed by the Law.

Article 131.

Persons designated by the Law and the by-law of the Securities Commission inform the Exchange on the trading from Article 130 of the Rules, in the period and scope defined by the by-law of the Securities Commission.

The seller of debt securities shall fulfill the obligation from Paragraph 1 of this Article through the Member of the Exchange.

The notice from Paragraph 1 of this Article is sent to the Exchange through the electronic mail, to the Internet address: evidencija@belex.rs, or in some other way defined by the decision of the Managing Director.

Exceptionally from Paragraph 3 of this Article, if a problem should arise in receiving the electronic mail by the Exchange, or in receiving notice in the way defined by the decision of the Managing Director, a written notice is submitted directly or by means of the telefax.

The Stock Exchange and the Central Registry may agree on other ways of delivering notices from Paragraph 1 of this Article, by written agreement.

Article 132.

After finalizing a trading session, the Exchange shall publish on its Internet page the data from notifications received in the sense of Article 131 of the Rules concerning the type, class, CFI code, ISIN number and number (quantity) of debt securities traded outside the organized market and date of trading.

The data from Paragraph 1 of this Article are accessible to all interested persons through the Internet page of the Exchange.

Article 133.

The Exchange keeps records of information on trading in debt securities performed outside the Exchange, containing data from received notices defined by the by-law of the Securities Commission.

#### **Special Conditions for Performing Transactions**

Article 134.

The following persons are forbidden, except at the Exchange, to trade or to participate in trading in securities that are the subject of trading at the regulated and unregulated market:

1. Members,
2. Members of the governing body of entities from Item 1 of this Paragraph,
3. Persons employed with entities from Item 1 of this Paragraph having the status of the broker of the Member,
4. legal entities in which the entities from Item 1 of this Paragraph directly or indirectly dispose of more than 20% of the ownership share,
5. legal entities that are according to the economic enterprise law provisions related to the entities from Item 1 of this Paragraph,
6. members of the governing body of entities from Item 5 of this Paragraph.

Exceptionally, when the Law and the Rules explicitly permit it, the entities from the previous Paragraph may trade or participate in trading outside the Exchange in securities traded at the regulated or unregulated market.

Article 135.

When it is permitted to conclude transactions outside the Exchange, Members are obliged to take all the measures so as to conclude transactions at the Exchange. Securities traded at the Exchange are considered to be all the securities traded at the regulated market and unregulated market.

#### **Temporary Suspension of Trading**

Article 136.

The Exchange may temporarily suspend trading in all or some particular securities at the unregulated market:

- 1) upon the request of the issuer - provided that the issuer in his request explains in detail and in an adequate way the reasons for demanding a temporary suspension, such as significant disruption in the issuer's business activity arising from the circumstances on which the issuer had no influence. In the request, the issuer is obliged to define the deadline in which conditions for the continuation of trading can be realistically fulfilled, in accordance with the decision of the Assembly of the issuer which is the integral part of the issuer's request;
- 2) at the request of shareholders or third persons – provided that the applicant justifies, in detail and in an adequate way, the reason for submitting the request with adequate proofs and proposition concerning the period of temporary suspension;
- 3) if it is demanded by the issuer, in case of change of the status or the legal form and transformation from open to closed shareholding company, pursuant to the Law on Economic Enterprises, when together with the request he shall submit the report on the material event and the decision of the Assembly on the adopted change, with proof that the Assembly decision is made with respect to the rights of disagreeing shareholders in accordance with the Law on Economic Enterprises, which implies: invitation to the Assembly meeting of the issuer, containing the notification to shareholders that they have the right to disagree with the adoption of the Assembly decision (published in a daily newspaper sold in the

territory of the entire Republic of Serbia), and minutes from the Assembly meeting, containing data about the shareholders' possible dissent, or statement of the chairman of the Assembly concerning the issue;

4) in case of replacement of the issuer's existing shares in accordance with the Decision of the Securities Commission concerning the approval granted to the issuer to issue shares without public offer;

5) if trading in security causes or can cause disruption on the market;

6) if it is considered necessary in order to protect the interests and security of the participants in trading;

7) if the Securities Commission demands by decree;

8) in other cases specified by the Rules;

In case of Paragraph 1, Items 1 and 2 of this Article, the Exchange may demand from the applicant to submit additional documents and proofs as confirmation of statements from the request. The applicant, together with the request, submits proof of paid compensation prescribed by the Tariff Book of the Exchange. If the applicant fails to act in accordance with the Exchange requirements, it is considered that he waived the claim.

Trading in a particular security may be suspended temporarily especially in the following cases:

1) due to operations indicating manipulative activity;

2) disabling the transfer of ownership of the security;

3) occurrence of other circumstances which may lead to:

1. jeopardizing the conditions for trading in all or in specific securities,

2. damage for the Members, buyers and sellers of the securities and for the Exchange itself,

3. violation of trust in securities trading;

4) determining incorrectness or inconformity of data and the documents sent to the Exchange with data from the Central Registry or the Securities Commission, which include data on SFI code and ISIN number of security, as well as data on the number (quantity) of the issued securities;

5) in cases of irregularities determined by additional control.

The Members are obliged to immediately notify the Exchange of the occurrence of facts or circumstances from Paragraphs 1 and 3 of this Article.

Article 137.

The decision concerning temporary suspension of securities trading from the unregulated market is passed by the Managing Director of the Exchange, upon the proposal of the exchange supervisor, or at the request of the issuer, upon the request of shareholders or third persons, or the Securities Commission.

The temporary suspension of trading in securities from the unregulated market shall last until the conditions to continue trading are fulfilled, no later than six months after the date of passing the decision of the Exchange on the temporary suspension of trading.

After fulfilling the said conditions, the decision on termination of temporary suspension of trading from the unregulated market is passed by the Managing Director of the Exchange.

If by decision on temporary suspension of trading the issuer is obliged to submit proofs and documents concerning the fulfillment of conditions for the continuation of trading, and the issuer does not submit the required documents within the prescribed period, the Exchange shall pass the decision on termination of temporary suspension of trading marked «BP» (without prospectus).

Proofs and documents from Paragraph 4 refer to the obligation of publishing and updating the prospectus and the obligation of disclosure, which the issuer has as a public company, in accordance with the Law, the by-laws of the Securities Commission and Exchange regulations.

With respect to erasing mark „BP“ in the sense of Paragraph 4 of this Article, the provision of Article 32 is applied accordingly.

Article 138.

Upon a full and complete request for temporary suspension of trading the following can be passed:

1. decision on rejecting the request in case the conditions for temporary suspension required by the Rules are not fulfilled;
2. decision on temporary suspension of trading.

By the decision on temporary suspension of trading, the Exchange determines the period of temporary suspension of trading and procedures concerning the orders entered into the BelexFIX, in the following manner:

1. cancels all trading orders for the security with temporary suspension of trading which are already entered into the BelexFIX, or
2. determines the deadline in which all members of the Exchange are obliged to withdraw their trading orders, or
3. determines abeyance of trading orders until temporary suspension of trading is terminated.

In case of Paragraph 2 of this Article, Members whose trading orders are in the state of abeyance in the BelexFIX are obliged to send the received clients' orders for withdrawal of trading orders entered into the BelexFIX to the Exchange supervisor, no later than the next working day until 11:00a.m., from the day of receipt of the given order, for the purpose of their cancelation in the BelexFIX.

Against the act from Paragraph 1 of this Article, a claim can be stated to the Board of Directors of the Exchange, in the period of 8 (eight) days from the day of receipt, and the claim does not postpone the enforcement of the act. The decision of the Board of Directors of the Exchange is final.

#### **Exclusion of Securities from the Unregulated Market**

Article 139.

The Exchange shall exclude the securities of a particular issuer from the unregulated market in the following cases:

- 1) if the securities have reached maturity date or a security no longer fulfills previous legal requirements;
- 2) if the securities are withdrawn or invalidated, except when withdrawal or invalidation are done for the purpose of reverse splitting or splitting of shares of the same class, with the aim of changing their nominal value;
- 3) if the issuer is in the process of bankruptcy or liquidation;
- 4) if the issuer applies for admission to another exchange in the Republic of Serbia;
- 5) upon the request of the issuer in case of change of the status, change of the legal form and transformation from open to closed shareholding company, in accordance with the law regulating economic enterprises; in such case along with the request the proof from the Agency for Economic Registers and the Central Registry concerning the implemented change has to be submitted, except in cases when the documents are already filed with the Exchange, or if they are available on the Internet pages of the Agency for Economic Registers and the Central Registry;
- 6) if the Securities Commission considers it necessary for the purpose of protecting the investors or the organized market.

The Exchange may exclude securities from the unregulated market if the issuer submits a request for exclusion, provided that the issuer in the request explains in detail and in the adequate manner the reasons for requesting exclusion from the unregulated market.

Together with the request from Paragraph 2 of this Article, the issuer is obliged to present to the Exchange:

- 1) decision of the Assembly of the issuer;
- 2) proof that the decision of the Assembly from Item 1 of this Paragraph was adopted with respect of rights of shareholders who disagreed in accordance with the Law on Economic Enterprises, which includes: invitation to the Assembly meeting of the issuer, containing notification for shareholders that they have the right to disagree with the adoption of the Assembly decision (published in a daily newspaper sold in the territory of the entire Republic of Serbia), minutes from the Assembly containing information on shareholders' disagreement, or statement of the Chairman of the Assembly concerning this issue
- 3) other documents and proofs of request required by the Exchange; if the applicant of the request does not proceed in accordance with the requirements of the Exchange, it is considered that he waived the claim.
- 4) proof of paid compensation prescribed by the Tariff Book of the Exchange.

The decision on exclusion of a security from the unregulated market is made by the Managing Director of the Exchange, upon the proposal of the Exchange supervisor, or upon the request of the issuer, or decision of the Securities Commission.

Article 140.

Upon the request for exclusion of a security, the following can be adopted:

1. decision on rejecting the request in case the conditions for exclusion as stipulated by the Rules are not fulfilled;
2. decision on exclusion of securities.

Against the act from Paragraph 1 of this Article, a claim can be stated to the Board of Directors, no later than 8 (eight) days from the day of receipt, and the claim does not delay enforcement of the act. The decision of the Board of Directors of the Exchange is final.

## **VII**

### **CODE OF ETHICS**

Article 141.

In order to provide a fair and efficient operation of the securities market, Members shall at all times adhere to the principles of good business practice regulated by the Law and by-laws and follow the principles of the code of ethics:

#### **1. Legality**

Members are obliged to organize their business activities and execute them in compliance with all the regulations prescribed by the Law, by-laws and all the Rules and regulations of the Exchange. This concept comprises the prohibition of executing business activities which violate the privileged information;

#### **2. Duty of Care**

In their operating with clients Members are obliged to act with due respect and rules of profession. This concept particularly comprises dealing with clients on the basis of full information on the client, as well as providing the client with all the necessary information for making the investment decision on the basis of complete information, taking into consideration and respecting the

level of information and knowledge of the client;

### **3. Trustworthiness, Honesty and Fairness**

Members are obliged to perform their business operations with the appropriate level of reliability and integrity and to make contacts with the public, clients, employees and other Members in the manner providing an honest and fair operation. This principle particularly comprises the respect of priorities of the client's interest, protection of the client's property, provision of complete and timely information as well as informing the clients on all actual and possible conflicts of interests in order to provide fair and unbiased dealing with clients. The Member is obliged to avoid conflicts of interests with the client and if it is impossible then to provide a fair relation towards the client;

### **4. Professionalism**

Members are obliged to perform their business activities in a professional manner which creates a model picture of their company or profession, as well as to maintain and improve their professional knowledge. This concept includes particularly the operational rules related to the activities with clients' orders, activities with the Member's orders and its employees and related persons, as well as the continuous education of the participants in trading;

### **5. Confidentiality**

Members are obliged to provide confidentiality of data in compliance with the regulations of the Law and by-laws and rules and regulations of the Exchange and the Members.

## **VIII**

### **FORBIDDEN ACTIVITIES**

Article 142.

It is strictly forbidden to perform activities at the Exchange which may violate the market.

The forbidden activities according to Paragraph 1 of this Article are considered to be particularly the following activities:

- o use of privileged information
- o market manipulation.

Article 143.

The business data and information which are not yet accessible to the public and may influence the price of securities are considered to be privileged information.

The non-public information is considered to be the information not publicly released and simultaneously and equally accessible to all the participants on the market.

The person to whom the privileged information is accessible must not use it or convey it to third parties, and must not on the basis of it recommend other persons to acquire, buy and sell securities or dispose of securities in any other manner.

The person from Paragraph 3 of this Article, further determined by Article 71 of the Law, shall inform the Exchange on any intended buying or selling of the securities to which the privileged information is related, and which are traded at the Exchange, in the manner prescribed by the by-law of the Securities Commission.

Article 144.

The Member must not perform any manipulation on the market and must not incite

other persons to do so in order to artificially form the price of a security, which in addition to legal restrictions implies the following activities:

- 1) any activity the consequence of which is delusion of the public, buyers or sellers of any security with respect to the nature of transaction on the market or the achieved price;
- 2) placement of buy and sell orders through one or more than one Member of the Exchange, so that in case of trading there is no real transfer of ownership;
- 3) placement of buy and sell orders at the same price higher than the real price, through one or more than one Member of the Exchange, which has as the consequence the conclusion of transactions on the basis of which other participants on the market may gain a false impression of the activities of the aforesaid security, so that the client making out such orders may sell his securities at a price higher than the real price;
- 4) successive buying or selling of one and the same security for the purpose of creating a false impression in the public on the activity of the security;
- 5) pooling of several entities who by mutual transactions raise, or attempt to raise a price to an artificially high level, after which the securities are sold;
- 6) pooling of several entities which by mutual transactions decrease, or try to decrease the price to an artificially low level, after which the securities are bought;
- 7) pooling of several entities in order to make out the sell and buy orders by means of one or several brokers so as to create or to attempt to create a false impression of their own turnover on the market;
- 8) artificial increase in demand for a certain type of securities in order to raise the price of that security, and creation of a wrong impression that the quality of the security has influenced the increase in demand;
- 9) broker (investor) buys certain securities knowing that other entities will have to buy the aforesaid securities at a much higher price in cases when the other persons have to cover their short position or if they want to buy the control block of shares;
- 10) placement of trading orders immediately before closing of the market, with the purpose of manipulating the closing price, or single auction price, especially if at that moment the trading order can be realized under significantly better conditions;
- 11) intensive trading of the broker either through the money account or the client's security account, and for the sake of obtaining commission without real necessity for the named activities;
- 12) trading with the aim of influencing the price of securities at the spot market, in order to influence the price of its derivative on the futures market;
- 13) buying securities for one's own account and then advising the client to buy the aforesaid security at a higher price;
- 14) making out the buy and sell orders on the basis of the fact that some other person has placed or shall place the buy or sell orders for the same securities at the same or at the approximate price;
- 15) inciting other persons to buy or sell securities with the explanation that there is the expectation of increase or decrease in the price of the named securities due to planned operations on the market, for the purpose of decreasing or increasing the price of the aforesaid security;
- 16) inciting other persons to buy or sell securities by releasing the data which

are known as or supposed to be untrue;  
17) placement of fictitious trading orders.

Article 145.

The forbidden activity of the Member is considered to be also:

- transfer of rumours of sensational character which may influence the movements on the market; the Member is obliged to report on any such rumour to the Exchange; the Member is not forbidden to discuss unverified and publicly released information, in which case the Member is obliged to report on their source and their unexamined nature;
- dissemination of false or untrue information by means of the media (press, TV, radio, the Internet and the like), which give a wrong impression on the price movement of securities and situation on the Exchange;
- refusal to testify or submit the required documents relating to its business activities of supervision and control, or any other activity performed on the Exchange;
- betting and taking actions for the sake of betting on the price tendencies of securities;
- participating in the activity or performing the activity in order to deceive a person dealing with buying or selling of securities;
- the activity contrary to its operation on the Exchange;
- disloyal competition of the Members.

Article 146.

The Member must not use information and perform the following activities:

1. when the Member is aware that the client has a high quantity in his order or an order which may influence the market, and itself places the order by which it gains use of that information;
2. when it uses the strategy of its client, and repeats moves of that client for its own account or another client's account.

Article 147.

The Member must not buy or sell securities for its account or for the account of an employee of the Member:

- if due to that buying or selling it is not able to place the client's order,  
or
- if in that case the client's order may be executed only under conditions which are less favorable for the client.

Article 148.

The Member, or the person employed with the Member, is obliged to immediately report to the Exchange if any member or participant on the Exchange:

- 1) violates the provisions prescribed by the Law, the by-laws and the Rules,
- 2) does not comply with the code of ethics,
- 3) if the Member has suspended its broker or narrowed the scope of his authorizations.

Any person employed with the Member is obliged to immediately inform his employer on the existence of cases from Paragraph 1 of this Article.

Article 149.

The Member, participant on the Exchange and the employees of the Exchange must not:

- 1) make untrue and incomplete statements which may lead to confusion in connection with the business activities performed on the Exchange,
- 2) forecast the market movements on the Exchange, unless they state that the

aforesaid are only forecasts.

Article 150.

Recommendations given by the Members must be rationally explained. When the buying or selling of a particular security is recommended, alongside the recommendation the information on which the recommendation is based must be stated, as well as the market price of the security which was valid at the moment of giving the recommendation.

The Exchange, Members, their brokers and employees are obliged to treat the financial and other important information accessible due to the nature of their business as confidential information, unless their disclosure is prescribed by the Law, the Rules and other rules and regulations of the Exchange.

**IX**

#### **SUPERVISION AND CONTROL ON THE EXCHANGE**

Article 151.

The Exchange shall supervise and control trading on the Exchange and business activities of Members in connection with the activities they perform on the Exchange, and shall take measures within its competence in order to provide an organized, uninterrupted, fair and efficient operation of the regulated and unregulated market in compliance with provisions of the Articles of Association of the Exchange, the Rules and other rules and regulations of the Exchange.

The exchange supervisor is independent in the process of supervision, within the competence defined by the Articles of Association, the Rules and other regulations passed by the Exchange.

The Exchange issues to the exchange supervisor the official identity card which he is obliged to show to the Member where supervision is carried out, before the beginning of supervision, for the purpose of identification.

If in the procedure of supervision and control in accordance with provisions of the Articles of Association of the Exchange and Paragraph 1 of this Article, the exchange supervisor and/or person from Article 32, Paragraph 4 of the Exchange Articles of Association does not find the responsible person of the Member, he shall carry out supervision without his presence.

When, according to the estimation of the Exchange supervisor, supervision is not possible, pursuant to Paragraph 4 of this Article, the Exchange controller shall send the invitation to the responsible person to be present at a specified time for the purpose of supervision. In that case, the person is obliged to act upon the invitation of the exchange supervisor or to make the supervision possible by appointing a person who shall replace him in the given case.

Article 152.

If trading in any security shows an unusual movement of its price, quantity or activity of the Member, the authorized person of the Exchange is obliged to identify them as the subject of special analysis and monitoring.

If these unusual movements and activities from Paragraph 1 of this Article cannot be explained by means of the available documents, data and information, the Exchange supervisor is obliged to make a special report with all the information and data collected up to that moment.

The Exchange shall submit the special report from Paragraph 2 of this Article to the Securities Commission.

Special reports represent the business secret for all the participants who made the report and may be filed only to the authorized supervisory bodies of the Exchange.

Article 153.

The report on business activities of the Member in compliance with the Rules and other rules and regulations of the Exchange are made by the Exchange supervisor and he submits it to:

- the Managing Director of the Exchange,
- the controlled Member
- the authorized supervisory body of the Exchange, at request.

Article 154.

If the Exchange supervisor has determined that some activities of the Member or the person employed with the Member are with a well founded suspicion evaluated as violation of the Law, the by-law, or the rules and regulations of the Exchange, the Exchange shall report to the Securities Commission or the other authorized body on the named activity.

Article 155.

The Exchange supervisor supervises the course and procedure of the trading session.

Article 156.

If in the process of supervision and control as stipulated by the Rules an irregularity is discovered, the exchange supervisor can send a written notice to the Member, without taking proceeds with the competent Exchange Commission. The Exchange supervisor shall send the notice from Paragraph 1 of this Article if he estimates that the discovered irregularity is detrimental to the interest of the ordering party (client) and/or the integrity of the securities market, or the financial instruments market, other members of the Exchange and the Exchange itself, and that the purpose of eliminating irregularity in the work of the Member shall be achieved by sending a notice.

Article 157.

The Exchange supervisor may summarily limit or prohibit the access of a Member or its broker to the BelexFIX or the Exchange Trading Floor:

- when its access endangers the safety of investors, Members or the Exchange itself
- when the Member does not operate in compliance with the Rules and contract concluded with the Exchange, when it becomes insolvent, or its financial and operational situation becomes such that its business may jeopardize the safety of investors, other participants in the Exchange operations or the Exchange itself.

Article 158.

Taking the measures of limitation or prohibition of access to the BelexFIX or the Exchange Trading Floor initiates the process before the Committee from Article 160 of the Rules.

Any person against whom the measures are taken and the process initiated according to Paragraph 1 of this Article shall be notified in writing of such actions and the reasons for taking them.

**X**

**EXCHANGE VIOLATIONS**

Article 159.

Exchange violations are considered to be the following activities of the Member or other participant at the Exchange:

- 1) violating any provision of the Law and by-laws regulating trading in securities;

- 2) violating any provision of the Articles of Association, the Rules and other rules and regulations of the Exchange and of any contracts signed with the Exchange;
- 3) failing to fulfill the obligations from transaction contracts concluded at the Exchange, including the impossibility of settlement of the concluded transactions after the extraordinary procedures of the Central Registry;
- 4) making misstatements to the Exchange with omitted or erroneously submitted relevant data;
- 5) not submitting the data in compliance with the provisions of the Law, by-laws and the Rules and which should be regularly submitted or submitting the data which are incomplete or incorrect, or the data which are not submitted timely;
- 6) conduct inconsistent with the principles of the code of ethics prescribed by the Rules;
- 7) performing unauthorized activities prescribed by the Rules;
- 8) fraud or performing activities in order to commit a fraud related to trading on the Exchange;
- 9) performing actions detrimental to the interest and reputation of the Exchange;
- 10) placing buy or sell orders by which the owner of the security is not changed;
- 11) placing orders for buying or selling securities for the purpose of upsetting the market balance or causing formation of prices which are contrary to the existing market conditions and/or circumstances, providing help in performing such transactions, participation in such transactions together with other persons, as well as other activities with the same purpose, or providing help in their realization;
- 12) omitting essential facts or giving incorrect data on the occasion of filing a request for membership approval or approval for participation on the Exchange;
- 13) omission or failing to comply with the requirements in the process of control and supervision of the authorized persons of the Exchange, which refer to submitting the books and documents required for inspection and control, as well as failing to provide the relevant information and data;
- 14) distracting the Exchange supervisor, or the authorized persons of the Exchange in the act of supervision and control of operation of the Member;
- 15) breach of good business practice.

The Member shall be responsible for any offence made by the member of the governing body or employee of the Member.

Article 160.

The act of determining the existence of the exchange violations and taking measures against the violators in compliance with the Rules and special rules of the Exchange is carried out by the Exchange Commission, as the first instance body, which is appointed by the Board of Directors of the Exchange from the employees of the Exchange and other qualified persons.

The Commission from Paragraph 1 of this Article shall determine the existence of the exchange violations in line with the official duty or upon the request of a Member of the Board of Directors, Member of the Supervisory Committee, the Managing Director of the Exchange, the Exchange supervisor or the Members. Further provisions on authorization and the method of operation of the Commission from Paragraph 1 of this Article, as well as on the proceedings, the legal remedy and decisions upon legal remedies are prescribed by special rules

adopted by the Board of Directors of the Exchange.

## **XI**

### **ORGANIZATION AND USE OF BELEXFIX**

Article 161.

The Exchange shall organize the IT (information technology) system which enables the accuracy and reliability of collection, entering, processing, transfer and use of data disposed of by the Exchange and which provide and fulfill the other conditions prescribed by the Law and by-laws of the Securities Commission.

For proper functioning of its IT system the Exchange shall provide the appropriate organizational and spatial, technical and telecommunication conditions.

Organizational and spatial conditions from Paragraph 2 of this Article comprise the Exchange Trading Floor and its adjoining room – the technical room which must fulfill the following criteria at the minimum:

- 1) power supply provided by the reserve supply (ups and aggregate),
- 2) prescribed grounding,
- 3) antistatic floor,
- 4) temperature stability,
- 5) fire prevention, access control, and other.

Technical conditions from Paragraph 2 of this Article shall include the adequate hardware and software equipment of the Exchange and the communication structure of the Exchange business activities which fulfills the following criteria at the minimum:

- sufficient number and capacity of the server, as well as sufficient number of work stations for performing the Exchange operations and formation of the secondary database;
- appropriate software efficiency, which provides the uninterrupted electronic trading in all securities and by all trading methods in compliance with the Rules.

Telecommunication conditions according to Paragraph 2 of this Article shall particularly comprise provision of the appropriate number and type of telecommunication lines established by special instructions of the Exchange Board of Directors.

Article 162.

Besides the basic IT system from Article 161 of the Rules, the Exchange shall organize the additional backup system, which in case of collapse of the basic IT system takes over in full its function, no later than the following working day, with trading data that cannot be older than data at the end of the Exchange trading session held on the day before the collapse of the basic IT system.

Article 163.

In case of *force majeure* or circumstances upon which the Exchange cannot have influence (unexpected breaks or other damages to the external equipment and installation, or damages to the equipment caused by third persons, theft etc.), which prevent correct functioning of the Exchange information system, and after taking measures for providing the functioning of the system under extraordinary circumstances, the Exchange:

- 1) applies measures which shall enable finalization of all commenced activities at the Exchange session, such as shortening of the trading phase, on which all Members are informed without delay through the BelexFIX; or
- 2) temporarily suspends trading until conditions for proper functioning of the BelexFIX are reestablished.

## **XII**

### **CONDITIONS OF ACCESS AND USE OF BELEXFIX**

Article 164.

The Exchange shall authorize the access to and use of the BelexFIX of the System Users who have

previously fulfilled the conditions from the “Technical conditions for BelexFIX”, which are supplementary part of the Rules, and upon their written request.

System users are obliged to perform their activities with respect to the BelexFIX in compliance with the rules of access and use of the BelexFIX prescribed by the Rules and other rules and regulations of the Exchange and to bring their rules and procedures in line with the Rules and

procedures of the BelexFIX.

System users are obliged to adjust their business operations from Paragraph 2 of this Article to all the amendments of the Rules as well as to the decisions, measures and instructions prescribed in compliance with the Rules.

Article 164a.

Exceptionally from provisions of the Rules, the Board of Directors can approve different access to the BelexFIX to a Member, at the request of the Member, as the consequence of specificities of the organization and technical capabilities of the Member, taking care of the fulfillment of prescribed technical conditions for remote trading.

In case of Paragraph 1 of this Article, mutual rights and obligations of the Member and the Exchange concerning the access and use of the BelexFIX, especially with respect to installation, adjusting, maintaining and responsibility for possible damage, are regulated by a separate Contract the content of which is determined by the Managing Director of the Exchange.

The provisions of the Rules concerning the conditions for access to and use of the BelexFIX can be regulated in a different way by the Contract from the previous Paragraph, in accordance with specificities from Paragraph 1 of this Article.

A copy of the concluded Contract, in the sense of this Article, is submitted for review to the Board of Directors at the first following meeting.

Article 165.

Access to and use of the BelexFIX shall be granted only to the employees of the System users who obtained the status of the Authorized user in compliance with the Rules.

The status of the Authorized user shall be granted to the broker of the System user who was issued a license to trade at the Exchange by the Board of Directors of the Exchange and who has a special written authorization of the System user to access and use the BelexFIX in his name and for his account.

Person from paragraph 2 of this Article is registered by the Exchange as the authorized user of the BelexFIX.

Article 166.

Exceptionally from Article 165 of the Rules, limited access to the BelexFIX, without the right of using the system for placement of orders, shall be granted to the employees of the System user who perform the duties of:

- 1) internal control of the System user (hereinafter: internal controller of the System user).
- 2) Management of securities in the name and on the account of the investor (portfolio manager)
- 3) Consulting services in connection with securities operation (investment advisor).

At the request of the System User, the Exchange provides limited access to the BelexFIX to persons from paragraph 1 of this Article, provided they were previously successfully trained to work on the BelexFIX.

Along with the Request from paragraph 2 of this Article, the System User shall deliver to the Exchange a certified statement that the person from paragraph 1 of this Article performs the job as referred to in paragraph 1 of this Article.

The obligations of the Authorized user defined by the Rules shall apply to the obligations of persons from paragraph 1 of this Article.

Article 167.

The obligations of the Exchange do not include provision of telecommunication lines and reserve sources of power supply (UPS) on the part of the System user, and for the installation of a server and/or client work stations of the System user.

Article 168.

The System user shall provide the conditions for locating the server and the client work station in appropriate rooms with air conditioning and appropriate power supply, and to which access is denied to unauthorized persons of the System user.

Article 169.

For the requirements of the System user and according to the fees of the Tariff Book the Exchange shall provide the following:

1. client application for trading, for the server and the client work station;
2. Certificate for access to and use of the BelexFIX
3. BelexFIXAPI module for connecting the User Application with BelexFIX.

Article 170.

The authorized persons from the Exchange perform the following:

- 1) Installation of the client application on the server and client work stations of the System User;
- 2) The plugging of the server and client work station on the BelexFIX and final adjustment of the client application

Article 171.

System users are obliged to provide:

- the server and the client work station (personal computer with the appropriate system software) and telecommunication equipment prescribed by the «Technical conditions for use of the remote trading system - BelexFIX». The server and the client work station must be plugged into the uninterruptible power supply which enables continuation of their operation in case of power supply shortage, at least for the next 15 minutes, and
- at least one telecommunication line for remote trading in compliance with the «Technical conditions for use of the remote trading system - BelexFIX». System users may have more telecommunication lines of different types for the sake of providing the uninterrupted system functioning.

System Users may use several client stations provided that each of them fulfils the conditions defined by the Rules.

System Users can use the BelexFIXAPI module under the conditions and in the manner defined by the Rules.

Article 172.

In using the client work stations, System users are obliged to comply with the following rules:

- After the installation of the client application, a System user must not install without approval of the Exchange new hardware components or change any

existing hardware component, except the monitor and the mouse,

- client must not give the installed client working station for use to other System users,
- installed work station can be used only for remote trading at the Exchange,
- Member must not modify the work station by any means, copy its contents or install the remote trading software on another work station,
- System user must not install or launch the implementation of any software on the client work station after the installation of the client application by the Exchange,
- System user must not use any software or hardware auxiliary means (helping device, tools etc.) which provide functionality not provided in the client application of the Exchange.

Article 173.

If a System user wants to change the purpose of the client work station, as well as when he stops using the BelexFIX regardless of the causes, the System user shall immediately inform the Exchange on that matter.

The Exchange shall immediately, and within five working days at the latest, uninstall the server i.e. the client work station and log them off the BelexFIX.

A System user may change the purpose of the server, i.e. the client work station, according to Paragraph 1 of this Article only after the Exchange has performed the activities referred to in Paragraph 2 of this Article.

Article 174.

In using the software and technical equipment of the BelexFIX the principle of equality shall be applied, which implies the following:

- equal possibility of accessing the BelexFIX for all system users,
- data released from the BelexFIX are simultaneously accessible to all system users on their servers.

The BelexFIX provides equal treatment of all trading orders received to the server.

Article 175.

The system user is forbidden to misuse the access authorization and the BelexFIX, i.e. to use the aforesaid contrary to the provisions of the Rules or the decisions, measures and instructions prescribed in compliance with the Rules.

Article 176.

The BelexFIX is accessed by the certificate assigned to the System User and by the personal user name and password assigned by the Exchange to the Authorized user who is obliged to use it only for personal access and use of the BelexFIX.

The password consists of 8 digits or numerical signs and is initially defined by the Exchange as “00000000”, which the Authorized user changes when accessing the BelexFIX for the first time and must not communicate nor in any other way make it available to third persons.

In case an unauthorized person discovers the password from Paragraph 2 of this Article, the Authorized user shall immediately change the password and notify the Exchange accordingly.

The System user whose Authorized user is the person from Paragraph 3 of this Article is responsible for any consequences of a possible damage arising from a misuse of the discovered password due to his failing to comply with the obligation referred to in Paragraph 3 of this Article.

Article 177.

In cases of cessation or change of any of the conditions for obtaining the

Authorized user status, the System user shall inform the Exchange accordingly and without delay.

Article 178.

The System user may develop and use his own internal applications provided that they do not jeopardize the operation of the BelexFIX.

The applications from Paragraph 1 of this Article cannot be developed or installed on the server and the client work station.

In case of jeopardizing the BelexFIX from the server or the client work stations, the Exchange may reduce or forbid their use.

Article 179.

The System user is fully responsible for forwarding the trading orders.

The System user shall provide the technical, organizational and control mechanisms so as to provide that orders, made out to the BelexFIX

by their volume, price or other characteristic, do not jeopardize the regularity and accuracy of trading and market integrity.

Article 180.

The System user shall enable the authorized persons of the Exchange to revise at any moment the technical equipment of the System user, to control the way of using the equipment and compliance with provisions of the Rules.

For the purpose of controlling the work of the BelexFIX, the

Exchange can, without approval of System users, install on all parts of the BelexFIX special software for monitoring the work of all elements of the BelexFIX and/or use other technical or technological means and tools for supervision and control of the work of the entire BelexFIX.

Authorized persons of the Exchange shall perform the activities from Paragraph 1 and 2 of this Article with the least possible interruption of the current trading operations of System users.

Article 181.

The Exchange shall enable the System users access to the information on orders, prices and trade volume in the BelexFIX, in compliance with their authorization and technical possibilities of the equipment they use.

System users shall use the accessible information according to Paragraph 1 of this Article in compliance with the provisions of the Rules.

Article 182.

The Exchange is authorized to use, inspect and examine the data obtained from the BelexFIX and to publish the same in compliance with the provisions.

Article 183.

The System users shall inform the Exchange without delay on any event due to which they are unable to use the BelexFIX, meaning that they cannot access, place trading orders or carry out other operations in the BelexFIX.

In case of Paragraph 1 of this Article, the support system of the BelexFIX, installed by the Exchange, is available to the System users, and this particularly includes giving oral instructions and directions and undertaking the activities by the authorized persons of the Exchange on removing the cause from Paragraph 1 of this Article.

In case of being unable to access the BelexFIX, System users may use the help-desks installed on the Exchange Trading Floor in compliance with provisions of the Rules and other rules and regulations of the Exchange.

Immediately after cessation of conditions from Paragraph 1 of this Article the

System users shall notify the Exchange accordingly.

Article 184.

The authorized persons of the Exchange shall provide support for the System users either orally or in the written form, by means of all the appropriate means of communication and for the purpose of removing the problems connected with access to and use of the BelexFIX which are of such kind that the System user with the help of the appropriate instruction of the authorized persons of the Exchange may resolve.

For the purpose of providing communication with persons from Paragraph 1 of this Article, the Exchange shall provide the System users with the appropriate number of telephone lines and other appropriate means of communication.

Article 185.

The Exchange shall perform the following jobs:

1) maintenance and adaptation of client applications for the server and client work stations

2) replacement of the old version with the new version of the client application

The Exchange does not perform the jobs of installation, maintenance and technical support for the functioning of hardware and system software on the System User's equipment.

Article 186.

The Exchange is responsible for proper functioning of the client application under the terms defined by these Rules and is liable for the damage incurred by the System User, his clients or third persons only in case the damage was caused by improper functioning of the client application due to negligence or an intentional mistake made by an employee of the Exchange.

Article 187.

The Exchange is not liable for:

1. impossibility of partial or full use of the BelexFIX due to the cessation of telecommunication lines or the malfunction at the location of the Authorized user due to *force majeure* or fault or wrong handling of the equipment by the Authorized user;

2. irregularity of the system software and hardware on the System User's equipment;

3. irregular or incomplete data processing or transfer;

4. errors of the System user in using the BelexFIX or changes in the connection to the BelexFIX;

5. errors in procedures for enabling normal operation of the BelexFIX system in extraordinary situations including *force majeure*;

6. other problems, errors or irregularities in the BelexFIX caused by third persons, unexpected circumstances or events that cannot be influenced by the Exchange, i.e. which are beyond the control of the Exchange.

Article 188.

In case of *force majeure* or circumstances on which Members of the Exchange could not have any influence (such as sudden breaks or other damages to external equipment and installation or damages to equipment caused by a third party, burglary etc.) and due to which, according to the estimation of the Exchange, a large number of Members cannot simultaneously, equally and under equal conditions access to or use the BelexFIX which is in function, the Exchange applies provision of Article 163 of the Rules.

A large number of members, in the sense of Paragraph 1 of this Article, is considered to be (alternatively):

- more than 40% of the total number of Members of the Exchange, or

- less than 40% of the total number of Members if they, measured by their percentage in the total value of turnover of the Exchange Members, according to the last monthly report of the Exchange sent to the Securities Commission, create more than 50% of the turnover.

Article 189.

The System users are fully liable for the accuracy of data entered into the BelexFIX.

Article 190.

If the authorized persons in the course of trading ascertain that the activities of the server or the client work station have caused distraction of the normal functioning of the BelexFIX, the Exchange shall temporarily disconnect the aforesaid server from the BelexFIX, stating the reasons for disconnection and shall warn the System user to discontinue the forbidden activities.

The System user shall immediately undertake all the activities necessary to cease the activities from Paragraph 1 of this Article or remove their cause and shall immediately notify the Exchange on that matter, which, on its part, upon considering his report, shall reconnect the server to the BelexFIX.

The System user, as defined in this Article, shall be liable to the Exchange and other System users for the damage caused by the activities from Paragraph 1 of this Article.

Article 191.

The System user and the Authorized user shall be liable for any activity contrary to the provisions of the Rules.

In the circumstances referred to in Paragraph 1 of this Article, as well as in case of repeated activities referred to in Article 190, the Exchange shall disconnect the server or the client work station from the BelexFIX, and shall notify the System user, stating the causes for disconnection.

After disconnection of the server or the client work station from the BelexFIX, the proceedings shall be taken against the System user according to Article 160 of the Rules.

In case of the use of the user name and password contrary to the provisions of the Rules, the Exchange shall immediately block the access of the Authorized user to the BelexFIX and the proceedings shall immediately be taken according to Article 160 of the Rules.

Article 192.

The Managing Director of the Exchange by his Decision prescribes the organization units and appoints the persons authorized to perform certain activities in connection with the BelexFIX.

Article 193.

The provisions of the Rules related to the conditions for access to and use of the BelexFIX are applied accordingly to the conditions for direct access to and use of the BelexFIX through help-desks.

#### **CONDITIONS OF ACCESS AND USE OF BelexFIX VIA the BelexFIXAPI MODULE**

Article 193a.

The Exchange enables all system users to equally use, under the conditions and in the manner defined by the Rules, the BelexFIXAPI module, according to the Contract concluded between the System User and the Exchange.

BelexFIXAPI module enables the use of the following FIXAPI services of the Exchange:

- 1) Automatic electronic placement of trading orders into the BelexFIX, from User Application into the BelexFIX (excluding the orders for block transactions);

- 2) Automatic electronic transmission of information on the order status in the Order Book, as well as information concerning the status of contracts in the Book of Transaction Contracts from the system BelexFIX into the User Application;

In addition to the FIXAPI service set forth in paragraph 3. of this article, the Exchange can develop other FIXAPI services.

The Exchange FIXAPI services are not available at the Exchange Help-Desks.

Article 193.b.

BelexFIXAPI module can be used by the System User whose User Application, in the part of the functionality enabling the electronic connection of the User Application with BelexFIX through the BelexFIXAPI module (hereinafter: FIXAPI functionality), was certified by the Exchange.

Article 193.c.

The procedure for granting approval to the System User to access and use the BelexFIX through the BelexFIXAPI module begins upon his written request submitted to the Exchange.

Article 193.d.

Upon receiving the request set forth in article 193.c. of the Rules, the Exchange delivers to the User of BelexFIXAPI the modul with the accompanying documentation (for the purpose of developing FIXAPI functionality) and performs the installation of the BelexFIXAPI module into the server of the System User, remotely from the location of the Exchange.

Exceptionally from paragraph 1. of this article, the System User who was granted different access to BelexFIX in terms of article 164a of the Rules, performs the installation of the BelexFIXAPI module into his server.

Article 193.e.

Before testing and certifying the FIXAPI functionality as set forth in article 193.b. of the Rules, which is performed by the Exchange, the System User is obliged to carry out the initial internal testing of his User Application and eliminate all identified malfunctions.

Upon a successful testing of the FIXAPI functionality of the User Application, the Exchange notifies the System User that his User Application in the part of the given functionality is certified as set forth in article 193.b. of the Rules. The content of the testing is recorded electronically in the communication protocol (a series of test scenarios and response of the User Application to the test scenarios).

Before launching in production a certified FIXAPI functionality of the User Application, the Exchange concludes with the System User a contract on using the BelexFIX through the BelexFIXAPI module.

Article 193.f.

The System User who concluded the contract set forth in 193.e. of the Rules is obliged to have in function at least one client working station with the installed client application for access and use of the BELEXFIX.

Article 193.g.

In case of changes in the certified FIXAPI functionality of the User Application, the procedure of its testing and certification is repeated in the manner set forth in articles 193.c-193.e. of the Rules

The procedure of repeated testing and certification as set forth in paragraph 1. of this article is also performed in case of changes in other functionalities of the User Application which might affect the functioning of the certified FIXAPI functionality of the User Application in the following manners:

1. They may violate the compatibility of the User Application and BelexFIX or
2. They may arise from the introduction of the new functionality of the User Application.

The System User is obliged to timely notify the Exchange of any planned change as set forth in paragraphs 1. and 2. of this article.

Upon a successful retesting and certification as set forth in paragraphs 1. and 2. of this article, the System User can begin to use the changed User Application.

Article 193.h.

In case of changes in the BelexFIX which involve changes in the User Application, the Exchange is obliged to notify the System User at the shortest possible notice of the incoming changes in detail and establish an appropriate deadline for adjusting the User Application to the changes in the system BelexFIX.

Depending on the type and scope of changes set forth in paragraph 1. of this article, the Exchange shall determine whether the System User, upon adjusting the User Application to the given changes, should repeat the testing and certification of the FIXAPI functionality of the User Application.

The repeated testing and certification of the FIXAPI functionality set forth in paragraph 2. of this article is performed according to the procedure and in the manner defined in articles 193.c-193.e. of the Rules.

Upon a successfully repeated testing and certification set forth in paragraphs 2. and 3. of this article, the System User can start to use the changed User Application.

Article 193.i.

If persons authorised by the Exchange determine that the User Application disturbs normal functioning of BelexFIX and/or jeopardizes the integrity of the BelexFIX, the Exchange shall immediately and without previous notice, suspend System User's further use of the BelexFIXAPI module.

Article 193.j.

In case set forth in article 162. of the Rules, the use of the BelexFIXAPI module is defined by a special Exchange enactment (Disaster Recovery Plan).

Article 193.k.

The provisions of the Rules regulating the rights, obligations and responsibilities of the System User and the Exchange related to the access and use of the BelexFIX through the client working station are applied accordingly to the access and use of the BelexFIX through the BelexFIXAPI module.

### **XIII**

#### **NOTIFICATION AND REPORTING**

Article 194.

The Exchange submits to the Securities Commission notices and reports within specified time lines, with contents and in the way defined by the Law and by-law of the Securities Commission.

Article 195.

Public companies whose securities have been admitted to listing or to the unregulated market shall submit the reports, notifications and information (hereinafter: the reports of public companies) to the Exchange as prescribed by the Law, by-laws of the Securities Commission and regulations of the Exchange, in accordance with instructions from Article 28 of the Rules.

Article 196.

Based on the reports of public companies, the Exchange shall publish on its Internet page the prospectus of the issuer for the organization of trading at the Exchange, in the form and with the content defined by the decision of the

Board of Directors of the Exchange concerning the volume and content of data published on the Internet page of the Exchange and reports of public companies on material events.

Simultaneously, the Exchange can provide the electronic link from its Internet page to the Internet page of a public company, on which the public company is obliged to publish the report in integral and original form, in the sense of Paragraph 1, Article 196 of the Rules.

Exceptionally, when technical conditions for fulfilling the obligation from Paragraph 2 of this Article do not exist, the public company may publish its reports on the Internet page of the Member in the manner prescribed by Paragraph 2 of this Article, in which case the Exchange shall provide the electronic link (link) to the Internet page of the Member.

Article 197.

The Exchange shall keep records on submitted and published reports of the public company chronologically, according to the time of receipt and the type of report.

The records from Paragraph 1 of this Article shall include particularly:

- the name and the registered office of the public company;
- the business activity of the public company;
- the name of the report of the public company;
- the date of receipt of the public company's report;
- the date of publishing the public company's report on the Internet page of the Exchange.

Article 198.

The Exchange, by means of the information system, keeps record on trading performed at the Exchange by security, movement of supply and demand, price of a security, methods of trading, auctions, activities performed at the regulated or unregulated market, as well as other records.

Besides collective records the Exchange keeps special records according to the type of security and particular participants in trading.

Article 199.

Information on the course of the trading session which is not publicly disclosed may be available upon the approval of the Director of the Exchange only to authorized persons employed with the Exchange, i.e. persons who are in compliance with the Law and Exchange regulations authorized to obtain such information, upon their written request and with the previous written approval of the Director of the Exchange.

Article 200.

The Exchange shall issue the following:

- daily report on trading containing the data on trading at the regulated and unregulated market, according to the type of securities and the index movement;
- quotation list containing the data on securities traded on that day, quantities, prices and change of prices;
- weekly reports containing the data on trading in securities at the regulated and unregulated market, turnover structure according to the method of trading, type of security, Members and the index movements;
- monthly reports containing the data on trading in securities at the regulated and unregulated market, method of trading, with a review of the exchange sessions, turnover structure according to the Members, the index movement, the necessary comparative data on turnover and number of transactions by months in

the previous 12 months and the like;  
- periodical statistics and the like.

Article 201.

The reports from Article 200 of the Rules are released on the Internet page of the Exchange.

The Exchange shall on a daily basis submit the Quotation list from Article 214 of the Rules for publishing in at least two daily papers sold in the entire territory of Serbia, and shall publish it on the Internet page of the Exchange.

The Exchange submits the reports from Article 200 of the Rules to the Securities Commission, in the period prescribed by the Law, the by-law of the Securities Commission and the Rules.

The Exchange shall submit the reports from Article 200 of the Rules to other bodies, institutions and persons upon their written request and after the approval of the Managing Director of the Exchange.

Article 202.

The Exchange, through the Belex service, enables the distribution of data from trading on the Exchange, in real time and out of real time.

The volume and terms of distribution and use of data referred to in paragraph 1. Of this article are established by a special contract concluded between the user and the Exchange depending on the type of service.

Article 203.

Members must not distribute, communicate or analyze the information, analyses, comments and announcements of the Exchange or release them to the public and publish them under their name without stating their source and the symbol and logo of the Exchange.

Members must not use the advertisements, advice and information based on the sources of the Exchange or which constitute the archives of the Exchange without previous authorization of the Managing Director of the Exchange.

Article 204.

In their communication with the public, Members and their employees are obliged to comply with the usual standards prescribed by the Law and the code of ethics in compliance with the Rules.

Forecasts of future events and recommendations given by the Members must be explained and supported with data on which the forecasts were based and it must be clearly stated that these are forecasts and recommendations.

The Member is obliged to issue the information from the scope of operations of the Exchange in its original form.

Article 205.

The access to the Press Room is provided only to accredited reporters.

The Managing Director of the Exchange shall decide on issuing and revoking the accreditations granted to newspapers, agencies and reporters in order to cover the work at the Exchange.

Article 206.

The Exchange issues the official gazette, the Bulletin, in which the data on trading in securities are released, as well as the information on the status and operation of the Exchange and its bodies and commissions, information on operation of the Members, texts of the rules and regulations of the Exchange which are upon decision published in the gazette of the Exchange, special additions and other data prescribed by the Managing Director of the Exchange. All data, news, information and rules and regulations published in the Bulletin

are official.

The Exchange publishes the Bulletin monthly and, if it is considered necessary, special issues may be released.

#### **XIV**

##### **EDUCATION**

Article 207.

The Exchange shall organize educational activities for the employees of the Exchange, employees of the Members, representatives of the media and other interested parties.

The Exchange may organize educational programs in cooperation with educational, scientific and other institutions.

The aim of education is to spread the knowledge of the Exchange business, securities and other financial instruments and the related economic and legal issues in order to increase the number of potential participants in trading and provide timely and accurate information to the public.

Article 208.

The Exchange may organize educational training for acquiring knowledge or for improving the knowledge and skills necessary for performing the Exchange operations.

Article 209.

The Exchange shall organize publishing activities. They shall involve publications on the Exchange business and its particular aspects.

The Exchange shall participate in the publishing activities of other publishers when their subjects are publications on different issues of the Exchange business.

#### **XV**

##### **TRANSITORY AND FINAL PROVISIONS**

Article 210.

Provisions of the Rules related to the at-the-close phase of trading shall not be implemented until the Board of Directors passes a special decision on activating trading in the at-the-close phase.

Article 211.

Primary trading in debt securities (public offer of securities in the procedure of issuing) issued by the Republic of Serbia or the National Bank of Serbia can be organized at the Exchange, at the request of the issuer, by the methods of trading defined by the Rules.

The Board of Directors of the Exchange determines and publishes general criteria for the application of a trading method in the sense of Paragraph 1 of this Article.

Article 212.

The Board of Directors may transfer certain authorizations from the Rules to the Managing Director of the Exchange.

Article 213.

The Board of Directors of the Exchange shall issue the authentic interpretation of the provisions of the Rules upon a duly justified request, in the written form.

The headings of certain chapters of the Rules, as well as the subheadings within the chapters, shall solely have the function of enabling an easier viewing of the text and have no significance for the interpretation of particular provisions of the Rules.

Article 214.

The Board of Directors of the Exchange prescribes further instructions for implementation of the provisions of the Rules.

Article 215.

The Rules and their modifications and amendments are published on the Internet page of the Exchange on the next day from the date of receipt of the approval of the Securities Commission and shall enter into force 8 (eight) days from the date of publication.

The Rules together with their modifications and amendments are published in the official gazette of the Exchange, after the approval of the Securities Commission.

On the date of these Rules entering into force the Rules of Business Operation of the Belgrade Stock Exchange a.d. Belgrade No. 04/2-257/07 from 29.1.2007. and No. 04/2-3534 from 7.9.2007, cease to be valid.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

Veroljub Dugalić, Prof. Ph D.

01/1 No. 3372/08

DECLARATION OF RULES OF BUSINESS OPERATION ENTERING INTO FORCE

The Rules of Business Operation of the Belgrade Stock Exchange (No.: 04/2-3821/07, including modifications and amendments No.: 04/2-236/08 and 04/2-1020/08, hereinafter the Rules) were changed and amended by the decisions of the Board of Directors (No.: 04/2-3065/08, from 7.10.2008, and 04/2-3153/08, from 15.10.2008). The Securities Commission (Decision No. 5/0-06-5471/8-08, from 15.10.2008) approved the Decision on modification and amendments to the rules No: 04/2-3153/08 from 15.10.2008 (and the Decision, with the updated text of the rules No: 04/2-3153/08 came into force on 16.10.2008), and by Decision No. 5/0-06-5471/11-08, from 6.11.2008 on the Decision on modifications and amendments of the Rules (No: 04/2-3065/08, from 7.10.2008) it approved the updated text of the Rules of Business Operation 04/2 no. 3154/08 from 15.10.2008.

The Decision on changes and amendments of the Rules of Business Operation of the Belgrade Stock Exchange (04/2-3065/08) with the updated text of the Rules of Business Operation of the Belgrade Stock Exchange (No: 04/2-3154/08) with incorporated modifications and amendments established by the decisions of the Board of Directors number: 04/2-3065/08, from 7.10.2008, and 04/2-3153/08, from 15.10.2008,

WAS PUBLISHED ON THE INTERNET PAGE OF THE BELGRADE STOCK EXCHANGE, on 7.11.2008, and IT COMES INTO FORCE

on the eight day after being published on the Internet page of the Exchange, (first working day)

- 17 NOVEMBER 2008 –

**BELGRADE STOCK EXCHANGE**

**Gordana Dostanić, Managing Director**

## APPENDIX

### Technical Conditions for Use of the Remote Trading System - BelexFIX

For the purpose of providing conditions for transfer to remote trading on the Remote trading system – Belex on the basis of the FIX protocol, the Member is obliged to provide the following technical conditions:

- Server:

- o 2 Dual core processors
- o 4 GB RAM,
- o 3 HDD (Raid 5),
- o Network card 100 Mbps, with UTP connection,
- o CD ROM,
- o Monitor, keyboard and mouse,
- o Microsoft Windows Server 2003

- Personal computers (client work station) with the following characteristics:

- o Processor Pentium IV,
- o 1 GB RAM-a,
- o 160 GB Hard Disk,
- o Network card 100 Mbps, with UTP connection,
- o CD ROM,
- o Monitor, keyboard and mouse,
- o Windows XP Professional

Technical equipment of the Member for access to and use of the BelexFIX is defined at the level of the server and client work stations. This computer structure is linked to the Exchange by the communication line of a certain type defined by special instructions of the Exchange Board of Directors. In order to provide more security in work, the Member can provide a reserve line of a different type, in addition to the basic telecommunication line.

The provision of the cited technical conditions is the precondition for installation and testing of the BelexFIX.

**Note: Only the Serbian version of this document is legally binding. This translation is provided for information only**

#### **ANNOUNCEMENT OF THE AMENDMENT TO THE RULES OF BUSINESS OPERATION OF THE BELGRADE STOCK EXCHANGE**

The Rules of Business Operation of the Belgrade Stock Exchange jsc, Belgrade (number: 04/2-3821/07, with modifications and amendments number: 04/2-236/08, 04/2-1020/08, 04/2-3153/08 i 04/2-3154/08, hereinafter Rules of Business Operations), are amended by the Decision of the Board of Directors (number: 04/2-690/09, od 18.3.2009) and approved by the Decision of the Securities Commission (no. 5/0-06-5471/23-08, od 20.3.2009. godine). The amendment determined by the said Decision is incorporated into the updated text of the Rules of Business Operation (number: 04/2-690/09).

**The Decision on the Amendment to the Rules of Business Operation of the Belgrade Stock Exchange: 04/2-690/09) with the updated text of the Rules of Business Operation was PUBLISHED ON THE EXCHANGE INTERNET PAGE, on 20.3.2009.godine, and COMES INTO EFFECT**

**on the first (working) day upon being published on the Exchange internet page**

**- on March 23, 2009 –**

**BELGRADE STOCK EXCHANGE**

**Gordana Dostanić, Managing Director**