

RULES OF BUSINESS OPERATION OF THE BELGRADE STOCK EXCHANGE

NOTE:

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

01/1 no. 3430/12

ANNOUNCEMENT OF THE REGULATORY EXCHANGE DOCUMENTS

The Security Commission passed a Decision (no. 5/0-04/242/17/12, dated 26.4.2012) adopting the following regulatory documents in the procedure of harmonizing the Belgrade Stock Exchange regulations, organization and business operation requirements with the Law on the Capital Market (RS Official Gazette no. 31/11) and the Company Law (RS Official Gazette no. 36/11 and 99/11):

- (1) Memorandum of Association (04/1 no. 466-1/12);
- (2) Articles of Association (04/1 no. 467-1/12);
- (3) Rules on Listing (04/2 no. 3163-1/12);
- (4) Rules of Business Operation (04/2 no. 3242-1/12);
- (5) Tariff Regulations (04/2 no. 3165-1/12);

PUBLISHED ON THE EXCHANGE WEBSITE on 26.4.2012 and shall

COME INTO EFFECT

upon expiry of 8 (eight) days after being published on the Exchange website:

- ON 7 MAY 2012 -

BELGRADE STOCK EXCHANGE
Managing Director
Gordana Dostanic

Contents

I GENERAL PROVISIONS	4
II EXCHANGE OPERATIONS	7
III EXCHANGE MEMBERSHIP.....	7
1. Becoming a Member.....	8
2. Exchange Member’s Broker.....	11
3. Termination of membership.....	12
4. Temporary suspension of Member	14
5. Temporary suspension of authorized broker status (cancellation of trading licence).....	15
6. Temporary suspension of Member’s broker	15
7. Revocation of trading licence	15
8. Code of ethics	16
9. Mutual rights and obligations of Exchange and Member/Member’s Broker.....	17
10. Market makers.....	20
11. Resolution of disputes between Exchange and Members and disputes between Members	21
IV SUPERVISION OF EXCHANGE MEMBERS’ OPERATIONS	21
V EXCHANGE MARKETS.....	22
VI ADMISSION OF SECURITIES.....	23
1. Regulated Market	23
2. Open Market.....	23
3. Obligations of issuer whose securities are admitted to the Open Market.....	25
4. MTP Belex	26
VII EXCHANGE TRADING.....	27
1. Trading orders.....	28
2. Trading	31
3. Single price auction.....	33
4. Continuous trading	34
5. Block trading	36

6. Derivatives trading.....	38
7. Transactions.....	38
8. Reporting transactions concluded on OTC	40
9. Temporary suspension of trading on Open Market	40
10. Termination of temporary suspension of trading on Open Market and continuation of trading on Open Market	42
11. Temporary suspension of trading on MTP Belex and continuation of trading on MTP Belex	43
12. Termination of temporary suspension of trading and exclusion from Open Market or MTP Belex.....	43
13. Exclusion from Open Market or MTP Belex.....	44
14. Legal remedy.....	45
VIII SUPERVISION AND CONTROL.....	45
1. Measures and procedures for detection and prevention of market manipulation	46
2. Assessment principles on suspicion of market manipulation	46
3. Supervision and control of Exchange Member.....	46
4. Supervision of issuers included in the Open Market and supervisory measures.....	50
IX ORGANIZATION AND USE OF BELEXFIX	51
1. Conditions for access to and use of BELEXFIX	52
2. Conditions for access to and use of BelexFIX via BelexFIXAPI module.....	57
X NOTIFICATION AND REPORTING	59
1. Education	61
XI RESOLUTION OF CONFLICTS OF INTEREST	61
XII RISK MANAGEMENT, PERSONAL TRANSACTIONS AND PREVENTION OF DISCLOSURE OF CONFIDENTIAL OR INSIDE INFORMATION.....	62
XIII TRANSITORY AND FINAL PROVISIONS	62

Subject to article 53, paragraph 1, item 7 of the Belgrade Stock Exchange Memorandum of Association, for the purpose of adjusting to the Company Law (Exchange no: 04/1 no. 1395-1/09, certification no. at IV Municipal Court in Belgrade III - 954/09) and with respect to articles 116 and 299 of the Law on the Capital Market (RS Official Gazette no. 31/11, hereinafter: Law) and conclusions of the Securities Commission (no. 5/0-04-242/8-12 and 5/0-04-242/12-12), the Board of Directors of the Belgrade Stock Exchange j.s.c Belgrade at the VI/12 meeting held on 23.04.2012, adopted the following:

RULES OF BUSINESS OPERATION¹ OF THE BELGRADE STOCK EXCHANGE

I GENERAL PROVISIONS

Article 1.

The Belgrade Stock Exchange (hereinafter: Exchange) Rules of Business Operation (hereinafter: Rules) regulate the following issues:

- 1) Exchange operations, including conditions and methods of performing operations;
- 2) conditions for acquisition and termination of membership and the trading licence, including the rights and obligations of Exchange members;
- 3) admission of financial instruments which, in compliance with the Law, can be traded on the regulated market and the multilateral trading platform, organized and managed by the Exchange, including conditions for transition among market segments, temporary suspension and exclusion from trading;
- 4) types and conditions of securities trading;
- 5) method of disclosing information on the Exchange trading;
- 6) supervision of trading, including rules and procedures for detecting and preventing market manipulation;
- 7) other issues related to the Exchange operation.

The provisions of the Rules with respect to securities shall be applied accordingly to all issues not specifically regulated for other financial instruments.

The provisions of the Rules with respect to the segment of the regulated market which is not listing shall be applied accordingly to all issues not specifically regulated for the multilateral trading platform managed by the Exchange (hereinafter: MTP Belex).

Article 2.

Certain expressions used in the Rules and other regulatory Exchange documents in the appropriate case and number shall have the following meaning:

**-ACCOUNTING VALUE
OF A SHARE**

- 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;

-AUTHORIZED USER

- broker of a Member – System user, authorized by the System user to use the client application for access to and use of BelexFIX, under conditions and in the manner defined by the Exchange Rules and other regulations;

**- BACK-UP SITE OF
EXCHANGE MEMBER/SYSTEM
USER**

- Exchange Member's server fulfilling technical conditions prescribed by the Rules, with installed client application for access to and use of BelexFIX, under the conditions and in the manner prescribed by the Rules;

¹ The text of the Rules of the Exchange is amended in accordance with the Decision of the Exchange (01/1 no. 4002/12, of May 3rd 2012)

- **BELEXFIX** – unique information system of the Exchange – 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;
- **BelexFIXAPI MODULE** – Exchange program module enabling direct electronic connection between BelexFIX and application of the System user (certified by the Exchange with respect to FIXAPI functionalities), for the purpose of using the Exchange FIXAPI service under the conditions defined by the Rules;
- **BLOCK TRADING** – a block transaction in a security traded on the regulated market or MTP Belex, which has been concluded outside the session at which trading is conducted by the single price auction method or continuous trading method, in a bilateral relation of one buyer and one seller and according to conditions prescribed by the Rules;
- **CLIENT APPLICATION** – Exchange trading software installed on servers and client work stations of the System users and on the Exchange help-desks, which forms the integral part of the BelexFIX;
- **CLIENT WORK STATION** – personal computer of the Exchange Member satisfying technical requirements prescribed by the Rules, on 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;
- **DERIVATIVES** – financial instruments whose value depends on the price of the underlying instrument (share, bond, foreign currency, certain type of commodity, exchange indices or others), with standardized elements (type, quantity, quality and other properties);
- **ELECTRONIC ORDER BOOK** – electronic database containing the Members' trading orders placed electronically to the BelexFIX, with the allocated status of the trading order in compliance with the Rules;
- **FLUCTUATION ZONE MODEL** – a set of applied fluctuation zones, which always contains AFZ, applied independently or in combination with SFZ and/or DFZ;
- **ABSOLUTE FLUCTUATION ZONE /AFZ/** – the largest possible price deviation from the reference price, e.g. the price range within which a transaction is permitted at the same trading session;
- **STATIC FLUCTUATION ZONE /SFZ/** – price deviation from the reference price, which activates extraordinary trading phases;
- **DYNAMIC FLUCTUATION ZONE /DFZ/** – price deviation from the previous price of a security, activating a set of phases within a daily auction;
- **HELP-DESK** – work station with the installed trading application, on the Exchange premises, which Members may use for independent entering of trading orders into the BelexFIX, in the cases and in the manner stipulated by the Rules;
- **ISSUER** – entity which issued the securities or other financial instruments traded on the regulated market or MTP Belex;
- **LISTING COMMITTEE** – Belgrade Stock Exchange Committee performing activities with respect to admission of securities and other financial instruments to the listings of the regulated market and other activities stipulated by the Rules on Listing and the Rules;

- MAIN SITE OF EXCHANGE MEMBER/SYSTEM USER	- information system of Exchange Member for trading on the Exchange, through which the Exchange Member performs all activities related to communication, network and processes required for access to and use of BelexFIX;
- MARKET MAKER	- Member who fulfilled conditions prescribed by the Law and signed with the Exchange a market making contract obliging him to continually submit buy and sell orders for his account and for the securities defined by the contract, under the conditions stipulated by the contract and by the Rules;
- MEMBER	- legal entity – investment company (broker-dealers company or authorized bank) which in addition to conditions prescribed by the Law and by-laws regulating the operation of investment companies, has fulfilled the conditions and criteria stipulated by the Rules and which was granted the membership status by decision of the Exchange Board of Directors;
- MEMBER'S BROKER/AUTHORIZED BROKER	- physical person who, in addition to conditions stipulated by the Law and by-laws, has fulfilled the conditions and criteria stipulated by the Rules for issuing the trading licence, who is authorized by the Exchange Member to participate in his name and for his account in concluding transactions at the Exchange and who was granted the trading licence by the decision of the Exchange Board of Directors;
- PERSONAL IDENTIFICATION MAGNETIC CARD	- identification badge with a unique identification code of the user – Member's broker, who is obliged to carry the aforesaid badge and display it in a visible manner when visiting the Exchange;
- PRICE INCREMENT	- the least possible increment in the price relative to the last price achieved for every type of security;
- PRIVILEGED INFORMATION	- any information on precisely established facts, concerning directly or indirectly one or more issuers or one or more securities, which is not publicly available and which would probably, if publicly available, significantly affect the price of the said securities or the price of derivatives, presuming that a rational investor would probably consider such information when making his investment decisions;
- QUOTED PRICE	- price of security from a trading order;
- REFERENCE PRICE	- single price established at the previous trading session in single price auction, i.e., closing price established at the previous trading session in continuous trading. For the first trading in a security the reference price is determined in compliance with the Rules;
- SERVER – REGISTERED CLIENT CENTER	- server of the Exchange Member fulfilling technical conditions prescribed by the Rules, with the installed client application for access to and use of the BelexFIX under the terms and in the manner defined by the Rules;
- SYSTEM USER	- Exchange Member who uses the BelexFIX through authorized users, in compliance with Exchange regulations;
- TRADING ORDERS	- orders placed by Members at trading sessions for trading in a specific security, in compliance with the Rules. A trading order from the group of special orders cannot be used if it has not been explicitly allowed by the decision of the Exchange Board of Directors 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;

- **TRADING SESSION** – time in which individual trading sessions are organized by market segments;
- **TRANSACTION CONTRACT** – contract on buying and selling securities and other financial instruments, concluded at the Exchange, produced in electronic form;
- **USER APPLICATION** – 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 performs the activities of a market organizer in line with the Law and manages, i.e., operates the regulated market and the multilateral trading platform (MTP).

The Exchange performs the following activities on the regulated market:

- (1) connecting or facilitating connection of various interests of third parties with respect to buying or selling securities on the market, in line with market regulations and in a manner leading to the conclusion of a contract with respect to the securities included in trading;
- (2) keeping and issuing information on demand, offer, quotation and market prices of securities, as well as other information relevant to securities trading in compliance with the Law and Securities Commission regulations (hereinafter: by-laws);
- (3) establishing and executing:
 - 1) criteria for Exchange membership,
 - 2) criteria for admission of securities, temporary suspension and exclusion from trading,
 - 3) criteria for securities trading,
 - 4) supervision of securities trading for the purpose of preventing and detecting violation of the Rules, Law and by-laws, particularly with respect to provisions regulating market manipulation,
 - 5) procedures for instigating disciplinary actions against Exchange members and authorized brokers of Exchange Members who act contrary to the regulatory Exchange documents, Law and by-laws;
- (4) Performing other activities related to the regulated market in line with the Law and by-laws.

The provisions of article 2, item (1), (2), and (3), sub-item 1) – 4) of this article are applied to the MTP Belex accordingly.

In addition to the activities set out in paragraph 1. of this article, the Exchange performs other activities in compliance with the law, by-laws, the Rules and other regulatory Exchange documents.

III EXCHANGE MEMBERSHIP

Article 4.

Trading in securities at the Exchange is performed by Exchange Members who acquired the status under the conditions and in the manner stipulated by the Rules.

Other persons perform trading in securities at the Exchange only through the Exchange Members.

As an exception to paragraph 2 of this article, the Republic of Serbia and the National Bank of Serbia perform securities trading at the Exchange directly, without intermediation of Exchange Members, by previously fulfilling professional and technical requirements stipulated by the Rules for acquiring the Exchange membership status and subject to the contract concluded with the Exchange.

Article 5.

The activities prescribed by the Rules with respect to the Exchange membership are performed by the Exchange Board of Directors, unless otherwise specified by the Rules.

The activities prescribed by the Rules with respect to the authorized broker status are performed by the Exchange Managing Director, unless otherwise specified by the Rules.

1. Becoming a Member**Article 6.**

The Exchange membership may be obtained by investment companies (broker-dealers companies and authorized banks) who, in line with the Law and by-laws, have been granted a licence by the decision of the Securities Commission allowing them to perform the activities of an investment company.

The Exchange membership is obtained by the Exchange decision approving the membership application, with prior fulfillment of requirements stipulated by the Rules for acquiring the Exchange membership, and the applicant for the membership status may solely be the person from paragraph 1 of this article (hereinafter: applicant).

The Exchange Member is authorized to perform the Exchange transactions for which, in line with the Law and by-laws, he was granted a licence by the Securities Commission by decision set out in paragraph 1 of this article and to trade in securities admitted to the Exchange.

Article 7.

In addition to complying with legal requirements for performing activities of an investment company, the applicant for Exchange membership is obliged to fulfill at any time, when applying and during its membership status, the following general prerequisites for the Exchange membership status:

- (1) professional qualifications for becoming a member:
 - 1) appointment of at least two persons employed with the applicant, who are authorized to conclude transactions at the Exchange in his name and for his account and to access to and use BelexFIX in the capacity of an authorized user in compliance with these Rules and who meet the requirements defined by the Rules for granting the trading licence to the Exchange Member's broker;
- (2) technical requirements and organization for Exchange membership:
 - 1) providing conditions from the appendix to the Rules – 'Minimal technical requirements for the use of the remote trading system - BelexFIX', which enable continual and reliable communication with the BelexFIX,
 - 2) to accommodate the server and the client work station in safe and adequate premises in their business office, unless otherwise regulated by the Rules; the premises must be properly air-conditioned and with proper power supply equipment, including back-up supply systems, with prohibited access to the Exchange Member's unauthorized staff.
 - 3) that the shareholder owning a majority interest (over 50%) in the equity of the applicant, broker/dealer and members of the applicant's management do not have and have not had that status with an Exchange Member who was, in the period of 2 years prior to the application, imposed suspension of trading for the duration of 6 months or lost the membership status due to a permanent exclusion from the Exchange.

Article 8.

The procedure for becoming a member begins with a completed application form (hereinafter: Application) submitted to the Exchange.

The content and form of the application from paragraph 1 of this article are determined by the decision of the Exchange Managing Director.

Article 9.

Along with the application form, the broker-dealers company applying for the membership status shall submit the following documentation:

- (1) Memorandum of Association,
- (2) Articles of Association,

- (3) Rules of Business Operation,
- (4) Tariff Regulation,
- (5) statement of the authorized registry certifying the applicant's registration,
- (6) licence of the competent body for performing the registered activities and approval of regulations set out in items 1-3 of this paragraph,
- (7) proof of membership at the Central Securities Depository and Clearing House (hereinafter: Central Registry),
- (8) proof of membership at the Fund for Protection of Investors in compliance with the Law,
- (9) revised financial statement for the previous financial year,
- (10) details of the qualified equity interest pursuant to which the applicant participates in the management or has equity interest in another company in line with the Law,
- (11) collateral determined by the decision of the Exchange Managing Director for securing financial liabilities to the Exchange, with authorization to dispose of the said collateral and statement of the National Bank of Serbia certifying the registration of the collateral (bill of exchange/authorization) in line with the law and decisions of the National Bank of Serbia,
- (12) documentation, proof and irrevocable statements on fulfilling the conditions for Exchange membership prescribed by the Rules,
- (13) applicant's irrevocable statement on accepting all provisions of the Exchange regulatory documents, as well as their amendments and modifications, with obligation to observe and execute the said provisions,
- (14) irrevocable statement that he shall not start the activities with respect to termination of his membership at the Central Registry and the Fund for Protection of Investors and his removal from the Securities Commission Registry of Investment Companies, before completing the procedure of termination of membership at the Exchange, all in line with the provisions of the Rules,
- (15) applicant's irrevocable statement that he shall harmonize his regulations and business operation requirements with the Exchange regulations, within one month at the latest from the day of obtaining the membership status, and that the regulations and business requirements shall regularly be adjusted to the modifications and amendments to the Exchange regulations within the period defined by the Exchange regulations,
- (16) appointment of persons who shall perform Exchange transactions and documentation set out by the Rules evidencing that the persons fulfill the Exchange requirements for granting the trading licence to an Exchange Member's broker,
- (17) Proof of paid application fee in the amount determined by the Exchange Tariff Regulations.

The statements from paragraph 1 of this article must be composed in Serbian and certified in accordance with the rules regulating the certification of signatures.

Along with the membership application, the applicant submits the Contract on Exchange Membership (of the form and content established by the Exchange Managing Director), signed and certified by the applicant.

The provisions of paragraph 1 of this article are applied accordingly to the authorized bank in the capacity of the applicant.

In order to take into consideration all membership requirements, the Exchange may request additional proof and documentation.

In case the Application is not accompanied by complete documentation in terms of this article, the Exchange may prolong the period in which the Applicant must submit the required documentation, which cannot exceed eight days.

In case the applicant does not submit the required documentation within the subsequently specified period, the Exchange shall submit the application to the Board of Directors, with the proposal that the application be rejected.

The day of receipt of membership application is deemed to be the day of receipt of complete documentation in terms of this article, i.e., the day after the expiry of the deadline set in paragraph 6 of this article.

Article 10.

The Exchange shall decide on the membership Application within 30 days from the day of its receipt.

Upon submission of the Application, the Exchange may:

- (1) dismiss the application in case it is not composed in terms of articles 8 and 9 of the Rules, and notify the applicant accordingly;

- (2) pass the decision to reject the application if it is established that the membership requirements prescribed by the Rules are not met, notify the the applicant accordingly and publish the decision on the Exchange website;
- (3) pass the decision on granting the membership if the applicant meets the requirements prescribed by the Rules, notify the applicant and publish the decision in accordance with the Rules.

The Exchange decision is final and administrative proceedings may be instigated against it in line with the Law.

In the event set forth in paragraph 1, items 1 and 2 of this article, a new membership application may be filed upon the expiry of 6 months at the earliest from the day of dismissal, i.e., passing the decision.

The Exchange notifies the Securities Commission of approving or rejecting the membership application, by the enactment from paragraph 1 of the Rules, within three business days from the day of its passing.

Article 11.

The applicant shall pay the membership fee and other fees and liabilities defined by the Exchange Tariff Regulations (hereinafter: Tariff) in the Exchange account within 15 days from the day of receiving the decision set forth in article 10, paragraph 2, item (3) of the Rules.

The decision from article 10, paragraph 2, item 3 of the Rules comes into force and is applied on the day of meeting the obligation set forth in paragraph 1 of this article and is published on the Exchange website. Upon its coming into force, the Exchange concludes a contract with the applicant pursuant to article 9, paragraph 3 of the Rules.

In the event the applicant fails to meet the obligations from paragraph 1 of this article, the Exchange Board of Directors may set a subsequent deadline for fulfilling the said obligation, which cannot exceed one month. If the applicant fails to meet the obligation from paragraph 1 of this article upon the expiry of the additional period, the Board of Directors shall annul the decision on granting the Exchange membership status.

The decision from paragraph 3 of this article shall be sent to the applicant and published on the Exchange website and the Exchange shall notify the Securities Commission in the manner set forth in article 10 of the Rules.

Article 12.

On the day of gaining membership pursuant to article 11 of the Rules, the Exchange Member and its authorized brokers, agree irrevocably on accepting all provisions of the Rules and other regulatory Exchange documents, as well as their modifications and amendments, with the obligations of complying with and implementing the above said.

The Exchange is authorized to activate the collaterals from article 9, item 11 of the Rules if the Exchange member fails to pay his financial and other dues arising from the concluded transactions or provisions of the Rules, other regulatory Exchange documents or the Tariff.

Article 13.

The Exchange member is obliged to constantly – at any time – fulfill the requirements from article 7 of the Rules.

In the event the Exchange member ceases to fulfill one of the requirements from article 7 of the Rules, the Exchange Board of Directors may establish an appropriate deadline, which cannot exceed two months, within which the Exchange member is obliged to fulfill the said requirement. If the Exchange member fails to comply with the requirement from article 7 of the Rules even upon the expiry of the set deadline, the Board of Directors shall pass the decision on termination of membership.

Article 14.

The Exchange Managing Director is authorized to change or amend the decision of the Exchange Board of Directors on granting the membership in the event that the Exchange member changed his business name, the scope of his registered activities and/or registered business unit, in line

with the decision of the Securities Commission on approving the regulatory documents of the Exchange member pursuant to the performed changes.

2. Exchange Member's Broker

Article 15.

The Exchange Member's broker is a physical person authorized by the Exchange Member to participate in his name and for his account in concluding transactions on the Exchange and who was granted the trading licence by the Exchange decision pursuant to the written application submitted by the Exchange Member.

The Exchange Member's broker may solely be a person who fulfills the conditions prescribed by the Law, by-laws and the Rules, and:

- (1) he has to have permission of the Securities Commission for performing brokerage activities, i.e., he has to be registered in the registry of persons licenced to perform brokerage activities in line with the the Securities Commission by-law.
- (2) he has to be recorded by the Exchange as a person who was sucessfully trained to work on the BelexFIX.
- (3) he has to be employed with the Exchange Member for indefinate period (upon the expiry of trial period, if applicable), with full time job and in the position for performing broker and dealer operations,
- (4) he must not have a criminal record with the competent state body for internal affairs and must not be registered in court as being subject to the legal consequences of conviction in line with the Law,
- (5) He must not be registered in the Exchange record on persons who were in the period of two years preceding the submission of application from paragraph 2 of this article, issued a final sanction for vilating the regulated market rules prescribed by the Rules, i.e., that a legal procedure is not being carried out at the moment of application for establishing the said violation.

Article 16.

In addition to the application, the Member shall submit the following documentation and proofs:

- (1) Securities Commission permission for performing brokerage activities, i.e., diploma, confirmation or certificate of the Securities Commission that the broker has passed the professional exam for performing operations at the Exchange,
- (2) Statement of the Member certifying that the person is employed for indefinate period (without closing the contract on trial period, i.e., the trial period has expired), with full time employment with the Member and that he is in the position for performing broker or dealer operations,
- (3) Extract from the record of the competent state authority and court certifying the fulfillment of the conditions stipulated in article 15, paragraph 2, item (4) of the Rules (not older than three months),
- (4) Member's decision on appointing the broker to conduct Exchange operations in his name and for his account and to access and use BelexFIX, with irrevocable statement that it accepts all broker's obligations as his own,
- (5) Irrevocable statement of the Member confirming that the collateral instruments of the Member submitted to the Exchange may be used as security instruments for executing obligations arising from the business transactions the broker shas concluded at the Exchange,
- (6) Card with deposited signature of the proposed person – broker and one photograph,
- (7) Proof of paid application fee for trading licence in the amount established by the Exchange Tariff,
- (8) Other documentation and proofs in line with the Rules.

Upon submitting the application from article 15, paragraph 1 of the Rules to the Exchange, in the event that the person for whom the application is submitted is not in the Exchange record as set out in article 18 of the Rules, the person is obliged to successfully meet the requirements stipulated by article 15, paragraph 2, item (2) of the Rules within the period set by the Exchange.

Article 17.

The day of receipt of the trading licence application is considered to be the day when the application is received with complete documentation in terms of article 16 and paragraph 3 of this article, and the Exchange shall pass the decision within 30 days from the day of its receipt.

When deciding whether to grant the trading licence, the Exchange can take into account the following:

- Number of issued trading licences within the same investment company during the previous year,
- Number of trading licences issued to the person according to authorizations of the Exchange Members during the previous year,
- Number of investment companies the person was employed with during the previous year.

The Exchange may require additional proofs and documentation in order to consider what caused the circumstance set forth in paragraph 2 of this article.

The provisions of the Rules with respect to the decision on the Exchange membership are applied accordingly to the decision on granting the trading licence.

The decision on granting the trading licence contains the broker's authorization by which the Member authorizes him to perform operations at the Exchange in his name and in line with the Rules and other Exchange regulations.

The Exchange Member shall promptly notify the Exchange of any change in the rights and responsibilities conveyed to its authorized broker and particularly of the change in facts based on which the person was issued the trading licence.

Article 18.

The Exchange maintains a record of persons who were granted the trading licence, including the information about their successful completion of training to work on the BelexFIX.

The Exchange shall erase the information that the person was trained to work on the BelexFIX from the record set out in paragraph 1 of this article in the event of substantial and/or conceptual modifications of the Rules and/or functionality of BelexFIX.

At the request of the Exchange Member, the Exchange shall issue a confirmation that the person (named in the request) was entered in the record kept by the Exchange in terms of the provisions of this article. The said confirmation may also be issued at the personal request of the person from paragraph 1 of this article.

The Exchange may also issue a confirmation on the data from the record in terms of paragraph 1 of this article at the request of the body and the person requiring such information within the scope of their competence with respect to public procurement, proceedings conducted by the competent authority for internal affairs, proceedings conducted before a competent court, investigation or criminal proceedings and in other cases when the Exchange concludes that acting upon the request for providing such data is meaningful or justified.

3. Termination of membership**Article 19.**

The Exchange membership may be terminated for the following reasons:

- (1) at the written and explained request of the Exchange Member, under the conditions determined by the Rules (hereinafter: voluntary termination of membership),
- (2) in case the competent authority revokes the Exchange Member's working licence,
- (3) In case the Exchange Member fails to comply with the provisions of the Articles of Association, Rules of Business Operation and other Exchange regulations,
- (4) if the Exchange Member harms the reputation of the Exchange and other Exchange Members by its conduct, action and representations,
- (5) if the Exchange Member fails to harmonize its rules and business requirements with the Exchange regulations within the set deadline,

- (6) if the Exchange Member fails to submit the collateral determined by the Exchange regulations, along with the certification of the National Bank of Serbia as stipulated in article 9, item (11) of the Rules,
- (7) by cessation of any of the requirements for acquiring the membership in line with the Rules,
- (8) if the Exchange Member, in spite of a warning, within the deadline set forth in the warning, which cannot be less than eight days from the day of its receipt, fails to meet the financial obligations towards the Exchange,
- (9) in the event the Exchange Member was issued a permanent trading ban.

The Exchange membership can also be terminated if the Board of Directors concludes that the Exchange Member in its application and/or documents enclosed with the membership application for the Member, i.e., the authorized broker, fails to outline the important facts or provided incorrect information.

Article 20.

The Exchange membership cannot be terminated before the expiry of the trading order the Member placed to the BelexFIX, which he has not withdrawn in line with the Rules.

Exceptionally from paragraph 1 of this article, and in the event referred to in article 19, paragraph 1, item (2) of this article, the Exchange membership shall terminate on the first next day upon receipt of the final decision of the competent authority on revocation of the working licence from the Exchange Member unless otherwise stipulated by the said decision, and the Exchange shall promptly withdraw his trading orders placed to the BelexFIX.

Article 21.

In the event of requesting a voluntary termination of membership, the Exchange Member – applicant – shall, along with the request, submit to the Exchange the decision of the Exchange Member’s competent body on the submission of request for the Exchange membership termination, stating the reasons for which the termination of Exchange membership is requested.

Upon receipt of request and decision from paragraph 1 of this article, the Exchange shall immediately suspend the right of the Exchange Member and its authorized brokers to use BelexFIX for placement of trading orders, unless otherwise stipulated by the Rules.

Upon receiving the clients’ orders for withdrawing the orders placed to the BelexFIX, the Exchange Member shall immediately submit the received orders to the Exchange controller and not later than the first next trading session, so that they can be withdrawn from BelexFIX.

The Exchange shall pass the decision on the submitted request for voluntary termination of membership in terms of this article upon the expiry or withdrawal of the Exchange Member’s trading order last placed to the BelexFIX.

Article 22.

Exceptionally from article 21 of the Rules, in the event that the request for voluntary termination of membership was submitted because of the change in the Member’s status due to which the Exchange Member – applicant ceases to exist (hereinafter: Exchange Member – company in the process of cessation) and its rights and obligations are taken over by another Member (hereinafter: Exchange Member acquirer), along with the request for voluntary termination of membership, signed and certified by both Exchange Members, the Exchange Member – company in the process of cessation shall deliver to the Exchange the following:

- (1) decision on the status change
- (2) document on the progress concerning the activities related to the status change with the set date on which the Exchange Member – acquirer takes over all rights and obligations of the Exchange Member – company in the process of cessation).

Upon receipt of the request from paragraph 1 of this article, the Exchange shall not suspend the right of the Exchange Member – company in the process of cessation to access the BelexFIX in terms of article 21.

The membership status of the Exchange Member – company in the process of cessation shall terminate on the first day after the entering of the status change into the competent company register.

On the day of termination of membership of the The Exchange Member – company in the process of cessation, the Exchange Member – acquirer takes over all the rights and obligations of the Exchange Member – company in the process of cessation arising from its Exchange membership and business operations at the Exchange, as well as the rights and obligations of the Exchange Member – company in the process of cessation arising from the contracts concluded with the Exchange.

The Exchange Member – acquirer shall immediately, without delay, submit to the Exchange the extract from the competent company register certifying the date of entering the status change into the competent company register in terms of the provisions of this article.

Article 23.

The decision on termination of membership is passed by the Exchange Board of Directors.

As an exception from paragraph 1 of this article, the decision on termination of membership may be passed by the Exchange Managing Director in the case of voluntary membership termination:

- (1) upon completion of the procedure from article 20 of the Rules and under the condition that the Exchange Member (who applied for voluntary termination of membership) has settled all outstanding obligations to the Exchange arising from its membership;
- (2) upon completion of the process of changing the status of the Exchange Member in terms of article 22 of the Rules.

The decision on termination of membership shall contain the following:

- (1) reason for terminating membership;
- (2) date of termination of membership, by which the Exchange Member is obliged to settle all outstanding obligations to the Exchange, as well as other obligations determined by the Exchange regulation and the said decision;
- (3) provision on the procedure concerning the trading orders placed to the BelexFIX by the Exchange Member whose membership is terminated for reasons set out by article 19, paragraph 1, item (2)-(9) of the Rules, and in terms of article 20 of the Rules.

Against the Managing Director 's decision referred to in paragraph 2 of this article a complaint can be filed to the Board of Directors within eight days from the day of its receipt.

The decision of the Board of Directors on termination of membership is final and administrative procedure can be instigated against it in compliance to the Law.

The Exchange shall deliver the decision on termination of membership to the Exchange Member and shall publish it on its website and notify the Securities Commission in the manner set forth in article 10 of the Rules.

In in event of termination of membership in terms of article 19, paragraph 1, item (8) of the Rules, a new membership application may be submitted to the Exchange not earlier than six months from the day of membership termination.

4. Temporary suspension of Member

Article 24.

In case of a well-founded suspicion that the Exchange Member has committed an act prohibited by the Law, by-laws and the Rules and for which a procedure is underway for establishing the Member's responsibility for the said act, the board of Directors may pass a decision on temporary suspension of the Member suspending the right of the Member to perform operations at the Exchange for the period which shall not be longer than one month.

The Board of Directors shall pass the decision from the previos article on its own initiative or at the proposal of the competent commission before which the proceedings under paragraph 1 of this article are being conducted.

The temporary suspension of the Member in terms of paragraph 1 of this article:

- (1) shall terminate on the day when the decision of the competent commission, i.e., (second instance) decision of the Board of Directors passed in the said proceedings by which the suspended Exchange Member was relieved of responsibility or was imposed a sanction under the Rules.

- (2) shall continue until the expiry of the suspension period imposed by the final decision of the competent commission, i.e., (second-instance) decision of the Board of Directors, and the suspension period determined by the final decision in this procedure encompasses the period during which the Exchange Member was temporarily suspended in terms of paragraph 1 of this article.

In the event of temporary suspension in terms of this article, the provisions of article 21, paragraph 3 of the Rules are applied accordingly to the Exchange Member's trading orders, unless otherwise specified by the Board of Director's decision set out in paragraph 1 of this article, i.e., by the decision set out in paragraph 3 of this article.

5. Temporary suspension of authorized broker status (cancellation of trading licence)

Article 25.

Trading licence may be cancelled on following grounds:

- (1) by revocation of broker's authorization to perform exchange operations
- (2) by cessation of any of the requirements for granting the licence
- (3) in the event of termination of membership of the Exchange Member who authorized him to perform operations at the Exchange

The decision on cancellation of the trading licence is passed by the Exchange Managing Director and a complaint may be filed against it to the Board of Directors within eight days from the day of receipt of the said decision.

6. Temporary suspension of Member's broker

Article 26.

In case of a well-founded suspicion that the Exchange Member's broker has committed any of the acts prohibited by the Law, by-laws and the Rules, and with respect to which the proceedings to establish responsibility may be conducted or are being conducted against the said broker, the Board of Directors may pass a decision on temporary suspension of the Exchange Member's broker, suspending the right of the Exchange Member's broker to perform operations of an authorized broker in terms of the Rules.

The Board of Directors shall pass the decision under paragraph 1 of this article on its own initiative or at the proposal of the competent commission before the proceedings from paragraph 1 of this article are being conducted.

The temporary suspension of the Exchange Member's broker in terms of paragraph 1 of this article:

- (1) shall terminate on the day when the decision of the competent commission, i.e., (second instance) decision of the Board of Directors passed in the said proceedings by which the suspended broker of the Exchange Member was relieved of responsibility or was imposed a sanction in compliance with the Rules.
- (2) shall continue until the expiry of the suspension period determined by the final decision of the competent commission, i.e., (second-instance) decision of the Board of Directors, whereas the suspension period determined by the final decision in this procedure encompasses the period during which the Exchange Member was temporarily suspended in terms of paragraph 1 of this article.

7. Revocation of trading licence

Article 27.

The Exchange shall revoke the trading licence in the following cases:

- (1) Exchange Member's broker was issued a permanent ban for trading at the Exchange, and
- (2) Exchange Member's broker harms the reputation of the Exchange and other members by his conduct, action and representations.

The decision on revocation of the trading licence is passed by the Board of Directors.

In case under paragraph 1, item 2 of this article, the person whose licence has been revoked by the Exchange cannot be issued another trading licence before the expiry of one year from the day of the Board of Director's decision.

8. Code of ethics

Article 28.

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 misusing the privileged information;

2. Duty of Care

In operating with clients Members are obliged to act with due care, abiding by the rules of profession. This concept particularly applies to 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, to provide a fair relation toward 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 continuous education of the participants in trading;

5. Confidentiality

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

6. Prohibition of unfair competition

Members shall not use unfair competition, involving: dumping, unethical obtaining of information on competition and particularly spreading untrue information thereof. Members shall not use unfair forms of market cooperation, which are contrary to good business practice, particularly: price agreements, market division, boycott of clients, restriction in providing services or any form of clandestine agreements for the purpose of achieving a privileged market position.

9. Mutual rights and obligations of Exchange and Member/Member's Broker**Article 29.**

All Members are equal with respect to their rights and obligations.

Article 30.

The rights of a Member are the following:

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

Article 31.

The Member is obliged:

- (1) to comply with the provisions of laws and by-laws, Exchange regulations and contract concluded with the Exchange,
- (2) to comply with the principles of ethical code prescribed by the Rules,
- (3) to perform the business activities at the Exchange in a professional manner and conscientiously and in compliance with the adopted code of ethics and the principles of good business,
- (4) 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 membership Application and request for the trading licence, including documentation submitted along with the said applications,
- (5) to pay the membership fee and commission on the transactions concluded at the Exchange and other fees determined by the Exchange Tariff,
- (6) to execute all obligations with respect to transactions concluded at the Exchange, including the settlement of concluded transactions subject to valid regulations,
- (7) to execute other obligations stipulated by the Rules and other Exchange regulations.

Article 32.

The Member shall mark its offices in such a way as to eliminate any confusion by their clients as to the entity with which they are doing their business and the same obligation applies accordingly in cases when the Member concludes a contract with another investment company in compliance with the Law.

The Member shall notify the Exchange of the contract concluded with another company in compliance with the Law without delay. The Member is fully responsible for the accuracy of the trading orders entered into the BelexFIX, including the trading orders it received from another investment company under the contract from paragraph 2 of this article.

The provision of paragraph 1 is applied accordingly if the Exchange Member's business premises are located within the premises of other companies or entities, and they can be separated by partial walls, but the company name must be displayed at the entrance.

The Member shall display in public and on his website his working hours with clients and shall notify the Exchange in due time of every change concerning his working hours with clients.

Article 33.

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

The Member may state the fact that it is the Member of the Exchange on its business letters or website and may, with prior written consent of the Exchange, use the Exchange logo in a manner which does not mislead the third parties into believing that they are dealing with the Exchange.

Article 34.

The Member is particularly obliged:

- (1) to restrain from misuse of privileged information which is not available to all the participants at the Exchange;
- (2) to place the client's trading order in compliance with the Law, by-laws and the Rules;
- (3) to refrain from participating in artificial formation of the price of securities;
- (4) 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, by-laws and the Rules;
- (5) to regularly and timely submit to the Exchange the information and documents as stipulated by the Law, by-laws and the Rules;
- (6) to submit the information, data, reports and documents essential for protection of the integrity of the securities market and interest of participants in trading, which particularly involves their submission in line with the requirements of the Exchange supervision and control and subject to the Rules;
- (7) to notify the Exchange of deregistering of related entities and operations as well as of the proposed foundation of another legal entity with a significant interest;
- (8) to promptly submit to the Exchange a detailed report in case of:
 - 1) change in business operation, solvency and liquidity, including the possibility of becoming insolvent or if it has already become insolvent; change of the seat or branch offices; amount of share capital, change in the legally prescribed percentage for acquiring a qualified interest in the capital of the Exchange Member; change in other data entered into the competent register of economic entities; change in the interest in other legal entity;
 - 2) legal action taken against the Member by the authorized government authority or by another Exchange it is the Member of
- (9) to take care of the good reputation of the Exchange during public appearances as well as in the business activities at the Exchange;
- (10) to adjust the time in the local computer network with the time of BelexFIX.

All data, reports, documentation and proofs submitted to the Exchange shall be complete, true and correct, and shall be timely submitted within the period and in the manner prescribed by the Exchange.

Article 35.

The Member shall make the provisions of the Law, by-laws, Rules and other Exchange regulations known to its employees who conduct operations related to the Exchange trading and/or access the BelexFIX.

The Member shall ensure that its employees comply with the rules of business practice prescribed by by-laws.

The Member, i.e., the Member's employee, shall promptly notify the Exchange in case a Member or any other participant at the Exchange:

- (1) violates the Law and/or by-laws and/or the Rules;
- (2) does not comply with the ethical code principles stipulated by the Rules;
- (3) if the Member suspended its broker or restricted his authorizations, as well as of the occurrences of events set out in article 37 of the Rules.

The Exchange Member's employee shall promptly, without delay, notify his employer of the events referred to in paragraph 3 of this article.

Article 36.

The rights and obligations of a Member's broker arise from the rights of the Member represented by the broker.

In addition to the rights and obligations from paragraph 1 of this article, the Member's broker has the following obligations:

- (1) to conduct his business with clients and at the Exchange in compliance with the principles of a 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 and uses the BelexFIX exclusively personally, nor to reveal them or in any other way make them 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 noted irregularities related to the BelexFIX (technical errors, i.e. defects).

Article 37.

The Member shall promptly, without delay, notify the Exchange of the following:

- (1) cancellation of the employment contract concluded between the Exchange Member and the authorized broker,
- (2) occurrences due to which the Member's authorized broker temporarily, for a period exceeding one month, shall not perform the activities with the Member (sick-leave, absence in accordance with the rules regulating working relations, dormancy of employment and the like).

In the case set out in paragraph 1, item (2) of this article, immediately upon the Member's notification, the Exchange shall suspend that person's access to the BelexFIX and the suspension shall last until receipt of notification on the cessation of reasons for imposing the suspension.

In the event that the Member prior to the occurrence from paragraph 1 of this article performed operations at the Exchange with the minimum requirement with respect to the professional qualification for membership (two authorized brokers), the Member shall cease to fulfill the said condition:

- (1) on the day of the expiry of the period of notice in the case set forth in paragraph 1, item (1) of this article, i.e.,
- (2) on the day of the commencement of temporary absence as set forth in paragraph 1, item (2) of this article.

If the Member ceases to fulfill the requirement of professional qualification for membership in terms of paragraph 3 of this article, it shall provide the fulfillment of the said condition as soon as possible.

The Exchange Board of Directors shall take into consideration the conduct of the Member with respect to the obligation from paragraph 4 of this article when deciding on the establishment and duration of the appropriate deadline stipulated by article 13 of the Rules.

Article 38.

The Member shall receive and act with the clients' orders in compliance with the Law, by-laws, the Member's regulations, the Rules and other Exchange regulations.

The provisions of paragraph 1 of this article particularly refer to the manner of receipt of trading orders, elements of trading orders, as well as handling of the received trading orders.

The Member shall place trading orders in line with authorizations contained in the decision on the Exchange membership and the decision on granting the trading licence to its authorized broker.

The Member places orders set forth in paragraph 1 of this article in its name and for the client's account, i.e., in the client's name and for the client's account (brokerage operations) or in its name and for its account (dealers operations).

The Member shall adjust the record keeping and standardize the forms according to the form prescribed by the Exchange and shall introduce internal procedures for handling the client order in accordance with the Law, by-laws and his regulations.

Article 39.

The Member is fully responsible for executing the obligations arising from the trading orders and for handling the trading orders and is liable for the damage suffered by the client and/or other participants in trading and the organization of trading arising from his incorrect, irresponsible or negligible handling of the client trading order, i.e., contrary to the provisions of the Law, by-laws and his regulations.

The Member shall put the interests of his clients above his own interests when performing his registered activities and providing services to clients and shall conduct his business operations in a fair, honest and professional manner, in the best interest of the client, in compliance with the provisions and principles prescribed by the Law, by-laws and the Rules.

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 his brokers, employees and members of the managing body, as well as members of their close family; orders of brokers of other broker-dealer companies and authorized banks; and shall determine the way of handling the orders when the Member acts as the dealer and the broker in the same trading.

10. Market makers

Article 40.

Pursuant to the Rules, Market Maker is a Member of the Exchange who fulfills legally prescribed criteria and who has concluded the contract on market making with the Exchange obliging him to continually and for his own account, within the period of time during the trading session specified in the contract, simultaneously submits buying and selling orders for securities defined by the contract, if the securities meet the conditions provided by the decision of the Exchange Managing Director.

Article 41.

The contract referred to in article 40, whose content is determined by the Exchange Managing Director, defines the following:

- (1) detailed rights and obligations of Market Makers and the way of fulfilling the conditions of the decision set out in paragraph 1 of this article, individually for each of the securities;
- (2) date of the first trading session when the contractual obligations from paragraph 1 of this article shall begin.

The Exchange shall inform the issuer of the securities specified in the contract about each of the concluded contracts from paragraph 1 of this article in writing, immediately after conclusion of the contract. The Exchange shall publish the information concerning the concluded contract on its website.

Article 42.

The Exchange may conclude the contract from article 40 of the Rules, concerning the same security, simultaneously with a number of Members. The obligations set by this contract with each individual Member are equal for all Members - Market Makers for the same security.

Article 43.

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 44.

Each decision concerning any change in the requirements for performing the market making activities must be published not later than eight days before coming into effect.

Article 45.

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

- 1) if the Exchange Member who has concluded such contract:
 - (1) makes such justified proposal in case of failing to fulfill his contractual obligations due to corporate activities of the issuer which significantly affect or may affect the market maker's operations;
 - (2) fails to perform his contractual obligations, or
 - (3) violates other provisions of the Rules and other Exchange regulations;
- 2) In the event it is necessary for the purpose of protecting the interest and safety of participants in trading.

The suspension from paragraph 1, item 1 of this article can be withdrawn only in case of a written request of the Member whose rights under the contract on market making are suspended, with enclosed justification concerning the fulfillment of obligations from the cited contract.

Article 46.

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

- a) if the Member violates the market making contract, the Rules and other Exchange regulations, or
- b) if it is necessary to ensure security of trading or secure the interests of other participants in trading.

Article 47

In cases from articles 45 and 46 of the Rules, the Exchange shall notify the issuer of the securities from the market making contract in writing of the measures taken, as well as the Member with whom the contract is concluded. The Exchange shall publish the information concerning the measures on its website.

11. Resolution of disputes between Exchange and Members and disputes between Members**Article 48.**

The Exchange and the Member shall try to resolve all mutual disputes in an amicable way, and if it is not possible shall refer the case to the competent court in Belgrade.

Article 49.

The Exchange Panel of Arbitrators may be formed by the decision of the Exchange Assembly for the purpose of a peaceful resolution of disputes between the Members through mediation and with respect to transactions concluded at the Exchange.

The Exchange regulations more closely define the composition of the panel and the codes of the arbitration procedure.

IV SUPERVISION OF EXCHANGE MEMBERS' OPERATIONS**Article 50.**

The Exchange shall supervise and control trading on the Exchange and business operation of Members related to 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 market, i.e., MTP Belex. The Exchange Board of Directors may adopt special instructions for the performance of supervision and control.

Article 51.

The supervision and control in terms of article 50 of the Rules is performed by the Exchange employee who is appointed to the position of performing supervision and control in terms of article 50 of the Rules (hereinafter: Exchange controller), as well as other persons in line with the provisions of the Rules.

Article 52.

The Exchange controller shall:

- have a high or higher qualification,
- at least three years of work experience in securities operations,
- fulfill conditions prescribed by the Rules with respect to the granting of the trading licence.

Article 53.

In the procedure of supervision and control in terms of article 50 of the Rules, the Exchange Managing Director may authorize other persons in writing to collect and process the data and documentation related to the business activities, employees or property of the Exchange Member.

Article 54.

The Member and his employees shall provide the persons from articles 50 and 53 of the Rules with the information, documentation or give a statement with respect to the issue under control and shall not prevent the persons from articles 50 and 53 of the Rules from performing the supervision and control of the Member.

Article 55.

The Member and his employees shall enable access to their business premisses and to the business books, records and other documents necessary for control.

Article 56.

Should the control performed in line with the Rules establish irregularities in the business activities of the controlled Exchange Members, the control expenses shall be born by the Member in the amount of justified actual expenses of the Exchange employees who performed the control and supervision, such as travel expenses, daily allowances, accommodation and other justified expenses necessary for residing at a place and performing control and supervision.

Article 57.

The Rules closely define the manner of supervision of the trading of securities included in the regulated market segments, i.e., MTP for the purpose of preventing and detecting the Member's failure to comply with the Rules, particularly the rules and procedures for detecting and preventing market abuse.

V EXCHANGE MARKETS**Article 58.**

The Exchange organizes and manages:

- (1) regulated market composed of:
 - 1) listing segments (hereinafter: Listing)
 - 2) non-listing segment – Open Market
- (2) multilateral trading platform – MTP Belex

Article 59.

Trading in financial instruments allowed to be traded on the capital market according to the Law is organized on the regulated market and the MTP Belex.

Exceptionally from paragraph 1 of this article, short-term debt securities are traded exclusively on the MTP Belex.

Article 60.

Securities included in the regulated market and the MTP Belex are grouped (segmented) by conditions and criteria for inclusion to the regulated market or the MTP Belex respectively; types of securities; trading methods; phases and duration of trading phases; trading orders, as well as other market elements (hereinafter: market segments).

VI ADMISSION OF SECURITIES

1. Regulated Market

Article 61.

With respect to the regulated market, securities can be admitted at the request of a public company (hereinafter: issuer) to one of the segments from article 58, paragraph 1, item (1) of the Rules, determined by the submitted request.

If the request from paragraph 1 of this article is submitted for admission of securities to the listing, the securities are admitted to the specified listing in line with the Exchange regulations governing the conditions and procedure for inclusion of securities to the listing.

Securities which do not fulfill the condition for admission to the listing in terms of paragraph 2 of this article, or the market specified by the request from paragraph 1 of this article is the Open Market, the securities are admitted to the Open Market.

In case the security does not fulfill the conditions for admission to one of the segments of the regulated market, the security is admitted to the MTP Belex.

Article 62.

The conditions and procedure for admission of securities to the regulated market listings, as well as other issues related to the regulated market listings, are regulated by the Listing Rules (hereinafter: Listing Rules).

Article 63.

The activities prescribed by the Rules and the Listing Rules concerning the decision on admission of securities to the regulated market listings, as well as other activities concerning the regulated market listing are performed by the Listing Committee in line with the Listing Rules, unless otherwise stipulated by the Rules and the Listing Rules.

The activities prescribed by the Rules with respect to the decision on admission of securities to the Open Market and the MTP Belex, as well as other activities related to this market segment and the MTP Belex, are performed by the Exchange Managing Director in line with the Rules and other regulatory Exchange documents, unless otherwise stipulated by the Rules and other regulatory Exchange documents.

As an exception from paragraph 2 of this article, the decision on admission of securities to the Open Market is passed by the Listing Committee if the securities for which the request for the admission to listing has been submitted do not fulfill the conditions stipulated by the Exchange Listing Rules.

2. Open Market

Article 64.

In order for the securities to be admitted to the Open Market, as well as continuously during the quotation of securities on the Open Market, the issuer is obliged to meet the following requirements:

- (1) the procedure of liquidation or bankruptcy has not been instigated against the issuer
- (2) alternatively, at least:
 - 1) EUR 300,000 – amount of the equity capital, i.e., book value of the capital according to the financial statements from the last accounting period preceding the submission of request from article 61 of the Rules or the amount of the market capitalization of shares traded on the other segment of the regulated market, or MTP, or
 - 2) 15% of free float shares

Exceptionally from paragraph 1 of this article, the Exchange may approve admission of the issuer's securities to the Open Market if it concludes that it is in the interest of the issuer or the investor, taking into account the minimum amount of capital, i.e., market capitalization and the percentage of the issuer's shares in free float.

The issuer shall at any time during the quotation of securities on the Open Market regularly and timely execute the obligations set out in article 67 of the Rules.

Article 65.

The procedure for admission of securities to the Open Market begins with a completed application for for inclusion to the Open Market, whose content and form are determined by the Exchange Managing Director, which shall refer to all issued securities of the issuer of the same type and class.

Along with the request of the security issuer for admission to the Open Market, the applicant shall submit the following documents:

- (1) Information Memorandum – document outlining the basic data on the issuer and the securities, composed according to the decision of the Exchange Board of Directors which regulates the form, content, manner of outlining data in the Information Memorandum and other issues relevant to the admission of securities and organization of trading (hereinafter: Exchange decision on Information Memorandum).
- (2) Issuer's Prospectus – approved by the Securities Commission for the securities requested to be admitted to the Open Market, which is valid in terms of article 22 and 33 of the Law, or
 - 1) issuer's statement that subject to article 13 of the Law he uses his right to be excluded from the obligation of publishing a Prospectus, in which case he shall outline in the Information Memorandum the important characteristics of the securities to be admitted to the market, description of the rights contained therein and the quantity, or
 - 2) issuer's statement that he uses the exception from article 5 of the Law concerning the obligation to obtaining a decision, approval or permits issued by the Securities Commission with respect to the issuing and admission of securities to be included to the Exchange, with the obligation of providing data in the Information Memorandum in terms of item (2), sub-item 1) of this article;
- (3) two blank drafts – collateral for securing the issuer's financial obligations to the Exchange with respect to the organization of securities trading on the Open Market, with authorization of disposal thereof, and certification of the National Bank of Serbia confirming the registration of the collateral (draft/authorization) pursuant to the law and decisions of the National Bank of Serbia;
- (4) copies of all decisions, approvals and permissions issued by the Securities Commission approving the admission of securities to the market;
- (5) document certifying the opening of the issuing account and registration of securities into the Central Securities Depository and Clearing House (hereinafter: the Central Registry);
- (6) report on the outcome of the public offering of securities to be admitted to the regulated market, in case when the admission is preceded by public offering of the said securities;
- (7) the issue's guarantee, if the issue is guaranteed;
- (8) for standardized derivatives – standard, as well as the data on the underlying instrument of the derivative;
- (9) proof of paid application fee and fee for admission of securities to the Open Market in the amount specified by the Tariff Regulations.

The documentation under paragraph 2 of this article composed by the issuer shall be signed and certified by the issuer's authorized person, whereas the statements are made under substantial liability and penal responsibility of the person issuing the statement.

Along with the request for admission to the Open Market, the applicant shall enclose the Contract on Admission of Securities to the Open Market, signed and certified by the issuer.

In order to properly consider all requirements for admission and organization of securities trading, the Exchange may require additional proofs and documentation from the issuer.

Instructions on the procedure and manner of delivery of documentation from paragraph 2 of this article and the manner of communication of the applicant, i.e., issuer with the Exchange concerning the admission and organization of securities trading at the Exchange shall be passed by the Exchange Managing Director.

Article 66.

The Exchange may determine a subsequent deadline for submitting the request for admission to the Open Market in the following cases:

- 1) if the applicant fails to submit the request and the relevant documents according to the Instruction from article 65 of the Rules, or
- 2) if the request and relevant documents are not complete and in compliance with article 65 of the Rules.

The deadline from paragraph 1 of this article cannot exceed 15 business days.

As an exception from paragraph 2 of this article, at the written justified request of the applicant the Exchange may 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.

The receipt of the request for admission of securities to the Open Market occurs on the day of receipt of the request with full and complete documentation in accordance with article 65 of the Rules and paragraph 2 of this article.

Upon request from paragraph 1 of this article, the Exchange shall pass the following:

- (1) decision on admission of securities to the Open Market – if the conditions stipulated by the Rules for their inclusion in the Open Market have been fulfilled;
- (2) decision on admission of securities to the MTP Belex, if the conditions stipulated by the Rules for their admission to the Open Market have not been fulfilled;

Upon passing the decision from paragraph 2 of this article, the Exchange shall conclude with the issuer a contract on admission of securities to the Open Market, i.e., MTP Belex. The Exchange shall publish the list of issuers and the securities included in the Open Market or the MTP Belex on its website and the decision referred to in paragraph 2 of this article shall be submitted to the Securities Commission within three business days from the day when it is passed.

3. Obligations of issuer whose securities are admitted to the Open Market**Article 67.**

The issuer whose securities are admitted to the Open Market is obliged to continually during the securities quotation on the Open Market comply with the obligations stipulated by the Law, by-laws and the Rules.

The issuer shall submit to the Exchange in line with the Law and by-laws the following:

- (1) annual report for the previous business year;
- (2) semi-annual report for the current business year;
- (3) reports on changes in the rights arising from shares, for each particular class of shares, including changes in the rights arising from derivatives issued by the issuer, which give the right to acquire his shares;
- (4) annual document on published information;
- (5) report on changes in significant interest in the issuer's capital
- (6) notification on acquisition and disposal of own shares;
- (7) notification on holding the assembly meeting, with invitation to the meeting in line with the Law on Business Companies and the Law, including the proposal for modifications of the issuer's Articles of Association or Memorandum of Association if the said meeting should decide thereon;
- (8) notification on distribution and payment of dividends;
- (9) report on a new share issue, including the information on a possible new split, public subscription, cancellation or replacement of shares, as well as on a new issue of debt securities, particularly on the security instrument or guarantee concerning the issue;
- (10) additional reports and information at the request of the Exchange, which the Exchange considers important for protecting the investors and securing a correct, efficient and transparent trading in the given securities at the Exchange;
- (11) other prescribed data (reports, information, decisions) in compliance with the Law and by-laws.

The issuer of securities which are not shares shall submit to the Exchange the reports from paragraph 2, item 1 and 2 of this article unless otherwise stipulated by the Law, as well as reports on changes in the rights arising from the securities, including the changes in the conditions which might indirectly affect the changes in the rights of the securities, particularly changes concerning the debt requirements and the interest rate.

The issuer shall without delay submit to the Exchange the report on each fact or circumstance (unless it is a generally know fact or circumstance) which might significantly affect the issuer's business or the price of his securities included in the Open Market, unless the publication of such a fact or circumstance is postponed in line with the Law and by-laws, in which case the said information is deemed to be inside information.

The reports and notifications in terms of this paragraph shall be submitted by the issuer to the Exchange in the manner defined by the Instruction referred to in article 65, paragraph 6 of the Rules.

If the issuer's report or notification contains data established as the content of the Information Memorandum, along with the delivered report or notification the issuer shall enclose the Information Memorandum updated with the said data in line with the Exchange decision on the said Memorandum.

The issuer shall by 31 March of the current year at the latest submit to the Exchange the Information Memorandum updated with the data from the composed annual financial report for the previous business year submitted to the competent registry of financial reports in line with the law regulating accounting and auditing.

If the issuer's Information Memorandum in terms of paragraph 7 of this article is updated with the data from the annual financial report which has not been revised, the said Memorandum shall contain a note that the data provided in the Memorandum are from an unrevised annual financial report, until the date of submitting the report on its revision.

Unless otherwise stipulated by the Law, the provisions of this article are applied accordingly to the obligations of the issuer whose securities are included in the MTP Belex.

4. MTP Belex

Article 68.

Securities are admitted to the MTP Belex by the decision passed in terms of article 66, paragraph 5, item (2) of the Rules.

The securities excluded from the Open Market may be admitted to the MTP Belex on the following grounds:

- (1) securities admitted to the Open Market ceased to fulfill the requirements from paragraph 1, item 2 of article 64 of the Rules;
- (2) a particular security has not been traded on that segment of the regulated market for at least 180 days;
- (3) upon decision of the Exchange pursuant to article 173 and 174 of the Rules;
- (4) issuer fails to properly fulfill his financial liabilities towards the Exchange with respect to the organization of trading in his securities on the Open Market;
- (5) upon request of the Securities Commission in compliance with the Law, and
- (6) in other cases specified by the Rules.

As an exception from paragraph 2, item (1) of this article, with respect to article 64, paragraph 2 of the Rules, the Exchange shall not exclude a security from the Open Market if it concludes that it is in the interest of the issuer or investor, considering the minimum amount of capital, i.e., market capitalization and percentage of issuer's shares in free float.

Article 69.

The Exchange shall review the fulfillment of the requirements from article 68, paragraph 2, item (1) and (2) on the 20th day of each calendar month and continuation of trading in securities excluded from the Open Market by the Exchange decision on the foregoing grounds is organized on the MTP Belex from the first business day of the next calendar month.

During the period between the review and the day of continuation of trading on the MTP Belex in terms of paragraph 1 of this article, trading in the particular securities shall be organized on the Open Market.

Article 70.

Securities excluded from the Open Market on the grounds stated in article 68, paragraph 2, item (3), with respect to article 172, paragraph 1, item (3) of the Rules, are marked on the Exchange website with a special mark 'BI' (without issuer's Information Memorandum).

Article 71.

Securities excluded from the regulated market listing, i.e., Open Market on the grounds set forth in article 68, paragraph 2 of the Rules may be admitted to the regulated market upon a new request of the issuer, provided the issuer fulfilled the requirements for the said segment of the regulated market.

With respect to the Exchange procedure concerning the inclusion of securities into the regulated market segments, the provisions of articles 61-67 of the Rules are applied accordingly.

VII EXCHANGE TRADING

Article 72.

The decision on admission of securities to the regulated market or the MTP Belex defines the segment and the market segment of the regulated market or the MTP Belex, trading method, reference price for the first trading, date of the first trading, as well as the manner of expressing the price of a debt security in terms of the Rules.

Article 73.

The reference price for the first trading in securities under the Rules is determined according to the following criteria, in the amount of:

- (1) accounting value of the share in line with the Rules or equal to the price from the contract on the 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;
- (2) last sale price of the security in the initial public offering pursuant to the Law.

As an exception to paragraph 1 of this article, the reference price for the first trading in shares is determined upon the explained proposal of the issuer at the level of:

- (1) price established by the decision of the issuer's assembly, which is higher than the accounting value of the share and equal to the estimated value of the share established by the law, provided the said evaluation is given in the period not longer than 6 months before the date of submission of the request from article 65 of the Rules and that it is published on the issuer's website, or
- (2) last reference price of the security (closing price, single auction price, etc.) executed on another regulated market or the MTP in the Republic, provided it was executed in the period which does not precede the submission of the request more than three months, or
- (3) at the level based on the justified proposal of the issuer if the accounting value is negative.

The reference price for the first trading in other financial instruments is determined at the level of the price in the justified request of the applicant for inclusion of the said instruments.

The reference price for the first trading in securities cannot be lower than 10 dinars.

The reference price for continuation of trading in securities on the other segment of the regulated market, i.e., the MTP Belex in line with the provisions of the Rules is determined at the level of the closing price, i.e., at the level of the single price auction established at the last individual trading session organized for trading in the given securities.

Article 74.

When the reference price for the first trading in securities on the regulated market is established at the level of the accounting value of shares, it is expressed in the decision referred to in article 72 of the Rules at the level of the accounting value of shares expressed in the Information Memorandum, which is determined by the Exchange decision on the Information Memorandum.

Article 75.

Trading in securities (hereinafter: trading) shall be organized for all securities pursuant to the Law, by-laws and the Rules.

If the issuer has a number of securities admitted to the Exchange:

- (1) securities of the same type and class are traded on the same segment of the regulated market, i.e., the MTP Belex,
- (2) securities of a different type, or the same type but different class (established from the data in the Central Registry) are traded separately for each type or class of securities with clear distinction between the rights in the particular issues stated in the issuer's prospectus, and the said securities may be traded on different segments of the regulated market or the MTP Belex.

The issuer of securities traded on the regulated market shall previously notify the Exchange of the submission of a request for admission of the securities to another regulated market, or MTP, unless the applicant is another person.

Article 76.

Trading is organized by segments and market segments of the regulated market, or the MTP Belex to which the securities are admitted, in the following manner:

- (1) on the regulated market – continuous trading method,
- (2) on the MTP Belex – continuous trading method and single price auction method.

Trading is organized at trading sessions within the regulated market and the MTP Belex (hereinafter: trading session) and is executed in BelexFIX.

Article 77.

Trading sessions are held according to the Exchange calendar determined by the Exchange Board of Directors.

As an exception from paragraph 1 of this article, in case of extraordinary circumstances, i.e., circumstances which could not have been planned when the decision referred to in paragraph 1 of this article was passed, due to which the Exchange is required to act promptly, the Exchange Managing Director may establish a different calendar of trading sessions for each market segment from the calendar from paragraph 1 of this article. The Managing Director's decision shall be published on the Exchange website.

The decision from paragraph 2 of this article, on the grounds of justified reasons requiring a prompt decision, which were established in the passing of the decision, shall come into force immediately, not longer than the first next business day from the day of passing the decision.

Duration of the trading phases within a particular trading method, i.e., beginning, duration and ending of particular phases within a particular trading method shall be established by the Managing Director or a person authorized by the Managing Director by his/her decision for each segment of the regulated market and the MTP Belex, i.e., for each security.

1. Trading orders**Article 78.**

The elements of a trading order are:

- 1) unique identification of the Member (the ordering party),
- 2) mark of the security (name or symbol),
- 3) mark of the number of order from the Member's Order Book (the ordering party),
- 4) mark of the type of transaction (buy or sell),

- 5) quantity of the security,
- 6) mark of the order by price, with price determination,
- 7) 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) special conditions for placing the order,
- 15) other elements.

The types and elements of orders and the minimum value at which an order can be placed, as well as other elements in terms of paragraph 1 of this article, are established by the Exchange Board of Directors.

Article 79.

The Exchange Members can place the types of orders according to:

(1) type of transaction:

- buy order
- sell order;

(2) time limit:

- day order
- good-till-day order, no longer than 90 days
- good-till-cancelled order – valid until cancelled within the period of 90 days;

(3) price:

- limit order
- market order - a day order only;

(4) cancel order;

(5) special order types (hereinafter: special orders):

- all-or-none (fill or kill – FOK)
- immediate or cancel – IOC)
- edit order
- order with hidden total quantity (Iceberg)
- stop order
- market maker order
- order for block trading
- at-the-open (ATO)
- at-the-close (ATC)

Types and methods of placing orders which the Exchange Member may place to the BelexFIX depending on the market segment are prescribed by the decision of the Exchange Board of Directors, 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 Exchange Board of Directors or by the Rules, thus the term “trading order” hereinafter shall not include the special orders group.

The decision from paragraph 3 of this article particularly defines market segments and trading phases within which it is permitted to place orders from the special orders group, as well as conditions and manner of participation of the said orders in trading.

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

The Exchange Member places trading orders to the BelexFIX through the client work station and/or electronically, by using the BelexFIXAPI module.

The maximum number of trading orders entered by the same Exchange Member in the time unit or time period expressed in seconds is established by the decision of the Exchange Director.

Article 80.

In a trading order:

- 1) prices of shares are expressed in RSDs in full, unless it has been otherwise prescribed by the Decision on inclusion of securities in the regulated market or the MTP Belex;
- 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.

With respect to the way of expressing the price of other financial instruments in the trading order, the provision of paragraph 1, item 1. of this article shall be applied.

The Exchange Managing Director shall make the decision on the minimum price increment (*tick size*) for any type of security.

Article 81.

According to the price requirements in a trading order, 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 AZF, or
- b) inactive – limit orders containing the price out of the determined AZF.

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 Exchange trading session.

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

Article 82.

All trading orders entered into the BelexFIX are marked 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.

Article 83.

The Member may place trading orders into the BelexFIX 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 help-desk cannot be used for the purpose of fulfilling the conditions for the established backup site of the Exchange Member prescribed by the rules for trading operations at the Exchange, which must be developed by the Member according to the law and by-laws.

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

The Exchange decides on further conditions for using the help desk and the use of the help desk is approved by the 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 place trading orders in the BelexFIX through its functional client work station (main and/or backup site of the Exchange Member in terms of the Rules), nor electronically by using the BelexFIXAPI module.

Article 84.

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

Article 85.

Trading orders placed into the BelexFIX 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 regulated market or the MTP,
- c) suspension of the Member,
- d) upon written authorization of the Member if, due to the lack of power supply, interruption of telecommunication 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.

2. Trading**Article 86.**

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

- (1) single auction price method,
- (2) continuous trading method.

Article 87.

Trading is organized within the fluctuation zone range determined for each individual market segment.

The fluctuation zone model is a set of applied fluctuation zones, which can be:

- (1) absolute fluctuation zone /AFZ/ - 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;
- (2) static fluctuation zone /SFZ/ - price deviation from the reference price, which activates extraordinary trading phases;
- (3) dynamic fluctuation zone /DFZ/ - price deviation relative to the previous price of the security, which activates a set of phases of the intra-day auction;

The fluctuation zone model in terms of paragraph 1 of this article always contains AZF, which can be applied independently or combined with SZF and/or DZF.

SZF may be part of the fluctuation zone model on the market segments applying the single price auction trading method or the continuous trading method.

SZF is activated if a transaction is possible on the border or outside the range of SZF, which activates one of the following extraordinary trading phases:

1. continuation of pre-opening – in single price auction and continuous trading,
2. set of phases of the intra-day auction in the continuous trading method.

The number of SZF activations during one trading session is limited to one activation at every SZF border.

DZF can be part of the fluctuation zone model only on the market segments with the continuous trading method.

DZF is activated if a transaction is possible on the border or outside the range of DZF, which activates the extraordinary phase – set of phases of the intra-day auction.

The maximum number of DZF activations during one trading session is determined by the fluctuation zone model.

Article 88.

On the market segments of the regulated market and the MTP Belex, the applied fluctuation zone model contains AZF and SZF.

The fluctuation zone model in terms of paragraph 1 of this article, for the market segments with the continuous trading method, can be reduced by the Board of Director's decision so that it contains only AZF or can be extended to contain, in addition to AZF and SZF, DZF, with the range of SZF or DZF, in line with the Rules.

Article 89.

For the first trading in a particular security, as well as for every next trading in the given security until the first transaction is concluded (hereinafter: the first trading):

- (1) AZF is determined relative to the reference price in the following range:
 - a) -20% to +300%, for shares, and
 - b) +/-20% for other securities.
- (2) SZF is determined relative to the reference price in the following range:
 - a) -10% to +50% for shares, and
 - b) +/- 10% for other securities.

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

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

For the next trading sessions:

- (1) AZF is determined uniquely in the range of:
 - a) +/- 10%, for securities traded on the regulated market listings,
 - b) +/-20% for securities trading on the Open Market
 - c) +/-40% for share trading on the MTP Belex,
 - d) +/- 20% for other securities and other financial instruments on the MTP Belex.
- (2) SZF is determined uniquely in the range of:
 - a) +/- 5% for securities on the regulated market listings
 - b) +/- 10% for securities on the Open Market,
 - c) +/- 20% for shares on the MTP Belex,
 - d) +/- 10% for other securities and other financial instruments on the MTP Belex.
- (3) DZF is determined by the decision referred to in article 88 of the Rules, and the DZF range cannot be larger than the range of SZF from item (2) of this paragraph.

In case of corporative actions of the issuer whose shares are traded on the regulated market, which can significantly modify the price of the issuer's securities, the Exchange may pass the decision to change the fluctuation zone range for the particular security as set forth in paragraph 1 of this article.

The decision from paragraph 2 of this article is passed at the latest after the trading session at which the acquisition or disposal of the particular security does not affect the execution of the rights arising from the corporate action referred to in the previous paragraph.

In the event that trading in particular securities is organized using the single price auction method 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 AZF, the Exchange may decide to change the AZF range upon submitted request. The text of the decision is published on the Exchange website.

The submission of the request in terms of paragraph 4 of this article is permitted solely for trading in securities of the issuer whose Information Memorandum has been updated at least with the data from the adopted annual financial statement for the previous year in accordance with article 67, paragraph 7 of the Rules.

If upon the submitted request from paragraph 2 the Exchange does not pass the decision within three business days from the day of submission, it shall be considered that the request was not approved.

3. Single price auction**Article 91.**

The single price auction method comprises regular trading phases and the extraordinary trading phase, if the fluctuation zone model contains SZF which activates it:

The regular phases of the single price auction method are the following:

- 1) pre-opening – time period intended for placement and receipt of 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 and conclusion of transactions at the single price.

The extraordinary phase of the single price auction method is the continuation of the pre-opening phase, namely, continuation of the time period intended for placement and receipt of trading orders.

Article 92.

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.

The duration of the random period sub-phase is determined in the BelexFIX by an 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 not longer than the duration of this sub-phase.

Article 93.

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

Article 94.

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

Article 95.

The provisions of articles 92-94 of the Rules are applied accordingly to the extraordinary phase of the single price auction.

Article 96.

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 97.

By applying the criterion from article 96 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 sides, the single price is equal to the reference price.

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

Article 98.

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

Article 99.

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 sides 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 100.

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 ATC orders and cancel orders.

4. Continuous trading**Article 101.**

The trading by the continuous trading method comprises regular and extraordinary trading phases, if the fluctuation zone model contains SZF and/or DZF which activate them.

The regular phases of the continuous trading are the following:

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

The extraordinary phases of the continuous trading are the following:

1. extension of pre-opening phase;
2. set of phases of the intra-day auction comprising the following phases:
 - 1.1. intra-day pre-opening – can comprise one or a combination of the following sub-phases:
 - 1.1.1 order receipt
 - 1.1.2 random period
 - 1.2. intra-day auctions,
 - 1.3. trading at the price of intra-day auction;

Article 102.

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

Article 103.

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 104.

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

Article 105.

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

Article 106.

Trading orders continuously placed to the BelexFIX are entered into the electronic order book with the status of 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 107.

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 to or better than the active status order waiting for execution.

Article 108.

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 109.

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

Article 110.

If in the pre-opening phase such trading orders have been placed to the BelexFIX such 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 opening price.

Article 111.

The provisions of the Rules regulating the single price auction method are applied accordingly to the extraordinary phases of the continuous trading method.

Article 112.

At-the-close trading phase represents the time moment in which the closing price is determined.

The closing price is determined alternatively as:

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

The decision on the closing price determination for every single market segment or security is made by the Exchange Managing Director.

Article 113.

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

Article 114.

If no transaction has been concluded on the market segments with the continuous trading method, the closing price equal to the reference price is published.

In the event set out in paragraph 1 of this article, the reference price remains unchanged for the next trading session.

5. Block trading**Article 115.**

Block trading represents a block transaction with a security traded on the regulated market or the MTP Belex.

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

All securities and financial instruments traded on the regulated market and the MTP Belex may be the subject of a block transaction.

Article 116.

A block transaction can be concluded only during the trading session if trading in a security which is the subject of the block transaction:

- (1) is not temporarily suspended, or
- (2) if the security or financial instrument is not the subject of a special report in terms of the Rules, in which case the block transactions are not permitted within the period of 30 days from the day when the special report is submitted to the Securities Commission, unless the Securities Commission upon receipt of the said report decided otherwise and notified the Exchange in writing thereof.

Article 117.

If the subject of a block transaction is a security traded by 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 and at the same price,
- (2) the quantity of securities of the block transaction is equal at least to the sum of the traded quantity of the given security at the last three trading sessions, accounting for at least 3% (three percent) 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% relative to the average weighted price determined at the last three trading sessions (excluding the trading session on the day of concluding the block transaction).

If the subject of a block transaction is a security traded by 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;
- (2) the value of the block transaction with a security traded by the continuous trading method is alternatively at least:
 - a) RSD 200 million, if the subject of the block transaction are shares, or
 - b) RSD 10 million, 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 closing 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% relative to the closing price at the previous trading session;

The Exchange Board of Directors may pass a decision to regulate certain issues relevant to the conclusion of block transaction.

Article 118.

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 the 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 the 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 trading session at which the seller's broker initiated the block transaction, no later than at the time defined by the calendar of the trading sessions.

In accordance with articles of the Rules and other Exchange regulations, the Exchange official shall approve or not approve the block transaction, no later than the end of the trading session organized on the day of 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, the block transaction is concluded and the transaction contract is issued in the form and in the manner defined by the Rules.

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

Article 119.

The prices and trade volume of approved block transactions shall not influence the prices and trade volume achieved in trading in securities during a 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 Exchange report.

6. Derivatives trading

Article 120.

Derivatives trading is organized in the BelexFIX.

Article 121.

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

Article 122.

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, if any
- the method of determining the exercise price, if any
- the delivery method, if any
- the way and place of clearing and settlement of obligations from concluded derivative transactions.

Article 123.

Financial derivatives are traded by the continuous trading method.

Article 124.

The Board of Directors may allow, by a special decision, trading in futures and options only to the Exchange Member who fulfilled the requirements specified by the Board of Director's special decision.

Article 125.

The Board of Directors of the Exchange may determine additional organizational and financial conditions for Members trading on the futures and options markets.

When passing the decision from paragraph 1 of this article, the Board of Directors shall be guided by safety in trading and interests of trading participants.

Article 126.

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 the securities trading are applied accordingly.

7. Transactions

Article 127.

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.

Article 128.

The subject of transaction is the security stated in the trading order, in the executed quantity.

Article 129.

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.

Following the transaction from paragraph 1 of this article, 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.

Article 130.

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

Article 131.

All transactions concluded in the BelexFIX are considered to be final without additional confirmations of the Members who concluded the transactions.

Article 132.

Transaction cancellation in securities trading is permitted only if a transaction has been concluded in the phase of the continuous trading and 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, except if the price and quantity of the transaction do not influence the course of trading and the determined closing price,

A 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 and 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. Along with the request, the applicant shall submit the proof of paid cancellation fee in the amount specified by the Tariff Regulations.

A transaction can be cancelled only upon the written consent of the other Member with whom the Member – applicant concluded the said transaction.

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

A block transaction cannot be cancelled.

Article 133.

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

The Exchange supervisor may cancel the Members' trading orders in case of an 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 Exchange regulations.

The Exchange supervisor shall without delay notify of the cancelled transactions or trading orders the parties in the transaction, i.e., the Members whose trading orders have been 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 and orders.

Article 134.

Concluded transactions may be cancelled in compliance with the Rules exclusively prior to their submission to the Central Registry.

Article 135.

For any Member who concluded a transaction in the BelexFIX, the Exchange shall provide an outline of all transactions concluded by that Member.

If the outline of concluded transactions from paragraph 1 of this article is not in accordance with the Member's record of the concluded transactions, the Member must without delay and at the latest until the beginning of the next trading session notify in writing the Exchange supervisor thereof.

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 136.

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

Transactions in which a particular Member has been identified are considered to be the transactions of that Member and he shall be obliged to execute them.

Article 137.

With respect to the clearing and settlement of transactions concluded at the Exchange, Members are obliged to act in compliance with the Law and rules of the Central Registry.

8. Reporting transactions concluded on OTC**Article 138.**

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

The Exchange Member, i.e., the investment company representing the seller in the transactions referred to in paragraph 1 of this article, shall report the said transaction in accordance with the Law to the Exchange in the form and in the manner specified by the Exchange Managing Director's decision.

After finalizing a trading session on the day when the Exchange received the notification from paragraph 2 of this article, the Exchange shall publish on its website the data from the said notification concerning the type, class, CFI code, ISIN number and number (quantity) of securities traded outside the regulated market or MTP Belex, as well as of the date of the concluded transaction.

9. Temporary suspension of trading on Open Market**Article 139.**

The Exchange may temporarily suspend trading in all or some particular securities on the Open Market (hereinafter: temporary suspension of trading) if it concludes that it is necessary for the protection of investors or for the purpose of a fair and orderly trading in securities or if trading in a particular security is no longer in compliance with the Rules.

The Exchange shall also temporarily suspend trading in cases specified by the Rules in case of malfunctioning of the BelexFIX or if a number of Exchange Members cannot simultaneously, equally and under equal conditions access to and use the BelexFIX.

The Exchange shall temporarily suspend trading in securities if it is requested by the decision of the Securities Commission.

Article 140.

In the case under paragraph 1 of article 139 of the Rules, when deciding upon temporary suspension of trading the Exchange shall take into account (but shall not be limited to) the following reasons:

- (1) occurrences that jeopardize the conditions for trading in all or in specific securities; if it is deemed necessary for the protection of participants in trading; violation of trust in securities trading; if securities trading causes or may cause disruption on the market;
- (2) occurrences disabling the transfer of ownership of the security;
- (3) determining inaccuracy or inconformity of the data and the documents sent to the Exchange with the data from the competent Registry of Business Companies, Central Registry and/or the Securities Commission, which include data on CFI code and ISIN number of security, as well as data on the number (quantity) of issued securities;
- (4) in cases of irregularities determined by additional control.

Members are obliged to immediately notify the Exchange of the occurrence of facts or circumstances set out in paragraph 1 of this article.

Article 141.

A request for temporary suspension of trading can be submitted, pursuant to this article, by the following persons authorized by the Rules:

- (1) issuer - provided that the issuer in his request (which shall be signed and certified) explains in detail and in an adequate way the reasons for demanding a temporary suspension and defines the deadline in which conditions for the continuation of trading can be realistically fulfilled, in accordance with the decision of the issuer's Assembly, which forms the integral part of the issuer's request;
- (2) issuer - in case of replacement of the existing shares by the shares of a new issue due to a change in the ISIN shares admitted to the Open Market, in line with the decision of the issuer's Assembly which is the integral part of the said request;
- (3) legal owner who owns at least 5% of the securities whose suspension of trading is requested - if he provides detailed explanation and justified reasons for demanding a temporary suspension with adequate proof and defines the deadline in which conditions for the continuation of trading can be realistically fulfilled;

The issuer may submit the request for temporary suspension of trading in case he decides to withdraw shares from the Open Market pursuant to article 123 of the Law and shall, along with the request, submit to the Exchange the following:

- (1) extract from the competent registry of business companies concerning the registration of the said decision;
- (2) minutes from the assembly meeting at which the said decision was passed, which contains the information on the majority of votes passing the decision or the statement of the assembly chairman thereof;
- (3) irrevocable statement about the fulfillment of conditions from article 123, paragraph 2 of the Law.

The request from paragraph 1, item (3) and the statement from paragraph 2, item (3) of this article shall be certified in compliance with the rules regulating certification of signatures, unless the applicant is a business company, in which case the said documents shall be signed by the registered legal representatives of the company and certified in line with the issuer's regulations.

Enclosed with the request, the applicant shall submit the proof of paid compensation prescribed by the Tariff Regulations.

In case of submission of documents in terms of this article, the Exchange may demand from the applicant to submit additional documents and proofs as confirmation of statements from the request, and if the applicant fails to act in accordance with the Exchange requirements, it is considered that he waived the claim.

Article 142.

With respect to temporary suspension of trading, the Exchange may pass:

- (1) decision on temporary suspension in case the Exchange temporarily suspends trading without prior request of authorized persons in compliance with the Rules or at the request of the Securities Commission;
- (2) decision on temporary suspension of trading when the request of the authorized person in line with the Rules is considered justified by the Exchange in terms of article 140 of the Rules;
- (3) decision on rejecting the request of the authorized person in line with the Rules, in case the conditions for temporary suspension required by the Rules are not fulfilled;

Article 143.

Temporary suspension of trading in securities shall last until the conditions to continue trading are fulfilled, but no later than six months after the date of passing the decision of the Exchange in terms of article 142 of the Rules, unless otherwise prescribed by the Rules.

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

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

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.

10. Termination of temporary suspension of trading on Open Market and continuation of trading on Open Market**Article 144.**

Upon fulfillment of the conditions for continuation of trading, the Exchange shall pass the decision, i.e., the resolution on termination of temporary suspension of trading and continuation of trading in securities on the Open Market, provided the issuer upon the expiry of temporary suspension of trading fulfills the requirements defined by article 64 of the Rules and unless otherwise stipulated by the Rules.

The provision of paragraph 1 of this article is applied also in case of the expiry of the deadline defined in article 143, paragraph 1 of the Rules if within the set deadline the issuer did not complete the procedure from article 123 of the Law in the way and manner stipulated by the Law.

The decision from paragraph 1 of this article regulates the following:

- (1) date of the trading session at which the organization of trading is continued;
- (2) reference price of the security for continuation of trading at the level of the closing price, i.e., at the level of the single price auction determined at the last individual trading session organized for the given securities before the temporary suspension of trading.

As an exception from paragraph 3, item (2) of this article, upon termination of temporary suspension of trading in terms of article 141, paragraph 1, item (2), when the ISIN number of shares was changed due to stock split or stock merge with a change in the nominal value of shares such that the share capital of the issuer remained unchanged, the reference price for continuation of trading is determined at the level of the price from paragraph 3, item (2) of this article, adjusted by the parameters of the executed stock split or stock merge, respectively.

Article 145.

In case the conditions for continuation of trading on the Open Market were not completely fulfilled in terms of the decision of the Exchange on temporary suspension of trading under the Rules upon the expiry of the period of temporary suspension of trading or the issuer during and upon the termination of temporary suspension of trading ceased to fulfill the conditions from article 64 of the rules, the Exchange shall pass the decision on termination of temporary suspension of trading and exclusion of securities from the Open Market, and shall include the said securities into the MTP Belex, in line with the provision of article 70 of the Rules.

11. Temporary suspension of trading on MTP Belex and continuation of trading on MTP Belex**Article 146.**

The provisions of articles 139-144 of the Rules are applied accordingly to temporary suspension of trading in securities included in the MTP Belex, unless otherwise specified by this article.

In case the reasons for temporary suspension of trading were not eliminated in terms of the decision, i.e., the resolution of the Exchange on temporary suspension of trading in securities included in the MTP Belex within the deadline set by the said decision, i.e., resolution, the Exchange shall pass a decision, i.e., resolution, pursuant to articles 139 and 140 of the Rules, (in case the trading was suspended at request) on the following;

- (1) termination of temporary suspension of trading and continuation of trading in the issuer's securities on MTP Belex;
- (2) extension of temporary suspension of trading in issuer's securities, whereas the overall period of temporary suspension of trading cannot be longer than nine months from the day of passing the decision, i.e., resolution of the Exchange set out in article 143 of the Rules.

Upon the expiry of the period referred to in paragraph 2, item (2) of this article, the Exchange shall pass a resolution on termination of temporary suspension and continuation of trading in issuer's securities on the MTP Belex.

As an exception from paragraph 3 of this article, if continuation of trading in the said securities is no longer in compliance with the law and the Rules, the Exchange shall exclude the said securities from the MTP Belex in accordance to article 127 of the Law.

12. Termination of temporary suspension of trading and exclusion from Open Market or MTP Belex**Article 147.**

The Exchange shall pass a decision on exclusion of issuer's shares from the Open Market or MTP Belex when trading in the said security was temporarily suspended and the issuer successfully completed the following;

- (1) replacement of the existing shares of the issuer by shares of a new issue due to the change in ISIN shares included in the Open Market, except in case of stock split or stock merge of the issuer with a change in the nominal value of shares such that the share capital remained unchanged;
- (2) payment of disagreeing shareholders in line with the decision on withdrawal of securities from the Open Market in terms of article 123 of the Law and submission to the Exchange of an irrevocable statement, under substantial and penal liability, that all disagreeing shareholders of the issuer have been fully paid the value of their shares in compliance with the law regulating business companies and that there are no other legal obstacles for excluding the issuer's shares from the Exchange. The statement shall be:
 - 1) signed by the chairperson of the board of directors, i.e., chairperson of the supervisory body if the company is with a two-tier management structure, and if the organization and management of the issuer is regulated by a special law, by the chairperson of the issuer's managing board;
 - 2) certified in line with the issuer's regulations.

In case of paragraph 1, item (1) of this article, when the issuer simultaneously, on the day of exclusion of replaced shares from the Open Market, i.e., MTP Belex, fails to submit a new request for inclusion of shares into the Open Market in line with the law, the Exchange shall ask the issuer to perform the legal obligation and if the issuer fails to act upon the Exchange request within the period set by the Exchange, the Exchange shall notify the Securities Commission of the issuer's failing to comply with the law.

13. Exclusion from Open Market or MTP Belex

Article 148.

The Exchange shall exclude the securities from the Open Market in the following cases:

- (1) if the issuer is in the process of bankruptcy or liquidation;
- (2) at the request of the issuer who changed the status of a public company in terms of article 70, paragraph 1, item (1) and paragraph 2, item (1)-(3) of the Law;
- (3) at the request of the Securities Commission pursuant to the law;
- (4) upon decision of the Exchange in terms of articles 173 and 174 of the Rules.

The Exchange shall pass the decision on exclusion of securities from the MTP Belex on the grounds referred to in paragraph 1, item (1) and (2) of this article.

Along with the request from paragraph 1, item (2) of this article, i.e., paragraph 2, in relation to paragraph 1, item (2) of this article, a proof of paid compensation shall be submitted in accordance with the Tariff Regulations.

Article 149.

The Exchange shall decide to exclude the securities from the Open Market or the MTP Belex at the request of the issuer if the issuer successfully completed the payment of disagreeing shareholders in line with the decision on withdrawal of securities from the Open Market pursuant to article 123 of the Law.

Along with the request set forth in paragraph 1 of this article, the issuer shall submit to the Exchange the following:

- (1) decision from paragraph 1 of this article valid in terms of the Law and by-law;
- (2) extract from the competent register of business companies proving the registration of the decision;
- (3) minutes from the assembly meeting adopting the decision, which contains the data on disagreeing shareholders or statement of the chairman of the issuer's assembly thereof;
- (4) irrevocable statement, under substantial and penal liability, that all disagreeing shareholders of the issuer have been fully paid for the value of their shares in line with the law regulating business companies and that there are no other legal obstacles for exclusion of the issuer's shares from the Exchange. The statement shall be:
 - (1) signed by the chairperson of the board of directors, i.e., chairperson of the supervisory body if the company is with a two-tier management structure, and if the organization and management of the issuer is regulated by a special law, by the chairperson of the issuer's managing board;
 - (2) certified in line with the issuer's regulations.

The Exchange may require from the applicant additional documentation and proof confirming the statement and if the applicant fails to act as required by the Exchange it shall be deemed that the applicant has waived the claim.

Along with the request in terms of this article, the applicant shall submit proof of compensation determined by the Exchange Tariff Regulations and appropriate proof of fulfilling his liabilities towards the Exchange arising from the organization of trading in the applicant's securities at the Exchange.

Upon submission of the request in terms of this article, the Exchange shall pass a decision if on the day of passing the issuer's decision referred to paragraph 1 of this article all conditions from article 123, paragraph 2 of the Law were fulfilled.

14. Legal remedy**Article 150.**

Against the Managing Director's decision on admission of securities to the Open Marke or the MTP Belex, temporary suspension of trading, termination of temporary suspension of trading and exclusion of securities passed in line with the Rules, a complaint can be filed to the Exchange Board of Directors no later than 8 (eight) days from the day of receipt of the said decision. The claim does not delay enforcement of the decision.

The decision referred to paragraph 1 of this article becomes final on the day of the expiry of the specified deadline in case the complaint is not filed or on the day when the Board of Directors passed the decision to reject the complaint or reverse the first instance decision.

The decisions of the Board of Directors passed in compliance with the Rules are final.

VIII SUPERVISION AND CONTROL**Article 151.**

It is strictly forbidden to perform activities at the Exchange which may violate the market and which include:

- (1) use of privileged information in the manner violating the provisions of the Law and by-laws,
- (2) market manipulation.

Article 152.

The person to whom the privileged information is accessible must not use it directly or indirectly to acquire, dispose of or attempt to acquire or dispose of for his own account or for the account of third parties securities related to the information, i.e., must not convey it to third parties, or on the basis of it recommend other persons to acquire, buy and sell securities or dispose of securities in any other manner.

All persons are obliged to treat the inside information in the manner prescribed by the Law and by-laws.

Article 153.

The Member must not be engaged at the Exchange in any market manipulation in terms of article 151 and 152 of the Rules.

The Member shall violate the Rules in case of performing any of the following acts:

- (1) 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;
- (2) 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;
- (3) 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;
- (4) 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 executed under significantly better conditions;
- (5) 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;
- (6) refusal to testify or submit the required documents relating to his business activities during supervision and control, or any other activity performed on the Exchange;
- (7) 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 himself places an order by which it takes advantage of that information;
- (2) when he uses the strategy of his client and repeats the moves of that client for his own account or for another client's account;
- (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

1. Measures and procedures for detection and prevention of market manipulation

Article 154.

The measures and procedures for detection and prevention of market abuse are the following:

- (1) systematic collection and analysis of data with respect to trading and other available data,
- (2) monitoring trends and detecting significant deviations in the price movement or turnover of particular securities;
- (3) monitoring trends and detecting significant deviations in the frequency of placement of trading orders, their presence at the market and their execution in concluded transactions,
- (4) monitoring and analysis of price formation within particular trading phases in trading in particular securities,
- (5) monitoring relation between announcements of issuers of securities and the movement of turnover and prices before or after the public announcement,
- (6) monitoring links between market analysis of the Exchange Members or related persons and their trading in particular securities and the movement of prices and turnover before or after publishing of the analysis,
- (7) undertaking measures in the case of price asymmetry and/or information at the Exchange,
- (8) supervision of the Exchange Members' operations,
- (9) education of participants concerning the capital market,
- (10) providing appropriate information system and trading methodologies,
- (11) obtaining additional information and reports from issuers, at the request of the Exchange

2. Assessment principles on suspicion of market manipulation

Article 155.

When estimating whether the activities of an Exchange Member or any other person are such as to indicate a possible market manipulation, the Exchange shall take into account specific circumstances of each particular case, and in addition to the principles stipulated by the by-law it shall consider the following:

- (1) whether the activity may affect liquidity and efficiency of the market
- (2) whether the activity enables all market participants a timely and appropriate response to new market conditions arising from such an activity,
- (3) whether the activity is detrimental for the market integrity,
- (4) whether there are significant changes in conditions on the market,
- (5) whether there have been similar cases before,
- (6) type of security,
- (7) dispersion of ownership, i.e., the number of individual investors
- (8) detailed instructions, opinions and recommendations of competent institutions, if there are any.

3. Supervision and control of Exchange Member

Article 156.

The Exchange shall perform the activities related to supervision and control of the Exchange trading and operations of the Exchange Members concerning their activities on the regulated market and the MTP Belex and shall take measures within its authority in order to provide an organized, undisturbed, honest and efficient functioning of the regulated market and the MTP

Belex, pursuant to the Law, by-laws, provisions of the Rules and other regulations passed according to the Rules.

Subject to article 119, paragraph 3, and article 129, paragraph 7 of the Law, within the activities of supervision and control of the Members in terms of paragraph 1 of this article, the Exchange shall initiate a procedure and take measures against the Member in line with the Rules.

The Exchange controller is independent in the activities of supervision within the authority established by the Rules and other regulations based on the Rules.

The Exchange shall issue the Exchange controller an official identification, which he shall show to the Member before carrying out the supervision, when the supervision in terms of the Rules is performed on the Member's premises.

Article 157.

Regular supervision of trading and control of the Member's operations concerning the transactions concluded at the Exchange shall be carried out:

- (1) through special supervision work stations, in the following manner:
 - 1) in real time during the trading session (unusual movement of prices and volume of turnover, which may indicate various forms of manipulation in trading),
 - 2) upon the end of a trading session, by analysing the trading data,
- (2) by reviewing documentation and business books of the Member related to the transactions with securities.

The control in terms of paragraph 1, item (2) of this article can be done on the business premises of the Member, or the Exchange may require that the said documents and books are delivered to the Exchange seat.

The Member should not necessarily be notified in advance of the supervision and control carried out in terms of paragraph 1 and 2 of this article.

In the event that during the supervision and control performed on the business premises of the Member the Exchange controller and/or person from article 53 does not find the responsible person of the Member, the procedure shall be carried out without his presence, unless the Exchange controller concludes that the supervision and control is not possible in the absence of the responsible person of the Member, when the Exchange controller shall require the responsible person to be present at a certain time for supervision, and the said person shall respond to the request of the controller or enable supervision by appointing a person who shall replace him in the given case.

If the responsible person acts contrary to paragraph 3, it shall be deemed that the Member refused to provide the information, proof and documentation required in the procedure of supervision and control and that he committed an act which the Member is forbidden to commit by the Rules.

In the process of supervision and control performed by the Exchange, the Exchange may use all available information on the issuer, as well as all electronical, financial and other information services.

Article 158.

An extraordinary supervision and control of the Member may be performed upon written initiative of some other Exchange Member, i.e., some other interested party, and the initiative must be justified so that it clearly demonstrates the forbidden actions of the Member with respect to his activities at the Exchange and the consequences they cause or might cause.

Article 159.

If there is an unusual movement with respect to the price and quantity of any security or with respect to the activity of the Member, the person authorized by the Exchange shall identify it as the subject of a special analysis and monitoring.

If the unusual movements and activities in terms of paragraph 1 of this article cannot be explained based on available documentation, data and information, the Exchange controller shall make a special report and submit it to the Securities Commission along with the collected information and data.

Special reports are considered to be a business secret for all participants involved in making the report and can be submitted only to the competent supervisory bodies of the Exchange.

Article 160.

The report on control of the Member operations in line with the Rules and other Exchange regulations is made by the Exchange controller and is delivered to:

- Exchange Managing Director
- Exchange Member who is under control
- competent supervisory body of the Exchange, upon request.

Article 161.

If the Exchange controller establishes that there is a reasonable doubt that some actions of the Member or a person employed with the Member violate the law, by-laws and Exchange regulations, the Exchange shall notify the Securities Commission thereof, i.e., some other competent body.

Article 162.

The course and order of a trading session is supervised by the Exchange controller.

Article 163.

If the Exchange controller establishes irregularities in the procedure of supervision and control in terms of the Rules, he can issue a written warning to the Member without initiating the procedure before the competent Exchange Commission.

The warning from paragraph 1 of this article shall be issued by the Exchange controller if he concludes that the given irregularity did not harm the interest of the client and/or the integrity of the securities market, other Exchange Members and the Exchange itself and that the purpose of eliminating the irregularity in the Exchange Member's operations shall be achieved by issuing the warning.

Article 164.

The Exchange controller may by summary procedure restrict or ban the access to the BelexFIX to the Exchange Member or his broker in the following cases:

- (1) his access jeopardizes safety of investors, Exchange Members or the Exchange;
- (2) Exchange Member fails to comply with the Rules and the contract concluded with the Exchange;
- (3) Exchange Member has become unliquid or his financial and operational situation is such that his further business activities might affect the business confidence of investors, other participants in Exchange operations and the Exchange itself.

In the case referred to in paragraph 1 of this article, the person against whom the measure has been taken shall be notified in writing and a proposal shall be given to the Board of Directors for temporary suspension of the Member in compliance with the Rules.

Article 165.

Upon reasonable doubt that the Exchange Member:

- (1) performed an act of manipulation on the regulated market or the MTP Belex, in terms of the Law, by-laws and the Rules;
- (2) acted contrary to the provisions of the Law, by-laws and the Rules in securities trading on the regulated market or the MTP Belex;
- (3) acted contrary to the provisions of the Rules and other Exchange regulations;

a procedure shall be initiated before the Exchange commission which is pursuant to the Law and the Rules competent for initiating and conducting disciplinary procedures against the Members, i.e., authorized brokers (hereinafter: Disciplinary Commission).

The Member shall be liable for each violation in terms of paragraph 1 and 2 of this article committed by the authorized broker, member of his management or the Member's employee.

Article 166.

The Disciplinary Commission, as the first-instance body competent for executing the procedures in terms of article 165, paragraph 1 of the Rules and issuing measures to the Members or

authorized brokers who were found liable by the decision of the Disciplinary Commission for committing the acts from article 165, paragraph 1 of the Rules is appointed by the Exchange Board of Directors.

Article 167.

The provisions regulating the composition and term of the members of the Disciplinary Commission, as well as on the procedure, legal remedies and deciding upon legal remedies, criteria for establishing the flat rate expenses of the procedure and other issues relevant to the said procedure are stipulated by the rule book adopted by the Exchange Board of Directors.

Article 168.

As a rule, the Disciplinary Commission shall initiate the procedure at the request of the Exchange controller or a member of the Exchange management.

The Disciplinary Commission may initiate the procedure ex officio when there is a reasonable doubt that some other Member or some other authorized broker has committed an act from article 165, paragraph 1 of the Rules, departing from the true state of affairs or circumstances of the case in the procedure which is already being held before it.

Exceptionally, the Commission may initiate the procedure upon the request of the Member or the authorized broker.

Article 169.

In case of the acts referred to in article 165, paragraph 1 of the Rules, the Disciplinary Commission may impose to the person who was found liable by the Commission for the said acts, the following measure:

- (1) rebuke, which may be:
 - (1) non-public rebuke,
 - (2) rebuke announced to the Exchange Members,
 - (3) public rebuke published on the Exchange website and/or public media service;
- (2) suspension in trading at the Exchange for all or particular securities,
 - (1) for a particular pre-defined period, no longer than six months, or
 - (2) until the occurrence of circumstances required by the decision of the Disciplinary Commission for its termination;
 - (3) permanent trading ban at the Exchange, with proposal to the Board of Directors to pass the decision on termination of membership, i.e., status of authorized broker.

The measures under paragraph 1, item (1), sub-item 2) and 3) and item (2) of this article can be issued conditionally and the period set for control shall be three months at least and one year at most.

The Exchange Member shall pay compensation determined by the Exchange Tariff Regulations for the conduction of the previous supervision and the disciplinary procedure upon which he or his authorized broker were issued the measure in terms of paragraph 1 and 2 of this article by the final decision.

Article 170.

When deciding upon the severity of violation of the Rules and weighing the measures within the limits prescribed by the Rules, the Commission shall consider the purpose of the measure taking into account all circumstances affecting the severity of the measure (aggravating or mitigating circumstances), particularly the circumstances of the given act, earlier business activities and actions of the offender with respect to the compliance with the Exchange regulations, behaviour of the offender after the committed act, severity of the damage with respect to the client's interest and/or integrity of the securities market, other Exchange Members and the Exchange itself.

When deciding upon the issues stated under paragraph 1 of this article, the aggravating circumstance may be the circumstance that the offender with respect to previous acts committed in terms of article 165 of the Rules was declared liable for an act committed in terms of article 165, paragraph 1 of the rules, considering particularly the severity of the previous offence, circumstances of the offence and the time that has elapsed since the previous offence.

When deciding upon a conditional measure, the Disciplinary Commission, considering the purpose of the conditional measure or sanction, shall particularly take into account previous business

activities of the Member, i.e., authorized broker, their behaviour after the committed act, level of responsibility and other circumstances of the offence.

The non-public rebuke shall be imposed in the event when, in view of the aggravating and mitigating circumstances, it is estimated that there are justified reasons for imposing such a measure.

Article 171.

A complaint can be filed against the decision of the Disciplinary Commission to the Exchange Board of Directors, as the second-instance body, within eight days from the day of submitting the first-instance decision, and the decision of the Board of Directors is final.

The procedure which ends with the final decision in terms of paragraph 1 of this article may be repeated based on the decision of the Exchange Board of Directors passed upon request of the person which was declared liable by the given final decision by virtue of the extraordinary legal remedy stipulated by article 167 of the Rules.

4. Supervision of issuers included in the Open Market and supervisory measures

Article 172.

The Exchange shall supervise the execution of obligations of the issuer whose securities are included in the Open Market in line with the Law, by-laws, the Rules and the contract which the issuer shall conclude with the Exchange, particularly with respect to the obligation of submitting the following:

- (1) annual report – by 30 April of the current year at the latest;
- (2) semi-annual report – by 31 August of the current year at the latest;
- (3) Information Memorandum, updated with the data from the composed regular annual financial statements for the previous year and in compliance with article 67, paragraph 7 of the rules – by 31 March of the current year at the latest.

The Exchange shall check the delivery of the reports and the Information Memorandum from paragraph 1, item (1)-(3) of this article on the 20th of the calendar month upon the expiry of the deadline set out in paragraph 1 of this article.

Article 173.

In case the control in terms of article 172 of the Rules establishes that the issuer has not fulfilled the obligation to submit reports and Information Memorandum from paragraph 1, article 172 of the Rules, the Exchange shall by decision exclude the issuer's securities from the Open Market and include them in the MTP Belex, and the trading in the issuer's securities included in the MTP Belex shall be organized from the first next business day of the calendar month after passing the said decision.

A complaint can be filed against the decision from paragraph 1 of the article in terms of article 150 of the Rules.

Article 174.

When it is established from the official registry of information of the Securities Commission or in any other manner that the issuer of securities included in the Open Market fails to comply with the obligations stipulated by the Law, by-laws, the Rules and/or the contract concluded between the issuer and the exchange, the Exchange may, by decision, perform the following:

- (1) issue to the issuer one of the following measures:
 - 1) non-public rebuke,
 - 2) public rebuke,
- (2) exclude the issuer's securities from the Open Market and include them in the MTP Belex.

In passing the decision from paragraph 1 of this article:

- (1) when the true state of affairs cannot be established from the publicly available data of the competent registers or from the data available to the Exchange, the Exchange shall require the issuer to submit a written statement, within the period set by the Exchange, concerning the circumstances due to which he failed to fulfill, or failed to properly fulfill, the obligation stipulated by the Law, by-laws, the Rules and/or the contract concluded between the issuer and the Exchange.
- (2) consider all circumstances;

- 1) causing the breach of the Law, by-laws, the Rules and/or the contract concluded between the issuer and the Exchange,
- 2) impact on the integrity of the securities market, investors' interests and the reputation of the Exchange,
- 3) related to earlier conduct of the issuer concerning the required reporting obligations.

When deciding upon the measures from paragraph 1 of this article, the Exchange may instruct the issuer to eliminate the established irregularities within a specified time period. The issuer shall submit to the Exchange, within the period and in the manner determined by the said decision, a written report concerning the activities undertaken to eliminate the said irregularities. In case the issuer fails to act in the manner and within the specified period set by the decision from paragraph 1 of this article, the Exchange shall pass the decision to exclude the issuer's securities from the Open Market and include them in the MTP Belex.

The decision from paragraph 1 and 3 of this article shall be passed by the Board of Directors and the decision of the Board of Directors is final. The Board of Directors shall determine in the decision the date of the first trading in the said securities on the MTP Belex.

IX ORGANIZATION AND USE OF BELEXFIX

Article 175.

The Exchange shall organize the BelexFIX which enables the accuracy and reliability of collection, entering, processing, transfer and use of data available to the Exchange and which provide and fulfill other requirements prescribed by the Law and by-laws.

The Exchange shall provide the following appropriate conditions for proper functioning of the BelexFIX:

- (1) organizational and spatial conditions – technical room with appropriate: power supply provided by the reserve supply (UPS and aggregate); prescribed grounding; antistatic floor; temperature stability; fire prevention, access control, and other.
- (2) technical conditions – appropriate hardware and software equipment of the Exchange and communication structure of the Exchange business activities which fulfills the following criteria at the minimum:
 - 1) sufficient number and capacity of the servers, as well as sufficient number of work stations for the performance of the Exchange operations and formation of the secondary database;
 - 2) appropriate software efficiency, which provides uninterrupted electronic trading in all securities and by all trading methods in compliance with the Rules.
- (3) telecommunication conditions in terms of article 2 of the Rules shall particularly comprise provision of the appropriate number and type of telecommunication lines.

Article 176.

In addition to the BelexFIX in terms of article 175 of the Rules, the Exchange shall organize an additional backup system, which in case of the collapse of the BelexFIX takes over 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 BelexFIX.

Article 177.

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 BelexFIX and after taking measures for providing its functioning under extraordinary circumstances, the Exchange shall:

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

1. Conditions for access to and use of BELEXFIX**Article 178.**

System users are obliged to perform their activities with respect to the BelexFIX in compliance with the rules of access to 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 1 of this article to all the amendments to the Rules as well as to the decisions, measures and instructions prescribed in compliance with the Rules.

The Exchange Managing Director shall by decision determine the Exchange organizational units and appoint authorized persons from the Exchange for performing particular activities related to the BelexFIX.

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

Article 179.

The System user shall provide the conditions for access to and use of the BelexFIX from his main site and under the requirements stipulated by the Rules by previously fulfilling the requirements for the Exchange membership with respect to the technical capability and organization in terms of the Rules.

The System user's backup site shall fulfill the minimum technical and organizational requirements prescribed for the System user's main site as stipulated by the Rules.

The System user may access to and use the BelexFIX from its backup site if the Exchange Board of Directors, upon his written and justified request, approves his access to and use of the BelexFIX from his backup site under the conditions and in the manner prescribed by the Rules.

The provisions of the Rules concerning the access to and use of the BelexFIX define the System user's main site and shall be applied to the System user's backup site unless otherwise regulated by the Rules.

Article 180.

The System user shall access to and use the BelexFIX from the System user's main site and only exceptionally, in case of a failure of the main site, it shall be accessed to and used from the System user's backup site.

The transition to the access to and use of the BelexFIX from the System user's backup site, in terms of paragraph 1 of this article, is done by applying the rules of the following procedure prescribed by the provisions of this article.

In case there is a reason for the transition to the backup site, the System user shall immediately, without delay, notify by telephone the Exchange – the person appointed by the Exchange for providing the system support to the Exchange members and shall confirm the need, i.e., the request in the written form, electronically to the e-mail address: sistemska.podrska@belex.rs as soon as possible.

With respect to the request from paragraph 3 of this article, the System user shall immediately, without delay, ensure that the person engaged in IT activities related to the System user's backup site contacts the person authorized by the Exchange in terms of paragraph 3 of this article and shall undertake all other activities necessary to establish the conditions for activation of the System user's backup site.

Upon the submission of request from paragraph 3 of this article, the Exchange shall in co-operation with the System user and after checking the telecommunication and other conditions for access to and use of the BelexFIX from the backup site of the System user, at the shortest

possible notice and not longer than the next trading session, enable the access to and use of the BelexFIX.

Article 181.

The System user shall not submit the request for using the help desk before undertaking all activities in terms of article 180 of the Rules for the purpose of accessing and using the BelexFIX from the System user's backup site.

Exceptionally, when all activities from article 180 of the Rules have been undertaken, before the access to and use of BelexFIX from the System user's backup site was enabled in terms of article 180, paragraph 5 of the Rules, the Exchange may upon the System user's request approve the use of help desks.

The System user cannot access to and use BelexFIX from the System user's main and backup site simultaneously.

Article 182.

Upon cessation of reasons on the grounds of which the System user was approved access to and use of the BelexFIX from the System user's backup site, the activities shall be taken to transfer the access to and use of BelexFIX from the System user's main site, according to the procedural rules from article 180 of the Rules.

Article 183.

In case when, due to specific organizational and technical capability of the System user, there is a justified need to regulate certain mutual rights and obligations of the Exchange and the System user concerning the conditions and manner of access to and use of BelexFIX in a manner not prescribed by the Rules, with respect to the following:

- (1) procedure and competence concerning the installation, maintenance and adjustment of the System user's equipment;
- (2) support in eliminating problems regarding the access to and use of the BelexFIX;
- (3) liability for the damage caused by installation, adjustment and maintenance of hardware and software components of the System user's equipment, as well as
- (4) other deviations from the Exchange Rules,

the foregoing issues shall be regulated, upon prior approval of the Board of Directors, by concluding a separate contract, the content of which is determined by the Exchange Managing Director.

Article 184.

The 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 (hereinafter: authorized user).

Exceptionally from paragraph 1 of this article, limited access to the BelexFIX, without the right of using the system for the 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 for 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 shall provide limited access to the BelexFIX to persons from paragraph 2 of this article, provided they were previously successfully trained to work on the BelexFIX and that the System user filed the appropriate request. Along with the request, the System User shall deliver to the Exchange a certified statement that the person for whom the access is requested performs the job as referred to in paragraph 2 of this article.

The provisions of the Rules defining the requirements by the authorized broker shall apply to the obligations from paragraph 3 of this article.

The obligations of the authorized user defined by the Rules shall apply to the obligations of persons from paragraph 2 of this article.

Article 185.

For the needs of the System user and according to the Tariff fees, the Exchange shall provide the following:

- (1) client application for trading, for the server and the client work station, for the main site and for the backup site of the System user respectively;
- (2) certificate for access to and use of the BelexFIX;
- (3) BelexFIXAPI module for connecting the User Application with the BelexFIX.

Article 186.

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 for the main site of the System user;
- (2) plugging of the server and the client work station on the BelexFIX and final adjustment of the client application for both the main and backup sites of the System user.

Article 187.

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

- (1) 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,
- (2) system user must not give the installed server, i.e., the client work station, for use to other System users,
- (3) installed work station can be used only for remote trading at the Exchange,
- (4) System user shall not modify the server or the client work station by any means, copy their contents or install the remote trading software on another server, i.e., client work station, except in case when copying is performed for the purpose of organizing the System user backup site, with prior consent of the Exchange.
- (5) system user shall not, upon the installation of the client application by the Exchange, install or launch the implementation of any software on the server, i.e., the client work station after the installation of the client application by the Exchange, except when the said activities are for the purpose of organizing and/or maintaining the System user backup site according to the procedure established by the Rules.
- (6) System user shall 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 188.

If the System user wants to change the purpose of the server, i.e., 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, after which the System user may change the purpose of the said server, i.e., work station.

Article 189.

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

- (1) equal possibility of accessing the BelexFIX for all system users,
- (2) 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 BelexFIX server.

Article 190.

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 by the Rules.

Article 191.

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 it 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 the misuse of the discovered password due to his failing to comply with the obligation referred to in paragraph 3 of this article.

Article 192.

In cases of cessation or change in any of the conditions for obtaining the authorized user status, the System user shall inform the Exchange accordingly and without delay.

Article 193.

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 194.

System user is fully responsible for transmitting the trading orders to the BelexFIX and for the accuracy and completeness of the data contained therein.

System user shall provide technical, organizational and control mechanisms such that orders made out to the BelexFIX do not jeopardize the regularity and accuracy of trading and market integrity by their volume, price or other characteristics.

Article 195.

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 196.

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 197.

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 198.

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 from 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 activities undertaken by the authorized persons of the Exchange to remove the cause from paragraph 1 of this article.

In case of being unable to access the BelexFIX, System users may use the help-desks in compliance with the 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 199.

The authorized persons of the Exchange shall provide support for the System users either orally or in the written form, by using all appropriate means of communication, 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.

The provisions of the Rules concerning the conditions for access to and use of the BelexFIX from the System user's backup site are applied accordingly to the procedure of communication between the System user and the Exchange in case the Exchange needs to provide support to the System user.

Article 200.

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 a new version of the client application,
- (3) modification and other jobs related to the client application.

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

Article 201.

The Exchange is responsible for the 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 202.

The Exchange shall not be liable for:

- (1) impossibility of partial or full use of the BelexFIX due to the cessation of telecommunication lines or malfunctioning at the location of the authorized user due to force majeure or fault or wrong handling of the equipment by the System 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 the procedures for enabling normal operation of the BelexFIX system in extraordinary situations including force majeure;
- (6) impossibility of partial or full use of the BelexFIX due to problems occurring during transition from the main site of the System user to its backup site or transition from the backup site to the main site of the System user.

- (7) 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 203.

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 the 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 shall apply the provision of article 177 of the Rules.

A large number of members, in terms of paragraph 1 of this article, is considered to be (alternatively):

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

Article 204.

If the authorized persons in the course of trading ascertain that the activities of the server or the client work station have caused disruption 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 foregoing activities.

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

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 205.

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 204 of the rules, the Exchange shall disconnect the server or the client work station from the BelexFIX and shall notify the System user, stating the reasons for disconnection.

2. Conditions for access to and use of BelexFIX via BelexFIXAPI module**Article 206.**

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.

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

- (1) automatic electronic placement of trading orders into the BelexFIX, from the 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 207.

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 via the BelexFIXAPI module (hereinafter: FIXAPI functionality), was certified by the Exchange.

Article 208.

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

Upon receiving the request set forth in paragraph 1 of this article, the Exchange delivers to the User of the BelexFIXAPI a module 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 2 of this article, the System user who has concluded the contract with the Exchange in terms of article 183 of the Rules, performs the installation of the BelexFIXAPI module into his server himself.

Article 209.

Before the testing and certifying of the FIXAPI functionality as set forth in article 207 of the Rules 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 207 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 210.

System user who concluded the contract set forth in article 209 of the Rules is obliged to have in function at least one client working station with the installed client application for the access to and the use of the BELEXFIX.

Article 211.

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 208 and 209 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.

System user is obliged to timely notify the Exchange of any planned change in terms of paragraphs 1 and 2 of this article.

Upon a successful retesting and certification in terms of paragraphs 1 and 2 of this article, the System user can begin to use the changed user application.

Article 212.

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 208 and 209 of the Rules.

Upon a successfully repeated testing and certification in terms of paragraphs 2 and 3 of this article, the System user may start to use the changed user application.

Article 213.

If persons authorised by the Exchange establish 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 the System user's further use of the BelexFIXAPI module.

Article 214.

In the case set forth in article 176 of the Rules, the use of the BelexFIXAPI module is defined by a special Exchange enactment (Disaster Recovery Plan).

Article 215.

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

X NOTIFICATION AND REPORTING

Article 216.

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 217.

Issuers 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 65 of the Rules regulating the way of communication between the Exchange and issuers.

Article 218.

The Exchange shall publish on its website the issuer's prospectus, Information Memorandum, as well as reports, information, decisions and other prescribed data which the issuer submits in terms of article 67 of the Rules, in line with the Law and by-laws, on the next business day from the submission to the Exchange at the latest.

Article 219.

The Exchange shall keep records on the 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:

- (1) name and the registered office of the public company;
- (2) name of the report of the public company;
- (3) date of publishing the public company's report on the Exchange website.

With respect to the issuers whose securities are included in the regulated market, the Exchange shall keep records of the submitted:

- (1) Information Memorandum;
- (2) issuers's annual and semi-annual reports within the deadlines set by the Law;
- (3) issuer's quartal reports on the securities included in the listing of the regulated market within the deadlines set by the Law.

Article 220.

The Exchange, keeps record on the transactions in financial instruments included in the regulated market or MTP Belex by means of its information system.

Article 221.

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

Article 222.

The Exchange shall issue the following:

- (1) daily report on trading containing the trading data by market segments index movements
- (2) weekly reports containing the trading data, turnover structure by segments, participation of the most active members and the index movements;
- (3) monthly reports containing the tradingdata, turnover structure by segments and members, the index movement, etc.

Article 223.

The Exchange shall provide transparency before and after transactions in the manner stipulated by the Law and by-laws of the Securities Commission.

The Exchange shall enable the distribution of the trading data through the Belex service, in real time and out of real time.

The volume and terms of the distribution and the 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 224.

Members shall 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.

Article 225.

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

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

Article 226.

Access to the Press Room is provided only to accredited reporters.

The Exchange Managing Director shall decide on issuing and revoking the accreditations granted to newspapers, agencies and reporters for covering the work at the Exchange.

Article 227.

The Exchange issues the official gazette, the Bulletin, releasing the data on securities trading, information on the status and operation of the Exchange and its bodies and commissions, information on activities of the Members, texts of the rules and regulations of the Exchange

which are upon decision published in the gazette of the Exchange, special supplements 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.

1. Education

Article 228.

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 co-operation with educational, scientific and other institutions.

The program of the education shall focus on the exchange business operation and particular aspects of the exchange activities.

The education is intended 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 229.

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

Article 230.

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.

XI RESOLUTION OF CONFLICTS OF INTEREST

Article 231.

The Exchange and its Members, members of the bodies and the Exchange's and Member's employees shall, in case of a conflict of interest with other participants on the capital market and for the purpose of maintaining a fair, just and transparent market, act in such manner as to protect the interests of the capital market.

The conflict of interest arises when the decision-maker referred to in paragraph 1 of this article or the person participating in the decision-making process has an interest in the outcome of the process or he is directly or indirectly involved with the parties interested in its outcome in such a manner leading to the possibility of logical and realistic assumption that the very existence of such involvement might (consciously or unconsciously) impair his objectivity and impartiality of that person in making a decision.

The conflict of interest in terms of this article exists for example (but is not limited to) in cases when the person from paragraph 1 of this article decides upon an issue when the employer of that person or someone to whom such a person provides consulting or other business services or someone with whom such a person has a significant business relationship or that person's business partner, spouse or close relative or equivalent person is directly or indirectly interested in the outcome of decision-making.

In case of suspicion as to the existence of a conflict of interest with respect to the person from paragraph 1 of this article, proceedings shall be instituted before the Exchange Board of

Directors, which needs to determine whether the conflict of interest exists and, if it exists, provide recommendations and measures on how to avoid possible negative consequences of such a conflict.

The Exchange shall instigate the proceedings before the Board of Directors on its own initiative or at the proposal of the person from paragraph 1 of this article, as well as of the person who is acquainted with the reasons which, according to the provisions of this article, might cause suspicion as to the existence of a conflict of interest.

In case the Exchange Board of Directors should decide on a conflict of interest involving a member of the Exchange Board of Directors, the member shall be exempt from the decision-making with respect to the said issue.

XII RISK MANAGEMENT, PERSONAL TRANSACTIONS AND PREVENTION OF DISCLOSURE OF CONFIDENTIAL OR INSIDE INFORMATION

Article 232.

The Exchange shall continually identify and assess the compliance risk of the Exchange operations and shall identify potential lack of compliance of the Exchange operations. The risk assessment involves the process of recognizing events which present, or might present, a potential source of risk concerning the compliance of the Exchange operations and qualitative assessment of potential weaknesses, need for corrective measures in the organization of business activities, liability for risk exposure and proposal for resolution of issues.

The Exchange shall execute the measures and procedures for (1) prevention of disclosure of the privileged, confidential and/or information not available publicly (2) personal transactions of relevant persons, by contracting with the Exchange employees and members of the management the obligation to declare their investment accounts and investment activities, including the related persons.

The issues from paragraph 1 and 2, as well as the measures and procedures for establishing and managing the Exchange risks are more closely defined by the Exchange Rulebook regulating the internal organization of the Exchange operations.

XIII TRANSITORY AND FINAL PROVISIONS

Article 233.

The Central Registry may, directly, without mediation of the Member, by previously providing the conditions of professional and technical capability prescribed by the Rules for acquisition of Exchange membership and subject to the contract concluded with the Exchange, place forced buy and sell orders during the trading sessions at which the said security is traded.

Article 234.

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

Article 235.

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

Article 236.

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 237.

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

Article 238.

The Rules and their modifications and amendments are published on the the Exchange website 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.

As an exception from paragraph 1 of this article, for justified reasons which call for urgent modifications and amendments to the Rules, established by decision in their adoption, the Rules may come into force at an earlier date.

Article 239.

The Members holding the membership status on the day when the Rules come into force, shall keep the status provided they fulfill the membership requirements set by the Rules and shall submit the missing documentation in terms of articles 9 and 16 of the Rules within three months from the day of the Rules coming into force.

The Exchange shall revoke the membership status to the Member who fails to act in the manner prescribed under the previous paragraph of this article.

Exceptionally from paragraph 2 of this article, the Exchange Board of Directors may set an appropriate deadline to the Member, which cannot be longer than two months, within which the Exchange Member shall fully meet the requirements from paragraph 1 of this article. In case the Member fails to comply with the obligation under paragraph 1 of this article after the set deadline, the Board of Directors shall pass the decision on termination of his membership status.

Article 240.

The authorized brokers of the Member who have that status on the day of the Rules coming into force shall complete a training for working on the BelexFIX in line with the Rules, within the period set by the Exchange.

The Exchange shall revoke the status of the Member's authorized broker in case he fails to act in accordance with the previous paragraph of this article.

Exceptionally from paragraph 2 of this article, the Exchange Managing Director may set a new deadline for the training of the authorized broker, and the authorized broker is obliged to act upon the Exchange requirement and successfully complete the said training for working on BelexFIX. In case he fails to do so, the Exchange Managing Director shall pass the decision on termination of the authorized broker's trading licence.

Article 241.

Securities admitted to the Prime Market of the regulated market before the day of the Rules coming into force shall be deemed to be admitted to the Prime Listing of the regulated market on the day of the Rules coming into force.

Securities admitted to the Standard Market of the regulated market before the day of the Rules coming into force shall be deemed to be admitted to the Standard Listing of the regulated market on the day of the Rules coming into force.

Securities admitted to the unregulated market before the day of the rules coming into force, shall be included in the Open Market or the MTP Belex, depending on:

- (1) whether in trading in the said security there were transactions concluded over the period of 180 days preceding the day of the Securities Commission approval regarding the Rules (hereinafter: cut-off day);
- (2) whether the security on the cut-off day is marked by a special mark 'BP' (without prospectus);
- (3) whether the security on the cut-off day fulfills the conditions stipulated by article 64 of the Rules.

If according to the Exchange records, after the trading session on the cut-off date:

- (1) there were concluded transactions for the security in terms of paragraph 3 item (1) of this article and the said security is not marked by 'BP', and it fulfills the conditions from article 64, paragraph 1 of the Rules, the said security shall be deemed to be admitted to the Open Market;
- (2) there were not concluded transactions for the security in terms of paragraph 3, item (1) of this article or it bears the mark 'BP', or it does not fulfill the conditions from article 64, paragraph 1 of the Rules, the said security shall be deemed to be admitted to the MTP Belex;

Article 242.

The market segment into which a particular security from article 241 of the Rules is included shall be determined by the decision of the Exchange Managing Director without passing decisions on modifications of and amendments to particular decisions on admission of securities to the regulated market, i.e., decisions on inclusion of securities to the unregulated market passed before the implementation of the Rules. The list of the securities by market segments shall be published on the Exchange website.

Article 243.

Until 21 May 2012, the applied fluctuation zone model in terms of the Rules shall be the model containing only AZF and the said zone is established in the following range:

- (1) for the first trading in security, i.e., for each subsequent trading in the given security until the execution of the first transaction (hereinafter: first trading), AZF is determined relative to the reference price in the following range:
 - 1) -20% to +300%, for shares, and
 - 2) +/-10% for other securities.
- (2) for subsequent tradings, AZF is determined uniquely in the range of:
 - 1) +20/-12% for shares on Open Market and MTP Belex,
 - 2) +10/-8%, for shares on the regulated market listing,
 - 3) +/-10%, for debt securities,
 - 4) +/-20%, for other securities and other financial instruments on all market segments.

Article 244.

Trading orders which prior to the day when the Rules come into force have been entered into the BelexFIX, and which according to the time limit are determined as a Good-till-Day Order or a Good-till-Cancelled Order, within the time period of no longer than 90 days from the day of entering, shall be valid until the expiry of the set period.

Article 245.

The procedures initiated before the Exchange prior to the Rules coming into force, and according to the Rules (number: 04/2-3821/07, with modifications and amendments number: 04/2-236/08, -4/2-1020/08, 04/2-3153/08, 04/2-3154/08 and 04/2-690/09) and the regulations adopted pursuant to the Rules, shall be terminated in compliance with the Exchange regulations.

Article 246.

Upon the Rules coming into force, the regulations, decisions, instructions and other enactments adopted by the Exchange prior to the Rules coming into force shall remain valid, except the provisions of the said enactments which are contrary to the Rules, in which case the provisions of the Rules shall be directly applied.

Article 247.

The contracts concluded with the issuers whose securities are included into the regulated market or unregulated market prior to the Rules coming into force, shall not be cancelled by the Exchange on the day the Rules come into force and they shall remain valid with respect to all

provisions of the concluded contract except the provisions which are contrary to the Rules, in which case the provisions of the Rules shall be directly applied.

Article 248.

The prospectus for organizing trading at the Exchange submitted to the Exchange prior to the Rules coming into force shall be deemed to be the information memorandum on the issuer in terms of the Rules.

The provisions of the Rules related to the information memorandum shall be applied until at least ½ of the issuers out of the total number of the issuer whose securities are included into the regulated market or MTP have the prospectus for issuing of securities by public offering or admission to the regulated market or the MTP Belex approved by the Securities Commission.

The Exchange Board of Directors shall pass a decision on ascertaining the circumstances referred to in paragraph 2 of this article and declaring the provisions of the Rules regarding the issuer's information memorandum null and void.

Article 249.

The Rules shall be submitted to the Securities Commission for approval.

Upon obtaining the approval in terms of paragraph 1 of this article and the approval of the Tariff Rulebook of the Belgrade Stock Exchange submitted to the Securities Commission in the procedure of harmonization of the Exchange with the Law, the Rules shall be published on the Exchange website.

The Rules shall come into force and shall be applied upon the expiry of 8 days from the day of their publishing on the Exchange website, except the articles 88. – 90 of the Rules, which shall be applied from 21 May, 2012.

On the date of these Rules entering into force the Rules of Business Operation of the Belgrade Stock Exchange jsc. Belgrade no. 04/2-3821/07, with modifications and amendments no: 04/2-236/08, 04/2-1020/08, 04/2-3153/08, 04/2-3154/08, 04/2-690/09 and 04/2-3043/09 cease to be valid.

THE BOARD OF DIRECTORS CHAIRMAN OF
Ivan Ristic

APPENDIX

Minimal technical requirements for the 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 backup 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.