

Pursuant to article 53. paragraph 1. item 7. of the Contract of Organization of the Belgrade Stock Exchange a.d. Belgrade, for the purpose of harmonization with the Law on Business Companies (Exchange no. 04/1-1395/09, bussiness cert. no of IV Municipal court in Belgrade III Cert. no.954/09, hereinafter: Memorandum of Association) and with respect to articles 15-21 of the Rules of Business Operation of the Belgrade Stock Exchange a.d. Belgrade (number: 04/2-690/08), the Board of Directors of the Belgrade Stock Exchange a.d. Belgrade, at its XIV/09 meeting, held on 18.12.2009, passed the Decision (no: 04/2-3012/09) on changing the Decision on establishing conditions for performing the activities of a market maker (number: 04/2-233/08), and determined the updated version of the following

## **DECISION**

### **on establishing conditions for performing the activities of a market maker**

#### **Article 1.**

This Decision establishes the criteria that an issuer's security must fulfill in order to become the subject of market making operations, as well as the conditions under which the market making operations for a particular security can be performed depending on the fulfilled criteria.

#### **Article 2.**

The subject of the contract on market making can be an issuer's security traded on the Exchange on the regulated or unregulated market by the continuous trading method, which belongs to one of the liquidity levels established by the criteria set by this decision.

#### **Article 3.**

For determining the liquidity level for a security the following criteria are established:

- 1) criterion – average daily turnover values in the last six months

<b>Criterion 1</b>	<b>Average daily turnover value in the last six months</b>	<b>Rank</b>
<b>p1</b>	$\geq 10.000.000$ RSD	1
<b>p2</b>	from 1,000,000 to 10,000,000 RSD	2
<b>p3</b>	$< 1,000,000$ RSD	3

- 2) criterion – average daily number of transactions in the last six months

<b>Criterion 2</b>	<b>Average daily number of transactions in the last six months</b>	<b>Rank</b>
<b>t1</b>	$\geq 15$ transactions	1
<b>t2</b>	from 5 to 15 transactions	2
<b>t3</b>	$< 5$ transactions	3

The six-monthly average as referred to in paragraph 1 of this article is determined on the first working day in the month for the previous six months.

#### **Article 4.**

The level of liquidity for a security is determined according to the ranks of the established criteria from the previous article of this Decision, in the following way:

<b>Level of liquidity</b>	<b>Sum of ranks of both criteria</b>
<b>L1</b>	2
<b>L2</b>	3 or 4
<b>L3</b>	5 or 6

**Article 5.**

Depending on the determined level of liquidity for a security defined by the market making contract, market making operations (hereinafter: MM) are performed under the following conditions:

<b>Conditions for orders</b>	<b>Minimum quantity on the buy and sell sides</b>	<b>Maximum spread between best buy and best sell</b>
<b>L1</b>	2,5% of the average daily volume of turnover in the last six months on the bid and ask sides, not less than 15 items on each side	3%
<b>L2</b>	2,5% of the average daily volume of turnover in the last six months on the bid and ask sides, not less than 15 items on each side	5%
<b>L3</b>	2,5% of the average daily volume of turnover in the last six months on the bid and ask sides, not less than 10 items on each side	7%

Irrespective of the market or the market segment at which the security from the market-making contract is traded, MM is obliged to perform the MM operations during at least 2/3 (66%) of the continuous trading phase period.

As an exception from paragraph 2. of this article, the obligations of MM for an individual trading session are deemed to be fulfilled even before the expiration of the minimum required period in case MM up to that moment has realized the volume of turnover for the security defined by the market making contract exceeding 20% of the average daily volume of turnover in the last six months.

**Article 6.**

In line with the criteria and conditions of this Decisions, the contract on market making concluded according to the Exchange Rules of Business Operation closely determines the rights and obligations of MM and the way of realization of the conditions provided by this Decision for each particular security.

**Article 7.**

This Decision is published in the Exchange Bulletin and on the Exchange internet page and comes into effect on the eight (8) day from the day when it was published on the Exchange internet page.

CHAIRMAN OF THE BOARD OF DIRECTORS  
Ivan Ristić

**ANNOUNCEMENT:**

**DECISION**  
on establishing conditions for performing  
the activities of a market maker  
(number: 04/2-3012/09, dated 18.12.2009),

**WAS PUBLISHED ON THE EXCHANGE INTERNET PAGE, on 21.12.2009, and**

**COMES INTO EFFECT**  
on the eight day after the day when it was published  
on the Exchange internet page:

**- 30th DECEMBER 2009 -**

**BELGRADE STOCK EXCHANGE**  
Gordana Dostanić, Managing Director