DISCLAIMER:
Please note that this is a convenience translation of the Market Makers Manual which serves for information purposes only.
The original Croatian text is binding in all respects.
Table of contents:

1. Introduction ........................................................................................................................................ 4
2. Financial instrument for which member firm may perform market maker activities ....................... 4
3. Organizational, personnel and technical requirements for the performance of market maker activities .................................................................................................................................................. 4
   3.1. Organizational requirements for the performance of market maker activities......................... 4
   3.2. Personnel requirements for the performance of market maker activities................................. 4
   3.3. Technical requirements for the performance of market maker activities.................................... 5
      3.3.1. Application for the performance of market maker activities............................................. 5
 Procedure for member firms wishing to use TWS interface ........................................................................... 5
 Procedure for member firms wishing to perform market maker activities through their own user application .............................................................................................................................................. 5
4. Procedure for the grant of market maker status .................................................................................. 6
   4.1. Application submission ................................................................................................................... 6
   4.2. Decision on Application ................................................................................................................. 6
   4.3. Compliance verification ................................................................................................................... 6
   4.4. Market Making Contract .............................................................................................................. 7
   4.5. Trading system configuration ........................................................................................................ 7
5. Procedure in case the member firm wishes to change market maker software ....................................... 7
6. User account and procedure of making related changes ....................................................................... 7
   6.1. Market maker user account ........................................................................................................... 8
      6.1.1. Performance of market maker activities by natural person ............................................... 8
 Initial user trading account configuration ................................................................................................. 8
 Role ..................................................................................................................................................... 8
 Authorization to change a market maker order ....................................................................................... 8
 Request for change .................................................................................................................................. 8
 User account changes ............................................................................................................................. 8
   6.1.2. Performance of market maker activities by the automatic order placement ............................ 9
7. Requirements and parameters for performing market maker activities ............................................... 9
   7.1. Market maker for shares or ETF-s units ...................................................................................... 9
      7.1.1. Order book depth ..................................................................................................................... 9
      7.1.2. Average daily turnover ........................................................................................................... 10
      7.1.3. Share or ETF-s units classification criteria .......................................................................... 10
      7.1.4. Maximum spread ................................................................................................................. 10
      7.1.5. Minimum quantity ................................................................................................................. 11
   7.2. Market makers for structured product ........................................................................................... 11
8. Termination of market maker activities on member firm’s request .................................................... 12
9. Transitional and final provisions .......................................................................................................... 12
10. Annexes ............................................................................................................................................ 12
 Application for the performance of market maker activities ...................................................................... 13
Request for employee training for the performance of market maker activities ....................... 14
Request for access to the test environment for the performance of market maker activities .. 15
Application for the grant of market maker status ................................................................... 16
Request for a trading system configuration change related to the authorization type for
modifying market maker orders .......................................................................................... 17
Request for termination of market maker activities .............................................................. 18
Market making Contract ....................................................................................................... 19
Market Making Contract for structured products ................................................................. 24
Annex to the Market Making Contract for structured products ............................................ 29
Pursuant to Article 5 (1) and the Articles 45 to 65 of the Rules of the Zagreb Stock Exchange (hereinafter: Rules), this Manual regulates the following:

- financial instruments for which the Exchange member firm perform market maker activities
- organizational, personnel and technical requirements for the performance of market maker activities;
- acquisition and termination of market maker status at the request of the member firm;
- changes of application software used by the member firm in performing market maker activities;
- implementing changes related to the user accounts and procedure of making related changes
- requirements and parameters for the performance of market maker activities.

1. Introduction

Market maker is an Exchange member firm which, pursuant to a contract concluded with the Exchange, assumes special obligations related to maintaining the liquidity of a particular financial instrument for a period of time in the course of the main trading session by simultaneously quoting bid and sell orders.

2. Financial instrument for which member firm may perform market maker activities

Financial instrument for which member firm may perform market maker activities are as follows:

- Shares
- Structured products
- ETF-s units

3. Organizational, personnel and technical requirements for the performance of market maker activities

3.1. Organizational requirements for the performance of market maker activities

Any member firm intending to perform market maker activities shall:

- ensure that the performance of market maker activities does not influence regular trading tasks;
- establish a permanent and effective system to prevent and control the information exchange (e.g. filling an order for the account of a client etc.) affect the performance of market maker activities or constitute market abuse;
- establish a permanent and effective system to prevent a conflict of interest which may arise in the performance of market maker activities and other tasks at the member firm, and potentially harm client interests;
- maintain records of market maker orders and transactions conducted on the basis of such orders, in accordance with the provisions of the CMA, these Rules and other regulatory Exchange documents.

3.2. Personnel requirements for the performance of market maker activities

A member firm which intends to perform market maker activities must, ensure that (natural) person which is performing market maker activities has to be qualified for that, aggregately, meet the following requirements:
• have a valid broker or investment adviser licence;  
• complete training organized by the Exchange for the use of the OMX X-Stream trading system;  
• complete training organized by the Exchange for the performance of market maker activities.

The member firm is required to send to the Exchange a request for employee training in relation to the performance of market maker activities. The request is to be submitted to the ZSE Academy by e-mail at: akademija@zse.hr.

Training consists of lectures, held at the time and place to be specified by the Exchange.

On completion of training, the Exchange will issue an appropriate certificate of completed training to the participant, and participant data will enter in the database of persons who have completed such training.

Any person who completes training is obligated to carry out a simulation of market maker activities for 2 (two) trading days before starting to perform market maker activities.

For the purpose of carrying out such market maker trade simulation, the member firm is required to submit a Request to the Exchange seeking access to the market maker test environment.

3.3. Technical requirements for the performance of market maker activities

Any member firm which has decided to perform market maker activities is required to use appropriate application software.

Market maker activities for structured product member firm can perform only by automatic order.

3.3.1. Application for the performance of market maker activities

Any member firm which has decided to perform market maker activities is required to apply for the performance of market maker activities.

In its application the member firm must specify whether it intends to perform market maker activities via:

• the Trader Workstation (TWS) interface or
• their own user application.

Procedure for member firms wishing to use TWS interface

Member firms intending to perform market maker activities through the TWS interface must carry out a simulation of market maker activities in the test environment.

Procedure for member firms wishing to perform market maker activities through their own user application

Member firms intending to perform market maker activities through their own user application must specify in their application whether they are:

• upgrading the existing user application or
• introducing a new user application,

---

1 A broker or investment advisor licence is needed in case where natural person will perform market maker activities with trading role Broker/Market maker.  
2 Annex 2 to this Manual  
3 Annex 3 to this Manual  
4 Annex 1 to this Manual  
5 Annex 1 to this Manual
and, in consultation with the IT Department, proceed in accordance with the documents regulating the manner, deadlines and other conditions of acceptance of the IT applications of brokerage firms.

4. Procedure for the grant of market maker status

4.1. Application submission

Any member firm with approved application for the performance of market maker activities may submit to the Exchange an application for the grant of market maker status.

The application for the grant of market maker status contains the following:

1. information on the financial instrument in respect of which market maker activities are to be performed;
2. information on the date on which the member firm intends to start performing market maker trade activities;
3. statement of the member firm that it fully meets all technical, personnel, organizational and other requirements for market maker trading stipulated by CMA, these Rules and other regulatory Exchange documents.

The member firm wishing to perform the market maker activities via natural person must attach to its application a Request for user account opening/changes/closing for each natural person who is to perform market maker activities, specifying the user role (Market maker or Broker/Market maker) and listing any financial instrument in respect of which that person will perform market maker trading.

To ensure the validity of automatic order placement, the member firm wishing to perform the market maker activities by automatic order placement is required to make a statement by which it designate at least one employee trained to perform market maker activities as the person responsible for the use of designated user account, as well as for the supervision of settings and application operation and for the accuracy of any orders placed through the application concerned in the course of performing market maker activities.

4.2. Decision on Application

Any incomplete or irregular applications will be returned to member firms for correction and amendment.

If the application is complete and regular, the Exchange will proceed to determine whether the member firm meets the requirements for performing market maker activities.

4.3. Compliance verification

Compliance with technical requirements is verified by the Exchange's IT Department.

Compliance with organizational, personnel and other requirements is verified by the Markets Department.

In the course of checking compliance, as well as throughout the period in which the member firm performs market maker activities, the Exchange is entitled to ask the member firm to present the procedures, circumstances or documents it considers necessary for determining whether the member firm meets the requirements set for performing market maker activities.

---

6 Annex 4 to this Manual
7 The Request form is available to member firms on the Zagreb Stock Exchange user intranet (https://it.zse.hr)
If the Exchange finds that a member firm does not meet the requirements, it will instruct the member firm, if possible, to take the steps necessary to comply with the requirements in an appropriate time frame specified by the Exchange. If the member firm fails to comply with the requirements by the specified deadline, the Exchange will decide to reject its application for the grant of market maker status.

4.4. Market Making Contract

If a member firm fulfils all prescribed requirements for the grant of market maker status, the member firm and the Exchange will conclude the Market Making Contract\(^8\).

If a member firm fulfils all prescribed requirements for the grant of market maker status in respect of structured products, the member firm and the Exchange will conclude the basic Market Making Contract in respect of structured products\(^9\) at the start of performing market maker activities in respect of structured products of a particular issuer.

An Annex to the Market Making Contract is concluded in respect of each particular structured product of the same issuer on signing the basic Contract.

The member firm will be granted market maker status by signing the Contract.

The fact that a member firm has been granted market maker status in respect of a particular financial instrument and that it may begin to perform market maker activities is posted on the Exchange website. Along with that fact, the Exchange will also publish the date on which the member firm is to begin performing market maker activities in respect of that financial instrument, provided that a member firm has announced to the Exchange the day on which the member firm is to begin performing market maker activities.

The member firm shall announce to the Exchange the day on which it will begin to act as market maker at least 2 (two) trading days before beginning to exercise market maker rights and perform market maker obligations.

4.5. Trading system configuration

The IT Department of the Exchange will configure the trading system in accordance with the Application submitted by the member firm.

5. Procedure in case the member firm wishes to change market maker software

In case the member firm meeting technical requirements for the performance of market makers activities wishes to change the software used for performing market maker activities by replacing:

- the TWS interface with their own application communicating with the Exchange trading system through the X-Stream Open API interface, or
- their own application communicating with the Exchange trading system through the X-Stream Open API interface by TWS interface,

it will initiate a respective procedure by submitting a Request\(^10\) in accordance with the provisions of this Manual.

6. User account and procedure of making related changes

\(^8\) Annex 7
\(^9\) Annex 8
\(^10\) Annex 1
6.1. Market maker user account

Market maker activities can be performed by natural person or by the automatic order placement through the application software of the member firm.

Market maker activities in respect of structured products can be performed only by the automatic order placement through the application software of the member firm.

6.1.1. Performance of market maker activities by natural person

Any person performing market maker activities as an employee of the member firm must have a Zagreb Stock Exchange trading system user account.

The user trading account opening, changing or closing is carried out by sending a Request for user trading account opening/changes/closing.

Initial user trading account configuration

After the Market maker Trading Contract, the IT Department initially configures user accounts, in accordance with the provisions of this Manual (using the information contained in submitted applications).

Role

An employee of the member firm can be designated Market maker or Broker/Market maker. In the market maker role, only market maker activities may be performed. In the Broker/Market maker role, both market maker activities may be performed and regular trading in all other financial instruments may be done.

Authorization to change a market maker order

If more than one natural person at the member firm performs market maker activities, the user system is configured in such a way that the market maker order quoted in the Exchange trading system may only be modified by the person quoting that market maker order (Authorization type 1).

At the special Request\(^\text{11}\) of the member firm, the IT Department will configure the trading system in such a way that any natural person performing market maker activities may modify the market maker order in the Exchange trading system, regardless of who quoted it (Authorization type 2).

This option can only be configured in an identical way for all the persons performing market maker activities at one member firm, in respect of each financial instrument for which a Market maker Trading Contract has been signed.

Request for change

A Request for user trading account opening/changes/closing needs to be submitted for any change in the user trading accounts used by a member firm.

User account changes

A member firm may request the following changes in relation to the user trading account:

1. opening of a new user trading account for the purpose of performing market maker activities;

2. change of the role of an existing user trading account so that it can be used for performing market maker activities;

\(^{11}\) Annex 5
3. termination of a user trading account used for performing market maker activities. In the Request form the member firm must request a change of role or user account closing;

4. changes in the settings of the user account used for performing market maker activities (adding a new or cancelling the financial instrument in respect of which market maker activities are being performed on individual user trading account).

6.1.2. Performance of market maker activities by the automatic order placement

For the purposes of market maker activities, a unique user account is opened for automatic order placement through the application software of the member firm for the use of which the member firm employee, designated in the statement referred in chapter 4.1. is responsible.

7. Requirements and parameters for performing market maker activities

7.1. Market maker for shares or ETF-s units

On each trading day, the market maker in respect of each share or ETF-s units is required to quote simultaneous buy and sell orders within the order book for at least 60% of the time in the course of the main trading session, where:

- the quantity quoted in the buy and sell order must be equal to or larger than the minimum quantity stipulated by this Manual and

- the order spread must be smaller than or equal to the maximum spread stipulated by this Manual.

For the purpose of determining the minimum quantity and the maximum spread, the shares or ETF-s units are divided into liquidity classes, based on the order book depth and average daily turnover. Sorting into liquidity classes performs at the beginning of each quarter, on the basis of trading data for the previous quarter.

7.1.1. Order book depth

Order book depth (OBD) is the liquidity indicator, measuring the share or ETF-s units price movement on the entry of sell and buy market orders to the amount of HRK 10,000.00.

Order book depth is stated in basis points (100 basis points = 1%), and is given by:

\[ DKP = 10,000 \times \frac{P - M + M - K}{M - M} \]

where:

- \( M = (K + P)/2 \)
- \( M = \) theoretical price,
- \( P = \) best ask,
- \( K = \) best bid,
• \( P' \) = best ask after the entry of a HRK 10,000.00 buy market order,

• \( K' \) = best bid after the entry of a HRK 10,000.00 sell market order.

7.1.2. Average daily turnover

For the purpose of calculating the average daily turnover of a particular share or ETF-s units, the calculation takes into account the order book turnover. Block trades and OTC transactions are not included in the calculation.

7.1.3. Share or ETF-s units classification criteria

For the purpose of setting parameters for the performance of market makers activities, shares or ETF are divided into three liquidity classes in accordance with the following criteria:

<table>
<thead>
<tr>
<th>Class</th>
<th>Order book depth</th>
<th>Average daily turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OBD&gt;=250</td>
<td>&gt;HRK 300,000</td>
</tr>
<tr>
<td>2</td>
<td>250&lt;OBD&lt;=1,000</td>
<td>&gt;HRK 150,000</td>
</tr>
<tr>
<td>3</td>
<td>OBD&gt;1,000</td>
<td></td>
</tr>
</tbody>
</table>

If a share or ETF-s units meets the order book criteria but does not meet the average daily turnover criteria, it is assigned into a class lower than the one to which it would belong on the basis of the order book depth.

7.1.4. Maximum spread

The maximum spread is the highest price differential allowed between the simultaneous buy and sell orders of a single market maker.

The maximum market maker buy and sell order spread is determined as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Maximum spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>3</td>
<td>7%</td>
</tr>
</tbody>
</table>

The maximum spread in absolute terms is stated in HRK. The maximum spread in absolute terms is calculated by the Exchange once a month for each share or ETF-s units which has a designated market maker, by multiplying the maximum spread expressed in percentage terms for each class by the average price on the last day of the previous month, according to the following formula:

\[ S = \text{Limit} \times P \]

where:
- \( S \) = spread in HRK,
- \( \text{Limit} \) = maximum spread stated as \% of the class to which share or ETF-s units belongs,
- \( P \) = average share or ETF-s units price on the last day of the previous month.

The maximum spread size in absolute terms is stated in HRK (without lipa) and is always rounded up.

### 7.1.5. Minimum quantity

The minimum size of simultaneous buy and sell orders to be quoted by the market maker in the trading system is shown in the following table:

<table>
<thead>
<tr>
<th>Class</th>
<th>Minimum order size (in HRK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HRK 35,000</td>
</tr>
<tr>
<td>2</td>
<td>HRK 15,000</td>
</tr>
<tr>
<td>3</td>
<td>HRK 10,000</td>
</tr>
</tbody>
</table>

The minimum share or ETF-s units quantity is stated in pieces. The Exchange will calculate the minimum quantity corresponding to the minimum order size once a month, according to the following formula:

\[
Q = \frac{\text{Limit}}{P}
\]

where:

- \( Q \) = minimum quantity of share or ETF-s units stated in pieces,
- \( \text{Limit} \) = minimum order amount stated in kuna for the class to which share or ETF-s units belongs,
- \( P \) = average share or ETF-s units price on the last day of the previous month.

The minimum quantity of particular shares or ETF-s units in the market maker order is rounded up to the next integer by rounding up the minimum quantity \( Q \) to the next multiple of 5. As an exception where \( 25 \times P > \text{Limit} \), the quantity is rounded up to the next multiple of 2.

The Exchange will calculate the minimum quantity of particular shares or ETF-s units in the market maker order once a month and will send it to market maker while also posting it on its website.

### 7.2. Market makers for structured product

The issuer of a structured product is required to designate a market maker, which must be a member of the Exchange.
On each trading day, the market maker is required to quote simultaneous buy and sell orders within the order book for a specified time in the course of the main trading session, where:

- the quantity quoted in the buy and sell order must be equal to or larger than the minimum quantity stipulated by this Manual and
- the order spread must be smaller than or equal to the maximum spread stipulated by this Manual.
- The minimum quoting time, the maximum spread or a market maker order and the minimum order size is defined by the market maker in the Market Making Contract for structured product concluded with the Exchange.

8. Termination of market maker activities on member firm’s request

A member firm which no longer intends to perform market maker activities is required to request termination of market maker activities. In the request the member firm must specify the financial instruments in respect of which the request for the termination of market maker activities is submitted, as well as the date up to which it intends to perform market maker activities.

The Exchange will decide on the termination of market maker status in respect of the financial instrument specified in the request within 5 (five) days of receiving it.

The member firm is required to perform market maker activities up to the date specified in the request and, at any rate, for at least 20 (twenty) trading days after the day of the Exchange resolution.

9. Transitional and final provisions

This Manual shall enter into force on 13 June 2016.

On the entry into force of this Manual, the Specialists and Market Makers Manual of 25 February 2015 shall cease to have effect.

10. Annexes

Annexes that follow form an integral part of this Manual and are intended to facilitate and simplify the use of this Manual.

---

12 Annex 6
Annex 1

Application for the performance of market maker activities

By which the following member firm of the Zagreb Stock Exchange

<table>
<thead>
<tr>
<th>Company/name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
</tbody>
</table>

officially applies to perform market maker activities for the:

<table>
<thead>
<tr>
<th>Share</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured product</td>
<td></td>
</tr>
<tr>
<td>ETF-s units</td>
<td></td>
</tr>
</tbody>
</table>

In performing specialist activities, the member firm will use

<table>
<thead>
<tr>
<th>The Trader Workstation interface</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Its own user application</td>
<td></td>
</tr>
</tbody>
</table>

If the member firm intends to use its own user application\(^{13}\), please state whether it is:

<table>
<thead>
<tr>
<th>upgrading the existing user application</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>introducing a new user application</td>
<td></td>
</tr>
</tbody>
</table>

In ........................................, (date) .......................

Signature


<table>
<thead>
<tr>
<th>Grant of application (to be filled in by the Exchange)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted (encircle)</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>YES / NO</td>
</tr>
</tbody>
</table>

\(^{13}\) Placing bids in the context of performing the market maker activity in respect of structured products member firm can perform only by the automatic order placement through the application software, and a member firm has to fulfill the stated field.
Annex 2

Request for employee training for the performance of market maker activities

By which the following member firm of the Zagreb Stock Exchange

<table>
<thead>
<tr>
<th>Company/name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
</tbody>
</table>

officially requests employee training for market maker activities.

The member firm the following employee for the training:

<table>
<thead>
<tr>
<th>Full name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
<tr>
<td>E-mail address</td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
</tr>
</tbody>
</table>

In ................................., (date) ......................

Signature

..................................................................

Request approval (to be filled in by the Exchange)

<table>
<thead>
<tr>
<th>Approved (encircle)</th>
<th>Date</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES / NO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 3

Request for access to the test environment for the performance of market maker activities

By which the following member firm of the Zagreb Stock Exchange

<table>
<thead>
<tr>
<th>Company/name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
</tbody>
</table>

officially requests access to the test environment for the purpose of carrying out a simulation of market maker activities.
The member firm is registering the following employee to carry out the testing:

<table>
<thead>
<tr>
<th>Full name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
<tr>
<td>E-mail address</td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
</tr>
</tbody>
</table>

who has the following trading system role (*mark with an X)*:

<table>
<thead>
<tr>
<th>Market maker</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Broker / Market maker</td>
<td></td>
</tr>
</tbody>
</table>

In .................................., (date) .......................

Signature

..........................................................

Request approval (to be filled in by the Exchange)

<table>
<thead>
<tr>
<th>Approved (encircle)</th>
<th>Date</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES / NO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 4

Application for the grant of market maker status

By which the following member firm of the Zagreb Stock Exchange

<table>
<thead>
<tr>
<th>Company/name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
</tbody>
</table>

officially applies for the grant of market maker status in respect of the following financial instrument and anticipated date of performing market maker activities:

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By applying, the member firm states that it fully meets all technical, personnel, organizational and other requirements for the performance of market maker activities stipulated by law, subordinate legislation and other regulatory Exchange documents.

The member firm must attach to its application a Request for user account opening/changes for each person who is to perform market maker activities

In .................................. (date) .........................

Signature

.................................................................

<table>
<thead>
<tr>
<th>Grant of application (to be filled in by the Exchange)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted (encircle)</td>
</tr>
<tr>
<td>YES / NO</td>
</tr>
</tbody>
</table>
Annex 5

Request for a trading system configuration change related to the authorization type for modifying market maker orders

By which the following member firm of the Zagreb Stock Exchange

<table>
<thead>
<tr>
<th>Company/name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
</tbody>
</table>

officially requests a change in the configuration of the system used in market maker trading in such manner that following the change,

A) authorization type for market maker order modification (refreshing) is

<table>
<thead>
<tr>
<th>Authorization type 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorization type 2</td>
<td></td>
</tr>
</tbody>
</table>

B) financial instrument in respect of which the change has been made:

<table>
<thead>
<tr>
<th>Ticker</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker</td>
<td></td>
</tr>
<tr>
<td>Ticker</td>
<td></td>
</tr>
</tbody>
</table>

In ..............................., (date) .......................

Signature

..........................................................

Request approval (to be filled in by the Exchange)

<table>
<thead>
<tr>
<th>Approved (encircle)</th>
<th>Date</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES / NO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 6

Request for termination of market maker activities

By which the following member firm of the Zagreb Stock Exchange

<table>
<thead>
<tr>
<th>Company/name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>VAT ID</td>
<td></td>
</tr>
</tbody>
</table>

officially requests a termination of performance of its activities in respect of the following financial instruments (specify: one or more tickers or the term “all” if the request refers to the termination of market maker activities in respect of all financial instruments):

with the termination of market maker activities envisaged on:

| Date |  |

By submitting this Request, the member firm states that it will perform market maker activities up to the date specified in this Request and, at any rate, for at least 20 (twenty) trading days after the day on which the Exchange passes a resolution terminating its market maker status.

In ........................................., (date) .........................

Signature

..................................................................................................................

Request approval (to be filled in by the Exchange)

<table>
<thead>
<tr>
<th>Approved (encircle)</th>
<th>Date</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES / NO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Market making Contract

The Zagreb Stock Exchange
Zagreb
Ivana Lučića 2a/22
(hereinafter referred to as: Exchange)
represented by Ms Ivana Gažić, President of the Management Board, and Mr Tomislav Gračan, Member of the Management Board,

and

______________________________________________________(hereinafter referred to as: Member firm)
represented by ____________ __________ ,__________________
(hereinafter referred to collectively as: Parties)

have concluded in Zagreb on _________________ the following

MARKET MAKING
CONTRACT
(draft)

Whereas the Exchange has a trading system which enables the member firms wishing to
perform market making activities and meeting the requirements for it to do so;

Whereas the liquidity conditions in the Croatian stock market indicate the need for additional
liquidity provision by market maker;

Whereas the Member firm intends to assume and regularly perform the obligations arising out
of its market maker status;

Whereas the Member firm has been designated market maker in respect of ________ (ticker of
financial instrument)

Now, therefore, the Parties hereto have agreed as follows:

Introductory provisions

Clause 1

The Parties hereto agree that:

• The market maker obligations are stipulated by the provisions of the Rules, other regulatory
Exchange documents and Croatian regulations, and the Member firm shall fully adhere to
them and act with due care and diligence;
• The Member firm shall perform duties and exercise the rights of market maker in respect of (ticker of financial instrument) ___________ of the issuer _____________ d.d. of ___________________.

**Subject matter and purpose of the Contract**

**Clause 2**

This Contract further specifies mutual rights and obligations of the Parties in relation to the grant of market maker status to the Member firm.

**Rights and obligations of the Parties**

**Clause 3**

The Exchange shall:

• provide access to the trading system to the Member firm for the purpose of its performance of market maker activities;
• inform the Member firm of potential changes related to the provisions of the Exchange Rules regulating the market maker activity;
• inform the Member firm of potential changes related to the trading system functioning which affect the performance of market maker activities;
• monitor the performance of any obligations of the Member firm in performing its market maker activities.

The Member firm shall:

• perform market maker activities with due care and diligence;
• inform the Exchange of any personnel, organizational or other structural changes which might affect the discharge of market maker duties.

**Public disclosure**

**Clause 4**

The Exchange shall disclose to the public any statistical indicators of the performance of obligations by individual Member firms performing market maker activities, specifying the Member firms and the terms under which they perform market maker activities in respect of particular financial instrument.

**Start of Market maker rights and duties**

**Clause 5**

The Exchange shall provide access to the trading system to the Member firm for the purpose of performing market maker activities within 5 (five) days of signing this Contract.

The Member firm shall begin to exercise market maker rights and perform market maker obligations within 5 (five) days from the day on which the Exchange provides it access to the trading system for the purpose of performing market maker activities. The Member firm shall announce to the Exchange the day on which it will begin to act as market maker at least 2 (two) trading days before beginning to exercise market maker rights and perform market maker obligations. The Exchange shall publish this announcement.
Contract between Member firm and Issuer

Clause 6

If the Member firm enters into a contract with the issuer of the financial instrument in respect of which it has been designated market maker, under which it undertakes to meet stricter criteria as a market maker than those stipulated by the Exchange (e.g. smaller spread, longer minimum quoting time or size etc.), the Exchange will publish such information.

Confidentiality

Clause 7

Any documents and information of the Exchange or of the Member firm, the publication or disclosure of which to third parties may harm the legitimate interests of the Exchange or of the Member firm and which are not provided, made or obtained in order to be made public, shall be deemed confidential.

The Parties shall treat the information and documents referred to in the previous paragraph with extra care and shall make sure that the employees of Parties with access to such information and documents are aware of the fact that they are confidential and may not disclose them, make them available or give access to them to unauthorized third parties.

Person to perform market maker trading at the Member firm

Clause 8

Prior to signing this Contract, the Member firm shall submit to the Exchange the information regarding the (natural) person(s) who will perform market maker trading at the Member firm, as well as any related changes.

Responsibility

Clause 9

The Member firm assumes sole responsibility and liability for any potential direct or indirect damage or loss of profit incurred by the Exchange or third parties either directly or indirectly in its performance of market maker activities.

In the event of an action against the Exchange for the reasons referred to in the previous paragraph, the Member firm shall participate in the litigation as intervener on behalf of the Exchange and shall reimburse any Exchange expenses resulting from such action.

Applicable law

Clause 10

This contract is governed by the laws and other regulations of the Republic of Croatia.

Headings

Clause 11

Headings of individual sections of this Contract serve for easier navigation through the text only and shall have no significance in the application or construction of this Contract or of its individual provisions.
Amendments
Clause 12
This Contract may be amended by the Parties in writing only, in the same manner and form in which this contract has been concluded.

Previous agreements
Clause 13
On the day this Contract enters into force, all previous written or oral agreements between the Parties concerning the relations regulated by this Contract shall cease to have effect.

Severability
Clause 14
In the event that any individual provisions of this Contract are or may become invalid for being contradictory to the cogent provisions of statutory regulations of the Republic of Croatia, the parties shall agree to amend the Contract in such manner to ensure its full compliance with applicable regulations, taking into account the original intent of the parties stated when entering into it. Until the Contract is harmonized with the cogent provisions of statutory regulations of the Republic of Croatia, the provisions of the respective statutory regulations shall apply directly instead of the provisions which are or may become invalid for the reasons described in the previous sentence.

Effective date
Clause 15
This Contract shall enter into force on the day of its signing (effective date) by the authorized representatives of the parties specified in the Contract.

Term
Clause 16
This Contract has been concluded for an indefinite term.

Termination
Clause 17
This Contract may be terminated:

- by forfeiture of market maker status by the Member firm;
- in the event of its termination by the Member firms, giving a minimum notice of 20 (twenty) trading days.

Each party shall deliver its notice of Contract termination to the other party by registered mail to the address specified in this Contract or to another address specified in the notification of the change of address.

The provisions on responsibility and liability shall continue in effect even after the termination of this Contract.

As a result of forfeiture of the market maker status, the Exchange shall deny access to the Member firm to the trading system for the performance of market maker activities.
Change of address
Clause 18
Each of the Parties shall promptly notify its change of address to the other party in writing, in the manner stipulated for delivery of the notice of contract termination.

Disputes
Clause 19
The Parties shall attempt to resolve any dispute arising out of or relating to the existence, construction and application of this Contract amicably by negotiation and agreement, and in the event of failure to do so, they shall refer the dispute for resolution to the court to the competent court in Zagreb.

Number of copies
Clause 20
This Contract has been made in 4 (four) identical copies, 2 (two) for each Party.

The Parties hereto and their representatives hereby state that they hold all requisite authorizations, licenses and permissions to sign this Contract assume any obligations arising out of it.

The Parties hereto have read, studied and understood this Contract, and proceed to sign and stamps it in witness of their free will to accept it.

For the Exchange: For the Member firm:
Annex 8

Market Making Contract for structured products

The Zagreb Stock Exchange
Zagreb
Ivana Lučića 2a/22
(hereinafter referred to as: Exchange)
represented by Ms Ivana Gažić, President of the Management Board, and Mr Tomislav Gračan, Member of the Management Board,

and

____________________________________________________(hereinafter referred to as: Member firm)
represented by ____________ __________ ,__________________
(hereinafter referred to collectively as: Parties)

have concluded in Zagreb on _________________ the following

MARKET MAKING CONTRACT
FOR STRUCTURED PRODUCTS

Whereas
the Exchange has a trading system which enables the Member firm wishing to perform market maker activities for structured products and meeting the requirements for it to do so;

Whereas
the Exchange Rules stipulate that market maker activities must be performed in respect of each structured product;

Whereas
the Member firm intends to assume and regularly perform the obligations arising out of its market maker status;

Whereas
the Member firm has been designated market maker for structured products at its own request, pursuant to a Contract with the Issuer;

Now, therefore, the Parties have agreed as follows:

Introductory provisions

Clause 1

The Parties agree that:

• the market maker obligations are stipulated by this Contract, the provisions of the Rules, other regulatory Exchange documents and Croatian regulations, and the Member firm shall fully adhere to them and act with due care and diligence;

• the Member firm shall perform the obligations and exercise the rights of market maker set forth in the Annexes to this Contract, which are concluded in respect of each structured product.
Clause 2

This Contract further specifies mutual rights and obligations of the Parties in relation to the grant of market maker status to the Member firm.

Rights and obligation of the Parties

Clause 3

The Exchange shall:

- provide the access to the trading system to the Member firm for the purpose of its performance of market maker activities;
- inform the Member firm of potential changes related to the provisions of the Exchange Rules regulating the market maker activity;
- inform the Member firm of potential changes with respect to the trading system functioning which affect the performance of market maker activities;
- monitor the performance of any obligations by the Member firm in performing its market maker activities.

The Member firm shall:

- perform market maker activities with due care and diligence;
- inform the Exchange of any personnel, organizational and other structural changes which might affect the discharge of market maker duties.

Public disclosure

Clause 4

The Exchange shall disclose to the public any statistical indicators of the performance of obligations of the Member firm in performing the market maker activities set forth in the annexes to this Contract, as well as the terms of performance.

Start of market maker rights and obligations

Clause 5

The Exchange shall provide access to the trading system to the Member firm for the purpose of performing market maker activities within 5 (five) days of signing this Contract.

The Member firm shall begin to exercise market maker rights and perform market maker obligations within 5 (five) days from the day on which the Exchange provides it access to the trading system for the purpose of performing market maker activities.

The Member firm shall announce to the Exchange the day on which it will begin to act as market maker at least 2 (two) trading days before beginning to exercise market maker rights and perform market maker obligations. The Exchange shall publish this announcement.

Parameters of market maker activities

Clause 6

The parameters of market maker activities in respect of each individual structured product shall be defined by the market maker in the Annex to this Contract.
The Exchange shall publish the said parameters separately.

**Contract between Member firm and Issuer**

Clause 7

If the Member firm enters into a contract with the issuer of the Structured product in respect of which it has been designated market maker, under which it undertakes to meet stricter criteria as a market maker than those stipulated in the Annex to this Contract (e.g. smaller spread, longer minimum quoting time or size etc.), the Exchange will publish such information.

**Confidentiality**

Clause 8

Any documents and information of the Exchange or of the Member firm, the publication or disclosure of which to third parties may harm the legitimate interests of the Exchange or of the Member firm and which are not provided, made or obtained in order to be made public, shall be deemed confidential.

The Parties shall treat the information and documents referred to in the previous paragraph with extra care and shall make sure that the employees of Parties with access to such information and documents are aware of the fact that they are confidential and may not disclose them, make them available or give access to them to unauthorized third parties.

**Person to perform market making activities at the Member firm**

Clause 9

Prior to signing this Contract, the Member firm shall submit to the Exchange the information regarding the (natural) person(s) who will perform market maker activities at the Member firm, as well as any related changes.

**Responsibility and liability**

Clause 10

The Member firm assumes sole responsibility and liability for ordinary damage and loss of profit incurred by the Exchange or third parties in its performance of market maker activities.

The liability of the Member firm shall be limited by the total turnover of Exchange trading in the Structured products set forth in the annexes to this Contract, in relation to which damage was incurred, over a period of one year prior to the occurrence of damage.

In the event of an action for damages against the Exchange over the damage caused by the Member firm in performing market maker activities, the Member firm shall participate in the litigation as intervener on behalf of the Exchange and shall reimburse any Exchange expenses resulting from a final court decision on such action.

**Applicable law**

Clause 11

This contract is governed by the laws and other regulations of the Republic of Croatia.
Headings
Clause 12

Headings of individual sections of this Contract serve for easier navigation through the text only and shall have no significance in the application or construction of this Contract or of its individual provisions.

Amendments
Clause 13

This Contract may be amended by the Parties hereto in writing only, in the same manner and form in which this Contract has been concluded.

Previous agreements
Clause 14

On the day this Contract enters into force, all previous written or oral agreements between the Parties concerning the relations regulated by this Contract shall cease to have effect.

Severability
Clause 15

In the event that any individual provisions of this Contract are or may become invalid for being contradictory to the cogent provisions of statutory regulations of the Republic of Croatia, the parties shall agree to amend the Contract in such manner to ensure its full compliance with applicable regulations, taking into account the original intent of the parties stated when entering into it.

Until the Contract is harmonized with the cogent provisions of statutory regulations of the Republic of Croatia, the provisions of the respective statutory regulations shall apply directly instead of the provisions which are or may become invalid for the reasons described in the previous sentence.

Effective date
Clause 16

This Contract shall enter into force on the day of its signing (effective date) by the authorized representatives of the parties specified in the Contract.

Term
Clause 17

This Contract has been concluded for an indefinite term.

Termination
Clause 18

This Contract may be terminated:

- by forfeiture of market maker status by the Member firm;
- if the Issuer terminates a Contract it has with the Member firm for the performance of market making activities;
• at the request of the Member firm, giving a minimum notice of 20 (twenty) trading days.

Each party shall deliver its notice of Contract termination to the other party by registered mail to the address specified in this Contract or to another address specified in the notification of the change of address.

The provisions on responsibility and liability shall continue in effect even after the termination of this Contract.

As a result of forfeiture of the market maker status, the Exchange shall deny access to the Member firm to the trading system for the performance of market maker activities.

**Change of address**

Clause 19

Each of the Parties shall promptly notify its change of address to the other party in writing, in the manner stipulated for delivery of the notice of contract termination.

**Disputes**

Clause 20

The Parties shall attempt to resolve any dispute arising out of or relating to the existence, construction and application of this Contract amicably by negotiation and agreement, and in the event of failure to do so, they shall refer the dispute for resolution to the court to the competent court in Zagreb.

**Number of copies**

Clause 21

This Contract has been made in 4 (four) identical copies, 2 (two) for each Party.

The Parties hereto and their representatives hereby state that they hold all requisite authorizations, licenses and permissions to sign this Contract assume any obligations arising out of it.

The Parties hereto have read, studied and understood this Contract, and proceed to sign and stamps it in witness of their free will to accept it.

For the Exchange:  

For the Member firm:
Annex 9

Annex to the Market Making Contract for structured products

The Zagreb Stock Exchange
Zagreb
Ivana Lučića 2a/22
(hereinafter referred to as: Exchange)
represented by Ms Ivana Gažić, President of the Management Board, and Mr Tomislav Gračan,
Member of the Management Board,
and
____________________________________________________ (hereinafter referred to as: Member firm)
represented by ____________ __________ ,________________
(hereinafter referred to collectively as: Parties)

have concluded in Zagreb on _________________ the following

Annex No. 1 to the
MARKET MAKING CONTRACT
FOR STRUCTURED PRODUCTS

Clause 1

The Member firm shall perform market maker duties and rights in respect of the following structured
product:
Ticker:
ISIN:

Clause 2

The Market maker shall adhere to the following parameters in the performance of market maker
activities in respect of the structured product referred to in Clause 1 of this Annex:

1. It shall quote buy and sell orders between _________ and _________.
2. It shall simultaneously quote at least ________________.
3. The maximum bid/ask spread shall be ____________________.

Article 3

This Annex forms an integral part of the Market Making Contract for structured products. Any issues
which are not expressly defined by this Annex shall be subject to the provisions of the Market Making
Contract for structured products.

For the Exchange:  For the Member firm: