

Issuer's Market Maker Program

- update as of February 1st, 2023 -

A. General framework

Bucharest Stock Exchange (BVB) aims to ensure the prerequisite to enhance the market's liquidity, the objective that can be achieved through the involvement of the main market players (Participants to the trading system, issuers). An initiative in this regard is represented by the concept of the Issuer Market Maker within the Romanian capital market, that is based on the involvement of the Issuer in ensuring the prerequisites for a better liquidity of shares issued by this, through a Participant who will assume the role of the Issuer's Market Maker.

The Program is based on the setting a partnership Participant – Issuer, that will support the liquidity of a specific financial instrument (share type). The terms and conditions for carrying out such operations will be set on a contractual base between them, with observance of the general framework established by BVB.

By involving in this quality, a Participant will have an active role on the market, by keeping a close dialogue with the Issuer as well as by a direct implication on the market of the respective shares.

The framework considered by BVB for carrying out by a Participant the operations specific to the Issuer's Market Makers in the BVB's trading system, the basis for the contractual support between the respective Participant and BVB, is the following:

a) *list of the financial instruments, subject of the program: shares traded within BVB (regulated market, MTF)*

b) *the trading fee applicable to the Participants that are registered as Issuer Market Maker:*

- are identical with the fees applied by BVB for *Pilot Program designated for Market Makers registered for shares*
- the trading fee charged by BVB for Participants that hold the quality of Issuer Market Maker will be granted based on the same principles as are described in *BVB's Procedure regarding the application of the trading fees for the Market Makers registered for shares, depending on the fulfilment of the quoting obligations set*

c) *the quoting parameters for registration in the quality of Issuer's Market Maker (IMM) will envisage a base level, in conformity with the following specific parameters:*

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Registrul Comerțului: J40/12328/2005
C.U.I.:17777754
Capital Social: 80.492.460 lei
Decizia C.N.V.M. Nr. 369/31.01.2006

Base Level of Specific Parameters	
Name	Value
Minimum volume corresponding to the firm buy and sell offer	according to those established based on the decision of the BVB's CEO
Maximum spread between the bid and ask prices displayed by the Participant	maximum 5% - for shares regulated market no requirements – for shares MTF
Minimum period for maintaining the bid and ask offer during one trading session	minimum 60% of the trading session (continuous trading) or if the symbol was suspended from trading, from the period in which was traded during the respective trading session

1. The details related to the specific quoting parameters are as follows:

- Minimum volume corresponding to the firm buy and sell offer
- Maximum spread between the bid and ask prices displayed by the Issuer Market Maker
= $[(\text{AskIMM} - \text{BidIMM}) / \text{BidIMM}] * 100$

BidIMM = Price of the buy order from the firm buy-sell offer, that fulfils the applicable requirements (symbol, account indicated, minimum volume, etc.)

AskIMM = Price of the sell order from the firm buy-sell offer, that fulfils the applicable requirements (symbol, account indicated, minimum volume, etc.)

- If a BVB Participant has in the market, simultaneously, several buy and sell orders on the indicated account, that fulfil all the applicable conditions, firm buy offer, respectively firm sell order corresponding to the maintaining of the liquidity is built from the buy order with highest price among the buy orders, respectively from the sell order with the lowest price among the sell orders administered by the BVB Participant on the indicated account.
- During the trading session, minimum period for maintaining the bid and ask offer during one trading session is determined by reference to trading period corresponding to the Continuous Trading (Open stage of the market), considering the total trading period from the Continuous Trading where the financial instrument was available for trading and the fact that the obligations of the Issuer Market Maker were not suspended during that period.

2. The base level corresponding to „minimum volume corresponding to the firm buy and sell offer” can have as benchmark an indicator represented by *free float*, to which the percentual quotes are applicable, considering the specific elements and/or other factors/ indicators considered by BVB.
3. The contract concluded between the Participant and BVB will have as the basis the request of the respective Participant regarding the quoting parameters that will be monitored by BVB in order to grant the respective trading fees and they will represent the basis for the reports publicly disseminated by BVB.
4. In special situations, the BVB’s CEO may consider other relevant elements in establishing the quotation parameters applicable to an Issuer Market Maker.
5. Distinctly, through the contract between the Issuer and the Participant can be set more restrictive values applicable to the Specific Parameters, that will be assumed by the respective Participant in relation with the Issuer.

B. Principles and guidelines related to carrying out within BVB the Issuer Market Maker activity by a Participant that act in this quality

These principles and guidelines represent an integral part of the framework applicable to the Participant that act as the Issuer Market Maker for the envisaged share, including from the perspective of the relationship with BVB, being meant to ensure a better reflection of some situations that may arise in the activity carried out.

I. Regarding the general operational flow applicable to the Issuer Market Maker, inclusive from the perspective of the relationship of the Participant that act in this quality and BVB

- (1) Regarding the terms to carry out the activity of the Issuer Market Maker by a Participant for each of the share envisaged, the following will be considered:
 - a) the contractual framework between the Issuer and the Participant that ask for the registration/ act in the quality of the Issuer Market Maker, the Agreement in principle issued by BVB, as well as the contractual framework between the respective Participant and BVB doesn’t create for BVB the obligation to act in line with the quoting parameters (typology, conditions etc.) and/ or additional requirements included in the agreement between the Issuer of the envisaged shares and the respective Participant.

- b) The Participant will send the request to act as the Issuer Market Maker for the envisaged share, which is the basis for the contract to be concluded between the Participant and BVB, mentioning expressly the following structure of the specific parameters, according to the BVB's Rulebook - Regulated market operator:
- 1) *minimum volume corresponding to the bid and ask offer*
 - 2) *maximum spread between the bid and ask prices displayed by the Participant*
 - 3) *minimum period for maintaining the bid and ask offer during one trading session.*
- c) BVB will exclusively act in the monitoring process of the quoting obligations exclusively based on the contract signed with the Participant that act as the Issuer Maker for the envisaged share, considering the request of the Participant regarding the quoting parameters mentioned at the letter b).
- d) BVB will publicly disseminate on the BVB's webpage the quoting parameters established in the contract indicated at the letter c) and will carry out the monitoring of the quoting obligations exclusively based on these parameters, basis for the reports disseminated publicly by BVB.
- e) The update of the quoting obligations mentioned at the letter b) is exclusively carried out based on the prior written request of the Participant.
- (2) BVB has no responsibility regarding the endeavours carried out by the Participant which are not according to the para. (1).
- (3) It is exclusively the Participant's responsibility to inform the Issuer of the shares regarding the terms to carry out the Issuer Market Maker activity within BVB.

II. *Regarding the guidelines to be considered regarding the quoting parameter „minimum volume” applicable to the Issuer Market Maker for the envisaged share*

- (1) The Participant that act as the Issuer Market Maker for the envisaged share will envisage to ensure a relevance level for the quoting parameter „minimum volume corresponding to the firm buy and sell offer („minimum volume”) during holding this quality, taken into account also factors having a potential impact with regard to the respective share that can occur during the carrying out the contract with BVB (such as: the possibility to update the free-float, the corporate events etc.).

- (2) In the situation of the registration of the factors, as they are indicated at the para. (1), the Participant that act in the quality of the Issuer Market Maker for the share envisaged will analyse the opportunity to send to BVB a request to update the quoting parameter „minimum volume”, in line with the specific registered.
- (3) In the situation where the corporate events with the impact on the market price of the envisaged share (*having the type as follows: split, consolidation, bonus share issue, the right to subscribe to new shares at a lower price than the market price*) occur, BVB shall inform the Issuer Market Maker registered for the envisaged share regarding the adjustment factor determined by BVB and an adjustment proposal related to the „minimum volume”, so that the Issuer Market Maker of the envisaged share to analyse the opportunity to carry out the update of „the minimum volume” and, accordingly, to act in conformity with para. (7).
- (4) BVB can envisage to carry out the periodical assessment regarding the quoting parameter „minimum volume” and, as applicable, to inform the Issuer Market Maker for the envisaged share, in order to analyse the opportunity to update this parameter.
- (5) Unless otherwise provided, the assessment mentioned at the para. (4) can be carried out quarterly.
- (6) In the situation where it identifies aspects related to the Issuer Market Maker activity with the potential impact on the quoting parameter „minimum volume” provided by Participant, BVB can send informing/ proposals addressed to him referring to initiating the update of this parameter, with the mention that the formal request to update is carried out by the respective Participant, in line with the para. (7).
- (7) The request of the Participant, that act as the Issuer Market Maker for the envisaged share, addressed in writing to BVB regarding the update of the quoting parameter „minimum volume” will represent the basis for the conclusion of the additional act/s with BVB and for further development of the contractual framework between BVB and the respective Participant regarding the Issuer Market Maker activity for the envisaged shares.
- (8) BVB does not assume any liability in situation if the Participant does not comply with those indicated in the section II.

III. Other considerations to be taken into account regarding the Issuer Market Maker activity

- (1) The Participant that acts as the Issuer Market Maker for the envisaged share:

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- a) administrate the buy and sell order within BVB, according to the principles of conduct, professional experience, diligence, having in view the objective of the specific activity to provide liquidity, according to the commitments assumed by him;
 - b) envisage to ensure an adequate level of efficiency in carrying out the activity to provide liquidity, according to the commitments assumed;
 - c) envisage to have the internal mechanisms/ systems to monitor and control, as well as adequate processes/ procedures to ensure that the activity carried out related to providing liquidity is in line with the incident rules, as well as with the commitments assumed.
- (2) BVB has no responsibility regarding the situation where the Participant that act as the Issuer Market Maker does not comply with the commitments assumed, including those from the contractual relation with the Issuer of the envisaged share.

IV. Transitional and final provisions

- (1) In case the quoting parameter „minimum volume” was provided BVB by a Participant that act in the quality of Issuer Market Maker for the envisaged share, in order to conclude the contractual framework between him and BVB, while in the contract between the respective Participant and the Issuer of the respective share was specified an indicator base on value, BVB will initiate steps to determine an indicative level (potentially upgradable) of the corresponding adjusted volume, taking into account the indicator base on value (calculated based on the closing price from the main market of the respective share) that will be notified to the Participant, in order to analyse the opportunity to update the quoting parameter „minimum volume”.
- (2) In line with those indicated at para. (1), in situation where the Participant consider appropriate the update of the quoting parameter „minimum volume”, this Participant will request in writing BVB the respective update (including, as the case, the substantiation of the level proposed BVB by the Participant), the basis for conclusion of the additional act/s with BVB.
- (3) BVB has no liability responsibility for any damage that may arise because of application of the information from this document, respectively of the steps taken considering this document.
- (4) This program is applied until the December 31, 2023, inclusive.