



AeRO

BVB Market for Equities

# **Listing on AeRO**

## **Extensive Guide for Companies**

## **CONTENTS:**

---

- 1. Introduction**
- 2. Admission to trading**
  - 2.1 AeRO Share Listing Process**
  - 2.2 Terms of admission**
- 3. Reporting obligations of the issuer**
  - 3.1 Periodic reports**
  - 3.2 Current reports**
  - 3.3 Regime of inside information**
- 4. Insiders' transactions**
- 5. Reporting obligations of the shareholders**
- 6. Principles of Corporate Governance for AeRO**
- 7. Corporate actions**
- 8. Financing through AeRO**
- 9. Withdrawal from trading**
- 10. Trading of shares**

## I. INTRODUCTION

Congratulations for your decision to list your company on the AeRO platform operated by the Bucharest Stock Exchange.

It is an important and very rewarding step. To benefit from all the advantages offered by the status of listed company, we consider it is useful to offer you this guide intended to get you familiarized with the most important aspects in connection with the admission on AeRO, but also with the responsibilities arising from admitting your company on AeRO.

AeRO is an equity market managed by the Bucharest Stock Exchange, dedicated to the financing, development and promotion of SMEs and start-ups that do not meet the criteria for admission on the main market, and also to any company that considers that this market is suitable for it.

**The success of this platform is determined by several factors, such as:**

- A balanced approach to regulations that facilitates the entrepreneurs' accommodation with the listed company status, giving the possibility to focus on the business growth

- Appointment by the Bucharest Stock Exchange of a new category of specialists – Authorized Advisors – who are assigned to give entrepreneurs the necessary support for listing, access to capital and familiarization with reporting obligations
- Developing a set of Principles of Corporate Governance, as a first step in implementing an appropriate corporate governance in compliance with the European standards for the issuers on the capital market
- Constant promotion of the AeRO market by the Bucharest Stock Exchange among potential issuers and investors, in order to increase the interest and confidence in the valences and benefits of this modern and dynamic platform

AeRO follows the successful model that is already well-known in major world stocks and brings in Romania one of the most innovative and rewarding models of financing and growth through the capital market.

AeRO can promote and give access to a new source of funding for the development projects of your company, but with the responsibility of providing the capital market investors with complete and accurate information, in accordance with the applicable regulations. Thus, you gain their confidence to invest in your company shares.

By accessing the capital market as an issuer of securities, you are admitted in a club where the key word is **Confidence**.

We want to support you to achieve and exceed your expectations. The regulations of the AeRO platform were created by the Bucharest Stock Exchange to help the companies that are in full process of growth. Also, investor protection must be suitable.

**The main differences between AeRO and the regulated market of the Bucharest Stock Exchange are:**

AeRO	Regulated market
<p><b>Conditions of admission:</b></p> <ul style="list-style-type: none"> <li>➤ Anticipated capitalization of minimum EUR 250,000</li> <li>➤ Without the requirement of minimum period of financial reporting</li> <li>➤ At least 10% publicly distributed shares (free-float) or a minimum of 30 shareholders</li> <li>➤ It is not necessary to prepare and publish a Prospectus but only a presentation document – Memorandum</li> <li>➤ Requires assistance from an Authorized Advisor upon admission and on a 12-month period after listing</li> <li>➤ Reduced admission fee</li> </ul> <p><b>After admission on AeRO:</b></p> <ul style="list-style-type: none"> <li>➤ Reporting obligations monitored by the Bucharest Stock Exchange (via Authorized Advisors)</li> <li>➤ Audited - annual reports</li> <li>➤ Half-yearly reports</li> <li>➤ Quarterly reports are optional and recommended</li> <li>➤ Continuous reporting</li> <li>➤ Takeover bid by the shareholder who reaches or exceeds 33% is not mandatory</li> <li>➤ Cumulative voting is not compulsory</li> <li>➤ Principles of Corporate Governance</li> <li>➤ Investing in AeRO shares may be limited or restricted for certain types of regulated institutional investors (e. g. pension funds)</li> <li>➤ Reduced maintenance fee</li> <li>➤ Additional regulations on the responsibilities of Authorized Advisors</li> <li>➤ The failure to comply with the reporting obligations leads to inclusion in the <b>Special Monitoring List</b> and <b>loss of confidence</b></li> </ul>	<p><b>Conditions of admission:</b></p> <ul style="list-style-type: none"> <li>➤ Anticipated capitalization of minimum EUR 1 million</li> <li>➤ At least 3 years of financial reporting</li> <li>➤ At least 25% publicly distributed shares (free-float)</li> <li>➤ Preparation and publication of a Prospectus for admission</li> <li>➤ Requires assistance given by an intermediary on admission</li> <li>➤ Standard admission fee</li> </ul> <p><b>After admission on the regulated market:</b></p> <ul style="list-style-type: none"> <li>➤ Reporting obligations monitored by the Financial Supervisory Authority and the Bucharest Stock Exchange</li> <li>➤ Audited – annual reports (IFRS)</li> <li>➤ Half-yearly reports</li> <li>➤ Quarterly reports</li> <li>➤ Continuous reporting</li> <li>➤ Mandatory takeover bid for the shareholder who reaches or exceeds 33%</li> <li>➤ Compulsory cumulative voting at the request of shareholders</li> <li>➤ Corporate Governance Code</li> <li>➤ Investing in shares on the regulated market is suitable for all types of investors</li> <li>➤ Standard maintenance fee</li> <li>➤ The failure to comply with the reporting obligations is penalized by the Financial Supervisory Authority; and the Bucharest Stock Exchange may take some measures</li> </ul>

## I. INTRODUCTION

On the Romanian capital market there is a community of investors seeking to benefit from the growth potential of companies in AeRO, which are in their early stages of development, following the model of international alternative trading systems.

For the beginning we recommend you to become familiar with the legal framework: **Law no. 297/2004 on the capital market**, regulations issued by the Financial Supervisory Authority enforcing the law, regulations of the Bucharest Stock Exchange and Central Depository. The website of the Financial Supervisory Authority ([www.asfromania.ro](http://www.asfromania.ro)) contains the section Legislation / Sector Legislation / Capital Market / Primary legislation and Secondary legislation. In the latter section you can find the **Regulation no. 1/2006** (consolidated) regarding issuers and financial instruments, which we recommend you to read. It contains provisions applicable to regulated markets, but also provisions applicable to alternative systems. Also, the model of reports presented in the annexes to the Regulation, will be used for AeRO too.

In this process you will benefit from the support of an Authorized Advisor selected by you from the Authorized Advisors List available on the website of the Bucharest Stock Exchange in the AeRO section:

[Click here](#)

The Authorized Advisor will be your partner and will offer you the expertise and support necessary for admission to trading the shares of the company on AeRO. Following the listing, over a 12-month period, the Authorized Advisor will support you in meeting your obligations as issuer and in performing all corporate operations appropriate for your plans. The stock market is an environment regulated in accordance with international standards, that provides listed companies with visibility among Romanian and foreign individual and institutional investors, within an organized, regulated and supervised framework, advantageous both for investors and issuers.

We recommend you to choose carefully your Authorized Advisor, after discussions with several potential candidates, so that you get a very good communication and appropriate services.

The Authorized Advisor will offer assistance for access to funding, admission to trading, fulfilling reporting obligations after listing and strengthening good relationships with investors. For the success of this partnership, you must provide the Authorized Advisor with any information that it reasonably requested or are required in order to fulfill his/her responsibilities.

The services that the Authorized Advisor must offer are mentioned in the Technical Specifications regarding the authorization and activity of Authorized Advisors for AeRO, available on the website of the Bucharest Stock Exchange, in the section AeRO/Regulations:



## 2. ADMISSION TO TRADING

Listing your company on AeRO represents the admission to trading of your company **shares** on a market operated by the Bucharest Stock Exchange. The shares become thus securities, a sub-category of financial instruments. To be listed, the company must be organized as a joint stock company, in accordance with the Companies Law no. 31/1990. The Articles of Association must be established and in accordance with capital market legislation: the shares shall be nominative, fully paid, dematerialized and freely transferable. The electronic shareholder register will be maintained by the Central Depository, under a contract that you sign with this institution. This provides the conditions for the transfer of shares from seller to buyer, in the terms agreed through the transactions recorded in the trading system of the Bucharest Stock Exchange, in exchange for the transfer of the price for shares, from buyer to

seller. The Central Depository will ensure the processing of corporate operations (capital increases, dividend payments, providing the list of shareholders on the reference date for participation in the General Meeting of Shareholders, etc.)

On the website of the Central Depository ([www.depozitarulcentral.ro](http://www.depozitarulcentral.ro)) you can find the Legal Framework where you can consult the **Central Depository Code** approved by the Financial Supervisory Authority.

On the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)) you can find the Bucharest Stock Exchange regulations approved by the Financial Supervisory Authority, concerning AeRO, the **BSE Code – System Operator** in the section AeRO/Regulations:

This document provides an overview of the alternative trading system managed by the Bucharest Stock Exchange: you will learn about the system Participants, intermediaries authorized by the Financial Supervisory Authority and registered in the Register of Participants admitted by the Bucharest Stock Exchange after completing a specific procedure; about the alternative trading system structure, admission procedure and obligations of issuers and shareholders, about the trading system and mechanisms, and about the market monitoring activity of the Bucharest Stock Exchange.

### 2.1 AERO SHARE LISTING PROCESS

1. The shareholders/associates decide in principle to list the shares on AeRO
2. Contracting of an Authorized Advisor from the list existing on the website of the Bucharest Stock Exchange
3. Conversion into a stock company (for other types of companies) and review of the Articles of Association
4. Formal decision of a statutory body (Board or General Meeting of Shareholders) for trading shares on AeRO

**5. Preparing the documents for admission** (a presentation of the company's financial information - according to Technical Specifications on the Memorandum) available on the website of the Bucharest Stock Exchange in the section AeRO/Regulations:

**6. Preparing the funding operation, if applicable at this stage, through any of the two options listed below:**

- The offer for sale of newly issued shares without prospectus (operation known also as private placement) – in compliance with the terms of specific regulations (such as an offer addressed to less than 150 potential investors);
- The **public offer** of newly issued shares (operation known also as IPO – **initial public offering**) – requires preparation, approval by the Financial Supervisory Authority and the publication of an Offering Prospectus (prepared in accordance with the European Regulation no. 809/2004); the chances of success of an IPO depends largely on the size, history, fame and good reputation of the issuing company.

**7. Conclusion of the register contract with the Central Depository**

**8. Registration of Shares with the Financial Supervisory Authority and issuing of the Certificate for Registration of Securities**

**9. Submission of the complete documentation to the Bucharest Stock Exchange for approval of the admission to trading:**

- The application for admission to trading (the form can be obtained from the Bucharest Stock Exchange by sending an e-mail to [ats@bvb.ro](mailto:ats@bvb.ro))
- Memorandum – Document of Presentation (the form template can be obtained from the Bucharest Stock Exchange by sending an e-mail to [ats@bvb.ro](mailto:ats@bvb.ro)) and the Articles of Association of your company
- Proof of the contract conclusion with the Central Depository
- Copy of the Certificate for Registration of Securities issued by the Financial Supervisory Authority (the documentation submitted to the Financial Supervisory Authority in accordance with Annex no. 33 to Regulation no. 1/2006)
- Copy of the Certificate for Registration with the Trade Register
- The annual and semi-annual financial statements, for at least the last financial year (if available)
- Decision of the issuer's statutory body concerning listing on AeRO
- Proof of payment of the documentation processing fee (RON 250 plus VAT)

**10. Presentation of admission application before the Listing Commission of the Bucharest Stock Exchange;** representatives of the issuer and of the Authorized Advisor participate in the meeting; the Commission issues an advisory opinion, based on which the CEO of the Bucharest Stock Exchange issues the admission to trading decision

**11. Signing the contract with the Bucharest Stock Exchange**

**12. Payment of the AeRO admission fee (RON 700 plus VAT)**

**13. Setting the date of commencement of trading, which will be marked by an official opening of the trading session dedicated to the new issuer, organized by the Bucharest Stock Exchange, in the presence of representatives of market institutions, investors, analysts, brokers and representatives of specialized media; on this occasion, you will have the opportunity to make a presentation of your company and development plans and to answer the questions of media representatives.**



The Presentation document – Memorandum must contain at least the information mentioned in Technical Specifications, available on the website of the Bucharest Stock Exchange, in the section AeRO/Regulations. All information made available to potential investors must be accurate and complete, providing sufficient data to substantiate the decision to invest. Investors are looking for companies run by professionals with a good reputation, with businesses indicating that there is potential for growth, predictable in terms of profit distribution and publication of realistic forecasts, with medium-term development plans both in terms of business and capital market operations.

In case the company has issued and offered new shares over a 12-month period prior to listing, the document that was sent to potential new shareholders must be included in the admission

documentation submitted to the Bucharest Stock Exchange. The Memorandum must include information regarding the destination of funds obtained, the selection procedure of potential buyers, the number of shares issued and the price obtained, the method of allocation and any other relevant information. Any relevant information of the Memorandum that was not included in the document for the capital increase must be well founded. After admission to trading, the Memorandum will be published on the website of the Bucharest Stock Exchange, in the section dedicated to the issuer. Investors will have the opportunity later to assess to what extent the information contained in the presentation document is confirmed by the issuer in the following months and years.

The application documents for admission to AeRO must be transmitted to the Bucharest Stock Exchange at [ats@bvb.ro](mailto:ats@bvb.ro) or submitted at the headquarters of the Bucharest Stock Exchange.

It is recommended to carry out simultaneously the steps mentioned above at the Financial Supervisory Authority, the Central Depository and the Bucharest Stock Exchange, so that the documentation can be completed in an operative manner and the admission procedure can be performed in a shorter time. One of the first documents that we recommend you to send to the Bucharest Stock Exchange is the Articles of Association, in order to allow for possible revision of provisions that could be in violation of the capital market legislation.

Within 15 days of the start of trading on AeRO and annually until January 31, you must pay the maintenance fee for the current year, which is RON 350 plus VAT.

**Payment of fees to the Bucharest Stock Exchange will be made in this account:**

**BURSA DE VALORI BUCURESTI S.A.**

Trade Registry No: **J40/12328/13.07.2005**

Fiscal registration code: **RO17777754**

Bank: **BANCA TRANSILVANIA - LIPSCANI**

Account: **RO41BTRL04101202793158XX**

## 2.2 TERMS OF ADMISSION

**To be eligible for admission to the AeRO, a company must meet a set of conditions, according to BSE Code - System Operator:**

- Relating to shares:
  - Free-float (publicly distributed shares owned by shareholders who have less than 5% each, except for the founders and strategic shareholders) must be at least 10% of the total number of shares issued, or
  - The number of shareholders must be at least 30

- Relating to issuer:
  - Anticipated capitalization (estimated value of the company, calculated by multiplying the number of shares issued with the anticipated price of a share, resulting either from an offer of shares or estimated by other methods used by the Authorized Advisor together with the issuer, accepted by the Bucharest Stock Exchange) must be at least the equivalent in RON of EUR 250,000
  - Contract with the Authorized Advisor for a period of at least 12 months following the admission
  - It must not be in bankruptcy

The Bucharest Stock Exchange may approve the admission to trading of shares even when the above-mentioned free-float or anticipated capitalization criteria are not met, if it estimates that there are premises to maintain an orderly market.

**The estimated duration of the procedure for listing on AeRO, for a joint stock company:**

	Week	1	2	3	4	5	6	7	8	9	10	11	
<b>Activity</b>													
<b>Step 1</b> Preliminary preparations	Contract with an Authorized Advisor; analysis of future issuer for determining eligibility for admission on AeRO and funding requirements.												
<b>Step 2</b> Adaptation of Articles of Association and possible share capital increase	General Shareholder Meeting Decision (ad-hoc meeting with participation of all shareholders) for listing on AeRO and, where appropriate, for increasing the share capital.												
	Preparation and progress of the offer for sale of new shares to obtain capital, if needed in this phase (offer without prospectus)												
	Registration of share capital increase (if applicable) and review and registration of amendments to Articles of Association.												
<b>Step 3</b> Procedure for listing on AeRO	Preparation of Memorandum for listing on AeRO and submission to BSE, together with the application for issuance of the Principle Agreement												
	Analysis of documentation at the BSE and issuance of the Principle Agreement, required by the Financial Supervisory Authority												
	Preparation and submission of documentation to the Central Depository, signing of contract												
	Submission of the necessary documentation to the FSA for receiving the Certificate for Registration of Securities. Based on this, CD issues the ISIN and CFI codes and the trading symbol, agreed with the issuer												
	Submission of full documentation to the BSE, analysis by the Trading Admission Board. Issuance by the BSE of the AeRO admission decision												
	Training for the issuer in relation to the obligations undertaken as a listed company; familiarization with the regime of confidential information.												

These periods may be reduced if the issuer is determined and the Authorized Advisor has the necessary expertise. The issuer and the Authorized Advisor may decide to proceed with the share capital increase after listing on the AeRO.

### 3. REPORTING OBLIGATIONS OF THE ISSUER

The successful start of trading a company's shares actually means a new phase of a company's life. Thus, from the first trading day, each listed company is developing a new product: its own listed shares. As for any other product or service that the company offers, its own listed shares will need the right promotion and support that can be obtained by good communication. Therefore, communication should be viewed as an important activity that will require an allocation of resources – relationships with investors, analysts and the media cannot be considered an activity that is peripheral or ancillary to the core business.

Any listed company must communicate with the market, promote itself in the community of investors and analysts and listen carefully to their require-

ments. The results of their communication policy will directly reflect on the market price of shares and on the direct relationship they develop with their investors.

You should not consider that the mere listing of the company's shares will automatically attract investors who will be highly interested in the shares issued and will create liquidity (transactions). The minimum standards of the communication policy of a listed company consist of the regulatory reporting and transparency requirements laid down by the BSE Code – System Operator, and of the regulations issued by the Financial Supervisory Authority.

The regulatory obligations of transparency are divided into two categories: periodic reports and current reports (continuous reporting). Both concepts have at their core the information needed to substantiate the investment decision of the market participants – the investors.

Compliance with the reporting obligations, adherence to the Principles of Corporate Governance for AeRO are the essential factors in winning investors' confidence and strongly contribute to the success of operations designed to attract funding through the capital market.

The reports will be sent to the Bucharest Stock Exchange at [ats@bvb.ro](mailto:ats@bvb.ro).

#### 3.1 PERIODIC REPORTS

The issuer is required to prepare and submit to BSE the **Annual Report**, together with all related documents. The annual report will be submitted in electronic format, and only if the issuer does not have the ability to electronically report, it will be submitted on paper, not later than 120 days after the closure of the financial year; this will include: annual financial statements (balance sheet, profit and loss, etc.), notes to the financial statements, management report and financial auditor's report. The annual report will have the format specified in Annex. 32 to Regulation no. 1/2006.

All documents must be approved by the General Meeting of Shareholders, which must be called with at least 30 days before the effective date of the meeting. The shareholders entitled to

vote at the General Meeting are those who own shares on the reference date, date that will be determined in accordance with the capital market regulations, between the call transmission date and the date of the General Meeting.

The issuer must send to the Bucharest Stock Exchange the **Semi-annual Report**. The report for the first semester will be sent in electronic format and only if the issuer cannot report electronically, it will be submitted on paper, no later than 2 months after the end of the semester. It will include the balance sheet and the profit and loss account, together with the management report.

The issuer has no obligation to audit or to have the semi-annual report approved by the General Meeting of Shareholders. The semi-annual report will have the format specified in Annex. 31 to Regulation no. 1/2006.

If **Quarterly Reports** are prepared for the first and third quarter, the issuers will submit such reports to the Bucharest Stock Exchange in a reasonable time, in order to be disclosed to investors.

## 3.2 CURRENT REPORTS

The issuer shall submit to the Bucharest Stock Exchange the following **Current Reports** (continuous information): reports on major important events occurring in issuer's activity, which may lead to changes in the prices of financial instruments, without delay, but not later than 24 hours after such events, or from the date on which the information is known to the issuer, such as the information in the list below, without such list being restrictive:

- a. call of the General Meeting or Board meeting that will deliberate in order to exercise the powers delegated by the General Assembly;
- b. decisions of the General Meeting or Board meeting in the exercise of powers delegated by the General Assembly;

- c. information about payments of dividends, values per share, payment deadlines and payment modalities;
- d. other information, such as: changes in the control of the company, merger/spin-offs projects, litigation involving the issuer, initiation and completion of the procedure of dissolution, insolvency, judicial reorganization or bankruptcy etc., the possible paying agent, if applicable.

The Bucharest Stock Exchange may decide to suspend the trading of the shares of issuers who refuse or fail to transmit in due time the mandatory reports and may include such issuers in the Special List of Issuers Observation. The Bucharest Stock Exchange will conduct quarterly checks on the compliance of the issuers with their reporting obligations and will notify the FSA of any breaches of the obligations related to regular and continuous reporting.

The current report will have the format specified in Annex. 29 to Regulation no. I/2006.

Issuers who acquire or sell, directly or indirectly, their own shares, should reveal the percentage of their own shareholding, as soon as possible, but no later than four working days after such action, if this percentage reaches, exceeds or falls below the thresholds of 5% or 10% of the total voting rights. Usually, a share gives the shareholder one voting right, with some exceptions set forth in the legal framework.

## 3.3 REGIME OF INSIDE INFORMATION

**The objectives of the reporting/communication requirements are:**

- ensuring to all market participants equal access to the information necessary to substantiate the investment decision;

- preventing unjustified changes in market behavior or price of financial instruments, arising from incomplete or asymmetric information;
- maintaining the integrity and transparency in terms of a smooth functioning of the stock market;
- preventing market abuse triggered by use of inside information in trading financial instruments.

### What is inside information?

Definition of inside information: information of precise nature which has not been made public, which relates directly or indirectly to one or more issuers or to one or more financial instruments and which, if it were made public, it could have a significant impact on the price of those financial instruments or on the price of related derivative financial instruments. – Art.244 (l) L297/2004

Thus, all listed issuer must inform the Financial Supervisory Authority, the Bucharest Stock Exchange and the public, without delay, in connection

with all inside information which directly concern them. Also, if an issuer, or a person acting on its behalf discloses any inside information to a third person, during the exercise of their normal course of business (in the normal exercise of their activity, profession or duties), they should make such information public **simultaneously, in case of intentional disclosure and without delay, in case of unintentional disclosure.** – Art.226 (5) L297/2004

### The attributes of inside information, as defined by the regulations of the Financial Supervisory Authority, are:

- > **“precise nature”** – information concerning the circumstances that exist or are reasonably expected to occur, or an event that has occurred or is reasonably expected to occur and which, due to its specific nature, can lead to a conclusion about the effect such circumstances or such event can have on the price of financial instruments;
- > **“if it were made public, it could have a significant impact on the price of those financial instruments”** – information that an investor can use in substantiating its investment decision.

## 4. TRANSACTIONS OF THE INSIDERS

After the admission to trading of shares, all company’s administrators and executives as well as others who have access to inside information, become **Insiders** (initiated persons).

According to the legal provisions, it is forbidden to any person who possesses inside information, to use such information to acquire or transfer or to try to acquire or transfer, on their own behalf or on the behalf of a third party, directly or indirectly, financial instruments to which such information is related, **as well as to recommend** to a person, based on this information, to acquire or transfer the financial instruments to which such information relates.

The information obligations of insiders, set forth by the regulations of the Financial Supervisory Authority, are obligations to disclose the information relating to their transactions and based on which insiders notify the Financial Supervisory Authority and the issuer,

all transactions made on their behalf with the shares of the issuer or with the derivative financial instruments or related financial instruments.

This notification must be made no later than 5 business days from the transaction and the intermediary through which the transactions mentioned are performed has the obligation to immediately notify the Bucharest Stock Exchange, so as to enable it to make such information public before the start of the next trading sessions. In accordance with Art. 150 of Regulation no. 1/2006, the intermediary’s notification to the Bucharest Stock Exchange will contain the information specified in that Regulation:

- a. Name of the initiated person, and of the intermediary who made the transaction
- b. The reason why the initiated person and the intermediary have the obligation to notify
- c. Name of issuer
- d. Description of financial instruments
- e. Nature of transaction (purchase, sale)
- f. Date and place of transaction
- g. Price and volume of transaction

For more information about the initiated persons, please refer to Art. 148 and 149 of Regulation no. 1/2006.

## 5. REPORTING OBLIGATIONS OF THE SHAREHOLDERS

In accordance with Regulation no. 1/2006, Art. 116, where, in case of operations of purchase or sale of shares, and any other operations that make the voting rights held by a person to reach, exceed or fall below the thresholds of

5%, 10%, 15%, 20%, 25%, 33%, 50%, 75% or 90% of the total voting rights, the person must simultaneously notify in writing the company, the Financial Supervisory Authority and the Bucharest Stock Exchange within 3 working days.

The reporting template for holdings above 5% is provided in Annex. 35 of Regulation no. 1/2006.

## 6. PRINCIPLES OF CORPORATE GOVERNANCE FOR AeRO

The Principles of Corporate Governance aim to add new values to this market segment, to build a more attractive market for investors and to create a closer connection between issuers and shareholders. A good corporate governance is a powerful tool for increasing the competitiveness of the market. Every company listed on AeRO should aim to fulfill all the recommendations of the Bucharest Stock Exchange.

The main provisions deal with the clarification of the responsibilities of the Board, the implementation of a system of internal control, the transparency related to fair rewarding and motivating the members of the Board of Directors and the CEO and the organization of the investor relations function, in which a key role is played by the development of a section dedicated to the a relationship with investors on the website of the issuer, both in Romanian and in English.

The Principles of Corporate Governance for AeRO are available on the website of the Bucharest Stock Exchange in section AeRO/Regulations:

## 7. CORPORATE ACTIONS

The modification of number of shares is registered with the Central Depository and the Bucharest Stock Exchange, based on the Certificate for Registration of Securities issued by

the Financial Supervisory Authority, in accordance with the entries in the certificate issued by the Trade Register. Issuers are required to submit to the Financial Supervisory Authority this certificate no later than the business day following the date of registration of such entry with the Trade Register. In order for the Financial Supervisory Authority to issue a new Certificate for Registration of Securities, a Board's statement must also be submitted to the Authority, specifying whether the decision of the general meeting of shareholders was opposed or whether it was contested in court, in accordance with the legal provisions. The Certificate issued by the Financial Supervisory Authority must be obtained by the issuer within 5 days from the date of notice of issue and must be submitted to the market institutions within maximum 48 hours from the date of its receipt from the Financial Supervisory Authority.

The distribution of dividends, in accordance with the decision adopted by the general meeting of shareholders, is done through the Central Depository. The General Meeting of Shareholders also sets the registration date, the date

on which is determined the register of shareholders that is subject to the decisions adopted in the General Meeting of Shareholders.

The buying offers and sale offers, with or without prospectus, the distribution of free shares and other corporate operations are regulated by the capital market legislation and by Regulation no. 1/2006.

## 8. FINANCING THROUGH AeRO

Obtaining funding through the issuance of new shares offered to potential investors is a complex process whose success depends largely on the ability of the Authorized Advisor, along with the issuer's management, to make a realistic assessment of the company. The buyer's interest is to always get a price as low as possible and a growth perspective. The seller's interest – whether it is one of the founders, or the company itself, is to get the highest possible price. The price considered fair that could lead to the completion of the transaction is the result of discussions with potential investors. The role of the Authorized Advisor is to identify and inform potential buyers and to present this opportunity through a document that will contain all the necessary details, since the issuer listed on AeRO is not usually a known company. This document will also be provided during the meetings that the Authorized Advisor organizes with the issuer's management and institutional

investors. An offer does not require preparation, approval by the Financial Supervisory Authority and the publication of a Prospectus, if it falls into one of the cases stipulated by relevant regulations:

- An offer of securities addressed solely to qualified investors
- An offer of securities addressed to fewer than 150 natural or legal persons, other than qualified investors
- An offer of securities addressed to investors who acquire securities, each in amount of at least the equivalent in RON of EUR 100,000
- An offer of securities whose denomination per unit is of at least the equivalent in RON of EUR 100,000
- An offer of securities whose total value is less than the equivalent in RON of EUR 100,000.

For this operation, it may be necessary to use the services of an intermediary member of the Bucharest Stock Exchange, who can provide access to the technical system of the Bucharest Stock Exchange for the performing of transactions. He/she may also provide access to an additional database of potential investors, its own customers. The settlement of the transaction recorded in the Bucharest Stock Exchange system will be made through the post-trading system administered by the Central Depository.

One of the great advantages of being a listed issuer is the permanent access to the capital of existing shareholders and potential investors. The confidence once gained, is an advantage in favor of the issuer who, based on new realistic and well-founded projects, may obtain additional resources through successive capital increases.

## 9. WITHDRAWAL FROM TRADING

Just as admission to trading is regulated, withdrawal from trading is also done in a regulated manner, in order to ensure the protection of investors – minority shareholders.

Shares traded are withdrawn from trading in the following cases:

- a. Through public take over bid addressed to all shareholders, if the tenderer has thus obtained at

least 95% of the voting rights, or purchased, within the offer, shares representing more than 90% of those targeted in the offer, and in compliance with Art. 206 and 207 of Law no. 297/2004

- b. Following the decision of the Financial Supervisory Authority, if it is considered that, due to special circumstances, an orderly market can no longer be maintained for those securities
- c. Following the withdraw decision of the Extraordinary General Meeting of Shareholders, by granting the shareholders who disagree with this decision the right of withdrawal from the company, and the right to obtain the value of shares, in accordance with the applicable laws and regulations.

## 10. TRADING OF SHARES

The trading system of the Bucharest Stock Exchange is designed and created by specialists of the Bucharest Stock Exchange. The Arena System is registered with the Romanian Copyright Office, the Registry of Computer Programs and the ARENA – AUTOMATED EXCHANGE PLATFORM mark is registered with the State Office for Inventions and Trademarks. As of October 2014, the Arena System was separated into two independent systems:

- > **Arena Trading** – for the trading operations registered with the Bucharest Stock Exchange and
- > **Arena Post-Trading** – for the registry operations and clearing and settlement operations of the Central Depository.

The trading rules are similar for the regulated market managed by the Bucharest Stock Exchange and for AeRO, and are stipulated in the AeRO regulations, by reference to **BSE Code – Market Operator**, with a few exceptions such as:

- > The reference price on AeRO is the weighted average price of the transactions on the main market; on the regulated market, the reference price is the closing price

- If on the regulated market the price of shares varies on a daily basis by +/- 15% of the reference price, on AeRO, the price is limited to +/- 25% of the reference price, but only for a list of symbols (shares) which is determined and published by the Bucharest Stock Exchange, based on the number and frequency of transactions with those shares, during a previous period
- The suspension of the daily price variation limit on the regulated market will lead to the suspension of deal market (negotiation market for large values of transactions), this rule does not apply to AeRO

The trading system comprises several units named markets:

- **Regular Market** – the main market where transactions are done automatically by matching the purchase and sale orders with similar terms (security, quantity, price) introduced by the Participants authorized by the Bucharest Stock Exchange (brokerage companies or credit institutions) on behalf of clients (investors) or on their own behalf; it determines the reference price valid for the next day

- **Deal Market** – secondary market for negotiation; in accordance with relevant regulations, the minimum value of a deal transaction is determined based on the daily average value traded in the previous year, with the approval of the Financial Supervisory Authority
- **Markets for special operations** – secondary markets, which can be activated depending on the operations that will be conducted with those shares (offers of sale, offers of purchase, special selling offers)

The trading session has several stages: the pre-opening stage, when orders are entered but no transaction is made, the opening stage, when the opening price is calculated and the transactions that are possible at this price are concluded, the continuous market stage, in which transactions are recorded as orders are placed in matching terms, and the pre-closing stage, similar to the pre-opening stage.

The Bucharest Stock Exchange can introduce new stages, as the trading system is developing new mechanisms.

The Bucharest Stock Exchange provides investors and the general public with relevant information related to the trading activity, both via its website (including applications for mobile phones and tablets) and via applications that users can customize by subscription.

The main data vendors take and distribute trading information from the Bucharest Stock Exchange, as with trading information of other stock exchanges with whom they have signed contracts.

The transactions concluded at the Bucharest Stock Exchange are transmitted on a daily basis to the Central Depository, where settlement of transactions is made on the second business day from the transaction's date.



At some point, every issuer listed on AeRO wishes to gain access on the regulated market managed by the Bucharest Stock Exchange. This promotion is made based on a Prospectus that may be prepared either (i) in order to conduct a public offer for selling newly issued shares, or (ii) for admission to trading on the regulated market, in accordance with the relevant regulations in force.

We hope this guide will be useful and we wish you success in the future development of your business.



## **WE HOPE THIS GUIDE WILL BE USEFUL AND WE WISH YOU SUCCESS IN THE FUTURE DEVELOPMENT OF YOUR BUSINESS.**

For general information about AeRO, please contact the Bucharest Stock Exchange team by e-mail at [AeRO@bvb.ro](mailto:AeRO@bvb.ro) or by telephone at 0372-409842 (Marcin Wojcicki and Bogdan Mugescu), or 021-3079504 (Ileana Botez)

For information about the AeRO relevant regulations, submission of documentation for admission and submission of reports after listing, please contact us by e-mail at [ats@bvb.ro](mailto:ats@bvb.ro) or by telephone at 021-3179922 (Carmen Matei) or 021-3036890 (Anca Dumitru)

### **General contact for the Bucharest Stock Exchange:**

Telephone: 021-3079500  
34-36 Bd. Carol I, Floors 13-14, 2nd District, Bucharest

### **Contact for the Central Depository, Department of Issuers:**

Telephone 021-4085841 (Mariana Stefanescu)

### **Contact for Financial Supervisory Authority – Financial Instruments and Investments Sector**

Directorate of Transactions and Issuers Surveillance – Service of Corporate Operations and Evidence of Securities:  
Telephone: 021-6596064



**You can now access AeRO on your mobile!**  
Go to <https://aero.bvb.ro> and visit AeRO in the mobile version.  
Or simply scan the below QR code.

