



BUCHAREST STOCK EXCHANGE

BVB Procedure with regard to the publication of the monthly performance of Market Makers / Liquidity Providers on the regulated spot market

According to the provisions of BVB's Rulebook – Market Operator, BVB will publish the monthly performance of Market Makers and Liquidity Providers for each of the symbols from the regulated spot market where they are registered, as follows:

- **Average monthly gross percentage of displaying buying and selling firm offers (valid quotes)** by a Market Maker / Liquidity Provider for each symbol where he is registered, calculated exclusively based on his valid quotes and on the peculiarity of the symbol (underlying's type, symbol-market's status), without taking into consideration his notification with regard to the suspension / resumption of quotations, the time of the reaching the barrier, as well as other relevant notifications sent by him.
- **Average monthly net percentage of displaying buying and selling firm offers (valid quotes)** by a Market Maker / Liquidity Provider for each symbol where he is registered, calculated exclusively based on his valid quotes and on the peculiarity of the symbol (underlying's type, symbol-market's status), taking into consideration his notification with regard to the suspension / resumption of quotations, the time of the reaching the barrier, as well as other relevant notifications sent by him.

The procedure will be applied for:

- Market Makers registered for shares, ETFs, Government bonds;
- Liquidity Providers registered for structured products.

General principles:

- The indicators shown are calculated as average monthly values and they don't exactly mean the fulfilling of the daily quoting obligations of a Market Maker / Liquidity Provider.
- **Daily net percentage of displaying buying and selling firm offers (valid quotes) is considered for assessing the fulfilment of the quoting obligations by a Market Maker / Liquidity Provider.**
 - a Market Maker / Liquidity Provider for a symbol meets the daily quoting obligations for the respective symbol, if he meets its applicable parameters (the minimum volume and maximum spread), according to the minimum period of time for keeping in the market the buying and selling firm offers (valid quotes), during a trading session.
- In calculating **the gross total period**, the valid quotations of Market Maker / Liquidity Provider on a symbol are considered as well as the peculiarity of the symbol (underlying type, status symbol-market), without taking into consideration his notification with regard to the suspension / resume quotations, time of the reaching barrier and other relevant notifications sent by him.
- In calculating **the net total period**, the valid quotations of Market Maker / Liquidity Provider on a

symbol are considered as well as the peculiarity of the symbol (underlying type, status symbol-market), taking into consideration his notification with regard to the suspension / resume quotations, time of the reaching barrier and other relevant notifications sent by him.

Conditions for determining the gross total period focused on the following:

1. during a trading session, the minimum period of time to keep the buying and selling firm offer (valid quotes) for a symbol is determined by reference to the trading period corresponding to the Continuous state (Open state of the market), where the symbol was available for trading.
2. for the structured products having as underlying the Romanian shares, the time limit for monitoring compliance with the quoting obligations is 17:55 Bucharest time (the end of the Open stage for the underlying), based on the notifications sent by the Liquidity Provider.
3. when a symbol was suspended for the whole period of the trading session, the respective day will not be taken into account for monitoring.
4. when a symbol was partially suspended during the Continuous stage of a trading session, the suspension period will be deducted from the trading period corresponding to the Continuous stage.

Conditions for determining the net total period, addition to these gross total, period focused on the following:

1. when a Liquidity Provider is unable to provide quotes for a symbol, then the provisions of the BVB's Rulebook will be applied. Thus, on the basis of notifications from it, his quoting obligations will be suspended for the period notified by him - that will be decreased from the trading period corresponding to the Continuous stage.
2. when an issue of structured products (turbo certificate) reaches its „knock-out” price (barrier) on a certain trading session, the monitoring time limit for a symbol will be the time of the barrier's reaching, notified by the Liquidity Provider.

Formulas

➤ Average monthly gross percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol

- The calculation method for the average monthly gross percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol:

Average monthly gross percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol =

$$\frac{\sum \text{Daily gross percentage of displaying buying and selling firm quotes (valid quotes) for a symbol by a MM (LQ) on the calendar month}}{\text{Total number of trading sessions where a symbol is available for trading on the calendar month}}$$

Total number of trading sessions where a symbol is available for trading on the calendar month

where:

- \sum **Daily gross percentage of displaying buying and selling firm quotes (valid quotes) for a symbol / MM(FL) on the calendar month**

= the sum of the daily gross percentage of displaying the buying and selling firm quotes (valid quotes) by a Market Maker (Liquidity Provider) for a symbol, corresponding to each trading session of the respective month where the symbol was available for trading.

- **Total number of the trading sessions where a symbol is available for trading on the calendar month**

= Total number of the trading sessions / month – Number of sessions where a symbol was suspended on the whole Continuous stage / month

Note: A Market Maker hasn't the obligation to provide quotes on the respective symbol for a certain number of trading sessions, according to the parameters applicable to each symbol.

- The calculation method for the daily gross percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol:

Daily gross percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol =

Total gross period from the Continuous stage of a trading session where a MM(LP) shown the valid quotes per a symbol

$\frac{\text{Total gross period from the Continuous stage of a trading session where a MM(LP) shown the valid quotes per a symbol}}{\text{Total gross period from of the Continuous stage of a trading session where a symbol was available for trading}}$

➤ **Average monthly net percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol**

- The calculation method for the average monthly net percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol:

$$\text{Average monthly net percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol} = \frac{\sum \text{Daily net percentage of displaying buying and selling firm quotes (valid quotes) for a symbol by a MM (LQ) on the calendar month}}{\text{Total number of trading sessions where a symbol is available for trading on the calendar month}}$$

where:

- \sum **Daily net percentage of displaying buying and selling firm quotes (valid quotes) for a symbol / MM(FL) on the calendar month**
= the sum of the daily net percentage of displaying the buying and selling firm quotes (valid quotes) by a Market Maker (Liquidity Provider) for a symbol, corresponding to each trading session from the respective month where the symbol was available for trading.

- **Total number of the trading sessions where a symbol is available for trading on the calendar month**

= Total number of the trading sessions / month – Number of sessions where a symbol was suspended on the whole Continuous stage / month

Note: A Market Maker hasn't the obligation to provide quotes on the respective symbol a certain number of trading sessions, according to the parameters applicable to each symbol.

- The calculation method for the daily net percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol:

$$\text{Daily net percentage of displaying buying and selling firm offers (valid quotes) by a Market Maker / Liquidity Provider for a symbol} = \frac{\text{Total net period from the Continuous stage of a trading session where a MM(LP) shown the valid quotes per a symbol}}{\text{Total net period from of the Continuous stage of a trading session where a symbol was available for trading}}$$