

BVB's Procedure

regarding the application of the trading fees for the Market Makers registered for shares, depending on the fulfilment of the conditions set

The procedure is applied for a calendar month and it consists in the verification of the compliance of the obligations assumed by a Market Maker registered for a share (that includes, also, its daily quoting obligations for every trading session of the calendar month in which the symbol was available for trading).

A. Conditions regarding the fulfilment of the daily quoting obligations by a Market Maker registered for a share

- a) A Market Maker registered for a share fulfils its daily quoting obligations for a share if he respects its applicable parameters (minimum volume and maximum spread) on the "House account", as per the minimum time period for maintaining in the market a firm buy and sell offer (valid quotations) during one trading session.
- b) A Market Maker will receive the Market Makers' trading fees, depending on the fulfilment of the obligations assumed for a share, as explained in this document, and for the trades made on the "House account".
- c) In order to determine the compliance with the daily quoting obligations, the following aspects will be taken into consideration:
 1. During one trading session, the minimum time period for maintaining in the market a buy and sell firm offer (valid quotations) for a share is determined through reporting at the trading period of the Continuous Market (Open stage of the market used), in which the respective share was available for trading.
 2. In case the share considered was suspended during the whole continuous market stage of one trading session, that day will not be taken into consideration for monitoring.
 3. In case the share considered was partially suspended during the continuous market stage of a trading session, the period of partial suspension will be deducted from the trading period of the continuous market.
 4. In case a Market Maker is unable to provide quotations for a share, the corresponding provisions of BVB's Rulebook will be applied. Thus, based on the notifications submitted by the Market Maker, its quoting obligations for that share will be suspended for the period notified by him. This period will be deducted from the trading period of the continuous market.
 5. Other situations regarding the suspension or resumption of the Market Makers' quoting obligations will be carried out based on the notifications presented by them and their quoting obligations will be updated accordingly.

B. The computing method of an indicator to monitor the fulfilment of the daily quoting obligations by a Market Maker for a share

Daily percentage for providing valid quotations by a Market Maker for a share =

$$\frac{\text{Total period in the Continuous Market of one trading session in which a MM provided valid quotations for a share}}{\text{Total period in the Continuous Market of one trading session in which the share was available for trading}} * 100$$

C. The computing method of the Market Makers' trading fees, depending on the fulfilment of obligations assumed by a Market Maker for a share

The method is applied for a calendar month and it consists in the following steps:

a) to check the compliance of a Market Maker' daily quoting obligations for each trading day of the month and to apply the corresponding fees

1. If the daily percentage for providing valid quotations by a Market Maker for a share \geq the minimum time period for maintaining in the market a firm buy and sell offer during one trading session
 - \Rightarrow the Market Maker fulfilled its minimum daily quoting obligations for that share in the respective trading session (OK)
 - \Rightarrow the Market Maker' fees will be applied for the transactions done on the "House" for that share on the respective date

2. If the daily percentage for providing valid quotations by the Marker Maker for a share $<$ the minimum time period for maintaining in the market a firm buy and sell offer during one trading session
 - \Rightarrow the Market Maker did not meet the minimum daily quoting obligations for that share in the respective trading session (NOK)
 - \Rightarrow the standard trading fees for the shares on the regular market will be applied for the transactions done on the "House" account, for the respective date and symbol (the Market Maker' fees will not be applied).

Note: The minimum time period for maintaining in the market a firm buy and sell offer during one trading session is 75% for Classical Market Maker (CMM), respectively 85% for Super Market Maker (SMM).

b) to calculate a ratio as the number of days in which the daily quoting obligations were not met by a Market Maker divided by the total number of days available for trading on the month considered

1. if this ratio does not exceed 75% (CMM), respectively 85% (for SMM) no other calculation will be done;
2. if this ratio exceeds 75% (CMM), respectively 85% (for SMM), the standard trading fees applied for Regular market (on buy side, respectively on sell side, depending on the side of the trade on which the Market Maker is involved) will be also applied for the trades done by a Market Maker in the trading days when he fulfils the quoting obligations.

c) to apply the additional measures in special circumstances

- If a Market Maker (CMM/ SMM) doesn't frequently comply with its quoting obligations for a share, BVB will apply the corresponding provisions of the BVB's Rulebook.