

Issuer's Market Maker Program

- *general framework, update as of October 1st, 2020* -

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 (brokers, 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 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 is the following:

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

b) *the minimum period for applying this program: 12 months; after the expiration of the program will be reviewed, and, if appropriate, extended*

c) *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 which will be registered for shares*
 - the incentive scheme applied for the Market Maker program (levels, trading fees and thresholds) will be also applied for the Issuer Market Maker program

- the trading fee charged by BVB for Participants that hold the quality of Issuer Market Maker for Level 0 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 (Level 0 from Market Maker Program)*

d) the quoting parameters for performing the activity of Issuer's Market Maker (IMM) will observe a base level, in conformity with the following specific parameters:

Base Level of Specific Parameters	
Name	Value
Minimum volume corresponding to the firm buy and sell offer	minimum 1 % of the daily average volume registered in the main market of shares in a minimum 6 months period before the registration as IMM
Maximum spread between the bid and ask prices displayed by the Participant	maximum 5% - for shares regulated market no requirements – for shares ATS/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

Additionally, in the situation in which in the contract between an Issuer and a Participant, which will act as an IMM, more restrictive values will be established for the Specific Parameters applicable to the IMM, then the respective values will be used by BVB to monitor the quoting parameters applicable to IMM and for granting the related trading fees.

In special situations, the BVB's CEO may consider other relevant elements in establishing the quotation parameters applicable to an Issuer Market Maker.

Note 1: for shares without trading history – minimum volume will be set according to the decision of the BVB's CEO

Note 2: the general concept of the Issuer Market Maker is presented in BVB's Rulebook – operator of the regulated market is included in the BVB's Rulebook – operator of the regulated market (the corresponding provisions are in the Annex).

Annex

Provisions regarding the Issuer's Market Maker,

included in the BVB's Rulebook – operator of the regulated market

- The Participant that has the quality of the Issuer's Market Maker is the Participant that has assumed the role to support liquidity of a financial instruments, based on a contract signed with the issuer of the respective financial instruments.
- BVB may require the issuer to consider the option to support the liquidity of financial instruments issued, with a Participant, in line with those mentioned previously.
- A Participant that intends to obtain the quality of the Issuer's Market Maker must obtain the agreement in principle from BVB.
- In order to get the agreement in principle, the Participant will submit to BVB the following documents:
 - a) a notification regarding the contract signed between him and the respective issuer, that will specify that the object of the contract is to support the liquidity of the indicated financial instruments, by introducing and maintaining of orders in the main market of the respective instruments;
 - b) a copy of the respective contract (except the mentions regarding the fees set between parties).
 - Within ten working days since receiving the documents mentioned above, BVB will notify the respective Participant, if the contract's provisions are not in conformity with the BVB's Rulebook.
 - If BVB will not answer in the term mentioned above, it should be considered that the agreement in principle was granted by BVB concerning the carrying out by the respective Participant of the activity of the Issuer's Market Maker.
- Registration of a Participant as the issuer's Market Maker and commencement of the activity in this quality are conditioned by the fulfilment of the requirements specified in section related to the Market Makers on the regulated spot market from the BVB's Rulebook regarding:
 - a) obtaining the quality of Market Maker on the regulated spot market;

- b) signing of a contract between the respective Participant and BVB, regarding the framework for performing the operations (conformity with the base level of the specific quoting parameters, applicable fees, etc.).
- BVB will set the base level corresponding to the specific parameters for carrying out the activity of the Issuer's Market Maker and will charge specific fees for this activity, depending on the fulfilment of the quoting obligations regarding the respective parameters, in conformity with a specific procedure.
 - The provisions of Chapter III¹ *Market Makers on the regulated spot market* will be applied also for the Participant that will act as the issuer's Market Maker, with the following exceptions:
 - a) provisions regarding the suspension of the registration as Issuer's Market Maker, as well as those referring to the resuming of the registration in this capacity, included in Section 5, respectively Section 6 in Title I;
 - b) provisions of art. 16¹⁸ para (4) and (5) Title I from the BVB's Rulebook.
 - Any change of the contract between the Participant that has the status of the issuer's Market Maker and the respective issuer will be notified to BVB within a working day from the respective change, together with a copy of the updated contract between the parties (excluding the mentions regarding the fees between parties).
 - In the situation when the provisions of the updated contract are not compliant with provisions of the Chapter III¹ *Market Makers on the regulated spot market*, BVB may decide the termination of the activity of the Participant as Issuer's Market Maker.
 - In the situation of the contract's termination mentioned above, BVB will withdraw the quality of the Issuer's Market Maker for the respective instrument.