CHAPTER V

THE RULES OF TRADING

BRATISLAVA STOCK EXCHANGE

CONTENTS

Article 1
Introductory Provisions

1.1 The Rules of Trading (“the Rules” hereinafter) are issued in accordance with §18 of the Act No 429/2002 (Coll.) on the Stock Exchange as amended by later legislation (“the Stock Exchange Act” hereinafter) and they primarily stipulate the conditions for trading of securities by means of the trading system on the Bratislava Stock Exchange (“the Stock Exchange” hereinafter), the conditions for suspension and interruption of trading, the conditions for cancellation of stock exchange transactions as well as the related rights and obligations of the Stock Exchange and its members.

1.2 All securities admitted to trading on the Stock Exchange can be traded in the trading system.

1.3 If the below-mentioned terms are used in further provisions of these Rules, they shall have the following meaning:

a) “CP” means a security/securities (in Slovak: “**c**enný **p**apier/**c**enné **p**apiere”);

b) “State treasury bills” (in Slovak: “**š**tátne **p**okladničné **p**oukážky - ŠPP”) means securities issued by the Slovak Republic to which apply the provisions of §3 of the Act No. 566/2001 (Coll.) on Securities and Investment services and on Amendments and Supplements to Related Laws as amended later (“the Securities Act” hereinafter);

c) “CPFKI” means securities of the funds of collective investment, that are issued by funds of collective investment established according to the Act No 203/2011 (Coll.) on collective investment as amended later or according to the similar foreign legislation in case of foreign funds of collective investment.

d) “Member” – a Stock Exchange member or the National Bank of Slovakia;

e) “Market participants” – the public and the members;

f) “DCD” – the Central Depository which performs activities pursuant to the Securities Act;

g) “Holder account” – an account according to §105a) of the Securities Act;

h) “Trading system” - a set of software products, computer equipment and accessories operated by the Stock Exchange or its members, respectively, which enables the members to enter commands to conclude stock exchange transactions and to enter commands for other transactions;

i) “the Regulation” - Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, along with delegated and implementing rules;

j) “The size of tick” - the lowest price increase by which a share price can change. The size of tick is specified separately for each share, in compliance with the Regulation;

k) “Market manipulation” – actions according to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC a 2004/72/EC;

l) "Reference price for a security" – the price equal to the average price of this particular security from the immediately preceding stock exchange day;
m) "Percentage spread" – the interval between the lowest price and the highest price, at which transactions can be concluded in the course of a stock exchange day;
n) "Volume-weighted spread" – a price spread between the bid and offer prices, which are determined through the weighted average of prices of individual orders to buy and orders to sell on the order book of the MKO trading system, whose total amount of securities equals the amount of securities of the direct transaction being reported. If the total amount of securities of individual orders to buy or orders to sell is lower than the amount of securities of the direct transaction being reported, the volume-weighted spread cannot be determined;
o) The continuous settlement tag (in Slovak: "príznak **p**riebežného **v**yrovnania" – "**PV**" hereinafter) is a datum indicating the option to continuously settle direct transactions and repo transactions on a given T day with/without financial settlement, the object of which are securities. Direct transactions and repo transactions with a financial settlement requirement for a given T day can only be entered with the "PV" tag. The "PV" tag cannot be entered for VP-issues.

Article 2
The Right to Enter Commands and to Conclude Transactions

2.1 On the Stock Exchange, it is possible to conclude a stock exchange transaction/s or to enter the command/s for other transaction/s.

2.2 The stock exchange transactions include electronic order book transactions. Other transactions include direct deals and repo transactions (stock exchange transactions and other transactions hereinafter jointly referred to as "transactions").

2.3 A separate transaction is a transaction within the framework of a public offer to take over, or an obligatory public offer to take over, or a competitive public offer to take over ("VP-transaction" hereinafter) which (the transaction) is concluded in compliance with the separate provisions of these Rules.

2.4 All Stock Exchange members have the right to enter commands into the trading system and to conclude stock exchange transactions. All members have equal rights and obligations in trading.

2.5 The parties to transaction are the buyer and the seller. In a transaction, one and the same entity can be both the buyer and the seller.

2.6 A member concludes stock exchange transactions or enters commands on its own behalf and on its own account, or on the account of another entity (such entity is hereinafter called "a client").

2.7 The object of transaction are the securities of a single issue admitted to trading on the Stock Exchange:

a) which are registered at the DCD and are traded in the euro currency ("the DCD/EUR type" hereinafter);
b) which are registered at the DCD and are traded in a foreign currency ("the DCD/CM type" hereinafter).

2.8 A stock exchange transaction, except for a VP-transaction[1], is:

a) deemed valid, if its price is within the allowable price spread for the corresponding security and in compliance with these Rules;

b) deemed invalid, if its price is not within the allowable price spread for the corresponding security and in compliance with these Rules.

2.9 A member is obligated to pay to the Stock Exchange the relevant fees for trading as stipulated in the Fee Order. This provision does not apply to stock exchange transactions, other transactions and VP-transactions cancelled in compliance with the provision of Article 24 Section 24.4 Subsection e) -- members are not required to pay fees for such cancelled transactions.

2.10 A member is entitled to conclude a stock exchange transaction, to report other transaction by entering a command, and to conclude/report by entering a command a VP-transaction which the member will settle, pursuant to the provisions of the “Rules of Participation of the Stock Exchange and Its Members in the Provision of Clearing and Settlement”, by supplying securities from not more than 10 capital accounts or by crediting them to not more than 10 capital accounts, respectively, none of which is the own account of the member placing the command or order, respectively, into the Stock Exchange’s trading system, but only in the case that the supplying or, respectively, the crediting of securities is realised within the framework of one DCD.

Article 3
The Stock Exchange’s Trading System

3.1 The trading system is a venue for entering commands and concluding stock exchange transactions.

3.2 Members enter commands in the trading system through workstations connected to the Stock Exchange’s central computer. The workstations are usually located in the members’ registered offices. In the event of connection of a member’s local computer network to the Stock Exchange’s central computer, the member may have one, or optionally several, workstations.

3.3 In the event of malfunction of a workstation or its connection with the Stock Exchange’s central computer, the members have access to a limited number of emergency workstations, located on the Stock Exchange, which are taken in such order in which the members report the malfunctions.

3.4 According to the method of matching, the trading system is divided into the following modules:

a) The Auction Trading Module (**m**odul **a**ukčného **o**bchodovania – “MAO” hereinafter);

b) The Continuous Trading Module (**m**odul **k**ontinuálneho **o**bchodovania – “MKO” hereinafter);

c) The Market Makers Module (**m**odul obchodovania s **t**vorcami **t**rhu – “MTT” hereinafter);

3.5 In MAO, all DCD/EUR type securities admitted to the Stock Exchange market are traded.

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[1] For validity of transactions concluded within a public offer to take over/obligatory public offer to take over/competitive offer to take over, see Article 19.

3.6 In MKO, all DCD/EUR type shares and CPFKI admitted to the Stock Exchange market for which an allowable price spread is specified on the current stock exchange day, as well as all DCD/EUR type bonds/treasury bills admitted to the Stock Exchange market, are traded.

3.7 In MTT, all securities included in this module according to Section 25.9 and all DCD/CM type securities according to Section 25.10 are traded.

Article 4
Trading Day

4.1 The trading day is a working day on which the members may enter commands and conclude stock exchange transactions in the trading system.

4.2 The Stock Exchange specifies working days which are not going to be trading days, and announces them to the market participants at least five working days in advance.

4.3 The trading day has the following interconnected phases (the times marked by ~ are specified only approximately and depend upon momentary technical conditions in the trading system):

a) ~08:30–10:30 AM	Preparation: members enter commands in the trading system and receive trading results from the previous stock exchange day;
b) 10:30–~10:50 AM	Fixing: matching in MAO, processing of the results of auction trading, entering commands;
c) ~10:50–11:00 AM	Preparation: entering and confirming the commands for Direct and repo transactions in bonds or treasury bills without the continuous settlement tag;
d) 11:00 AM–03:30 PM	Entering and confirming the commands for direct transactions and repo transactions with/without the “PV” tag;
e) 11:00 AM–03:30 PM	Matching in MKO and in MTT;
f) 03:30–03:40 PM	Members confirm the direct transaction commands and the repo transaction commands;
03:40–~03:50 PM	Pre-closing: confirmation of the reported received commands by the Stock Exchange, archiving of daily data;
g) ~03:50–~04:00 PM	Closing: the close of the day’s trading;
h) ~04:00–06:00 PM	Distribution of the trading results and information on trading.

4.4 For electronic order book transactions, the time of conclusion is the time when corresponding orders are matched as recorded in the trading system.

COMMANDS

Article 5
Common Provisions for Commands

5.1 The command is the expression of a member's will to conclude a stock exchange transaction or to make other operation during a trading day, executed through the trading system.

5.2 A member may enter the following commands:

a) An order;

b) A command for a direct transaction;

c) Repo transaction commands ("repo commands" hereinafter):

i) A repo-open command;

ii) A repo-return command;

iii) A repo-partial return command;

iv) A repo-change command;

v) *A repo-discontinuance command;*

d) An order cancellation.

5.3 A stockbroker concludes transactions and enters commands into the trading system on behalf of a member, and also performs all other actions related to trading.

Article 6
Order

6.1 The order is a member's command in which the member specifies the method of order matching, the object and particulars of an electronic order book transaction that the member wants to conclude. In an Implementing Regulation, the Stock Exchange may specify special types of orders which will not enter the matching process.

6.2 Categories of orders:

a) Purchase ("PURCHASE order" hereinafter);

b) Sale ("SALE order" hereinafter);

c) Purchase and sale.

6.3 The object of the order is the securities of a single issue admitted to trading on the Stock Exchange.

6.4 The Stock Exchange accepts the order if it has been placed in compliance with these Rules and if it contains the particulars required by these Rules.

6.5 Types of orders:

a) A limit order;

b) A "fill or kill" order ("FOK" hereinafter);

c) A quotation;

d) A TT order.

Article 7
Common Provisions for All Types of Orders

7.1 The order must contain the following:

a) Information that clearly specifies the type of order according to provisions of Section 7.6 or Article 9;
b) Specification of order category;
c) Specification of the object of order;
d) The amount of units of the object of order (the “amount of securities” hereinafter);
e) The price for one unit of the security, which is the object of the order (the “order price” hereinafter);
f) Information specifying whether the transaction is on own account or on a client’s account.

7.2 The order may contain:

a) An identification note*;*
b) The registration number[2] of a member or a client;
c) The identification number of a member or a client, i.e. a birth registration number for physical persons and an organisation identification number (IČO) for legal entities.

7.3 One unit (i.e. one piece) of security is the unit of the amount of securities for limit orders and FOK orders.

7.4 One lot is the unit of the amount of securities for quotations and TT orders.

7.5 The amount of securities in one lot:

a) is specified by the Stock Exchange individually for each issue traded in MTT;
b) is immediately announced by the Stock Exchange to the market participants.

7.6 The order is always a limit order, unless it is marked otherwise and/or contains information or indicators, as stated in the provisions of Article 9, which specify a different type of order.

7.7 The order price is the top price of a PURCHASE order and the bottom price of a SALE order, unless the provisions pertaining to individual order types stipulate otherwise;

7.8 The order price must be of a positive value.

7.9 The following applies to relative identification of orders:

a) Out of two SALE orders, the one with a lower price is the better one;
b) Out of two PURCHASE orders, the one with a higher price is the better one.

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[2] Registration number identifies the owner of a securities account at the DCD. See the Rules of Participation of the Stock Exchange and Its Members in the Provision of Clearing and Settlement.

7.10 The stockbroker, when placing an order for buying or an order for both buying and selling a security of a collective investment fund managed by an alternative investment fund manager according to a special regulation[3], which can only be distributed to a qualified investor according to a special regulation[4] (hereinafter the "Qualified Investor") or a professional investor according to a special regulation[5] (hereinafter the "Professional Investor") shall ensure that this security is acquired by the qualified investor only if the stockbroker has proven that acquiring the above-mentioned security by the qualified investor will not result in a breach of the conditions set by the special regulation[6]. If the stockbroker does not have this information, they are required to place the order according to the first sentence only in favour of a professional investor.

7.11 The information that the stockbroker in accordance with Article 7, Section 7.10 or another stockbroker employed by the same member as the stockbroker in accordance with Article 7, Section 7.10 placed an order for selling a security under Article 7, Section 7.10 in favour of a client who is a qualified investor, where this order for selling has not yet been matched with another order, is also considered the proof of the fulfilment of the conditions according to the special regulation for the purposes of Article 7, Section 7.10.

Article 8
Tick size routine

8.1 When determining the prices for share orders, the Stock Exchange applies the tick size which is equal to or higher than the value that corresponds to:

a) the liquidity band specified in the Table included in the Further Details to these Rules, which (the liquidity band) corresponds to the range of an average daily number of transactions on the most significant market for the given security in terms of liquidity; and
b) the price spread in the given liquidity band which corresponds to the price of the given order.

8.2 Every year, the Stock Exchange publishes for a given share the average daily number of transactions computed by the relevant authority in compliance with the Regulation.

8.3 In the case of newly admitted shares to trading, the Stock Exchange proceeds in compliance with the Regulation when estimating the average number of transactions.

[3] Securities and equity participations of entities according to § 31a, Section 1 of Act No. 203/2011 Coll. on Collective Investment, as amended.
[4] § 3 Subsection ap) of Act No. 203/2011 Coll. on Collective Investment, as amended.
[5] § § 4, Section 4 of Act No. 203/2011 Coll. on Collective Investment, as amended.
[6] Limits according to § 31d, Section 1, Subsection a) – c) of Act No. 203/2011 Coll. on Collective Investment, as amended.

Article 9

Provisions for Individual Types of Orders

Limit Order

9.1 A limit order is an order to buy or to sell not more than a specified amount of securities at a price not higher or not lower, respectively, than is the order price until the moment of order cancellation.

9.2 A limit order may contain the date of expiration.

FOK Order

9.3 A FOK order is an order to buy or to sell only a specified amount of securities at a price not higher or not lower, respectively, than is the price of the order bearing the “FOK” tag. The “FOK” order is matched as an active order with a counter-order or counter-orders, respectively, only when the amount of securities in the counter-order or in counter-orders, respectively, equals or is greater than the amount of securities in the FOK order. After the matching is finished, the FOK order does not become a passive order - instead it terminates.

9.4 FOK orders can only be placed in MKO.

Quotation and TT Order

9.5 A quotation named **N**EW QUOTATION TT (ORDER) is an order (bearing the QUOTATION tag) to buy and to sell not less than one lot, but not more than a specified maximum amount of lots of securities[7] at a price not higher or not lower, respectively, than is the price of the order until the moment of order cancellation.

9.6 A quotation may contain identification of the member - market maker that has placed it.

9.7 For the purposes of entry into the Book[8], matching and determination of the best quotation[9] it shall apply that a quotation is comprised of two parts: a SALE order and a PURCHASE order.

9.8 A TT order named **N**EW QUOTATION TT (ORDER) is an order (bearing the SALE or PURCHASE tag) to buy or to sell not more than a specified amount of lots of securities at a price not higher or not lower, respectively, than is the price of the order until the moment of order cancellation;

9.9 If the object of a TT order is the securities of DCD/CM type, the TT order must contain the identification of the member that has placed it.

9.10 A TT Order may contain the date of expiration.

9.11 Only the securities pursuant to Article 3 Section 3.7 can be the object of a quotation or a TT Order.

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[7] *Quotation may, but need not, contain a maximum amount of lots. If it contains a maximum amount of lots, it can be matched with any amount of lots in a transaction, ranging from 1 to that particular maximum amount.*

[8] *For the Book definition, see Section 10.1.*

[9] *For the best quotation definition, see Section 21.3.*

Article 10
Order Book and Order Receipt/Cancellation/Expiration

10.1 The Order Book (the “Book” hereinafter) is a list of all orders in compliance with the provisions of Section 10.2 and the following. The Book consists of the following separate parts:

a) An MAO book where limit orders, the object of which is the securities pursuant to Article 3 Section 3.5, are entered;

b) An MKO book where limit orders, the object of which is the securities pursuant to Article 3 Section 3.6, are entered;

c) An MTT book where quotations and TT orders, the object of which is the securities pursuant to Article 3 Section 3.7, are entered;

10.2 Orders are received through their entry in the list of received orders in the corresponding part of the Book, as soon as the trading system allows it. Each order is assigned its “time of entry” and an identification number.

10.3 A received order is valid:

a) only on the stock exchange day on which it is received, unless it contains the date of expiration;

b) until the last day of the date of expiration, inclusive, specified in the order.

10.4 An order, except for a quotation, is deleted from the Book immediately after:

a) the expiration of the order:

i) through matching;

ii) if the order has ceased to meet one of the conditions stipulated by these Rules;

iii) through expiration of the order’s validity;

b) order cancellation.

10.5 A quotation expires by expiration of the quotation’s validity.

10.6 A quotation is deleted from the Book immediately after expiration or cancellation of the quotation.

10.7 After it is matched, a quotation is temporarily deleted from the Book for a time period stipulated by the Stock Exchange. If, during this period, no other quotation of the same member and with the same object of order is entered in the Book, or if the quotation is not cancelled, the original quotation is restored.

10.8 The order cancellation is a command by which the member cancels the expression of will to conclude a stock exchange transaction.

10.9 A command to cancel an order can be placed by:

a) the member that has placed that particular order;

b) the Stock Exchange:

i) if the member cannot place the command for any reason and requests that the Stock Exchange do so; or

ii) in well-founded cases, based on the Stock Exchange's decision.

10.10 An order is cancelled immediately after the command to cancel the order is placed and matching of the active order[10] is complete, if such matching is in progress at the time of placement of the command to cancel the order, provided that the order is on the list of

[10] *For active order definition, see Section 13.4.*

received orders or passive orders[11]. An order cannot be cancelled whilst it is an active order.

ELECTRONIC ORDER BOOK TRANSACTIONS

Article 11
Electronic Order Book Transactions and Matching

11.1 An electronic order book transaction is a transaction in which the buyer and the seller commit themselves to buy or, respectively, to sell an amount of securities at a price which (the amount and the price) are generated through the matching of their orders in the trading system according to these Rules.

11.2 Matching is a process of searching at least one counter-order for an active order which (the counter-order) contains data and conditions that match the data or fulfil the conditions, respectively, of the order in such a manner that the order can be matched with the counter-order according to the provisions on matching in individual modules of the trading system.

11.3 If a counter-order is successfully found, the order is matched with one or more counter-orders (“matching” hereinafter) and one or more, respectively, electronic order book transaction/s is/are concluded.

11.4 Matching is the joint expiration of an order and a counter-order, or of their parts, which takes place upon the mutual fulfilment of conditions of the order and the counter-order.

11.5 The price at which matching is carried out is the price of an electronic order book transaction.

11.6 Full order matching is the expiration of an entire order pursuant to Section 11.12 and the following, i.e. the amount of securities in one or more concluded transaction/s equals the amount of securities specified in the order.

11.7 Partial order matching is the expiration of a part of order pursuant to Section 11.1 and the following, i.e. the amount of securities in one or more concluded transaction/s is lower than the amount of securities specified in the order.

11.8 Following the partial matching, the trading system generates a remainder order. The remainder order contains the same data and conditions as the original order, except for the changed amount of securities, and is subject to all the provisions applicable to orders.[12]

11.9 After the matching is over, an active order moves onto the list of passive orders, unless it has expired.

11.10 A PURCHASE order’s counter-order is a SALE order.

11.11 A SALE order’s counter-order is a PURCHASE order.

11.12 The provisions of this article for PURCHASE orders and SALE orders apply also to the corresponding parts of quotation specified in Article 9, Section 99.7.

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[11] *For passive order definition, see Section 13.6.*
[12] *Inter alia, the remainder order automatically becomes an active order since it maintains the time of entry of the original order, and therefore no order with an earlier time of entry can exist among the received orders.*

Article 12
Matching in the Auction Trading Module (MAO)

12.1 All orders registered in the MAO Book at the time of the start of auction matching enter the MAO matching. These orders are equivalent active orders for matching in MAO.

12.2 If the securities of one issue are the object of at least one order and one counter-order, and if a single auction price can be calculated or determined for them according to the algorithm stated in Sections 12.3, and 12.4, auction matching is performed at such auction price.

12.3 The following applies to the algorithm for calculation or determination, respectively, of an auction price:

a) The auction price has such value which will ensure the largest total amount of securities in the matched orders;

b) If, according to Subsection *a)* of this Section, there are several prices, the auction price is the price at which there is a minimum overlap; an overlap at a given price is the difference between the total amount of securities in PURCHASE orders and SALE orders with a price not lower than the given price;

c) If there are at least two auction prices also according to Subsection *b)* of this Section, the highest of these prices is selected in the event of overlap of PURCHASE orders, whereas the lowest price is selected in the event of overlap of SALE orders;

d) If there are at least two prices also according to Subsection *c)* of this Section, the auction price is the price closest to the previous average stock price;

e) If there are at least two prices also according to Subsection *d)* of this Section, the Stock Exchange is entitled to select one of them as the auction price.

12.4 The auction price must not be higher than the value of top limit of the allowable price spread, and must not be lower than the value of bottom limit of the allowable price spread. If this condition is not met, a so-called "enforced price" is stipulated on the corresponding limit of the allowable price spread.

12.5 In matching, the process begins with the order with the best price and continues in the sequence in which the orders are ranked. If it is not possible to satisfy all orders with equal price, they are satisfied proportionally according to the following formula:

$$\frac{\text{Amount}}{\text{Sum}} * \text{Remainder}$$

Legend:

Amount is the amount of securities in a PURCHASE order or a SALE order, respectively;

Sum is the total amount of securities in all PURCHASE orders or SALE orders, respectively, with equal price;

Remainder is the remaining amount of securities in counter-orders.

12.6 The time of an order's entry into the Book is not relevant for MAO matching.

Article 13
Matching in the Continuous Trading Module (MKO) and the Market Maker Module (MTT)

13.1 Orders entered in the MKO Book enter the matching in MKO.

13.2 Orders entered in the MTT Book enter the matching in MTT.

13.3 An order registered in the list of received orders of the corresponding part of the Book during the trading in MKO and MTT waits to be assigned the status of an active order.

13.4 An active order is a single order that is currently being matched with passive counter-orders in the corresponding part of the Book, and is generated from the received order with the earliest time of entry as soon as possible after the matching of the immediately preceding active order is complete.

13.5 An active order is matched with passive counter-orders according to Article 11 in the sequence in which they are ranked, starting with the counter-order with the highest priority. After the matching is over, the active order is assigned the status of a passive order, unless it has expired.

13.6 A passive order is an order on the list of orders. Passive orders are ranked according to the following priorities:

a) Higher priority is given to a better order[13];

b) Out of the orders with equal price, higher priority is given to the order with an earlier time of entry.

13.7 Matching in MKO and MTT starts with the creation of an active order at any time during the trading phase.

13.8 If matching is performed, the price of the counter-order is the price of the transaction.

Article 14
Cross-trade

14.1 The cross-trade is a transaction concluded on the capital account of the same person on both the buyer's and the seller's side, except for a trade from/to the same holder account if the person that has opened such account demonstrates that the end owners are not the same persons.

14.2 A member must not place a command intended to conclude a cross-trade.

OTHER TRANSACTIONS

Article 15
Direct Transaction

15.1 The direct transaction is a transaction in securities which is agreed upon privately, but is reported to the trading system by entering the direct transaction command based on the Stock Exchange's Rules, and to which any of the following circumstances applies:

a) Two Stock Exchange members are involved in some of the following ways:

i) One member is trading on own account, while the other member is acting on a client's behalf;

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[13] For better order definition, see Section 7.9.

   ii) Both members are trading on own account;
   iii) *Both members are acting on a client's behalf.*

b) One Stock Exchange member performs one of the following activities:
   i) The member acts on both the buyer's and the seller's behalf;
   ii) *The member is trading on own account based on a client's instruction.*

15.2 A direct transaction in shares can be reported to the trading system if the price of the direct transaction meets the following conditions:

a) The price of the direct transaction is equal to or is within the volume-weighted spread computed from the MKO order book, or;
b) If it is not possible to determine the volume-weighted spread at a given time and there exist individual orders to buy and orders to sell concurrently in the MKO order book, then the price of direct transaction must be equal to or within a price spread defined by the bid and offer prices, determined through the average of prices from individual orders to buy and orders to sell resulting from the MKO order book of the trading system, or;
c) If it is not possible to determine the volume-weighted spread at a given time and there do not exist individual orders to buy and orders to sell concurrently in the MKO order book, then the price of direct transaction must be equal to or within a percentage spread from the reference price valid in the MKO trading system on the given day. The percentage spread equals the value of the top and bottom limit of the allowable price spread in the MKO trading system, specified by the Stock Exchange for the relevant market.

15.3 The provisions of Section 15.2 of this Article shall not apply to securities of a VP-issue.

Article 16
Repo Transaction

16.1 The repo transaction is a transaction that is reported to the trading system based on a previously concluded agreement between the buyer and the seller who both bind themselves:

a) to buy or, respectively, to sell an agreed amount of securities at an agreed price and to include this information in the repo-open command; and
b) not later than on the day of return, to sell back or, respectively, to buy back the agreed amount of securities at the agreed price and to include this information in the repo-return command ("return" hereinafter).

16.2 The members report the repo transaction to the trading system by entering the repo transaction commands defined in Article 17.

16.3 The minimum volume of a repo transaction is a value set by the Stock Exchange (for securities of the DCD/CM type: after recalculation by the current NBS-middle exchange rate of the trading currency to the EUR currency on the day of repo transaction opening), and the maximum duration of a repo transaction is a period set by the Stock Exchange also in the case of prolongation. The duration of a repo transaction is the time period between the day of conclusion (i.e. opening) and the day of return or discontinuance of the repo transaction.

16.4 A member must place a repo-return command in compliance with the conditions agreed upon at the repo transaction opening, with the exception of cases according to Section 16.6.

16.5 If a member fails to fulfil the obligation stated in Section 16.4, the member shall pay to the Stock Exchange a penalty equal to twice the value of the fee for repo transaction discontinuance specified in the Fee Order, and is requested to place a repo-return command. If the member does not place the repo-return command as requested and the parties do not reach an agreement pursuant to Section 16.6, the Stock Exchange shall perform the repo transaction discontinuance.

16.6 If, on the day of return specified in a repo-open command, there are obstacles to the return of a repo transaction:

a) The parties to such repo transaction may agree on the following:
   - *i) A change of the date of return (repo transaction prolongation);*
   - *ii) A partial return;*
   - *iii) Discontinuance.*

b) If at least one party to the repo transaction has ceased to be an entity authorised to stock exchange trading, the Stock Exchange shall decide on further action.

16.7 Discontinuance of a repo transaction means that the repo transaction return is not performed.

16.8 A partial return of a repo transaction refers to the following:

a) The return of a part of securities of a repo transaction before the date of return, where the remaining securities shall remain the object of the original repo transaction;

b) The return of a part of securities of a repo transaction on the day of return, where the remaining securities shall remain the object of the original repo transaction with a new date of return.

Article 17
Direct Transaction Command and Repo Command

17.1 A direct transaction command and a repo command:

a) must contain the following:
   - *i) The date of transaction reporting (also known as the "opening day" for repo transactions);*
   - *ii) Specification of the object of transaction;*
   - *iii) The amount of securities;*
   - *iv) A price specified as:*
     - *A. the price of 1 security with accuracy set by the Stock Exchange (the "command price" hereinafter) which must not be of zero value, or*
     - *B. the transaction volume with accuracy set by the Stock Exchange, i.e. the total price for a specified amount of securities;*
   - *v) Aliquot interest yield with accuracy set by the Stock Exchange, if the object of transaction is a bond or a treasury bill;*
   - *vi) Identification of the parties to transaction;*
   - *vii) Confirmation of:*
     - *A. the seller;*
     - *B. the buyer;*
   - *viii) A logical value YES or NO specifying the request for financial settlement;*

ix) *Information specifying whether the transaction is being made on own account or on the client's account.*

b) may contain the following:

i) The date of settlement;

ii) The seller's and the buyer's registration numbers;

iii) The seller's and the buyer's identification numbers;

iv) The "PV" tag.

v) A note.

17.2 In addition to the information stated in Section 17.1, repo commands must contain the REPO tag.

17.3 In addition to the information stated in Sections 17.1 and 17.2, a repo-open command must contain the following:

a) The OPEN tag;

b) The date of return.

17.4 In addition to the information stated in Sections 17.1 and 17.2, a repo-return command must contain the following:

a) The RETURN tag;

b) A repo transaction identification number.

17.5 In addition to the information stated in Sections 17.1 and 17.2, a repo-partial return command must contain the following:

a) The PARTIAL RETURN tag;

b) A repo transaction identification number.

17.6 In addition to the information stated in Sections 17.1 and 17.2, a repo-change command must contain the following:

a) The CHANGE OF DATE OF RETURN tag;

b) A repo transaction identification number.

17.7 In addition to the information stated in Sections 17.1 and 17.2, a repo-discontinuance command must contain the following:

a) The DISCONTINUANCE tag;

b) A repo transaction identification number.

PUBLIC OFFER TO TAKE OVER/OBLIGATORY PUBLIC OFFER TO TAKE OVER/COMPETITIVE OFFER TO TAKE OVER

Article 18

Execution of the Public Offer to Take Over/Obligatory Public Offer to Take Over/Competitive Public Offer to Take Over

18.1 In this and the following Articles, the term "offer" refers to a public offer to take over, obligatory public offer to take over and competitive offer to take over, unless explicitly stated which type of offer is being referred to.

18.2 The Stock Exchange shall intermediate the purchase of shares within an offer according to a separate law[10] if all share issues, to which such offer refers, are traded on the Stock Exchange and if the applicant applies for realisation of the offer through the Stock Exchange.

18.3 A draft offer must contain the particulars stipulated by a separate law[11], and is subject to approval by the NBS or, respectively, by a supervisory body of other member state of the European Union.

18.4 The application for offer execution through the Stock Exchange shall be submitted to the Stock Exchange by the applicant through a member, with whom the applicant has entered a written agreement on the purchase of securities within such offer (“the procuring member” hereinafter) and whom the applicant authorised to report the offer to the Stock Exchange and to apply to the Stock Exchange for realisation of the offer.

18.5 In an Implementing Regulation, the Stock Exchange shall stipulate the particulars of the Application pursuant to Section 18.4, as well as the procedures and technical conditions of execution of offers through the Stock Exchange.

18.6 A public offer to take over is deemed successfully executed if it has been received in the manner according to §116 Section 2 of the Securities Act approved by the NBS and if it meets the conditions pursuant to §116 Section 2 Subsections g) and h) of the Securities Act approved by the NBS and, at the same time, its validity period/prolonged validity period has expired, unless the offer has been revoked or cancelled by the NBS’s decision.

18.7 An obligatory public offer to take over is deemed successfully executed if it has been received in the manner according to §116 Section 2 of the Securities Act approved by the NBS and, at the same time, the offer validity period/prolonged validity period has expired, unless the offer has been revoked or cancelled by the NBS’s decision.

18.8 Based on the received notice and application for realisation of an offer, the Stock Exchange shall generate in the trading system a virtual “VP-issue”, bearing a specific identification, for every issue that the offer refers to. The securities of such VP-issue are traded only during the validity period/prolonged validity period of the offer, and only at the price of the offer.

18.9 After successful execution of the offer and its clearing and settlement, the Stock Exchange shall - based on the applicant’s or, respectively, the procuring member’s request - issue a confirmation of the amount of securities that the applicant has acquired within the offer.

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[10] *Act No 566/2001 (Coll.) on Securities and Investment Services and on Amendments and Supplements to Related Laws as amended by later legislation.*

[11] *§116 of the Act No 566/2001 (Coll.)on Securities and Investment Services and on Amendments and Supplements to Related Laws as amended by later legislation.*

Article 19

Transaction within the Public Offer to Take Over/Obligatory Public Offer to Take Over/Competitive Offer to Take Over

19.1 A concluded VP-transaction is:

a) valid but ineffective during the offer validity period/prolonged validity period, until this offer is successfully executed pursuant to Article 18 Section 18.6 or Section 18.7, respectively;

b) valid and effective, if the offer has been successfully executed;

c) invalid, if the offer has not been successfully executed and its validity period/prolonged validity period has expired, or if the offer has been revoked, or if it has been cancelled by the NBS's decision.

19.2 A VP-transaction can be concluded in MAO and MKO, or as a direct transaction.

19.3 A VP-transaction is subject to provisions for electronic order book transactions or direct transactions, respectively, unless these Rules explicitly stipulate otherwise[12].

19.4 The provisions of Articles 18 and 19 for VP-transactions have preference over the relevant provisions for electronic order book transactions or direct transactions, respectively.

PRICE AND PRICE SPREAD

Article 20

Price of Securities; Publication of Prices

20.1 The stock price of securities of a given issue ("the price" hereinafter) is stipulated as the price of one security of that issue for a time period[13] specified along the price determination and publication on the basis of prices of all valid electronic order book transactions, concluded during the said time period, whose object is this security. The conditions stated in Sections 20.12 through 20.19 apply to the stipulation of individual types of stock prices.

20.2 The price of a direct transaction, repo transaction and VP-transaction is not a stock price.

20.3 After a stock exchange day is over, the Stock Exchange publishes a daily price list at the Stock Exchange's registered office and in the periodical press with nation-wide coverage publishing stock exchange news. The daily price list contains the average price, the closing price, the last price, the minimum price, the maximum price and the volume of transactions for a security which was the object of an electronic order book transaction on that particular stock exchange day.

20.4 The time period for prices in the daily price list is a specified stock exchange day.

20.5 The Stock Exchange may publish the prices of traded securities also for different time periods.

20.6 In annexes to the price list, the Stock Exchange publishes information on the prices and volumes of transactions other than those concluded through the electronic order book.

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[12] *See, for example, Article 2 Section 2.9 and Article 20 Section 20.2.*

[13] *Usually one stock exchange day, calendar week, calendar month, etc.*

20.7 An objection against the announced prices of securities can be submitted within 3 days from the day following their publication. The Stock Exchange shall make a definite decision on such objection within 3 days from the service thereof. If the Stock Exchange does not decide within this time period, the objection is deemed accepted by the Stock Exchange.

20.8 If the Stock Exchange decides to accept an objection according to Section 20.7, it shall immediately correct the relevant prices of securities and publish this fact in the manner pursuant to Section 20.3.

20.9 The Stock Exchange publishes information in the scope and in the manner according to the Stock Exchange Act and the Regulation. In Further Details to these Rules, the Stock Exchange shall stipulate details on the scope and manner of publication of information.

20.10 The information on prices and volumes of securities admitted to trading on the Stock Exchange is published by the Stock Exchange on a contractual basis through information agencies, the media and other Stock Exchange information subscribers. Such information is published either in real time or as delayed data, or as data after the close of trading – depending on the type of contract.

20.11 In the information on stock exchange trading supplied to other entities and in the price list, the Stock Exchange may include any information on trading that is accessible to all Stock Exchange members.

Types of Prices

20.12 The average price is a weighted arithmetical average of prices in compliance with Section 20.1.

20.13 The minimum price is the bottom price in compliance with Section 20.1.

20.14 The maximum price is the top price in compliance with Section 20.1.

20.15 The closing price is the price of the last electronic order book transaction in compliance with Section 20.1.

20.16 The average price, the minimum price, the maximum price and the closing price are not determined for a time period if no transaction, the price of which is relevant for computation of the corresponding price, has been concluded on the Stock Exchange during such time period. The provision of the first sentence of this Section, however, does not apply to the average price of securities that are included in the market makers' module (MTT).

20.17 If the average price of securities admitted to trading in MTT cannot be determined according to Section 20.12, the average price is the arithmetic average of PURCHASE and SALE prices of the best final quotation specified according to Article 21 Section 21.4 from the time period for which this price is being announced.

20.18 The closing price is the last closing price which was specified for a given security in a time period, for which the price list is being published, inclusive of the said period.

20.19 The Stock Exchange may define other types of prices in an Implementing Regulation.

20.20 The provisions of this Article on the prices of securities shall not apply to securities of a VP-issue.

Article 21
Allowable Price Spread

21.1 The allowable price spread (the "price spread" hereinafter) for given securities is a range between the bottom price ("bottom limit of the price spread" hereinafter) and the top price ("top limit of the price spread" hereinafter) at which the transactions can be concluded during a stock exchange day. The price spread is identical in all modules of trading.

21.2 It is deemed as an extraordinarily significant change of price, if, during 5 consecutive stock exchange days, the average price for individual issues of shares and CPFKI is equal to only one of the limits (i.e. either the top or the bottom limit) of the allowable price spread valid for the relevant stock exchange days.

21.3 The best quotation in one issue of securities is a fictitious quotation created from the SALE part with the bottom price of all quotations of market makers and from the PURCHASE part with the top price of all quotations of market makers in this issue at the same time.

21.4 The best final quotation is the best quotation at a time exactly specified by the Stock Exchange during the last 15 minutes of the trading period.

21.5 The price spread middle of a security for a current stock exchange day is the average price of this security from the immediately preceding stock exchange day, according to the provisions of Article 20.

21.6 If the average price for the immediately preceding stock exchange day has not been determined and, on the same stock exchange day, the securities of the relevant issue:

a) were the object of at least one invalid electronic order book transaction, then the value of the price spread middle for the current stock exchange day:

i) equals the value of the price spread middle for the immediately preceding stock exchange day, if on that day there were invalid transactions concluded above the top limit and below the bottom limit of the allowable price spread;

ii) equals the value of the top limit of the price spread from the immediately preceding stock exchange day, if the price of this transaction exceeded the top limit of the allowable price spread;

iii) *equals the value of the bottom limit of the price spread from the immediately preceding stock exchange day, if the price of this transaction was below the bottom limit of the allowable price spread;*

b) were not the object of any invalid electronic order book transaction, then the price spread middle for the current stock exchange day equals the price spread middle from the immediately preceding stock exchange day.

21.7 If, for securities included in MTT, the value of the price spread middle determined according to Section 21.5 or Section 21.6:

a) is higher than the SALE price of the best final quotation, then the value of the price spread middle equals that price;

b) is lower than the PURCHASE price of the best final quotation, then the value of the price spread middle equals that price.

21.8 For the remaining part of the current stock exchange day, the price spread middle for shares and share certificates, for which the price spread is not specified according to other provisions on price spread, equals the price of the first electronic order book transaction concluded on that stock exchange day.

21.9 If the value of the price spread middle specified according to Sections 21.5 through 21.8 is lower than 0.11 EUR, then 0.11 EUR is the valid value of the price spread middle.

21.10 The Stock Exchange specifies the values for the top and bottom limits of the price spread. However, such values must not differ from the value of the price spread middle by more than the following:

	For electronic order book transactions in share issues and CPFKI traded on the listed market:	±10% of the value of the price spread middle, however, at least ± 0.1 EUR from the price spread middle;
	For electronic order book transactions in share issues and CPFKI traded on the free market:	±30% of the value of the price spread middle, however, at least ± 0.1 EUR from the price spread middle;
	For electronic order book transactions in issues of bonds and treasury bills traded on the listed market:	±5% of the value of the price spread middle;
	For electronic order book transactions in bond issues traded on the free market:	±10% of the value of the price spread middle;
	For direct transactions in share issues and CPFKI traded on the listed market:	The top and bottom limit depends on the values valid for electronic order book transactions in share issues CPFKI issues traded on the listed market;
	For direct transactions in share issues and CPFKI traded on the free market:	The top and bottom limit depends on the values valid for electronic order book transactions in share issues and CPFKI traded on the free market;
	For direct transactions	Neither the lower not the upper limit is specified.
	For repo transactions:	Neither a bottom limit nor a top limit is specified.

21.11 The allowable price spread is not stipulated for securities, for which an average price has not been stipulated during the immediately preceding 5 stock exchange days. If a price spread is specified for one of several issues of securities, which carry equal rights, such price spread is valid also for all those issues for which a price spread has not been stipulated.

21.12 In extraordinary cases, the Stock Exchange may stipulate a price spread otherwise. The Stock Exchange must immediately inform the market participants and the NBS about such stipulation of the price spread[14].

[14] *The Stock Exchange informs the NBS in a manner according to its requirements.*

21.13 The provisions of this Article pertaining to price spread shall not apply to securities of the DCD/CM type, for which a price spread is not specified.

21.14 The provisions of this Article pertaining to price spread shall not apply to securities of a VP-issue.

OTHER PROVISIONS ON TRADING

Article 22
Suspension of Trading

22.1 The Stock Exchange is entitled to suspend trading:

a) for the purpose of price spread stipulation according to Article 21 Section 21.8 for a necessary time period;

b) if a command has been placed to register suspension of the right to dispose of securities in the DCD, according to a separate law[15].

22.2 Further reasons and conditions for suspension or, respectively, especially the end of trading of securities admitted to the Stock Exchange markets are stipulated in the relevant chapters of the Stock Exchange Rules.

22.3 The Stock Exchange can suspend the trading of a security for a period not longer than the one stipulated by the Stock Exchange Act.

22.4 The Stock Exchange shall cancel the suspension of trading, if the reasons for suspension have ceased to exist.

22.5 The Stock Exchange immediately informs the market participants and other entities, to which is has such obligation pursuant to the generally binding legal regulations, about the suspension of trading, the cancellation of trading suspension, or the end of trading.

Article 23
Interruption of Trading

23.1 Interruption of trading on the Stock Exchange may occur in the event of electricity failure, malfunction of the Stock Exchange’s technical equipment, malfunction of the trading system, natural disaster, strike, due to force majeure or other event partially or entirely restricting the trading or settlement of stock exchange transactions, or in extraordinary cases.

23.2 The Stock Exchange can operatively solve a short-term interruption of trading, which occurs during the trading period, by prolonging the trading period. The Stock Exchange shall inform the Stock Exchange members about the prolongation of trading via the trading system.

23.3 The Stock Exchange can decide to interrupt trading for a period longer than one stock exchange day. The Stock Exchange shall immediately inform the market participants and the NBS about such interruption of trading.

[15] *§28 of the Act No 566/2001 (Coll.) on Securities and Investment Services and on Amendments and Supplements to Related Laws as amended by later legislation.*

23.4 The Stock Exchange can cancel a stock exchange day if the trading period, including prolongation, has lasted less than one hour, or at a request of at least one third of Stock Exchange members. The cancellation of a stock exchange day cancels all stock exchange transactions which were concluded on that particular day.

Article 24
Transaction Suspension and Cancellation

24.1 The Stock Exchange shall suspend a concluded transaction on the basis of a decision of the NBS pursuant to a separate law[16].

24.2 The Stock Exchange is entitled to suspend a concluded transaction, if the interests of the financial market participants are endangered.

24.3 The suspension of a transaction means that the Stock Exchange will not send to the DCD the command for settlement of securities in a time period according to pertinent provisions of the "Rules of Participation of the Stock Exchange and Its Members in the Provision of Clearing and Settlement" and Implementing Regulations. The Stock Exchange can suspend a transaction for a period not longer than the one stipulated by the Stock Exchange Act. The Stock Exchange shall inform the Chairman of the Board of Directors and the NBS about the suspension of a stock exchange transaction without undue delay.

24.4 The Stock Exchange shall cancel a concluded transaction for the following reasons:

a) If the Stock Exchange finds out that the conclusion of such transaction has violated a generally binding legal regulation;
b) If the Stock Exchange finds out that the transaction is a cross-trade;
c) If the Stock Exchange finds out that such transaction has been concluded to perform market manipulation;
d) On the basis of a decision of the NBS pursuant to a separate law[21];
e) If the stock exchange day, on which the transaction has been concluded, is cancelled in compliance with the provisions of Section 23.4.

24.5 The Stock Exchange can cancel a concluded transaction for to the following reasons:

a) If the Stock Exchange learns about such facts which could cause damage to investors if the transaction was not cancelled;
b) If the Stock Exchange finds out that the conclusion of such transaction has violated the Stock Exchange Rules;
c) If there is a legitimate suspicion that the transaction has been concluded for the purpose of market manipulation;
d) If the parties to transaction request for its cancellation (the selling member's request is required in the event of withdrawal from the agreement pursuant to §118c) of the Securities Act or revocation of offer admission pursuant to §118e) of the Securities Act; the buying member's request is required in the event of offer revocation pursuant to §118a) following up to §116 Section 2 Subsection m) of the Securities Act);

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[16] For example, Act No 747/2004 (Coll.) on Financial Market Supervision and on Amendments and Supplements to Related Laws as amended by later legislation, Act No 566/2001 (Coll.) on Securities and Investment Services and on Amendments and Supplements to Related Laws as amended by later legislation, etc.

e) In extraordinary cases, such as a mistake in the placement of commands into the trading system, malfunction of the trading system or malfunction of the connection between a party to transaction and the Stock Exchange, or due to any other reason including force majeure, if the parties to transaction request the cancellation or consent to it.

24.6 The Stock Exchange's decision according to the preceding Sections of this Article can only be executed before the DCD receives the commands for settlement of securities which are the object of transaction.

24.7 Immediately after cancelling a transaction, the Stock Exchange:

a) re-computes the price, the index and similar indicators that have been affected by the cancelled transaction;

b) may re-determine the allowable price spread which has been affected by the cancelled transaction;

c) notifies[17] the market participants of the transaction cancellation, the new price, the index and similar indicators, as well as of the new allowable price spread if it has been re-determined.

Article 25
Market Maker

25.1 The market maker is a stock exchange member who has concluded a written agreement with the Stock Exchange on market making in a particular issue/issues of securities.

25.2 In the agreement on market making, the Stock Exchange and the market maker shall agree on the rights and obligations of the market maker, as well as on detailed terms of the market maker's activity. The rights, obligations and terms of activity must be equal for all market makers.

25.3 A member may be a market maker in any number of issues of securities.

25.4 For at least 50% of the duration of trading in the market makers' module, the market maker must have a quotation placed in all the issues of securities, for which it is the market maker according to Section 25.1, and must follow the spread specified by the Stock Exchange.

25.5 The spread is the maximum difference allowed between the SALE price and PURCHASE price of a quotation.

25.6 The Stock Exchange shall specify the value of the spread and/or the method of its computation.

25.7 The provision of Section 25.4 shall not apply in the following cases:

a) In the event of announcement of bankruptcy, permission to settlement, or termination of the issuer;

b) If, during one stock exchange day, at least three electronic order book transactions are concluded in the market makers' module at the bottom limit or the top limit of the price spread, respectively;

[17] The Stock Exchange informs the market participants as follows: the public via the press with nationwide coverage publishing stock exchange news, the Stock Exchange members via the trading system, fax, or registered mail.

c) If such information about the issuer becomes publicly known which affects the stock price of this issuer's securities in a serious manner;

d) If there is a substantial change in the exchange rate of the EUR currency against decisive foreign currencies, a substantial change of interest rates on the money market, or other serious event on the financial market.

25.8 The Stock Exchange decides on whether the circumstances specified in Section 25.7 have occurred. The Stock Exchange shall immediately inform the market makers about such decision.

25.9 An issue of securities can be admitted to trading in the market makers' module on the condition that the minimum number of market makers in this issue, specified by the Stock Exchange, is achieved.

25.10 For securities of the DCD/CM type, the market makers' module is used regardless of the provision of Section 25.9. If the aforementioned type of securities has not been included in the market makers' module, it is not subject to the provisions of Sections 25.1 through 25.8.

25.11 In an Implementing Regulation, the Stock Exchange shall stipulate further details pertaining to the inclusion of securities in MTT, trading in MTT, as well as the rights and obligations of market makers.

Article 26
Stock Exchange Trade Disputes

26.1 Whenever possible, stock exchange trade disputes are resolved through conciliation.

26.2 Stock exchange trade disputes that cannot be resolved through conciliation are resolved by the court. In stock exchange trade disputes, the objection that "it was only a bet or a game" is inadmissible.

Note: Only the Slovak version of this document is legally binding.