



CHAPTER VII

THE RULES OF THE GUARANTEE FUND

BRATISLAVA STOCK EXCHANGE

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Article 1

Introductory Provisions

- 1.1 The Rules of the Guarantee Fund (“the Rules” hereinafter) are issued in compliance with Article 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 Stock Exchange’s procedure in determining the level of financial contributions of the Stock Exchange members to the Guarantee Fund and the manner how these contributions are used.
- 1.2 The Guarantee Fund of the Stock Exchange is used to cover the members’ financial obligations and claims resulting from electronic order book (i.e. price-setting) transactions.
- 1.3 The provisions of the Rules of the Guarantee Fund only apply to transactions in securities of the DCD/EUR type pursuant to Article 2 Section 2.7 Subsection a) of the Rules of Trading.
- 1.4 The Guarantee Fund resources can be only used to cover the members’ financial obligations resulting from such electronic order book transactions concluded on the Stock Exchange, which (the transactions) cannot be settled in compliance with the Rules of Participation of the Stock Exchange and Its Members in the Provision of Clearing and Settlement. The Guarantee Fund resources cannot be used to cover the risks resulting from negotiated transactions and repo transactions, even if those are transactions with financial settlement.
- 1.5 The members are obligated to deposit sureties to the Stock Exchange’s account in order to cover the obligations and risks resulting from stock exchange transactions and their settlement. The sum of those sureties constitutes the Guarantee Fund of the Stock Exchange. The financial resources that a member deposits as sureties shall remain the member’s property.
- 1.6 The Stock Exchange administers the Guarantee Fund and the records of its account balance. The contributions of individual members are kept separately for each member, in the form of sub-accounts.
- 1.7 A member shall not have at its disposal the Stock Exchange Guarantee Fund resources that are tied to the members’ sub-accounts.
- 1.8 In an Implementing Regulation, the Stock Exchange shall stipulate in detail the administration of the Guarantee Fund resources as well as the manner and conditions of their use.

Article 2

Additions to the Guarantee Fund Resources

- 2.1 Each member shall contribute to the Guarantee Fund an amount comprised of the following two parts:
 - a) A fixed financial amount which represents the initial deposit of each member; the Stock Exchange shall stipulate the level of the fixed amount in an Implementing Regulation;
 - b) A variable financial amount; the Stock Exchange shall stipulate the manner of computation of the variable amount in an Implementing Regulation.

- 2.2 A member is required to keep the stipulated amount of financial resources in the Guarantee Fund's sub-account in compliance with Section 2.1 of this Article.

Article 3

Termination of the Guarantee Fund Sub-account

- 3.1 Upon termination of membership, the seceding member is entitled to obtain its share from the Guarantee Fund once the member has fulfilled all obligations arising from the Stock Exchange membership and stock exchange transactions.

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