

BVB's Procedure

regarding the application of the trading fees for the Market Makers registered for bonds,
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 bonds from the regulated market, for each trading session when the symbol was available for trading.

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

- a) A Market Maker registered for a symbol having bond's type fulfils its daily quoting obligations for the respective symbol in its main market, if he complies with 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 a trading session.
- b) A Market Maker will receive the Market Makers' trading fees, depending on the fulfilment of the obligations assumed for symbol having bond's type in its main market, as presented in this document, and for the trades carried out 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 symbol having bond type is determined through reporting at the Continuous stage (Open stage), in which the respective symbol was available for trading in its main market.
 2. In case the symbol having bond's type was suspended during the whole Continuous stage of a trading session, that day will not be taken into consideration for monitoring.
 3. In case the symbol having bond's type was partially suspended during the Continuous stage, the period of partially suspension will be deducted from the period corresponding to the Continuous stage.

Also, any stage of a symbol in its main market which is different from the Continuous stage (Open) will not be considered for the verification of the fulfillment of the quotation obligations for the respective symbol in the main market, in line with the item 1.
 4. In case a Market Maker is unable to provide quotations for a bond, the corresponding provisions of BVB's Rulebook – Regulated market operator will be applied. Thus, based on the notifications submitted by the Market Maker, its quoting obligations for that bond will be suspended for the period notified by him. This period will be deducted from the trading period of the Continuous market.

5. Any other situations regarding the suspension or resumption of the Market Makers' quoting obligations will be carried out based on the notifications sent 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 bond

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

Total period in the Continuous Market of one trading session in which a MM provided valid quotations for a bond

Total period in the Continuous Market of one trading session in which the bond was available for trading

* 100

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

The method consists in:

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

1. if the daily percentage for providing valid quotations by a Market Maker for a bond \geq the minimum time period for maintaining in the market a firm buy and sell offer during one trading session
 - ⇒ the Market Maker fulfilled its minimum daily quoting obligations for that bond in the respective trading session.
 - ⇒ the Market Maker' fees will be applied for the transactions done on the House for that bond on the respective date.
2. if the daily percentage for providing valid quotations by the Marker Maker for a bond $<$ the minimum time period for maintaining in the market a firm buy and sell offer during one trading session
 - ⇒ the Market Maker did not meet the minimum daily quoting obligations for that bond in the respective trading session.
 - ⇒ the standard trading fees for the bonds in the main market will be applied for the trades done on the House account, for the respective date and symbol (the Market Maker' fees will not be applied).

Note:

- this procedure will be applied starting with January 29, 2021, for the Market Maker registered for bonds as well as for the Issuer Market Market for bonds.
- only the Participants that fulfil the requirements of the Central Depository for carrying out the operations in EUR can register as the Market Maker or as the Issuer Maker Maker for the bonds denominated in EUR.