

BVB's Procedure

regarding the application of the trading fees for the Market Makers registered for units from tradable Collective Investment Undertakings (ETFs), 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 units from Collective Investment Undertakings (that includes, also, the daily quoting obligations 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 units from Collective Investment Undertakings

- a) A Market Maker registered for a symbol having type of units from Collective Investment Undertakings 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 corresponding to the side of the trade in which was involved, depending on the fulfilment of the obligations assumed for symbol having the type of units from Collective Investment Undertakings 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 this type is determined through reporting at the Continuous stage (Open stage), in which the respective symbol was available for trading.
 2. In case the symbol having this 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 this 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 fulfilment 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 units from Collective Investment Undertakings, the corresponding provisions of BVB's Rulebook – Operator of regulated market will be applied. Thus, based on the notifications submitted by the Market Maker, its quoting obligations for these instruments 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 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 units from Collective Investment Undertakings

Daily percentage for providing valid quotations by a Market Maker for units from tradable Collective Investment Undertakings =

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

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

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 the units from tradable Collective Investment Undertakings \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 these units from Collective Investment Undertakings in the respective trading session
 - ⇒ the Market Maker' fees specific to tradable Collective Investment Undertakings – corresponding to the side of the trades in which was involved will be applied for the transactions done on the House for these instruments on the respective date.
2. if the daily percentage for providing valid quotations by the Marker Maker for the units from Collective Investment Undertakings $<$ 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 these units from Collective Investment Undertakings in the respective trading session
 - ⇒ the standard trading fees for these instruments 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).