



## **EXCHANGE RULES, SECTION VII.**

Conditions for Admission of Shares to Trading on the  
Standard Market of the Exchange

## **Article 1**

### **Introductory Provisions**

(1) These rules regulate the conditions for the admission of shares to trading on the Standard Market of the Burza cenných papírů Praha, a.s., Id.No. 47115629, registered office at Rybná 14/682, 110 05 Prague 1, website www.pse.cz (hereinafter the “Exchange”). The admission of shares to trading on the Standard Market according to these rules is hereinafter referred to as the “admission”<sup>1</sup>. Certificates that represent shares and give holders the same rights as common shares shall be deemed equivalent to common shares.

(2) Shares traded on the Standard Market of the Exchange are those that have been issued in compliance with the generally binding legal regulations, are transferrable without limitation and have been duly paid up. A share admitted to trading on the Standard Market is a listed share.

(3) Subscription rights giving the right to subscribe shares admitted to trading on a European regulated market may be also traded on the Standard Market of the Exchange. In this case, subscription right shall be issued in compliance with the generally binding legal regulation and transferable without limitation. For the purpose of admission and trading of subscription right, the regulation of admission and trading of shares shall be used accordingly. Subscription rights admitted to trading on the Standard Market are investment instruments admitted to trading on a European regulated market.

(4) Shares are admitted according to the individual issues. An issue means mutually interchangeable shares. An issue may be released all at once or in tranches. A tranche means shares interchangeable with the original issue that differ from the original issue in the date of issue.

(5) There is no legal entitlement to admission.

## **Article 2**

### **Application for Admission**

(1) An application and prospectus are required for the admission of each issue, according to the applicable laws, unless the present Rules stipulate additional conditions.

(2) An application for admission is filed with the Exchange by the issuer of the shares, by a trading member authorized by such an issuer (acting pursuant to a power of attorney), or by a trading member without the issuer’s consent (hereinafter the “applicant”). Admissions without the issuer’s approval require that the issues concerned are issues of previously listed shares.

(3) The application must apply to all of the shares in an issue.

(4) The application must contain:

a) the issuer’s identification information:

i) the name or registered business name, registered office of the issuer, identification number, LEI (Legal Entity Identifier) code;

ii) amount of the equity capital, or the amount of the issued and approved capital as regards international issuers;

iii) identification of the issuer according to NACE (Nomenclature générale des Activités économiques dans les Communautés Européennes);

iv) as regards a foreign issuer, it is necessary to submit a statement declaring that the issuer’s legal status is compliant with the legal code of the country where the issuer has its registered office and that the shares comply with the legal code of the country according to which they have been issued;

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<sup>1</sup> Art. 56 of Act 256/2004 Coll., on Undertaking on the Capital Market, as amended

v) as regards issues admitted to trading in multiple European regulated markets (dual listing), the name and address of the relevant capital market supervision authority (hereinafter the “supervisory authority of the home state”);

vi) codes of corporate control and management, which are mandatory or voluntarily complied with, or information pursuant to which no Code is followed.

b) data regarding the share issue:

i) ISIN and FISN<sup>2</sup>;

ii) class and type of the shares;

iii) information, that the shares are shares, immobilized shares or book-entry shares;

iv) information on a jurisdiction under which the debt securities have been issued.

v) volume of the issue to be traded;

vi) nominal value;

vii) identification of the investment security according to ISO 10962<sup>3</sup>;

viii) specification of the domestic or foreign regulated market on which the issue is traded or on which an application was filed for admission to trading, including the date of admission;

ix) reference price<sup>4</sup>.

(5) The application shall have the following appendices:

a) certification of ISIN allocation;

b) power of attorney by the issuer, if a current trading member requests admission on behalf of the issuer (original or certified copy);

c) a prospectus stating the date, manner and place of its publication, and – if the prospectus is not approved by the supervisory authority as of the date of the application – the draft prospectus or a similar document which according to a decision of the supervisory authority comprises data equivalent to the data from a prospectus. However, the prospectus is not required if an exception from the obligation to publish the prospectus applies<sup>5</sup>;

d) a document proving the entry of the shares in the register of securities maintained by the central depository or a document proving a bulk safekeeping of the shares;

e) in the case of collection securities the affidavit of the person authorized to maintain records on the share owners in the collection security on the establishment of the record of share owners in the collection security;

f) in the case of a foreign issuer an extract from a public register maintained in the country where the issuer has its registered seat (original or authenticated copy);

g) Articles of Association of the issuer;

h) two originals of the Framework Agreement for Admission of Investment Instruments to Trading on the Market of the Exchange signed by the issuer (for application without the issuer’s consent signed by the applicant)

(6) The following declarations by the issuer must be contained in the application for admission:

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<sup>2</sup> Financial Instrument Short Name fully compliant with the standard ISO 18774.

<sup>3</sup> International standard defining the classification of the types of securities and other financial instruments (so-called CFI codes).

<sup>4</sup> Article 6 of the Exchange Rules – Section I. Trading rules for Automated Trading System XETRA® Praha,

<sup>5</sup> Art. 57 Par. 2 of Act 256/2004 Coll., on Undertaking on the Capital Market, as amended

a) the issuer declares that the information contained in the application, documents and attachments are true, up-to date and complete;

b) the issuer declares that all conditions for admission to an official or regulated market (as applicable) according to Act 256/2004 Coll. have been fulfilled;

(7) The application, including all annexes, shall be sent to the Exchange in writing and in electronic form, if the nature of the documents so permits. The Exchange has a right to refuse the application that is not complete or that is submitted after 15:30 of respective working day.

(8) The application, including appendices, may be submitted in English or Slovak.

## **Article 3**

### **Admission of Share Issue**

(1) The Chief Executive Officer decides about the admission on the Standard market, within 10 business days of the application delivery.

(2) For the purposes of making its decision, the Exchange may request missing or other supplementary information from the applicant. Such a request temporarily suspends the deadline set forth in paragraph 1.

(3) The issuer must be notified of the ruling in writing, even if the issue concerned is admitted without the issuer's approval. As regards a decision regarding the issuer's application, the Chief Executive Officer has the right to establish disclosure duties at variance with Article 6, provided that the applicable legal regulations must be complied with. The decision on admission shall also specify the fees for admission in accordance with the Tariff of Exchange Fees and also the first trading day or a matter how this day shall be stipulated.

(4) The ruling on admission shall become effective on the day of delivery. If the applicant fails to settle the stipulated fees or fails to comply with the conditions according to paragraph 7, the ruling shall be deemed invalid.

(5) No later than one day before the beginning of trading, the applicant shall provide the Exchange with the final version of the prospectus in hard copy and electronic form.

(6) If the shares or the issuer do not meet the conditions stipulated by generally binding legal regulations or these Rules, or if there is justified concern that the admission of such an issue to the Exchange would be at variance with the principle of protecting investors and other participants of the Exchange market or may threaten important public interests, the application shall be rejected.

(7) The Exchange may decide on the admission of an issue to trading on the Standard Market even prior to its issue. In such a case, the decision shall list the conditions for postponing the effect of this decision (including the condition that the issue will actually be issued).

(8) Upon meeting all the provisions of the relevant legal regulations, the Chief Executive Officer may in cases deserving special attention and based on an application decide to grant an exception on any requirement identified herein if it believes that the interests of investors or transparent functioning of the Exchange market will not be affected.

## **Article 4**

### **Admission of a Tranche**

(1) For the individual tranches of an issue that is already traded on the Standard Market an application is required to the extent specified in Article 2 (4) (a) (i), (ii), (iv) and (b) (i), (v) of the conditions. The increase in the number of shares under a traded issue up to the given value previously approved by the Chief Executive Officer is carried out on the basis of a notification. The applicant shall furthermore submit to the Exchange a prospectus if so required by law.

(2) The applicant is not obliged to submit a prospectus for the purposes of the admission of a share issue tranche:

(a) if the tranche consists of the shares which during the last 12 months represent less than 10% of the total number of the shares of the same class, already admitted to trading on the same regulated market<sup>6</sup> and

(b) the applicant submits an affirmation of such fact to the Exchange.

(3) In the case of issues admitted to trading under the Article 2(2) of these rules without the issuer's consent, the Exchange is entitled to increase the number of admitted shares in the issue also without the application, on the basis of information published by the issue only.

## **Article 5**

### **Prospectus**

(1) A prospectus must be approved by the competent supervisory authority. If an issuer has its registered office in a different EU Member State, the prospectus must be approved by the supervisory authority for the state where the issuer has its registered office and must be provided to the Czech National Bank together with certification of its preparation in compliance with the laws of the European Union.

(2) If the issuer in question has its registered office in a country that is not an EU Member State, the prospectus must be approved by the Czech National Bank or it must be approved by the supervisory authority of another EU Member State and be provided to the Czech National Bank together with certification of its preparation in compliance with European Union law.

(3) The prospectus must be compiled in the language required by the relevant legislation<sup>7</sup> and published in accordance with the legislation 1 day prior to the admission to trading at the latest.

(4) In the case that legal requirements have been met, the applicant may publish in place of the prospectus a summary document including the summary of the prospectus and information on where to get the last prospectus and where financial data published by the issuer is available.

(5) The minimum requirements for the prospectus are defined by a generally binding regulation.

## **Article 6**

### **Issuer's Duties**

(1) The responsible person is obliged to comply with the disclosure duty under the applicable legal regulation and the Exchange rules (i.e. the duty to inform). For the purposes of these rules the responsible person means:

(i) the issuer as regards the admission of a share issue on the basis of the issuer's application; or

(ii) a trading member who has applied for the admission as regards the admission of a share issue without the issuer's consent; or

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<sup>6</sup> Art. 1 (5) (a) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

<sup>7</sup> Art. 27 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

(iii) a trading member to whom the duty to inform was transferred by the issuer with the consent of the Exchange.

(2) If any of the specifications provided in the prospectus are significantly changed after a prospectus is approved (prior to the commencement of the trading), or if any significant inaccuracy is identified, and if such a change or inaccuracy may affect the evaluation of the shares, the responsible person must issue an addendum to the prospectus or ensure that the addendum is issued and submit it immediately to the Exchange. In compliance with the law, the addendum to the prospectus must be approved by the relevant supervisory authority.

(3) The responsible person may not use untruthful or misleading information or conceal facts of importance for deciding on the acquisition of shares during the promotion of the issue of such shares or when performing other disclosure duties, and, in particular, shall not offer advantages whose reliability cannot be guaranteed, or provide untruthful data about its financial situation.

(4) The responsible person shall submit to the Exchange the following information regarding the issuer, via the [www1.pse.cz](http://www1.pse.cz) web application:

a) an annual report and consolidated annual report, no later than 4 months after the end of each fiscal year;

b) a semi-annual report or consolidated half-yearly report, if the issuer is obliged to compile consolidated semi-annual reports, within 3 months following the end of the first 6 months of each fiscal year (the consolidated semi-annual report must be compiled in accordance with IAS34);

c) if applicable, report on remuneration paid to a state no later than 6 months after the end of each fiscal year (Art. 119a of Act 256/2004 Coll., on Undertaking on the Capital Market),

d) without undue delay information about the convocation of an Annual or Extraordinary General Meeting, the payout of dividends, the issuance of new shares, the exercising of rights from convertible or priority bonds and the exercising of subscription rights;

e) without undue delay, a draft resolution for an increase or decrease of registered capital;

f) without undue delay personnel changes to the board of directors, supervisory board, top management;

g) without undue delay all changes to rights relating to the listed shares;

h) without undue delay all information required for the protection of investors or for securing the smooth functioning of the market (e.g. legal and commercial disputes, new patents and licenses, closure or cancellation of new contracts, appointment of a new auditor);

i) without undue delay each change in the rights associated with a particular class of shares or similar securities representing the right to a share in the issuer's business, also if there are changes made to the rights associated with an investment instrument which the issuer has issued and with which a right is associated to acquire shares issued by the issuer or similar securities representing the right to a share in the issuer's business;

j) without undue delay notification of the decision of the issuer on the exclusion of the shares concerned from trading on the regulated market, including information about whether and when a public offering for a contract has been made in accordance with the law<sup>8</sup> and the full wording of the public offering.

(5) The responsible person is furthermore required to submit an application for the admission of trading for new shares which the issuer is issuing and that are of the same kind as the shares which the issuer has issued and which were admitted to the market, in compliance with Article 4 (1) of the Rules, i.e. prior to the issue. In the event of dual listing the responsible person is required to submit an application for the admission of such shares simultaneously on all markets where the shares will be traded.

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<sup>8</sup> Art. 333 of Act No. 90/2012 Coll., on Business Corporations.

(6) The responsible person shall notify the Exchange about any significant changes that are not publicly known and that relate to the financial situation of the issuer, changes to the data specified in the prospectus, and also about other facts that could directly or indirectly cause changes to the prices of the admitted shares or could lessen the ability of the issuer to fulfil obligations arising from the share issue, without any undue delay.

(7) In the case of decisions on profit distribution or advance payment for the profit distribution (dividend), the issuer of shares admitted to trading on the Standard Market is obliged to ensure that a record date for entitlement to a dividend or advance payments is not earlier than the third trading day of the Exchange following the date when a relevant body of the issuer approved the respective distribution. At the same time, the issuer is obliged to ensure that the announcement of approval of dividend or advance payment is made not later than on the second trading day of the Exchange following the respective record date for entitlement for respective distribution. This duty does not apply to the issues admitted to trading without issuer's consent under the Article 2 (2).<sup>9</sup>

(8) In the case of dual listed shares, the responsible person is always and without undue delay required to submit to the Exchange all documents, data and information to the same extent as such documents, data and information are submitted to the other regulated market(s).

(9) The responsible person may fulfil its disclosure duty entirely in English or Slovak. The Chief Executive Officer shall define whether and, if so, what documents, data and information submitted by the issuer in English or Slovak should then also be provided to the Exchange in Czech.

(10) The Exchange shall publish the information provided to it on the basis of the performance of the responsible person's duties.

(11) In compliance with the relevant laws, the Exchange is obliged to conduct specific inspection activities in relation to the suspicion of the market manipulation or of the abuse of inside information, alternatively in order to ensure a transparency of the market. Every issuer is obliged to provide the necessary cooperation to the Exchange for these inspection activities.

## Article 7

### Suspension and Exclusion of Shares from Trading

(1) The Chief Executive Officer may decide on suspension or exclusion of shares from trading on the Standard market:

- a) in accordance with the specific provisions established by the Exchange Rules;
- b) in case of the issuer's dissolution or winding-up with liquidation or when a resolution with the same or similar effect has been adopted<sup>10</sup>;
- c) the issuer, the responsible person, or the issues have ceased to satisfy conditions established by generally binding legislation and/or the Exchange Rules;
- d) for other extraordinary reasons (e.g. a decision of the supervisory authority, execution of a stock event).

(2) If a court issues a decision declaring the issuer's insolvency, the Chief Executive Officer will suspend the trading of all the issuer's shares on the Standard Market for the necessary period of time in order to duly inform the market of this fact or will suspend trading for an indefinite period of time if serious reasons exist for

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<sup>9</sup> Issuers whose shares are admitted to trading on the Standard Market on 1st January 2021 and who also must make a corresponding amendment to the Articles of Association in order to meet the requirement to the determination of record date shall comply with this obligation from 1st January 2022. Other issuers shall comply with this obligation from 1<sup>st</sup> January 2021.

<sup>10</sup> Act No. 90/2012 Coll., on Business Corporations.

this (e.g. together with an issue of a decision on insolvency, the corresponding authority will issue a non-effective bankruptcy decision).

(3) If a court issues a decision to declare bankruptcy against the issuer's assets or decision on rejection of the insolvency petition due to lack of the issuer's property, the Chief Executive Officer will suspend the trading of the issuer's shares on the Standard Market until such decision is cancelled, or until a different period of time if serious reasons exist for this.

(4) If the decision according to the previous paragraph is cancelled, the Chief Executive Officer will cancel the suspension of the issuer's shares from trading on the Exchange. If the decision according to the previous paragraph takes legal effect, the Exchange will exclude the shares from trading.

(5) If a court issues a decision permitting the issuer's reorganization, the Chief Executive Officer will suspend (keep the suspension of) the trading of the issuer's shares on the Standard Market for the necessary period of time in order to duly inform the market of this fact; the issuer's shares will remain on the Standard market.

(6) Where this article refers to a court decision, this shall also include a decision of the corresponding foreign competent authority with the same or similar legal effect.

(7) Trading of the shares will be terminated or suspended on the day established in the ruling on the exclusion or suspension of shares from trading.

(8) The decision on suspension or exclusion shall be published in accordance with the relevant laws and also in the Exchange Bulletin; subsequently, the decision and its written justification shall be sent in writing to the responsible person, and if the issue is accepted without approval, also to the issuer. For the avoidance of any doubt, publication or delivery of the decision to the responsible person is not a prerequisite for the decision to become effective.

(9) The suspension or exclusion of shares from trading and/or transfer of shares to another market will be based on the decision by the Chief Executive Officer. A decision of this type may also be issued by a deputy Chief Executive Officer.

## Article 8

### Elimination of Shares from Trading

(1) The Chief Executive Officer shall eliminate the issue of shares from trading upon request or notification (as applicable) of the responsible person and upon the responsible person meeting the conditions stipulated in the Exchange Rules and the applicable legislation.

(2) The following documents shall be attached to the request in the case where the issuer decided upon the elimination of the shares from trading on the regulated market<sup>11</sup>:

- a) a document showing that the issuer or another authorized person decided on the elimination from trading in compliance with generally binding legal regulations of the country in which the issuer has its registered office;
- b) documents proving that the domestic issuer of shares has proceeded in accordance with the provisions of Art. 333 of the Act on Business Corporations, and in particular that it has made a public proposal of a contract, announced and published it, and that it has actually bought out the shares;
- c) a document proving that the issuer of foreign shares has complied with similar obligations in accordance with the legal code of the country where the issuer has its registered office;
- d) other documents required by law (if applicable).

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<sup>11</sup> Art. 60 of Act No. 256/2004 Coll., on Undertaking on the Capital Market, as amended



(3) The following documents shall be attached to the request or notification in the case where a decision about the transfer of the company's shares from minority shareholders to the controlling shareholder (squeeze-out) has been adopted:

- a) the decision of the authorized person about the transfer of the company's shares to the controlling shareholder, including the information on the day the shares will be transferred to the controlling shareholder,
- b) other documents as may be reasonably required by the Exchange in order for the Exchange to proceed in compliance with the applicable laws (e.g. an opinion of a reputable international law firm proving that the decision has been adopted in accordance with the applicable laws).

(4) The following documents shall be attached to the request in other cases where the responsible person decided upon the elimination from trading of the shares admitted on the Exchange without the issuer's approval:

- a) a document showing that the responsible person or another authorized person decided on the elimination from trading and that the decision was in compliance with generally binding legal regulation,
- b) other documents as may be reasonably required by the Exchange in order for the Exchange to proceed in compliance with the applicable laws.

(5) The trading in shares will be terminated on the day established in the decision on elimination of the shares from trading. The decision on elimination must designate the termination date in accordance with the applicable legislation. For other cases not regulated by law, the termination date may not be earlier than 1 month and not later than 3 months after the delivery of the request with all the prescribed documents; however, to the extent permitted by law the Exchange and the responsible person may agree on a different termination date.

(6) The Exchange shall publish the decision on the elimination of shares from trading in accordance with the relevant laws and also in the Exchange Bulletin, subsequently shall inform the responsible person in writing of this ruling and its justification. For the avoidance of any doubt, publication or delivery of the decision to the responsible person is not a prerequisite for the decision to become effective.

(7) The elimination of shares from trading will be based on the decision by the Chief Executive Officer. A decision of this type may also be issued by a deputy Chief Executive Officer.

## **Article 9**

### **Sanctions in the Case the Issuer Fails to Fulfil Obligations**

(1) If the responsible person fails to fulfil the conditions established by the Exchange Rules, the Chief Executive Officer may impose any of the following sanctions, whether once or repeatedly:

- a) a written reprimand;
- b) public announcement of the fact that the obligation to disclose information has been breached (in the Exchange Bulletin, on the Exchange's website, newspaper and/or using any other means);
- c) a penalty of up to CZK 1,000,000;
  - i) for the first breach up to CZK 100,000
  - ii) for the second breach up to CZK 300,000
  - iii) for the third breach up to CZK 1,000,000
- d) suspension of shares from trading, for the period necessary for the remedial actions;
- e) exclusion of the shares from trading.

(2) The issuer will only be imposed a stricter measure if a less strict measure is insufficient to achieve the purpose thereof. The Chief Executive Officer shall impose the measures while observing the adequacy principle. The responsible person shall submit to the sanctions imposed in accordance with the Exchange Rules.

(3) Multiple sanctions listed in the previous paragraph may apply to a single violation.

(4) Imposing a sanction shall not affect the fulfilment of the obligations of the responsible person based on the Exchange Rules.

(5) Sanctions may be imposed within six months of the day on which the Chief Executive Officer learns about the facts critical for the imposing thereof; however, not later than one year following the occurrence of such facts.

## **Article 10**

### **Sanctions Procedure**

(1) In the event of the responsible person's failure to fulfil its obligations where a sanction may be imposed on the responsible person, the Exchange shall send a written notice to the registered office of the responsible person or registered branch of the responsible person in the Czech Republic.

(2) The written communication according to paragraph 1 comprises:

a) a specification of the reasons for which the sanctions may be imposed;

b) sanctions that may be applied vis-à-vis the responsible person;

c) a request asking the responsible person to remedy the breach, to submit a comment and/or to provide all details significant for the case, including the due date to comply with the request.

(3) For the purpose of sanction procedure, the Exchange is entitled to request information, documents or other materials from the responsible person that could help determine the true state of affairs.

(4) The responsible person is obliged to comply with the request contained in the notice.

(5) Decisions on imposed sanctions will be delivered to the registered office or registered branch in the Czech Republic of the responsible person. The decision shall include due date for the maturity of financial sanction if applicable.

(6) The decision on the application of a measure can be appealed within 15 calendar days of the delivery thereof to the issuer.

## **Article 11**

### **Responsibility**

By admitting a share to trading, the Exchange does not assume any liability related to these shares and is not liable for any damage that occurs as a result of trading with these shares.

## **Article 12**

### **Effectiveness**

This part of the Exchange Rules “Conditions for Admission of Shares to Trading on the Standard Market of the Exchange” was approved by the Exchange Chamber per rollam and takes effect from 1<sup>st</sup> January, 2021.