

Pursuant to the Article 123 of the Capital Market Act (Official Gazette of the Republic of Croatia No 88/08, 146/08, 74/09, 54/13, 159/13, 18/15, 110/15, 123/16 and 131/17) and the Article 13(2) of the Rules of the Progress Market ("Progress Market Rules"), at its 201st meeting held on 06 March 2018, the Management Board of the Zagreb Stock Exchange, Inc. ("Exchange") issued the following

AMENDMENTS
TO THE RULEBOOK ON FORM AND CONTENT OF THE
ADMISSION DOCUMENT FOR TRADING ON THE PROGRESS MARKET¹

Article 1

In the whole text of the Rulebook on Form and Content of the Admission Document for Trading on the Progress Market (including the title), the words "Financial Instruments" shall be substituted by the right form and case of the word "securities", whereas the words "financial reports" (*finacijska izvješća*) shall be substituted by the right form and case of the words "financial reports" (*finacijska izvještaji*).

Article 2

Article 1(2) shall be amended to read as follows:

"The admission document is produced for the purposes of admission to trade on the Progress Market of the following securities:

1. shares, including depositary receipts for shares; and
2. bonds, including depositary receipts for such securities."

Article 3

In Article 2(1) shall be amended to read as follows:

"In this Rulebook, unless certain provision expressly states otherwise, following terms shall have the following meaning:

1. **Exchange** – Zagreb Stock Exchange, Inc.;
2. **Delegated Regulation (EU) No 2017/565** - Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament

¹ Please note that this is a convenience translation of the Amendments to the Rulebook on Form and Content of the Admission Document for Trading on the Progress Market which serves for information purposes only. The original Croatian text is binding in all respects.

and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;

3. **member state** - member state of the European Union party to the Treaty on European Economic Area;
4. **issuer** – a legal entity, including the State, which issues or intends to issue securities;
5. **MBS** - the registration number of the subject of registration with the court registry or, for legal entities with the registered seat outside the Republic of Croatia, the registration number under which the issuer or other person is registered with the competent registry;
6. **multilateral trading platform** - multilateral trading platform as defined in the Article 2(1)(14) of the Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
7. **OIB** - personal identification number or, for persons whose residence or registered seat is outside the Republic of Croatia, the tax or identification number of the person assigned by the competent authority in the country in which that person has its permanent residence or registered seat;
8. **Rulebook** - this Rulebook on Form and Content of the Admission Document for Trading on the Progress Market;
9. **admission to trading** - a procedure enabling the trading of Securities on the Progress Market;
10. **admission document** - a document produced in order to facilitate the admission of securities to trading on the Progress Market in accordance with provisions of Progress Market Rules and this Rulebook;
11. **Progress Market** – multilateral trading platform managed by the Exchange with the main purpose of trading Securities of issuers which are considered small and medium-sized enterprises according to the criteria set forth in the Article 77 of the Commission Delegated Regulation (EU) No 2017/565;
12. **authorised advisor** - a person who has acquired the status of an authorised advisor in accordance with the Rulebook on Acquiring the Status of Authorised Advisor for the Progress Market, who has entered into an Agreement on providing advisory services with the Exchange and who is registered with the Register of authorised advisors;
13. **central depository** – the central register of dematerialised securities defined under the Article 2(1)(1) of the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012;
14. **third country** - country that is not a member state of the European Union;

15. **regulated market** – regulated market as defined under the Article 2(1)(13) of the Regulation (EU) No 600/2014 Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
16. **securities** – securities as defined in the Article 1(2) of this Rulebook;
17. **application for admission to trading** – application for admission of securities to trading on the Progress Market;
18. **CMA** – the Capital Market Act (Official Gazette of the Republic of Croatia No. 88/08, 146/08, 74/09, 54/13, 159/13,18/15, 110/15, 123/16 and 131/17)."

Article 4

In Article 3(3) the word "give" shall be substituted by the word "ensure".

Article 5

- (1) Article 4(6) shall be amended to read as follows:
"If the issuer submitting an application for admission of debt securities to trading on the Progress Market is not a joint stock company, instead of information referred to in the Article 11 and the Article 16 of this Rulebook concerning shareholders and shares, the admission document must contain information on shareholders and shares if the issuer is a limited liability company, or other appropriate information relevant for the legal form of the issuer."
- (2) Article 4(7) shall be deleted, whereas paragraph 8 shall become paragraph 7.

Article 6

In Article 6(2) shall be amended to read as follows:

"Admission document must display in a visible place the following information:

This admission document has been prepared in relation to the application for admission of securities referred to herein to trading on the Progress Market operated by Zagreb Stock Exchange, Inc.

Admission of securities to trading on the Progress Market shall not be deemed equivalent to the listing of such securities on the regulated market operated by Zagreb Stock Exchange, Inc.

Investors should be aware of risks involved in investments in securities admitted to trading on the Progress Market and, before deciding on the investment, an appropriate analysis and, if necessary, consultations with an investment consultant should be made.

When deciding on admission of securities referred to in this admission document to trading on the Progress Market, Zagreb Stock Exchange, Inc. verifies whether this admission document as to its form and content complies with requirements of the Progress Market Rules and the

Rulebook on Form and Content of the Admission Document for Trading on the Progress Market and determines whether this admission document contains all chapters and statements envisaged under the abovementioned regulations. However, Zagreb Stock Exchange, Inc. has neither verified nor approved the content of this admission document regarding the accuracy, truthfulness and completeness of information provided herein, nor within the meaning of compliance of such information with laws and other applicable regulations."

Article 7

Article 7 item 4 shall be amended to read as follows:

"number, type, individual nominal value (for shares without nominal value, a portion of share capital per each share) and code ("ticker") and international securities identification number (ISIN code) of securities referred to in the application for admission to trading on the Progress Market;"

Article 8

Article 8 shall be amended to read as follows:

- "(1) The chapter "Risk factors" shall contain information about factors bringing risks to the investor in the securities of the issuer, including, without limitation to, risk factors related to economic, property and financial situation of the issuer and its group and risk factors related to securities of the issuer.
- (2) The issuer is required to establish and describe in the admission document the mechanisms, measures and procedures for determining and preventing conflicts of interest which may arise between the interests of the issuer, the persons managing the business of the issuer, employees, agents or all persons directly or indirectly associated with the issuer through control mechanisms on the one hand, and the interests of investors in issuer's securities on the other hand."

Article 9

Article 9 shall be amended to read as follows:

- "(1) The chapter "Declarations of persons responsible for information contained in the admission document" shall display in a visible place the following statements:
 1. declaration of the issuer of the following content: "Issuer confirms that, according to its best knowledge and with due care, the information contained in this admission document are truthful and accurate, that the admission document does not omit anything that could affect its significance or valuation of securities applied for admission to trading on the Progress Market. This admission document provides a reliable

description of risk factors related to the issuer and participation in trading of its securities referred to in this admission document. This admission document was not approved by any regulatory authority. The completeness, consistency and comprehensiveness of this admission document has been reviewed and determined by the selected authorised advisor of the issuer [name, address and OIB of the selected authorised advisor].";

2. declaration of the authorised advisor of the following content: "The authorised advisor confirms that this admission document has been prepared in accordance with requirements set out in the Progress Market Rules and the Rulebook on Form and Content of the Admission Document for Trading on the Progress Market. Authorised advisor further confirms that, according to its best knowledge and pursuant to documents and information provided by the issuer which assumes complete responsibility for accuracy and completeness of such information, information contained in this admission document are accurate and true, and that the admission document provides a reliable description of risk factors related to the issuer and participation in trading of its securities referred to in this admission document. The authorised auditor further confirms that it has verified and determined completeness, consistency and comprehensiveness of this admission document."
- (2) Declarations referred to in paragraph 1 of this Article shall be signed by a person authorised to represent the issuer or the selected authorised advisor, respectively. These statements must also be contained in all subsequent amendments to the admission document."

Article 10

Article 10 shall be amended to read as follows:

- "(1) Where the admission document refers to shares or depositary receipt for shares, the Chapter "Information on securities applying for admission to trading on the Progress Market" must include at least the following:
1. detailed specification of type, number and individual and total nominal value of shares (for shares with no nominal value indicated, the amount of share capital per share is indicated), including information on the expected public distribution of at least 10% of shares referred to in the application for admission to trading, whereas the public disbursement of shares is determined by adequate application of the Exchange Rules provisions on determining public disbursement of shares.
 2. detail information on offer and issue of shares referred to in the application for admission to trading on the Progress Market (including but not limited to date and

content of the decision on issue of shares and the procedure and terms of issue of shares);

3. information whether shares have been paid up in cash, by contribution in kind, or partially in cash and partially by contribution in kind;
4. dates as of which the shares entitle their holders to receive dividend;
5. rights attached to shares and rules for their exercising;
6. the issuer's underlying policies concerning future dividend payments.

(2) Where the admission document refers to bonds or depository receipts for securities, the Chapter "Information on securities applying for admission to trading on the Progress Market" must include at least the following:

1. individual and total nominal value and currency of share issue;
2. number of tranches of issue and amount of each individual tranche;
3. governing law for the issue of bonds;
4. description of rights of bondholders incorporated with bonds and procedures for exercising of such rights;
5. interest rate, terms for payment of interest and dates as of which the entitlement to payment is exercised;
6. provisions on terms of repurchase;
7. provisions on powers and convening the assembly of bondholders;
8. indication and detailed description of additional rights of holders of debt securities, if any;
9. amount and form of guarantee, if any, with reference of the person issuing the guarantee;
10. where there is any kind of pledge or mortgage established as a security for claims of bondholders, estimated value of the pledged or mortgaged asset by a certified person;
11. general information on credit rating of the issuer or its securities and the name of the rating agency determining such credit rating;
12. detailed information on offer and issue of bonds referred to in the application for admission to trading on the Progress Market (including, without limitation, date and content of the decision on issue of bonds and procedure and terms of issue of bonds);
13. information enabling potential investors in bonds to understand effects of the project financed by the issuance of bonds as well as issuer's ability to meet its obligations arising from bonds;
14. in case of issuance of convertible bonds or bonds with convertible interest rate, terms and conditions of exercising rights of holders of such bonds."

Article 11

In the Article 11 item 23, the words "on common basis" (*na skupoj osnovi*) shall be substituted by the word "on collective basis" (*na skupnoj osnovi*).

Article 12

(1) Article 12(1) shall be amended to read as follows:

"(1) The chapter "Financial reports" shall include at least:

1. audited financial reports for the issuer for the business year preceding the year in which the application for admission of securities to trading on the Progress Market, prepared in accordance with applicable law, i.e., for issuers with registered seat outside the Republic of Croatia, prepared in accordance with regulations applicable to the issuer or internationally accepted standards;
2. unaudited semi-annual financial reports for the current business year prepared in accordance with applicable law, i.e., for issuers with registered seat outside the Republic of Croatia, prepared in accordance with regulations applicable to the issuer or internationally accepted standards, if more than 8 (eight) months have elapsed between the end of the business year at the time of application for admission of securities to trading on the Progress Market;
3. audited consolidated financial reports of the issuer's group for the business year preceding the year in which the application for admission of securities to trading on the Progress Market, prepared in accordance with regulations applicable to the issuer or internationally accepted standards;
4. unaudited consolidated semi-annual financial reports of the issuer for the current business year, if more than 8 (eight) months have elapsed between the end of the business year at the time of application for admission of securities to trading on the Progress Market prepared in accordance with regulations applicable to the issuer or internationally accepted standards;;
5. opinion or opinions of subjects authorised to perform the audit of the issuer's financial reports about the audited financial reports and consolidated financial reports referred to in items 1 and 3 above, prepared in accordance with applicable regulations and professional standards;

and may also contain projections of balance sheets, profit and loss accounts and cash flow statements, in which case such projections must cover a period of at least 3 (three) years from the preparation of the admission document."

(2) Article 12(4) shall be amended to read as follows:

"If an application for admission of the issuer's securities to trading on the Progress Market is submitted more than 45 (forty-five) days after the end of the quarter of the issuer's business year preceding the date of submission of the application, the admission document shall additionally contain new information which can affect the securities or the issuer."

Article 13

Article 13 item 1 shall be amended to read as follows:

- "1. The issuer's statement that, for the entire time of trading with respective securities on the Progress Market, following documents (or copies thereof) may be reviewed if necessary:
- a) charter or articles of association of the issuer;
 - b) evaluations and expert opinions included, in any part, in the admission document or referred to in the admission document;
 - c) the issuer's historical financial information, or in case of a group, historical financial information of the issuer and its subsidiaries, for each of two business years preceding the year in which the admission document is produced."

Article 14

Article 14 item 2 shall be amended to read as follows:

"charter or articles of association of the issuer and contents of adopted resolutions of the (general) assembly concerning amendments to the articles of association or charter which have not yet been registered with the court registry;"

Article 15

Article 15(1) shall be amended to read as follows:

"A summary admission document shall be prepared if admission for trading on the Progress Market is requested for securities of an issuer whose securities are traded:

- a) on a regulated market in the member state or corresponding market of a third country; or
- b) on another multilateral trading platform (other than the Progress Market) that meets requirements of the Delegated Directive (EU) 2017/565 within the member state of corresponding market of a third country."

Article 16

(1) In Article 16(1):

- a) item 2 shall be amended to read as follows:

"name (company name), registered seat, legal form, OIB and MBS of the issuer its selected authorised advisor;"

- b) items 13 and 15 shall be deleted;
 - c) item 14 shall become item 13 and items 16, 17 and 18 shall become items 14, 15 and 16;
 - d) item 18 shall become item 17 and shall be amended to read as follows:
 - "indication of a place where the following will be made available:
 - a) the latest public document or publicly disclosed admission document which refers to these securities;
 - b) periodical financial reports of the issuer published in accordance with regulations applicable to the issuer."
- (2) In Article 16(2) the words "on other alternative market" shall be substituted by the words " on another multilateral platform".
- (3) In Article 16(3) the words "paragraph 1 of this Article and " shall be added before the the words "Articles 12 to 14".
- (4) In Article 16(5) shall be amended to read as follows:
"The text referred to in the Article 6(2) of this Rulebook must be displayed in a visible place on the first page of the summary admission document."
- (5) In Article 16(6) shall be amended to read as follows:
"Declarations of the issuer and the authorised auditor referred to in the Article 9 of this Rulebook must be displayed in a visible place on the second page of the summary admission document."

Article 17

These Amendments shall be posted on the website of the Progress Market and shall enter into force on the 7th (seventh) day from the date of their publication.

Ivana Gažić

President of the Management Board