

*Please note that this is a convenience translation of the Progress Market Rules which serves for information purposes only.
The original Croatian text is binding in all respects.*



RULEBOOK

**ON ACQUIRING THE STATUS OF AUTHORISED
ADVISOR FOR THE PROGRESS MARKET**

Zagreb, October 2017

Pursuant to 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 and 123/16) and Article 6(4) of the Progress Market Rules ("Progress Market Rules"), at its 191st meeting held on 24 October 2017, the Management Board of Zagreb Stock Exchange, Inc. issued the following

RULEBOOK

ON ACQUIRING THE STATUS OF AUTHORISED ADVISOR FOR THE PROGRESS MARKET

1 GENERAL PROVISIONS

Article 1

- (1) In accordance with Article 6(4) of the Progress Market Rules, this Rulebook regulates:
 1. requirements which a company applying to acquire the status of an authorised advisor status must meet;
 2. the procedure for acquiring the authorised advisor status, the procedure for termination the authorised advisor status, the procedure for registration of an authorised advisor with the Register of authorised advisors and the procedure for deregistration of an authorised advisor from the Register of authorised advisors;
 3. rights and obligations of an authorised advisor;
 4. rules of cooperation between the authorised advisor and the Exchange;
 5. other important issues for the regulation of the role of authorised advisors and for the proper functioning of the Progress Market.
- (2) This Rulebook shall apply together with other Exchange regulations referred to in this Rulebook or adopted by the Exchange within the scope of its authority.
- (3) This Rulebook is binding for all authorised advisors registered with the Register of authorised advisors and for all issuers of financial instruments admitted to trading on the Progress Market.

2 DEFINITIONS

Article 2

- (1) In addition to specifically defined terms in this Rulebook, unless the context of a provision clearly requires otherwise, the terms defined in the Progress Market Rules shall have the same meaning as in the Progress Market Rules.
- (2) For the purposes of this Rulebook, any terms used in either singular or plural form shall be taken to refer, *mutatis mutandis*, to both singular and plural and *vice versa*, unless the context requires otherwise.
- (3) References to a law or a regulation shall include any future amendments to such law or regulation.

3 REQUIREMENTS FOR ACQUIRING THE STATUS OF AN AUTHORISED ADVISOR FOR THE PROGRESS MARKET

Article 3

- (1) An applicant for acquiring the authorised advisor status shall meet the requirements for acquiring the authorised advisor status as set forth in this Rulebook.
- (2) An applicant for acquiring the authorised advisor status shall particularly meet the following conditions:
 1. it must be registered as a company in accordance with the provisions of law regulating the establishment and operation of companies;
 2. it must be registered for at least one of the following activities:
 - a) providing business and management consultancy;
 - b) providing one or more investment services and activities in accordance with the Capital Market Act;
 - c) providing advice on capital structure, services related to business transactions on the capital market and similar services;
 - d) providing financial and accounting services;
 - e) financial analysis services and control services;
 - f) tax and other business consulting services;
 - g) assessment of company value, assets and liabilities;

- h) services of preparation and economic assessment of investment projects; over an uninterrupted period of at least 2 (two) years, counted from the date of the application for acquiring the authorised advisor status, or over a shorter period if the Exchange estimates that the employees of that company or other persons engaged by that company have sufficient knowledge and experience to be able to properly perform the authorised advisor's duties;
 3. have at its disposal, either based on an employment contract or otherwise, at least one person who has at least 5 (five) years of experience on adequate positions within an investment firm or on another adequate position on which that person has gained knowledge of the financial market operations;
 4. have established mechanisms, measures and procedures for identifying and preventing conflicts of interest that may arise in connection with provision of services to issuers in accordance with Article 13(2) of this Rulebook;
 5. appoint one person responsible for communication with the Exchange.
- (3) When assessing whether the conditions for acquiring the authorised advisor status are met, the Exchange shall take in consideration the following circumstances:
1. financial stability of the applicant;
 2. whether the persons from paragraph 2(3) of this Article and the authorised person of the authorised advisor have a good reputation;
 3. other circumstances that the Exchange considers to be essential for performing of authorised advisor services on the Progress Market.
- (4) It will be considered that a person does not have a good reputation if:
1. an approval for performance of certain activities performed by that person has been withdrawn or denied due to non-compliance with the relevant regulations;
or
 2. there is final and binding court judgment by which that person was found guilty of committing a crime against the economic system, counterfeiting or another similar crime which is prosecuted *ex officio*;
 3. its professional record and personal integrity have not been proven;
 4. there are other reasons which, in the sole opinion of the Exchange, cast doubt on such person's good reputation.

- (5) The Exchange reserves the right to grant the authorised advisor status on the Progress Market to a company that does not fulfil all requirements set forth in this Rulebook if it otherwise determines that such company is competent and able to successfully perform duties of an authorised advisor on the Progress Market.
- (6) The status of an authorised advisor in relation to an issuer of financial instruments admitted to trading on the Progress Market, may not be granted to such issuer itself, or to its parent company, its subsidiaries or its affiliated companies, in terms of the law which regulates establishment and operation of companies.

4 PROCEDURE OF THE EXCHANGE IN RELATION TO APPLICATION FOR ACQUIRING THE AUTHORISED ADVISOR STATUS FOR THE PROGRESS MARKET

Article 4

- (1) The requirements for acquiring the authorised advisor status for the Progress Market set forth in Article 3 of this Rulebook represent the requirements that must be met by an applicant before the Exchange has granted to it the authorised advisor status for the Progress Market.
- (2) When deciding on granting the authorised advisor status the Exchange shall pay special attention to preservation of the reputation and integrity of the Progress Market.
- (3) The Exchange reserves the right to deny an application for acquiring the authorised advisor status for the Progress Market or to require additional conditions to be met for granting the authorised advisor status for the Progress Market regardless of whether the applicant meets the formal requirements for acquiring the authorised advisor status for the Progress Market as set forth in this Rulebook.

5 PROCEDURE FOR ACQUIRING THE AUTHORISED ADVISER STATUS

Article 5

- (1) The authorised advisor status shall be granted upon a written application in a form and with the contents specified by the Exchange.

- (2) The application must contain at least:
1. information on activities carried out by the applicant and by the person from Article 3(2)(3) of this Rulebook related to dealing with financial instruments, investment advice, placing of financial instruments on a firm commitment basis or without a firm commitment basis, or other relevant services and activities;
 2. information on the planned activities for attracting new issuers;
 3. information on the applicant's organisational structure and governing bodies;
 4. information on the applicant's ownership structure;
 5. other information that the Exchange specifically requires from the applicant.
- (3) At least the following documents must be enclosed to the application:
1. a current version of articles of association of the applicant;
 2. a certified excerpt from an appropriate register for the applicant, not older than 30 (thirty) days;
 3. financial reports of the applicant for its last financial year;
 4. a written declaration of the applicant confirming that the authorised persons of the applicant and persons from Article 3(2)(3) of this Rulebook have not been convicted by a final court judgment for crimes stated in Article 3(4)(2) of this Rulebook;
 5. a written declaration of the applicant confirming that the applicant pays its debts when due and that, as at the application date as well as within 12 (twelve) months prior to that date, no enforcement proceedings were instituted against it;
 6. evidence of payment of the application processing fee.
- (4) The applicant shall also enclose to its application a statement by which it declares:
1. that it shall fully comply with the rules and regulations governing the Progress Market;
 2. that it shall promptly notify the Exchange of any significant changes to the information provided in its application;
 3. that it shall promptly notify the Exchange of any significant events or circumstances that have or may have a significant impact on due performance of its obligations as authorised advisor;
 4. that it shall provide the Exchange with necessary reports on the performance of the authorised advisor's obligations.

- (5) In order to consider and correctly assess an application, the Exchange may request that the applicant provides additional information, explanations or documents.

Article 6

- (1) The applicant is obliged to pay to the Exchange the fee for processing of its application for acquiring the status of an authorised advisor for the Progress Market in accordance with the Price List.
- (2) The fee from the previous paragraph of this Article shall not be returned to the applicant if its application for acquiring the status of an authorised advisor for the Progress Market is denied.
- (3) In addition to the fee for processing of the application for acquiring the status of an authorised advisor for the Progress Market, the applicant shall also pay to the Exchange the fee for granting the authorised advisor status for the Progress Market as well as the fee for maintaining the authorised advisor status for the Progress Market in accordance with the Price List. The Exchange shall not refund the paid fees in the event of termination of the authorised advisor status.

Article 7

- (1) A decision regarding the application for acquisition the authorised advisor status shall be rendered within 30 (thirty) days from the receipt of a complete application together with all necessary documents and information.
- (2) If the application or documents attached thereto are incomplete or if, in the opinion of the Exchange, further information, statements or documents need to be delivered, the Exchange shall invite the applicant to supplement its application within an appropriate deadline. In that case, the time limit for decision on the application for acquisition the authorised advisor status shall start running on the first day after the expiry of the deadline for submission of additional information, statements or documents.

- (3) The Exchange shall notify the applicant of its decision on granting the authorised advisor status or refusal of the application within the period stated in paragraph 1 of this Article or in paragraph 2 of this Article, respectively.
- (4) If the Exchange decides to grant the authorised advisor status to the applicant, before registration of the applicant with the Register of authorised advisors the applicant is obliged to conclude an agreement on performance of the authorised advisor services with the Exchange, in the form which will be determined by the Exchange.
- (5) After the conclusion of the agreement from paragraph 4 of this Article between the applicant and the Exchange, the Exchange will without delay enroll the applicant in the Register of authorised advisors.
- (6) Authorised advisor status is acquired in the moment of execution of the agreement on performance of the authorised advisor services.
- (7) In the event the application for acquiring the authorised advisor status is denied, the applicant may again apply for the authorised advisor status only 6 (six) months after the decision of the Exchange on denying the application has been delivered to the applicant.

Article 8

- (1) Authorised advisor and persons authorised to represent the authorised advisor as well as persons referred to in Article 3(2)(3) of this Rulebook, must meet the requirements and act in accordance with the Exchange Rules, Progress Market Rules and this Rulebook, for the whole duration of the authorised advisor status.
- (2) If the authorised advisor and/or persons authorised to represent the authorised advisor or persons referred to in Article 3(2)(3) of this Rulebook cease to meet the requirements envisaged by this Rulebook or fail to act in accordance with the provisions of the regulations referred to in paragraph 1 of this Article, they shall without delay notify the Exchange of such event.
- (3) The Exchange may at any time request from the authorised advisor and/or persons authorised to represent the authorised advisor and/or persons referred to in the Article

3(2)(3) of this Rulebook the information and/or documentation necessary to determine whether they meet the requirements envisaged by this Rulebook and act in accordance with the provisions of the regulations referred to in paragraph 1 of this Article.

- (4) If the authorised advisor and/or persons authorised to represent the authorised advisor and/or persons referred to in Article 3(2)(3) of this Rulebook no longer meet the requirements envisaged by this Rulebook, or if they do not act in accordance with the provisions of the regulations referred to in paragraph 1 of this Article, the Exchange shall repeal the status of the authorised advisor and deregister it from the Register of authorised advisors.

6 RIGHTS AND OBLIGATIONS OF THE AUTHORISED ADVISOR

Article 9

- (1) An authorised advisor is obliged to:
1. when an application is filed for admission of financial instruments of an issuer to trading on the Progress Market, to assess if the issuer - applicant meets the requirements for admission to trading on the Progress Market and whether all other conditions provided by the Progress Market Rules, the Exchange Rules and other Exchange regulations for admission of financial instruments to trading on the Progress Market are satisfied;
 2. after admission of financial instruments to trading on the Progress Market, continuously monitor, for at least 2 (two) years from the date of admission of those financial instruments to trading on the Progress Market, whether the issuer fulfils its obligations provided by the Progress Market Rules, the Exchange Rules, rulebooks and other regulations of the Exchange and relevant laws and regulations;
 3. During the period referred to in point 2 of this paragraph, submit to the Exchange a yearly report, not later than December 31 each year, on performance by the issuer of its obligations provided in the Progress Market Rules, the Exchange Rules, rulebooks and other regulations of the Exchange and the relevant legislation, the form of which will be determined by the Exchange;
- as more precisely regulated by this Rulebook.

- (2) An authorised advisor is obliged to take actions aimed to prepare the issuer to function on the Progress Market. For achieving this, the authorised advisor shall familiarize itself with the business, property and financial situation of the issuer based on current and periodical reports published by the issuer.
- (3) An authorised advisor is obliged to point out to the issuer the necessity of establishing and implementing appropriate mechanisms, measures and procedures which will enable the issuer to properly function on the Progress Market.
- (4) An authorised advisor is obliged to consult the issuer on selection of appropriate mechanisms, measures and procedures for the needs of the issuer's functioning on the Progress Market.
- (5) An authorised advisor, when performing its services on the Progress Market, is required to cooperate with the Exchange and to supply the Exchange with the required information to determine whether the authorised advisor and/or issuer fulfils all of its obligations.
- (6) The authorised advisor is obliged to discharge properly and in a timely manner its obligations envisaged by this Rulebook, Progress Market Rules, other Exchange regulations and all obligations arising from the agreement on performance of authorised advisor services concluded between the authorised advisor and the Exchange in accordance with this Rulebook.

Article 10

- (1) The authorised advisor is obliged to:
 1. examine whether the admission document provides sufficient information to investors to enable them to make an informed assessment of the financial position and prospects of the issuer and the rights attaching to its financial instruments in accordance with Article 78 of the Delegated Regulation (EU) No 2017/565;
 2. examine whether in the admission document the issuer has stated that its working capital is sufficient for its present requirements or, if not, how it proposes

to provide the additional working capital needed in accordance with Article 78 of the Delegated Regulation (EU) No 2017/565;

3. examine whether admission document is drafted in accordance with the requirements set out in the Progress Market Rules and with the provisions of Rulebook on Form and Content of the Admission Document for the Progress Market and examine whether the information contained therein is given in a comprehensible and consistent manner;
4. submit a declaration to the Exchange which confirms that it has reviewed the admission document and has assured that it has been produced in accordance with the requirements set forth in the Progress Market Rules and in the Rulebook on Form and Content of the Admission Document for the Progress Market, that according to its best knowledge and pursuant to documents and information provided to it by the issuer, information contained in the admission document is true and fair, that the admission document contains a reliable description of risk factors associated with the participation in trading of the issuer's financial instruments and that the issuer meets all requirements for admission to trading on the Progress Market;
5. over an uninterrupted period of at least 2 (two) years following the admittance of financial instruments to trading on the Progress Market, continually advise the issuer in regard of the functioning of his financial instruments and on his disclosure of information in accordance with the provisions of the CMA, Regulation (EU) No 596/2014, other laws and regulations, Exchange regulations and this Rulebook (including checking and countersigning checklists which the issuer is required to publicly disclose in accordance with the Progress Market Rules) and to monitor whether the issuer complies with its information disclosure obligations;
6. during the period from point 6 of this paragraph, notify the Exchange if the issuer ceases in any way to meet the requirements for admission to trading of its financial instruments on the Progress Market or if it commits any breach or severe breach of the Progress Market Rules;
7. at any time, deliver all necessary information and notices to the Exchange so that the Exchange may determine whether the authorised advisor or the issuers to whom it is appointed as authorised advisor meet all the requirements envisaged by the Progress Market Rules, other Exchange regulations or by the agreements

concluded between the Exchange and the authorised advisor or between the Exchange and the issuers.

- (2) Upon expiration of 2 (two) years after the date of admission to trading of financial instruments of an issuer on the Progress Market, the authorised advisor obligations referred to in this Article shall cease to apply. The authorised advisor will notify the Exchange of the termination of its obligations in relation to such issuer in writing.
- (3) An authorised advisor appointed by an issuer and compulsory authorised advisor appointed by the Exchange in accordance with this Rulebook, are obliged to act as independent experts in performing their duties. Authorised advisors and compulsory authorised advisors are responsible to the issuer and to the Exchange for the proper fulfilment of all their obligations.

Article 11

- (1) An authorised advisor and the potential issuer of financial instruments shall conclude an agreement on authorised advisor services. The authorised advisor shall deliver a copy of such agreement, without commercial terms, to the Exchange within 8 (eight) business days after conclusion of the agreement. However, the Exchange reserves the right, if it considers it necessary, to request from the authorised advisor to submit an agreement with all commercial terms.
- (2) An issuer who intends to file an application for admission to trading of multiple financial instruments on the Progress Market may appoint one or more authorised advisors. In case of admission to trading of several different financial instruments of one individual issuer on the Progress Market, the obligations of at least one appointed authorised advisor shall continue until the expiration of 2 (two) years from the admission date of the last financial instrument admitted to trading on the Progress Market.
- (3) Authorised advisor shall notify the Exchange without delay of any amendment to the agreement concerning performance of its tasks as authorised advisor concluded with the issuer of financial instruments, of its termination or expiry, as well as of execution of a new agreement. In case of an amendment to the agreement or conclusion of a new agreement, the authorised advisor shall communicate its contents to the Exchange

without delay (except in case of changes to the commercial terms only, in which case it shall only inform the Exchange that the agreement has been amended or replaced only regarding the commercial terms). The Exchange may request the issuer or the authorised advisor, if it considers it necessary, to submit additional information in this respect as well as to deliver the agreement that has been changed or replaced regarding the commercial terms only.

- (4) In case of replacement of an authorised advisor, the newly selected authorised advisor shall provide the Exchange without delay with a declaration to the effect that it is familiar with the business, property and financial situation of the issuer based on current and periodical reports published by that issuer and with the issuer's performance of the disclosure obligations.
- (5) In case of termination of the agreement of the authorised advisor services by the issuer, the issuer is obliged to notify the Exchange, without delay, of that event and to submit to the Exchange the agreement on authorised advisor services concluded with a newly selected authorised advisor, within 30 (thirty) days from the date of termination of the agreement. If the issuer does not submit the agreement on authorised advisor services concluded with the newly selected advisor within the prescribed deadline, the Exchange will appoint as a compulsory authorised advisor one of the authorised advisors registered in the Register of authorised advisors for the remaining period up to the expiration of 2 (two) years from the date of admittance of the financial instruments of that issuer to trading on the Progress Market.
- (6) Notwithstanding the provisions of paragraph 5 of this Article, if the issuer for any other reason, except for termination of agreement, ceases to have an appointed authorised advisor, the issuer is obligated to immediately notify the Exchange to that effect and to submit to the Exchange an agreement with a newly selected authorised advisor within 30 (thirty) days from the date when it ceased to have an appointed authorised advisor. If the issuer does not submit the agreement concluded with a newly selected authorised advisor within the prescribed deadline, the Exchange will appoint as a compulsory authorised advisor one of the authorised advisors registered in the Register of authorised advisors for the remaining period up to the expiration of 2 (two) years from the date of admittance of the financial instruments of that issuer to trading on the Progress Market.

- (7) A compulsory authorised advisor has all rights and obligations regarding the issuer and the Exchange as an appointed authorised advisor. Unless the context requires otherwise, everything specified in this Rulebook and in the other Exchange regulations in respect of the role, rights and obligations of authorised advisors shall also apply *mutatis mutandis* to compulsory authorised advisors. The issuer is required to bear all costs and fees of the Exchange in relation to the appointment of a compulsory authorised advisor as well as to pay to the compulsory authorised advisor a remuneration pursuant to its Price List and to reimburse the compulsory authorised advisor for any expenses.
- (8) Every authorised advisor who has been registered with the Register of authorised advisors is obliged to accept the appointment as a compulsory authorised advisor in accordance with this Rulebook and other Exchange regulations and cannot refuse such appointment, except in case of conflict of interest or for another justified reason acceptable for the Exchange, of which it must notify the Exchange immediately.
- (9) If the issuer is not satisfied with the compulsory authorised advisor appointed by the Exchange, it may replace such compulsory authorised advisor with another authorised advisor of its choice. However, the issuer will be obligated to pay to the compulsory authorised advisor appointed by the Exchange all fees according to its Price List or Tarif, as well as to compensate it for all expenses, incurred during its appointment as a compulsory authorised advisor.

Article 12

- (1) To enable the Exchange to check whether its obligations are carried out in accordance with the Progress Market Rules and other Exchange regulations, the authorised advisor shall, when requested to do so by the Exchange, submit to the Exchange any documents and information and shall ensure that all such documents have been prepared in accordance with its best knowledge and are complete and not misleading, and shall provide necessary written or verbal clarifications.

- (2) The authorised advisor shall keep documentation about services provided to each issuer for at least 5 (five) years from the date of termination of its appointment as an authorised advisor or as a compulsory authorised advisor.
- (3) Every year, not later than January 31, the authorised advisor shall submit to the Exchange a report on provided services to all issuers for the previous calendar year. Authorised advisor shall also, by 31 January of each year, submit a statement confirming that it continues to meet all required conditions as set out in this Rulebook as well to comply with all its obligations arising from the Exchange Rules, Progress Market Rules, this Rulebook and other Exchange regulations.

Article 13

- (1) The authorised advisor, persons authorised to represent the authorised advisor and persons referred to in the Article 3(2)(3) of this Rulebook must take into consideration a possible conflict of interest with a potential issuer or with an issuer whose financial instruments are admitted to trading on the Progress Market during provision of services to that issuer.
- (2) To this end, the authorised advisor is required to establish appropriate mechanisms, measures and procedures for identifying and preventing conflicts of interest that may arise as a result of providing of services to the issuer. These must include measures for identification, prevention, management and/or notifying the issuer of existing conflicts of interest in providing services to prevent their negative impact.

7 TERMINATION OF THE AUTHORISED ADVISER STATUS

Article 14

- (1) Status of an authorised advisor automatically terminates:
 1. by opening of bankruptcy proceedings, pre-bankruptcy proceedings (if applicable), liquidation proceedings or other similar proceedings against the authorised advisor;
 2. upon dissolution of an authorised advisor as a legal entity.

- (2) A person authorised to represent the authorised advisor is obligated to notify the Exchange about the possibility of occurrence of any circumstance prescribed by paragraph 1 of this Article without delay, and at the latest on the day of occurrence of such circumstance. In that case, the Exchange will, after having been informed of such circumstance, terminate authorised advisory status of that authorised advisor on the Progress Market, deregister it from the Register of authorised advisors and shall invite all issuers to whom that person has been appointed as an authorised advisor or as a compulsory authorised advisor to appoint a new authorised advisor within 30 (thirty) days. If issuers do not appoint new authorised advisors within a 30 (thirty) day period, the Exchange will appoint compulsory authorised advisors in accordance with provisions of this Rulebook.
- (3) Status of the authorised advisor may also be terminated by the decision of the Exchange in following cases:
1. at the request of an authorised advisor, in accordance with Article 15 of this Rulebook;
 2. for the reasons set forth in Article 16 of this Rulebook;
- in which cases, the provision of the preceding paragraph of this Article shall apply accordingly.

Article 15

- (1) A request for termination of the authorised advisor status shall be submitted to the Exchange on a form the content of which is determined by the Exchange.
- (2) The Exchange shall decide on the request for termination of status within 30 (thirty) days after receiving such request.
- (3) The authorised advisor status terminates with the date on which the Exchange passes its decision on termination of the authorised advisor status. The Exchange shall deregister a person whose authorised advisor status has terminated from the Register of authorised advisors on the day of rendering the decision on termination of its authorised advisor status.

- (4) The authorised advisor must not submit a request for termination of the authorised advisor's status during a period of 2 (two) years from the date of admittance of financial instruments to trade on the Progress Market of an issuer to whom such authorised advisor provides advisory services.

Article 16

- (1) The Exchange may, depending on the assessment of the degree and extent of violation or breach by the authorised advisor of its obligations envisaged by this Rulebook or by other Exchange regulations:
1. order a non-public admonishment of the authorised advisor;
 2. order a public admonishment of the authorised advisor;
 3. repeal the authorised advisor status and deregister it from the Register of authorised advisors.
- (2) The Exchange may, if it considers that there are justifiable reasons, suspend the possibility of further appointments of an individual authorised advisor. In that case, such authorised advisor remains appointed as an authorised advisor to the existing issuers, but cannot be appointed as an authorised advisor or as a compulsory authorised advisor to any other or further issuers or in relation to admission of any new financial instruments for trading on the Progress Market. In terms of its existing appointments, such authorised advisor is obliged to continue taking all actions and to fulfilling all its obligations, although its further appointments are suspended.
- (3) The Exchange may repeal the authorised advisor status if:
1. the authorised advisor no longer complies with the requirements for obtaining the authorised advisor status as envisaged by this Rulebook and by other Exchange regulations;
 2. no financial instruments for which the authorised advisor was appointed as an authorised advisor have been admitted for trading on the Progress Market in the last two calendar years or the authorised advisor did not perform advisory services for any issuer in the last two calendar years;
 3. the authorised advisor or authorised person of the authorised advisor or person from Article 3(2)(3) of this Rulebook are convicted by a final and binding judgment for a crime stated in Article 3 paragraph 4 item 2 of this Rulebook;

4. the authorised advisor breaches rules or regulations governing the Progress Market or fails to comply with its obligations;
 5. the authorised advisor takes actions that may harm the reputation of the Exchange or of the Progress Market;
 6. the Exchange for any reason considers that the authorised advisor is no longer able to properly perform advisory tasks;
 7. the Exchange considers that there is any other valid reason.
- (4) In the cases referred to in the preceding paragraph of this Article the Exchange shall render a decision on repealing the authorised advisor status. The provision of Article 15(3) of this Rulebook shall apply accordingly.

Article 17

- (1) When deciding on repealing the authorised advisor status and on deregistration of an authorised advisor from the Register of authorised advisors, the Exchange will consider all facts and circumstances, particularly the reasons, significance and impact on the operations of the Exchange and orderly functioning of the Progress Market.
- (2) The Exchange may grant the authorised advisor a time limit to discontinue existing violations or to take actions necessary to rectify such violations.
- (3) A decision on repealing of the authorised advisor status and deregistration from the Register of authorised advisors must be properly explained.
- (4) The Exchange shall publish its decision on repealing the authorised advisor status and deregistration from the Register of authorised advisors on the Progress Market website.
- (5) Prior to deciding whether to repeal the authorised advisor status and deregister an authorised advisor from the Register of authorised advisors, the Exchange will allow the authorised advisor to provide its response with regard to the facts and circumstances which constitute grounds for the status repealing, except in the event that the actual state of affairs may be determined from the information available to the Exchange, when a response of the authorised advisor is not feasible or if there are other justified reasons.

- (6) If the decision on repealing the authorised advisor status is made due to circumstances described in Article 16(3), points (4) to (7), of this Rulebook, the authorised advisor may reapply for acquiring the authorised advisor status after expiry of 1 (one) year from the date when the Exchange has passed its decision to repeal the authorised advisor status.

8 REGISTER OF AUTHORISED ADVISORS

Article 18

- (1) The Exchange keeps and regularly updates the Register of authorised advisors. The Register of authorised advisors is kept in electronic form.
- (2) The Register of authorised advisors shall be published on the Progress Market website.
- (3) The Register of authorised advisors shall contain the following information:
1. name, registered seat, address, personal identification number of the authorised advisor;
 2. date and number of decision on acquiring the authorised advisor status;
 3. date of registration of the authorised advisor with the Register of authorised advisors;
 4. date and number of decision on termination or repealing of the authorised advisor status;
 5. date of deregistration of the authorised advisor from the Register of authorised advisors;
 6. remarks on ordered public admonishments and suspensions.
- (4) Registration of an authorised advisor with the Register of authorised advisors or deregistration from the Register of authorised advisors is executed by the Exchange *ex officio*, immediately upon making an appropriate decision or when other conditions provided in this Rulebook are met.
- (5) Authorised advisors are obligated to immediately report to the Exchange all changes to information entered in the Register of authorised advisors. The Exchange can *ex officio*

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make changes to information in the Register of authorised advisors which it has found out by itself.

- (6) The Exchange may make corrections of entries in the Register of authorised advisors *ex officio* or at the request of an interested party.

9 TRANSITIONAL AND FINAL PROVISIONS

Article 19

This Rulebook shall enter into force and effect on 2 November 2017