

Pursuant to the provisions of the Law on Securities (“Official Gazette of the Federation of Bosnia and Herzegovina”, No. 39/98, and 36/99), Law on the Registry of Securities (“Official Gazette of the Federation of Bosnia and Herzegovina”, No. 39/98, 36/99 and 33/04), Article 25, Paragraph 2 of the Book of Regulations on the Registration and Transfer of Securities with the Registry of Securities (“Official Gazette of the Federation of Bosnia and Herzegovina”, No. 32/99, 6/01 and 51/01), and Article 44 of the Statute of the Registry of Securities of the Federation of Bosnia and Herzegovina (“Official Gazette of the Federation of Bosnia and Herzegovina”, No. 26/04, and 70/04), the Supervisory Board of the Registry of Securities in the Federation of Bosnia and Herzegovina, at its 13th session held on December 19, 2005, at the proposal of the Registry Management, passed:

RULES
OF THE REGISTRY OF SECURITIES
OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

1. DEFINITIONS:

Some of terms used in the Rules of the Registry of Securities of the Federation of Bosnia and Herzegovina have the following meaning:

- 1.1. **the Registry** is the Registry of Securities of the Federation of Bosnia and Herzegovina;
- 1.2. **the Registry Supervisory Board** is the Supervisory Board of the Registry of Securities of the Federation of Bosnia and Herzegovina;
- 1.3. **Registry Management** is the management of the Registry of Securities of the Federation of Bosnia and Herzegovina;
- 1.4. **the Commission** is the Securities Commission of the Federation of Bosnia and Herzegovina;
- 1.5. **the Rules** are the Rules of the Registry of Securities of the Federation of Bosnia and Herzegovina;
- 1.6. **Instructions** are Instructions prepared in accordance with the Rules that contain a more detailed explanation of the procedure of providing individual services of the Registry;
- 1.7. **An issuer** is a legal or other person that issued securities in accordance with Article 7, Paragraph 1 of the Law on Securities;
- 1.8. **Registry System Member** is a legal person with which the Registry concluded a business contract, which was admitted to Membership pursuant to a decision of the Registry, that has direct, online access to the registration system of the Registry and one or more securities accounts opened with the Registry in accordance with Article 23 hereof;
- 1.9. **the Stock Exchange** is a company whose information system is used for trading securities that are traded at the stock exchange and regulated, public markets;
- 1.10. **CB BiH** is the Central Bank of Bosnia and Herzegovina;
- 1.11. **the Fund** is the Registry Safety Fund;
- 1.12. **Securities** are securities which are registered and kept by the Registry and the data on which is maintained by the Registry in the Registration System;
- 1.13. **A market security** is a security traded at the Stock Exchange or some other regulated, public market.

2. GENERAL PROVISIONS

Article 1

These Rules regulate:

1. Registry System Membership;
2. Maintenance of the Registration System, keeping and maintenance of securities data;
3. Transfer of securities on the basis of applications for securities transfers;
4. Clearing and settlement;
5. Decision-making procedures in the Registry;
6. Procedures of making changes and amendments to the Rules and Instructions.

Article 2

The Registry performs the following activities for securities issuers:

1. Registration, keeping, managing and maintenance of securities data;
2. Preparation of the list of shareholders and securities owners on the date of the request the issuer filed;
3. Preparation of other reports as requested by issuers;
4. Services related to the execution of rights resulting from securities (delivering to issuers data on securities holders, data on shareholders with votes representing shares, the right to the calculation and payment of the dividend, an other rights), and other activities in accordance with the separate contract;

The Registry performs the following activities for securities owners:

1. Keeping the records on the securities accounts of securities owners;
2. Transfer of securities pursuant to requests for securities transfers that securities owners delivery directly to the Registry;
3. Issuing certificates and statements of the securities accounts;
4. Providing services in relation to the management of the rights of third persons relating to securities in special accounts, lien, the right of limited disposal, usufruct, and other rights);
5. Providing services relating to the procedures of executing tender offers in takeovers of joint stock companies.

The Registry provides Registry System Members with direct, online access to the Registration System, and performs the following activities relation to securities and trading securities:

1. enables Registry System Members to open client accounts directly, online, with the Registry System Member, and transfer securities from the registry account to the client account, and transfer securities from the client account held with the Registry System Member to its registry account, pursuant to the order of the Registry System Member (Members of the Securities Transfer System);
2. provides the services of clearing and settlement for securities, and transfer of securities from the client account held with the Registry System Member to the client account of the new owner of securities, held with the same or different Registry System Member (Members of the Clearing and Settlement System):

3. enables keeping records on securities held in client accounts, which are held with the Registry System Member, and in the broker account of the Registry System Member and provides insight into them;
4. provides direct, online access to the statement of the securities owner account, or insight into the list of securities owners to the issuer (Inquiry System Members).

3. REGISTRY MEMBERSHIP SYSTEM

3.1. Registry System Members

Article 3

The following persons may become Members of the Registry System:

1. Business companies;
2. Professional intermediaries;
3. the stock exchange and other regulated, public markets;
4. Fund management companies;
5. Investment funds;
6. Mutual funds;
7. Pension funds;
8. Banks and other financial organizations;
9. Insurance companies;
10. Other legal persons;
11. Federation of Bosnia and Herzegovina;
12. Cantons in the Federation of Bosnia and Herzegovina;
13. Municipalities in the Federation of Bosnia and Herzegovina;
14. Domestic and foreign natural persons, owners of securities.

Article 4

A Member of the Registry System must meet the following requirements to be admitted to the Registry System Membership:

1. the Member must conclude a business contract with the Registry, that regulates the use of the Registry Membership System by the Registry System Member and the liabilities in case of System Member or Registry failing to meet the contract obligations;
2. the Member must possess appropriate human and technical resources to perform business activities through the Registry Membership System;
3. there must be no circumstances nor events on the basis of which a reasonable conclusion may be drawn that the Member does not meet the requirements for becoming a Registry System Member;
4. the Member must meet other requirements prescribed in these Rules and regulation based hereon.

The Registry shall prescribe, by a special enactment, the criteria in relation to the requirements pertinent to basic technical, human and other resources, that the Member must meet.

3.2. The Procedure of Admission to Registry Membership System

Article 5

The Registry Membership System admission procedure shall begin with the filing of the request for admission to the Registry Membership System (hereinafter: the request) in the ZČ-1 form, that may be filed directly in the Registry seat or via post to the Registry seat address.

The request from the previous paragraph must contain the following data: name, or company name, or the abbreviated company name and home address or company seat address, the required type of the Registry System Membership, signature of the applicant, or the legal representative, or the authorized person of the applicant.

The ZČ-1 form from the first paragraph hereof is contained in the Appendix hereto and is its constituent.

Article 6

The applicant from Article 3, Item 1-13, shall deliver the following, together with the request:

1. the Court Registry statement;
2. the business license or the work permit issued by the authority (if such is required – professional intermediaries, banks, insurance companies, etc);
3. statement on the acceptance of the Rules and Instructions, decisions, conclusions and measures Registry made in accordance hereto;
4. statement confirming that the applicant meets the technical requirements, and a proof of possessing the required human resources;
5. a decision of the Stock Exchange on admission to Membership, in case that the applicant is a Member of the Stock Exchange, or a proof that the request for admission to Stock Exchange Membership has been filed, if one type of Membership is conditioned by another.

The applicant from Article 3, Item 14 shall deliver the following, together with the request:

1. certified copy of a personal identification document (identity card or passport for domestic persons, and a certified copy of the passport for foreign citizens);
2. certified copy of the registration of the place of residence;
3. statement on the acceptance of the Rules and Instructions, decisions, conclusions and measures Registry made in accordance hereto;
4. statement confirming that the applicant meets the technical requirements.

The ZČ-1 form from the first paragraph hereof is contained in the Appendix hereto and is its constituent.

Article 7

The Registry shall decide on the request from Article 5 hereof, within 15 days from the delivery of the request, at the latest, and send the decision on the admission to Registry System Membership, together with the notice on the amount of the annual

fee for the Registry System Membership and use thereof (invoice) to the applicant within three work days.

Article 8

In case that the Registry, during the procedure in relation to the application, should find the application incomplete, the applicant shall be informed request in writing, via telephone or fax, and asked to complete the request or remove inadequacies within eight days.

Should the applicant fail to complete the request within the deadline set in Paragraph 1 hereof, the Registry shall reach the decision on the rejection of the application on the grounds of its incompleteness.

Article 9

The Registry shall decline the request for admission to Registry System Membership if it finds:

1. that the applicant does not meet the requirements from Article 4 hereof;
2. that an authority revoked the license issued to the applicant, or the approval to perform its business activities;
3. that the documents and data provided with the request are not in accordance with law and other regulation, or that they are incomplete or inaccurate.

3.3. Rights and Responsibilities of the Registry System Members

Article 10

By its admission to the Registry System Membership, the Registry System Member accepts these Rules of the Registry and is obliged to apply them, together with all Instructions, decisions, conclusions and measures of the Registry pertinent to the activities under the Registry authority.

A Registry System Member is obliged to apply all changes and amendment hereto.

A Registry System Member has the right to cancel Membership in the Registry System prior to the application of changes and amendments hereto.

Article 11

Each Registry System Member is obliged:

1. to follow all provisions hereof, and Instructions decisions, conclusions and measures Registry made in accordance hereto;
2. to pay, on a regular basis, the fee for services to the Registry, in accordance with the valid Decision on Determining the types and amounts of fees for Registry services.

Article 12

Each Registry System Member from Article 24, Item 1, is obliged:

1. to sign a contract with its clients on the provision of services related to securities and keeping of the client account with the Registry, that is not contrary hereto, and Instructions made on the basis hereof;
2. to open client accounts and transfer securities from the registry account to the client account opened with the Registry System Member, only on the basis of a written and duly completed order that the client gives to the Registry System Member as a professional intermediary, after the correctness of client data is verified in the identification document and in the Registration System.

Article 13

After the admission to the Registry System Membership, the Registry System Member shall deliver to the Registry a request for the allocation of identification passwords for direct access to the Registration System (online connection with the Registry), that is kept with the Registry, together with the list of authorized persons.

Together with the request from Paragraph 1 hereof, the Registry System Member shall deliver a written authorization for persons listed among authorized persons, and the following data for each person: name, father's name, surname, address of the residence, citizenship, position in the company, telephone number, e-mail address and the signature of the authorized person.

The Registry shall prescribe, in special Instructions, the procedure of allocating the identification password from Paragraph 1 hereof, together with the procedure of identifying authorized persons of the Registry Membership System Members, in dealing with the Registry.

Article 14

The Registry will provide identification passwords only to the authorized persons from Article 13 hereof, to access the Registry via computer.

Registry System Members and persons from Paragraph 1 hereof are obliged to protect the secrecy of the data they acquire by accessing Registration System of the Registry.

The authorized person from Paragraph 1 hereof shall be held accountable for each online access to the Registry, and is obliged to report to the Registry on all changes in relation to the online connection with the Registry.

The Registry System Member shall be held accountable for all activities of authorized persons from Paragraph 1 hereof that are not in accordance with the law, regulation of the Commission, and hereto.

Article 15

On workdays, from 8 a.m. to 4 p.m., an employee of the Registry System Member must be present at all times at the company seat of the Registry System Member, who is authorized for signing documents and execution of activities in relation to Registry services, and correction of possible errors in the execution of activities within the Registry System.

Paragraph 1 hereof shall not apply to System Members from Article 24, Item 3.

Article 16

A Member of the Registry System is obliged and authorized to verify the correctness of all written reports and documents via the electronic link with the Registry, and all admonitions in relation to them must be reported to the Registry on the following work day, at the latest.

In case that the Registry System Member does not receive a report or information that the Registry is obliged to deliver (e.g. a daily report on the statement of a securities account, and other), the Registry must be informed thereof immediately.

A Registry System Member shall be held accountable for all damages resulting from insufficient verification or lack of verification of:

1. identification of the person filing the order to buy or sell securities;
 2. correctness of the data on the securities owner, or on the person filing the order, contained in the Registration System, as compared to the client identification document;
 3. Registry reports,
- and the Registry is accountable to Registry System Members in relation to all damages resulting from inconsistent delivery or failing to deliver reports.

3.4. Termination of the Registry System Membership

Article 17

Membership in the Registry System shall be terminated:

1. at the written request of the Registry System Member;
2. in case that the System Member ceases to exist;
3. in case that bankruptcy procedures have been initiated in relation to the System Member;
4. by removing the Member from the Registry System Membership in accordance with Article 18 hereof.

In case of events from Items 1 and 2 hereof, the procedures of Membership termination shall be initiated by the Registry System Member, and in case of events from Items 3 and 4, the procedures of Membership termination shall be initiated by the Registry.

In case of termination of Membership from Item 1 hereof, the registry shall repeal identification passwords for accessing the Registry System from Article 14, Paragraph 1 hereof.

Article 18

The Registry shall remove a Registry System Member from an individual type of Registry System Membership, in case it determines that:

1. the Registry System Member failed to pay the outstanding fee for Registry services, even after the notice;
2. the Registry System Member failed to make payment for the purchased market securities from activities in the Stock Exchange, or payment for the liquidity reserves or payment in the Safety Funds for the fee for clearing and settlement activities provision;

3. the Registry System Member attempted, three times consecutively, during one work day, at the most, to transfer securities of an issuer from the registration account of one securities owner to the client account of the same person;
4. the Registry System Member has acted without prior signing a contract with the client, or without or contrary to a previously received order of the client, or previous verification that the data on the client identification document is identical to the data in the Registration System;
5. the Registry System Member has violated the provisions of the law, bylaws, these Rules and Instructions made on the basis hereof, while acting in accordance of a client order;
6. the Registry System Member has ceased to meet the legal requirements for performing business activities, or that the Member's license or the authorization by an authority has been suspended, revoked or cancelled;
7. the Registry System Member does not have a person (director) authorized to represent it;
8. the Registry System Member has ceased to meet the requirements for Registry Membership set herein;
9. the Registry System Member has violated the provisions these Rules and Instructions made on the basis hereof;
10. other persons have used the allocated identification password for working in the Registration System, other than the authorized person of the Registry System Member to whom it was allocated;
11. the Registry System Member opens and maintains accounts from article 23 hereof, contrary to these Rules and the Book of Regulations on the Registration and Transfer of Securities with the Registry of Securities and Instructions made on the basis hereof;
12. in case of reasonable doubt that the Registry System Member is in serious financial difficulty of such nature that they might affect meeting obligations towards the Registry, clients and other Registry System Members;
13. the Registry System is insolvent (unable to meet the outstanding obligations towards the Registry or third parties);
14. due to activities of the Registry System Member, such events occurred that protection of investors' interests or regular activities of the Registry have been jeopardized.

In case of removal of a Registry System Member, in accordance with the provisions of Paragraph 1, Item 3 hereof, the Registry shall, on the same work day, following the second successive attempt of the Registry System Member to transfer securities of an issuer from the registration account to the client account, give verbal warning to the Registry System Member on the removal from Membership after the third attempt, without prior notice, and request the Registry System Member to deliver the client order by the end of that work day, via fax, on the basis of which the Registry System Member acted.

The Registry shall make the decision on the removal from the Registry System Membership, and deliver it to the Member removed from Membership, the Stock Exchange (in case that the Registry System Member is a Member of the Stock Exchange as well), the Commission and the depository bank – System Member.

The decision on the removal of the Registry System Member must contain the grounds and reason for the removal from the Registry System Membership, and the statement of the reasonable and appropriate evidence, and the method of clearing and

settlement of outstanding securities trades of the Registry System Member that was removed from Membership.

The Registry may perform control of the activities of the Registry System Member in the Registry System, directly at the Member seat, prior to reaching of the decision from Paragraph 3 hereof, and make minutes thereof, and establish whether the activities of the Registry System Member in the Registry System were in accordance to these Rules and Instructions made on the basis hereof.

Article 19

In case of removal of a Registry System Member in accordance with the provisions of Article 18 hereof, the Registry is obliged to inform the Registry System Member and other Registry System Members on the method of execution of outstanding operations and obligations of the Registry System Member who was removed from Membership.

The procedure and method of execution of outstanding operations and obligations from Paragraph 1 hereof are prescribed by a special Instruction of the Registry more closely.

Article 20

In case that the Membership of a Registry System Member is terminated in accordance with the provisions hereof, the Registry may transfer securities from the broker account of that Registry System Member and securities from accounts of its clients to the accounts of clients opened with another Registry System Member, on the basis of a written order of the client, or of the Registry System Member whose Membership ceased, if the Registry System Member to whose accounts securities are transferred agrees to that.

Article 21

In case that the Membership in the Registry System of a Registry System Member ceases, pursuant to the provisions hereof, the Registry shall transfer securities from client accounts of the Registry System Member whose Membership ceased, to the registration accounts of clients, after the expiry of the deadline for filing a complaint to the decision on the removal from the System Membership, within three work days following the receipt of a written order to transfer securities from the client account to the registration account of the same client.

The transfer order from Paragraph 1 hereof is made and delivered to the Registry by the Member removed from the Membership.

In case of removal of a Registry System Member, pursuant to the provisions of Article 18, Paragraph 1, Item 6 hereof, due to the revocation of the license or the authorization by an authority, should the Registry System Member fail to act in accordance with Paragraph 1 and 2 hereof, the Registry shall duly transfer securities from Paragraph 1 and 2 hereof after the expiry of the deadline for filing a complaint to the decision on the removal from the System Membership, and then close the client accounts from which securities were transferred.

In case of removal of a Registry System Member in accordance with Article 18, Paragraph 1, Items 6 and 7 hereof, for reasons other than due to the revocation of the license or the authorization by an authority, should the Registry System Member

fail to act in accordance with Paragraph 1 and 2 hereof, the transfer order from Paragraph 1 shall be made and delivered to the Registry by the owner of the client account opened with the removed Registry System Member.

In case that the order from Paragraph 4 hereof is delivered by the account owner by post, the signature of the owner on the order must be certified by an authority.

3.5. Types of Security Accounts with the Registry

Article 22

The Registry opens one or more securities accounts for issuers, securities owners and Registry System Members, in accordance with Article 23 hereof, and on those accounts keeps records on securities of the issuer and securities owners, and keeps records on securities on the name of the Registry System Member, and for the account of the clients.

Article 23

In the Registration System, the Registry keeps:

1. **registration accounts** in which securities of individual securities owners (legal or natural persons) are held directly in the Registration System of the Registry;
2. **broker accounts** in which securities are kept for the name and account of a professional intermediary – Registry System Member – licensed by the Commission for the performance of dealer business activities;
3. **client accounts** in which securities are kept with the Registry System Member – professional intermediary – for the name and account of the client;
4. **custody account**, opened with the Registry System Member, in which the custodian bank keeps securities of its clients, in accordance with the law, regulation of the Commission and the Rules of the Registry;
5. **lien account**, with securities in which lien is registered, which may be a separate account or a sub-account of the registration account, broker account or client account.

The Registry shall prescribe the method of keeping individual types of accounts from Paragraph 1 hereof in special Instructions, in more detail.

3.6 Types of Registry System Members

Article 24

In relation to the type and method of keeping securities accounts from Article 23 hereof, and in relation to the keeping records of securities in securities accounts with the Registry, the following types of System Members are possible:

1. **securities transfer system Members** are Members of the Registry System to which the Registry provides the following services:
 - a. it enables direct, online opening and closing of client/custody account on the order of a client;

- b. it enables direct, online transfer of securities from the registration account to the client/custody account opened with the Registry System Member, on the order of a client;
- c. provides direct, online insight into the status of securities in the broker account of the Registry System Member or the client/custody account opened with the Registry System Member;
- d. transfer securities from the client/custody account opened with the Registry System Member to the registration account of the client, on the basis of an order of a client, which is delivered to the Registry by a Registry System account.

Members of this system may be professional intermediaries for business activities related to client accounts, or banks – custodians for activities relating to custody accounts.

- 2. **clearing and settlement system Members** are Registry System Members to which the Registry provides the following services:
 - a. settlement of all claims and obligations of the Registry System Member resulting from trading securities through the Stock Exchange information system;
 - b. settlement of the net debt amount, and the net claims for a trading day;
 - c. enabling payment of obligations (net debt) in a special clearing and settlement account of the Registry opened with the CB BiH;
 - d. enables direct, online insight into the claim and debt status of a Registry System Member, before and after the settlement of mutual claims and debts.

Members of this system may be professional intermediaries.

- 3. **inquiry system Members** who access the balance of securities accounts are Registry System Members to whom the Registry provides direct, online insight into the statement of the securities account with the registry, or the list of securities owners.

Members of this system may be issuers (inquiry related to the list of securities owners), and securities owners (inquiry related to the securities account balance).

- 4. **securities lien system Members** are Registry System Members to whom the Registry provides the service of direct keeping of securities with lien, in the lien account with the Registry, and provides online insight into the account balance.

Members of this system may be professional intermediaries.

4. KEEPING OF THE REGISTRATION SYSTEM, KEEPING AND MAINTENANCE OF SECURITIES DATA

4.1. General Provisions

Article 25

Within its Registration System, the Registry keeps, in securities accounts, the rights of securities owners resulting from securities, together with the data on the unique identification numbers of all owners of rights from securities, possible restrictions in the execution of rights resulting from securities, rights of third parties relating to securities, and other data on rights resulting from securities, performs

transfers of securities from one securities account to another, and provides other services in relation to the keeping of the Registration System.

Article 26

The Registry may accept securities:

1. to the Registration System, which means registering securities in the registration account of the securities owner, keeping the status of the securities owner, rights resulting from securities and other data in relation to securities, through the Registry Registration System, as the information database;
2. to keep and maintain them in the Registration System, as dematerialized securities in the form of an electronic entry.

Article 27

The following securities are included in the Registry Registration System:

1. securities traded in the Stock Exchange and other public, regulated securities markets;
2. securities with unlimited transferability, that are not traded at the Stock Exchange or other public, regulated securities market;
3. securities for which the issuer did not publish a public offer (securities from private placement), and other securities.

4.2. Procedure of admission of securities into the Registration System

Article 28

The procedure of admission of securities into the Registry Registration System is initiated at the request of an issuer for concluding a contract with the Registry on the performance of activities relating to registration, keeping and maintenance of securities data.

The request may be filed directly at the Registry seat or via post to the Registry address.

The request must contain the data on:

1. company name and address of the issuer's seat;
2. a brief explanation of the request and activities the Registry will perform for the issuer;
3. name, surname and position of the authorized person of the issuer, who will sign the contract with the Registry.

The following documents need to be enclosed to the request from the previous Paragraph:

1. statement from the court registry,
2. a resolution of the authorized privatization agency, if the issuer was established by privatization;
3. a contract on the sale/purchase of state capital, concluded with the authorized privatization agency, and a partnership agreement, if they were concluded;
4. a license or similar appropriate document of an authority, if such document is required to perform business operations (e.g. professional intermediaries, banks, insurance companies).

In case that the issuer has already filed a request to the Registry from Article 5 hereof, and enclosed the documents from Article 6 hereof, the issuer shall deliver with the request prescribed herein only the documents from Paragraph 4, Items 3 and 4 hereof.

Article 29

Following the conclusion of the contract from Article 28 hereof, the issuer is obliged to orders for the registration of securities and securities owners, in accordance with the Instructions for securities issuers, prescribed by the Registry, that must contain the following data:

1. company name, seat, unique identification number, contact person of the issuer;
2. number, type, class and series of securities;
3. securities nominal value;
4. exact rights, or obligations resulting from securities, with possible restrictions of the execution of rights, and deadlines for meeting obligations;
5. company name, or name and surname, company seat or residence address of the securities owner, personal identification number and other identification data on the securities owner, and the content of rights of the securities owner;
6. other data as prescribed by the Instructions.

The issuer is obliged to deliver orders from Paragraph 1 hereof to the Registry within eight days from the date of signing the contract, and within 30 days from the date of the entry into the Registry of Issuers with the Commission, at the latest.

Article 30

The Registry shall register the issuer, following the order from Article 29 hereof, or the securities owner and securities in the Registry Registration System, within 30 days from the receipt of a complete request and a properly completed order, at the latest.

Following the registration of the issuer, the Registry shall deliver to the issuer a list of securities owners, and certificates – statements of securities account balance to securities owners.

Following the registration, the issuer is obliged to pay to the Registry the fee for the services, as prescribed by the Decision on the Establishing of the Type and Amount of Fees for the Registry Services.

Article 31

The Registry shall decline a request for the registration of securities filed by the issuer only in case that it is determined that the request and the documentation enclosed contain false or erroneous data.

4.3. Keeping Securities Data

Article 32

In the Registration System, the Registry shall keep and maintain the data on securities issued prior and after the coming into force of the Law on Securities, that appear as electronic records with the Registry in trading.

The Registry shall keep and maintain data on securities and accounts of issuers and securities owners, and provide the keeping of electronic files in the methods and within deadlines prescribed by the law, bylaws and regulation passed and published by the Commission.

4.4. Keeping of the Securities Registry

Article 33

The Registry provides the issuers with the service of keeping the securities registry within the Registry Registration System, that includes:

1. keeping and maintenance of registered data on issuer securities and securities owners;
2. change of registered data on the issuer and on issuer securities and securities owners, at the request of the issuer;
3. providing information to the owners of securities of the issuer on the securities account balance, following changes in the account by delivering statements – certificates containing the balance at the end of the month in which the change occurred.

4.5. Registry Services Related to the Execution of Rights Resulting from Securities

Article 34

The Registry may provide individual services to issuers of securities registered in the Registration System, relating to the execution of issuer's obligations towards securities owners, such as:

1. services related to voting at general meetings of shareholders;
2. services relating to providing information on securities owners to issuers;
3. services relating to providing information on shareholders who are entitled to dividend, to issuers;
4. services related to the changes to securities for the purposes of substituting, decreasing or increasing issuer's capital and new securities issuances;
5. services related to company takeovers;
6. services related to the execution of the preemptive rights and other priority rights;
7. issuing statement of the securities account balance;
8. other services in accordance with a special contract between the issuer and the Registry.

Article 35

The registry shall cease to provide individual services from Article 34 hereof due to a lack of technical and functional capabilities of the Registry Registration System.

Article 36

In the event that the Registry took over the obligation, by signing a contract with the issuer, of performing all or individual activities relating to the execution of the obligations of securities issuers, in the provision of services from Article 34 hereof, for the name and account of the issuer, the issuer is obliged to inform the Registry of the date for which the balance is required, 15 days prior to the execution of the obligation, at the latest.

The following activities shall mean the execution of obligations from the previous Paragraph:

1. drawing up of a list of shareholders with the right to vote in shareholders meetings, or issuing certificates on securities owners;
2. drawing up a list of shareholders entitled to the settlement and payment of dividend;
3. drawing up of a list of shareholder with preemptive rights for securities from new issuances, and new issuances;
4. collecting data on securities in case of changes to securities due to substitution, decreases or increases of the issuer's capital;
5. preparation of other lists, certificates and data on securities rights.

4.6. Termination of Services Relating to Keeping of the Registration System

Article 37

The Registry shall cease to provide individual services from Article 2 hereof, except the keeping of the Registration System in relation to individual securities, in case:

1. that the Registry does not possess adequate data, document and information necessary for regular provision of the Registry services;
2. that the issuer does not fulfill the obligations towards the Registry.

Article 38

In case that the Registry ceases to provide individual services in accordance with Article 37 hereof, it is obliged to inform the issuer, Members of the Registry and Stock Exchange thereof five days prior to the termination of services, in case that the securities are traded at the Stock Exchange or other public, regulated securities market.

The Registry is obliged to state the reason and date of the termination of services in the notice from the previous Paragraph hereof, and the method of further performance of activities in relation to such securities.

5. SECURITIES TRANSFERS BASED ON APPLICATIONS FOR SECURITIES TRANSFERS

Article 39

The Registry shall transfer securities that are not traded at the Stock Exchange or other regulated securities markets from the account of the seller of the securities to the buyer's account, within the Registration System, on the basis of a delivered and

properly completed application form for the transfer of securities, with complete documentation enclosed to the application, within three work days from the date of delivery of a properly completed application for the transfer of securities and pertinent documentation, at the latest.

The Registry shall transfer securities in the method described in Paragraph 1 hereof, from the account of the former securities owner to the account of the new owner, notwithstanding whether securities are traded at the Stock Exchange or other regulated securities market, or the transfer relates to other legal acts except sale and purchase (exchange, gifts, inheritance, etc.), or on the basis of a decision of an authority.

The Registry shall prescribe the procedure of transferring securities with restrictions of disposal or other types of restrictions by special Instructions.

Article 40

The application for transfer of securities from Article 39, Paragraphs 1 and 2 hereof must contain the following data:

1. company name and seat, or name and surname, name of parents and the residence address of the former and new securities owners;
2. personal identification number of the former and new securities owners;
3. label of the securities transferred, the company name, seat and registration number of the issuer in the Registry of Issuers with the Commission;
4. securities identification number (ISIN), type, class, number and nominal value of securities transferred;
5. signature of the new securities owner;
6. legal basis for transfer (sale-purchase agreement, gift agreement, court decision on inheritance, etc.).

The method of filing and content of the application form for the transfer of securities is prescribed by the Instructions on the Securities Transfer Application Form (“Official Gazette of the Federation of Bosnia and Herzegovina”, No. 58/00), published by the Registry.

Article 41

The new securities owner, either personally or by proxy, shall file the application for the transfer of securities from Article 39, Paragraphs 1 and 2 hereof, with the necessary documentation enclosed, directly at the Registry seat or by mail.

The application for the transfer of securities from Paragraph 1 hereof may be filed by a professional intermediary – Member of the Registry, on behalf of the new owner of securities. In that event, the Registry Member is obliged to deliver only a completed transfer application, and sign the “applicant” entry of the form as the authorized representative of the Registry Member, and certify the signature with the Registry Member stamp.

Article 42

In the event from Article 41, Paragraph 2 hereof, following the receipt of the request of the client for the filing of the securities transfer application, the professional intermediary – Registry Member shall:

1. verify the identity and signature of the new securities owner contained in the application;
2. determine whether the application for the transfer of securities is properly completed, and whether complete and valid documents on the basis of which the transfer is executed are enclosed;
3. delivers the transfer application to the Registry, which serves as a simultaneous order to the Registry to open a registration account for the buyer of securities in the Registry Registration System, should he not possess a registration account.

The professional intermediary – Registry Member shall deliver the securities transfer application from Paragraph 1 hereof either directly to the Registry seat or via mail, and retain the documentation enclosed to the application in its records.

6. CLEARING AND SETTLEMENT

6.1. General Provisions

Article 43

The Registry provides services of clearing and settlement of pecuniary obligations relating to legal acts performed within the Stock Exchange information system (hereinafter: clearing and settlement), and transfer of securities in relation to clearing and settlement to Members of the Registry Clearing and Settlement System, that must also be Members of the Stock Exchange.

The Registry shall provide services from Paragraph 1 hereof on the basis of a written report of the Stock Exchange.

The Registry shall prescribe, in detail, the method and procedure of clearing and settlement of pecuniary obligations resulting from legal acts performed with the Stock Exchange information system and transfer of securities, after the completion of clearing and settlement, by special Instructions, approved by the Commission.

Article 44

On the basis of the report of the Stock Exchange on the legal acts concluded on a trading day, the Registry shall perform clearing and settlement of pecuniary obligations (claims and debts) for all Members of the Registry Clearing and Settlement System, individually.

Article 45

Pecuniary debts of a Member of the Registry Clearing and Settlement System are equal to the total market value of securities the Member purchased on the day of trading at the Stock Exchange.

Pecuniary claims of a Member of the Registry Clearing and Settlement System are equal to the total market value of securities the Member sold on the day of trading at the Stock Exchange.

The positive difference between the pecuniary debts and claims from Paragraphs 1 and 2 hereof represent net debt of the Registry Clearing and Settlement System Member.

The positive difference between the pecuniary claims and debts from Paragraphs 1 and 2 hereof represent net claims of the Registry Clearing and Settlement System Member.

6.2. Fulfilling of the obligation to transfer securities

Article 46

The Registry shall transfer securities in the Registration System, in relation to activities from Article 43 hereof, in the method that it transfers securities from the account of the Registry Clearing and Settlement System Member, that is also the seller of securities to the client account opened with the Registry Clearing and Settlement System Member that purchased the securities, on the day of sale-purchase.

The day of the execution of the activity from Paragraph 1 hereof is three work days (T+3) from the day on which the legal act was executed at the Stock Exchange or other regulated market, at the latest.

The transfer of securities from Paragraph 1 hereof shall be executed in relation to the balance of the client account opened with the Registry Clearing and Settlement System Member – the seller, on the day three days following the conclusion of the trade, or on T+3.

6.3. Trade Control

Article 47

On the date of securities trading (T+0), the Registry gives its approval to the Stock Exchange to perform through its information system continuous control of the concluded trades in the Registry Registration System, in accordance with the following parameters:

1. verify whether there is a client (buyer and seller) account of the stated applied for trading, opened with the professional intermediary - Registry Clearing and Settlement System Member;
2. verify whether securities applied for trading are present in the stated number and type at the client account of the seller from Item 1 hereof.

6.4. Safety Fund

Article 48

The Fund is established with the pecuniary payments of the Registry Clearing and Settlement System Members, that are held with the Registry, on a special bank account with the CBBiH.

Through the Fund, all Members of the Registry Clearing and Settlement System give their joint and several guarantee for the fulfillment of obligations resulting from trading securities at the Stock Exchange or other regulated markets.

In case of outstanding net debts of the Registry Clearing and Settlement System Members, the Registry shall settle pecuniary obligations from the Fund and at the same time, register a lien on securities from the property of the Registry System Member.

In the event from Paragraph 3 hereof, the Registry Clearing and Settlement System Member that has not settled the net debts is obliged:

1. to make a payment to the account from Paragraph 1 hereof in the amount for which the Registry gave order to be paid from the Fund to settle net debts, increased by the legal default interest;
2. to make a payment of the fine to the account from Paragraph 1 hereof in the amount of 100% of the payment from Item 1 of this Paragraph.

The Registry Clearing and Settlement System Member is obliged to make payments from Paragraph 4 hereof within five work days from the day on which net debt was settled from the Fund; otherwise, for each subsequent day of delay, the Member is obliged to make payments of penalties in the amount of 1% of the amount that was paid from the Fund to settle net debts of that Registry Clearing and Settlement System Member.

The Registry shall prescribe, in detail, the method and procedure of determining of the amount to be paid by each Registry Clearing and Settlement System Member into the Fund, and method of using the Fund by special Instructions, approved by the Commission.

6.5. Liquidity Reserve

Article 49

The liquidity reserve is the amount that the Registry Clearing and Settlement System Member is obliged to pay to fulfill the obligations from trading concluded at the Stock Exchange.

A Member of the Registry Clearing and Settlement System is obliged to pay the liquidity reserve to a special account of the registry opened with the CB BiH, on the day after the conclusion of the trade at the Stock Exchange (T+1), if the net debt of the Member exceeds his own liquidity reserve limit.

The detailed procedure, method and determining the amount to be paid by individual Members of the Registry Clearing and Settlement System into the liquidity reserve has been prescribed by the Methodology on the Procedure and Method of Determining the Amount of Liquidity Reserve Paid by the Registry System Members for the Performance of Clearing and Settlement, that is an integral part of the Instructions from Article 43, Paragraph 3 hereof.

7. REGISTRY DECISION-MAKING

7.1. Making Decisions on Individual Operations

Article 50

Unless these Rules stipulate otherwise, the Registry Management decides on individual operations from these Rules, such as the admission to the Registry System Membership or termination of Membership of the Registry System Member, request for the admission of securities in the Registration System, or termination of one or more services of the Registry, and other.

The Registry Management may appoint special committees, that decide by a majority of Members present, to decide on individual activities.

Article 51

The appeal against the decision of the Registry Management, or a committee from Article 50, Paragraph 2 hereof, may be filed to the Supervisory Board of the Registry.

Article 52

The appeal from the previous Article may be filed in written, via mail to the Registry address, or directly at the Registry seat, within 15 days from the date of receiving the decision of the Registry Management, or a committee from Article 50, Paragraph 2 hereof.

The appeal shall not stay the execution of the decision of the Registry Management or committee.

The appeal must contain the data on the decision appealed, the number and date of the decision, and the reasons behind the appeal against the decision; it is necessary to state new facts and evidence that appellant did not possess or could not gather at the time request was filed.

Article 53

The Supervisory Board of the Registry shall decide on the appeals from Article 51 hereof.

The Supervisory Board of the Registry shall decide in the form of a decision that is delivered to the appellant, the Registry Management and the Commission.

In case that the appeal is untimely or incomplete, the Supervisory Board of the Registry shall dismiss the appeal.

The Supervisory Board of the Registry may dismiss an appeal as unfounded and confirm the decision of the Registry Management, or accept the appeal and change the decision of the Registry Management or a committee from Article 50, Paragraph 2 hereof.

The Supervisory Board of the Registry shall decide on the appeal within 30 days from the receipt of the appeal, at the latest.

7.2. Decision-making in Relation to General Operations

Article 54

The Registry Management prescribes Instructions that contain detailed method and procedure of providing individual services of the Registry, and prescribes the form and content of forums that are used in providing individual services of the Registry.

Instructions from Paragraph 1 of this Article are mandatory for the Registry Management and all Registry Members.

Registry Members must be sent a prior notice on each draft of the Instructions or draft of changes and amendments to the Instructions.

Article 55

At the proposal by the Registry Management, the Supervisory Board of the registry shall make the Decision on Determining the Types and Amount of Fees for Services of the Registry, approved by the Commission.

8. THE PROCEDURE OF MAKING CHANGES AND AMENDMENTS TO RULES AND INSTRUCTIONS

Article 56

These Rules are passed by the Supervisory Board of the Registry, at the proposal by the Registry Management, pursuant to Article 12b of the Law on the Registry of Securities, approved by the Commission.

The Instructions on the Provision of Services of the Registry are passed by the Supervisory Board of the Registry, at the proposal by the Registry Management.

Internal procedures and individual enactments on the method and procedure of performing individual types of operations, or providing services under the authority of the registry are passed by the Registry Management.

Article 57

Changes and amendments to these Rules are made in accordance with the procedure for passing them.

The proposal of changes and amendments to these Rules, as determined by the Supervisory Board of the Registry, is delivered to all Registry Members, together with the explanation, so that they could give their opinions on the proposed changes and amendments hereto within 15 days, before they are delivered to the Commission for approval.

Opinions of Registry Members regarding the changes and amendments hereto may be delivered to the Commission for inquiry.

Registry Members have the right to cancel their Membership in the Registry System, prior to the coming into force of the changes and amendments hereto.

Article 58

Changes and amendments to these Rules are made in accordance with the procedure for passing them.

The proposal of changes and amendments to these Rules, as determined by the Supervisory Board of the Registry, is delivered together with the explanation to all Registry Members who have the right to cancel their Membership in the Registry System, prior to the coming into force of the changes and amendments hereto.

9. TRANSITIONAL AND FINAL PROVISIONS

Article 59

These Rules shall be published at the official web site of the Registry (www.rvp.ba) and in the “Official Gazette of the Federation of Bosnia and Herzegovina”, following the approval by the Commission.

Article 60

The Registry shall pass the Instructions and other enactments from Article 4, Paragraph 2; Article 13, Paragraph 3; Article 19, Paragraph 2; Article 23, Paragraph 2; Article 29, Paragraph 1; Article 39, Paragraph 3; Article 43, Paragraph 3 and Article 48, Paragraph 6 hereof, within 60 days from the date of coming into force hereof.

Article 61

These Rules shall come into force following the approval by the Commission.

By coming into force hereof, the validity of the Rules of the Registry of Securities of the Federation of Bosnia and Herzegovina No. 05-1-NO-XVII-4/02, dated April 4, 2002, approved by the Resolution of the Commission No. 04-05-419/02, dated April 26, 2002, and the Decision on the Changes and Amendments to the Rules of the Registry of Securities of the Federation of Bosnia and Herzegovina No. 04-2-NO-XXXII-8/03, dated December 13, 2003, approved by the Decision of the Commission No. 04-49-2008/03, dated February 9, 2004, is terminated.

No. 04-02-NO-XIII-10487/05
In Sarajevo, December 19, 2005

These Rules were approved by a Resolution of the Securities Commission of the Federation of Bosnia and Herzegovina, No. 04/2-19-15/06, dated January 12, 2006.