

# ALTERNATIVE TRADING SYSTEM RULES

(text according to legal condition at 20 June 2012)<sup>1</sup>

**NOTE:**

Only the Polish version of this document is legally binding. This translation is provided for information only. Every effort has been made to ensure the accuracy of this publication. However, the WSE does not assume any responsibility for any errors or omissions.

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<sup>1</sup> *This document contains provisions § 9.6-7 and § 23a – 23c which come into force with effect from 27 June 2012.*

## Chapter 1

### General provisions

#### § 1

1. These Rules determine the rules of operating in the alternative trading system organised by the Warsaw Stock Exchange (the “alternative system”).
2. Dematerialised shares, rights to shares, pre-emptive rights, depositary receipts, bonds (except bonds issued by the State Treasury or the National Bank of Poland) and other equity securities or other debt financial instruments issued under applicable provisions of Polish or foreign law and introduced to trading may be traded in the alternative system.

#### § 2

##### 1. In these Rules:

- 1) the Trading Act shall be understood as the Act on Trading in Financial Instruments of 29 July 2005 (*Dziennik Ustaw* from 2010, No. 211, item 1384, as amended);
- 2) the Public Offering Act shall be understood as the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of 29 July 2005 (*Dziennik Ustaw* from 2009, No. 185, item 1439, as amended);
- 3) the alternative system shall be understood as the alternative trading system referred to in article 3(2) of the Trading Act, organised by the Warsaw Stock Exchange;
- 4) the Alternative System Organiser shall be understood as the Warsaw Stock Exchange, a joint-stock company;
- 5) the Exchange Rules shall be understood as the Exchange Rules adopted by the Warsaw Stock Exchange Supervisory Board by Resolution No. 1/1110/2006 of 4 January 2006 (as amended);
- 6) the FSA shall be understood as the Financial Supervision Authority;
- 7) the supervision authority shall be understood as the supervision authority in Poland, the supervision authority in another Member State of the European

- Union or the supervision authority in a state that is a party to the European Economic Area Agreement, as determined under relevant regulations;
- 8) the National Depository shall be understood as the National Depository for Securities, a joint-stock company;
  - 9) the exchange shall be understood as the stock exchange operated by the Warsaw Stock Exchange, a joint-stock company;
  - 10) the regulated market shall be understood as the regulated market referred to in article 14 of the Trading Act;
  - 11) the domestic regulated market shall be understood as the regulated market operating in the Republic of Poland;
  - 12) the public information document shall be understood as a prospectus, information memorandum or other document prepared in relation to a public offering or seeking admission of financial instruments to trading on the regulated market which has been approved by the competent supervisory authority or whose equivalence in the meaning of the provisions of the Act on Public Offering has been confirmed by the competent supervisory authority, unless the approval or confirmation of the equivalence of such document is not required;
  - 13) the information document shall be understood as the information document prepared in accordance with the requirements specified in Exhibit 1 to these Rules;
  - 14) financial instruments shall be understood as shares, rights to shares, preemptive rights, depositary receipts, bonds and other equity securities or other debt financial instruments issued under applicable provisions of Polish or foreign law;
  - 15) the Market Member shall be understood as an entity that is the exchange member within the meaning of the Exchange Rules authorised to make transactions in the alternative system;
  - 16) the broker's order shall be understood as an offer to buy or sell financial instruments listed in the alternative trading system;
  - 17) the transaction shall be understood as an agreement entered into in the alternative trading system in accordance with these Rules which provides for an obligation to transfer ownership of financial instruments introduced to trading in the alternative system;

- 18) the business day shall be understood as any day from Monday to Friday, except for non-working days within the meaning of the Non-Working Days Act of 18 January 1951 (*Dziennik Ustaw* No. 4, item 28, as amended);
- 19) the qualified investor shall be understood as the qualified investor within the meaning of article 8 of the Public Offering Act;
- 20) internationally accepted standards shall be understood as:
- a) for issuers or underlying security issuers based in the European Economic Area states: International Accounting Standards, International Financial Reporting Standards and the related interpretations published in the form of the European Commission's regulations,
  - b) for issuers or underlying security issuers based in non-European Economic Area states: accounting standards required under regulations of third countries which were determined to be equivalent to IAS according to the mechanism referred to in Article 3 of Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council (Official Journal of the European Union L 340 of 22.12.2007, p. 66) or accepted accounting standards referred to in Article 4 of Commission Regulation (EC) No 1569/2007 of 21 December 2007 and in Commission decisions issued pursuant to Article 23(4) of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (Official Journal of the European Union L 390 of 31.12.2004, p. 38, as amended),
  - c) for standards other than referred to in (b), for issuers or underlying security issuers based in non-European Economic Area states other than those specified in (b): International Accounting Standards, International Financial Reporting Standards and the related interpretations published in the form of the European Commission's regulations or International Accounting Standards, International Financial Reporting Standards and the related interpretations issued or adopted by the International Accounting Standards Board;

- 21) the managing person shall be understood as people significantly affecting management of the issuer, including without limitation a management board member, person acting as a management board member, commercial proxy, if such proxy affects the management of the entire enterprise of a given entity, curator, member of a compulsory administration or liquidator;
  - 22) the supervisory person shall be understood as a member of the supervisory board, the audit committee or another governing body, as appointed at the entity to supervise such entity's correct operations;
  - 23) the issuer's group shall be understood as the group within the meaning of accounting regulations applicable to the issuer;
  - 24) the underlying security issuer shall be understood as the issuer of shares underlying the issue of depositary receipts.
2. Any terms not defined in these Rules shall be understood in accordance with relevant legal regulations applicable on the domestic regulated market, specifically the Trading Act and the Public Offering Act.

## **Chapter 2**

### **Introduction of financial instruments to trading**

#### **§ 3**

1. Financial instruments may be introduced to trading in the alternative system (the "trading") provided that:
  - 1) an appropriate public information document has been prepared, unless the preparation of such document is not required, subject to sub-paragraph 2,
  - 2) their transferability is not restricted,
  - 3) no bankruptcy or liquidation proceedings are underway with respect to their issuer,
  - 4) (deleted),
  - 5) the nominal value of the shares is at least PLN 0.10; if rights to shares or pre-emptive rights are introduced to trading, this requirement shall apply accordingly to shares arising from the conversion of the rights to shares and to shares taken up by exercising the pre-emptive rights. The foregoing requirement shall not apply to shares, rights to shares and pre-emptive rights of an issuer whose other shares or rights to shares were previously introduced

to the alternative trading system without the obligation to fulfil this requirement. The Alternative System Organiser may waive this requirement if it concludes that this does not jeopardise the safety of trading or the interest of its participants.

2. Subject to sub-paragraphs 3 and 4, if under legal regulations the public information document does not need to be prepared or the validity of the public information document prepared in connection with a public offering or seeking admission of financial instruments to trading on the regulated market has expired, introduction of financial instruments to trading in the alternative system shall require:

- 1) the issuer to prepare an appropriate information document;
- 2) the issuer to submit a declaration of an Authorised Adviser to the effect that:
  - a) the information document has been prepared in accordance with the requirements specified in Exhibit 1 to these Rules,
  - b) according to their best knowledge and pursuant to documents and information provided to them by the issuer, information contained in the information document is true, fair and reflects the facts and the information document does not omit any facts that could affect its significance and valuation of financial instruments introduced to trading, and the document provides a reliable description of risk factors related to participation in trading in given instruments.

3. If not more than 30 days lapsed between the expiration of the validity of the public information document and the date of submission of the application for introduction to trading in the alternative system, the introduction of the financial instruments referred to in the document to trading in the alternative system shall not require the fulfilment of the conditions set out in sub-paragraph 2.

4. The requirement referred to in sub-paragraph 2(2) shall not apply in the case of:

- 1) releasing the issuer from the duty to execute the agreement with the Authorised Adviser, or
- 2) introduction of debt financial instruments to trading in the alternative system unless the issuer concluded an agreement with an Authorised Adviser.

### § 3<sup>1</sup>

Where interests of trading participants make that reasonable, the Alternative System Organiser may introduce to trading in the alternative system financial instruments of an issuer with respect to which the proceedings referred to in § 3.1(3) are underway,

if the financial instruments referred to in the application were traded on the regulated market.

### § 3<sup>2</sup>

1. The obligation to prepare the information document shall not apply if the issuer's financial instruments referred to in the application for introduction are traded on the domestic regulated market.

2. The obligation to prepare the information document shall not apply, either, if the issuer's financial instruments referred to in the application for introduction were traded on the domestic regulated market, where the application was filed on the day following the day such instruments were delisted from trading on the regulated market at the latest.

3. The obligation to prepare the information document shall not apply in the case of introducing into trading in the alternative trading system of debt financial instruments of an issuer whose other financial instruments have been admitted to trading on the domestic regulated market or introduced to trading in the alternative trading system organised by the Alternative System Organiser or BondSpot S.A. if the issuer, in accordance with relevant regulations, publishes a report containing at least the information referred to in Chapter 4 Section 3 of Exhibit 1 to these Rules.

### § 3<sup>3</sup>

1. The obligation to prepare the information document shall not apply if the issuer's shares referred to in the application for introduction constitute less than 5% of the issuer's all shares of the same type introduced to the alternative trading system and rights to such shares and pre-emptive rights to such shares, subject to sub-paragraph 2.

2. The provisions of sub-paragraph 1 shall not apply to shares which, after their introduction to the alternative trading system, will constitute or exceed, together with shares introduced to such trading according to sub-paragraph 1 in the last 12 months, 5% of the issuer's all shares of the same type introduced to the alternative trading system. The provision shall apply accordingly to rights to such shares and pre-emptive rights to such shares.

## § 4

1. Financial instruments shall be introduced to trading in the alternative system upon the request of their issuer. A form of the application is specified by the Alternative System Organiser.
2. Subject to the provisions of these Rules, the issuer shall append in particular the following to the application for introduction:
  - 1) up-to-date articles of association or shareholders agreement or other documents or their certified copies determining the issuer's legal status, unless their content is included in the information document,
  - 2) up-to-date excerpt from the register relevant for the issuer, unless it is included in the information document,
  - 3) appropriate public information document and amendments thereto as well as information about circumstances or events that occurred from the day by which the issuer was obliged in accordance with relevant regulations to publish amendments to the public information document to the day the introduction application was filed if such information may have a significant impact on the economic, property or financial situation of the issuer or could, in the issuer's opinion, significantly affect the price or value of its financial instruments, or an appropriate information document prepared at the day the introduction application was filed in accordance with Exhibit No. 1 to these Rules, or a report referred to in § 3<sup>2</sup>.3,
  - 4) decision of a relevant supervision authority on approval of a public information document and amendments thereto or confirmation of the equivalence of the document in the meaning of the provisions of the Act on Public Offering, or a declaration of the Authorised Adviser referred to in § 3.2(2),
  - 5) declaration of the issuer and the Authorised Adviser to the effect that conditions for introduction of such instruments to trading as specified in these Rules have been met,
  - 6) declaration of the issuer and the Authorised Adviser to the effect that the Authorised Adviser is not a parent entity of the issuer or a subsidiary of the issuer or of the parent entity of the issuer within the meaning of the Public Offering Act.
3. The Alternative System Organiser may request that the issuer or the Authorised Adviser submit additional information, declarations or documents related to introduction of specified financial instruments to trading in the alternative system. The

Alternative System Organiser may publish information, declarations or documents received on its website.

4. If the issuer or its Authorised Adviser learn about significant errors or amendments of the information document or about the occurrence of circumstances or events that occurred or became known to the issuer or its Authorised Adviser from the day the introduction application was filed to the date of the introduction decision of the Alternative System Organiser if they may have a significant impact on the economic, property or financial situation of the issuer or could, in the issuer's opinion, significantly affect the price or value of its financial instruments, the issuer or its Authorised Adviser shall promptly provide such information to the Alternative System Organiser. In such cases, the issuer shall at the same time provide the updated information document to the Alternative System Organiser.

5. The provisions of sub-paragraph 4 shall apply accordingly to other documents or information concerning the introduction of financial instruments to the alternative trading system, submitted or provided by the issuer of such instruments or the issuer's Authorised Adviser.

## § 5

1. The Alternative System Organiser shall adopt a resolution concerning introduction or refusing introduction of financial instruments to trading in the alternative system 7 working days after the issuer submits an appropriate application (together with all the documents and information required under these Rules). If the submitted application or the documents attached thereto are incomplete or it is necessary to obtain additional information, statements or documents, the deadlines for the adoption of the resolution referred to in the first sentence shall run as of the day the application is supplemented or the required information, statements and documents are presented to the Alternative System Organiser. The Alternative System Organiser in consultation with the issuer may determine another date of introducing financial instruments to trading.

2. The Alternative System Organiser shall adopt a resolution refusing the introduction of financial instruments referred to in the application to trading in the alternative system if the introduction conditions set out in these Rules have not been met.

3. The Alternative System Organiser may adopt a resolution refusing the introduction of financial instruments referred to in the application to trading in the alternative system specifically if it decides that:

1) the information document does not meet formal requirements specified in Exhibit No. 1 to these Rules, or the report referred to in § 3<sup>2</sup>.3 does not contain the elements indicated in Chapter 4 Section 3 of Exhibit No. 1 to these Rules,

1a) the submitted application or the documents attached thereto or additional information, statements or documents required by the Alternative System Organiser have not been completed within the scope and the time limit determined in the written request by the Alternative System Organiser presented to the issuer or the Authorised Adviser by mail or by fax; the time limit determined by the Alternative System Organiser shall be at least 7 business days from the presentation of the relevant letter / copy of the letter to the issuer or the issuer's Authorised Adviser,

2) introduction of given financial instruments to trading would jeopardise the trading safety or the interests of trading participants.

4. Where the Alternative System Organiser adopts a resolution refusing the introduction of financial instruments referred to in the application to trading in the alternative system, it must give specific reasons for its decision and promptly provide the issuer with a copy of the relevant resolution together with the related specific reasons.

5. The issuer may, within 5 business days of the day of delivery of the resolution referred to in sub-paragraph 4, file an application for reconsidering the case. The Alternative System Organiser must consider that application promptly.

6. The Alternative System Organiser shall promptly publish on its website information about given financial instruments being introduced to trading in the alternative system.

7. After financial instruments are introduced to trading, the following shall be published on the website of the Alternative System Organiser:

1) appropriate public information document and amendments thereto as well as information provided by the issuer about circumstances or events that occurred from the day by which the issuer was obliged in accordance with relevant regulations to publish amendments to the public information document to the day the application to introduce given instruments to trading in the alternative system was filed if such information may have a significant impact on the economic, property or financial situation of the issuer or could, in the issuer's opinion, significantly affect the price or value of its financial instruments, or

2) appropriate information document, subject to § 4.4., or

3) report referred to in § 3<sup>2</sup>.3.

8. A subsequent application for introduction of the same financial instruments to trading in the alternative system may be filed not earlier than upon the lapse of 3 months after the date of delivery of the resolution refusing the introduction of the financial instruments to trading or, where an application for reconsidering the case is filed, not earlier than upon the lapse of 3 months after the date of delivery of another refusal resolution to the issuer.

## § 6

In cases set out in law, the Alternative System Organiser shall withhold the introduction of given financial instruments to trading in the alternative system for not more than 10 days. The Alternative System Organiser shall promptly publish such information on its website.

## Chapter 3

### **Trading in financial instruments in the alternative system**

#### **Section 1**

#### **Start and end of trading**

## § 7

1. Trading of financial instruments in the alternative system shall be started upon the request of their issuer for determining their first trading date.

2. Trading of financial instruments in the alternative system may be started provided that:

- 1) such instruments were introduced to trading in accordance with these Rules,
- 2) documents and information referred to in § 5.7 are published on the website of the Alternative System Organiser on the day preceding the first trading date on the latest,
- 3) such instruments are registered with a depository for securities.

3. The issuer's application for determining the first trading date shall include, but not be limited to:

- 1) instrument code as registered in the depository for securities,

- 2) proposed first trading date,
  - 3) proposed (order-driven or price-driven) market.
4. The issuer shall append the application for determining the first trading date in particular with:
- 1) documents of the National Depository specifying the instrument code as registered in the depository for securities;
  - 2) a statement of the Market Animator, subject to § 9 sub-paragraph 2a, to the effect that the Market Animator holds financial instruments and cash necessary to properly execute the obligations arising from the agreement referred to in § 20.1 with respect to the instruments subject to the application from their first day of trading – where the issuer applies for the first time for trading in the alternative trading system of shares or rights to shares (whichever of these instruments is traded first).
5. On the basis of the issuer's application referred to in sub-paragraph 3, the Alternative System Organiser shall set specifically the first trading date for given instruments in the alternative system as well as the trading market and system.
6. The Alternative System Organiser may make the start of trading conditional upon submitting additional information, declarations or documents by the issuer, Authorised Adviser, Market Animator or Market Maker. The Alternative System Organiser may publish information, declarations or documents received on its website.

## § 8

In cases set out in law, the Alternative System Organiser shall withhold the start of trading of specified financial instruments in the alternative trading system for not more than 10 days. The Alternative System Organiser shall promptly publish such information on its website.

## § 8a

Upon request of the issuer, the Alternative System Organiser may decide to determine the last trading date of financial instruments in the alternative trading system.

**Section 2**  
**Trading rules**

§ 9

1. Financial instruments introduced to trading in the alternative system shall be traded:

1) on the order-driven market:

- a) in a continuous trading system, or
- b) in a single-price auction system, or

2) on the price-driven market in a continuous trading system.

2. Subject to provisions of these Rules, financial instruments shall be traded on the order-driven market provided that there is a valid undertaking of the Market Animator to perform Market Animator's tasks with respect to these financial instruments on terms laid down by the Alternative System Organiser.

2a. The Alternative System Organiser may decide that financial instruments shall be traded on the order-driven market without the obligation to fulfil the requirement referred to in sub-paragraph 2, in particular due to the character of the financial instruments, their listing on the regulated market or a market or alternative trading system other than operated by the Alternative System Organiser.

2b. The Alternative System Organiser may, not earlier than upon the lapse of 2 years after the first date of trading in financial instruments of the given issuer in the alternative system, decide to waive the requirement referred to in sub-paragraph 2 if it is justified by the liquidity of trading in the instruments, subject to sub-paragraph 2c.

2c. The Alternative System Organiser may call on an issuer to meet the requirement referred to in sub-paragraph 2 within 30 days after the call if the Alternative System Organiser decides that it is necessary in order to improve the liquidity of trading in the financial instruments of the issuer.

3. Subject to provisions of these Rules, financial instruments shall be traded on the price-driven market provided that there is a valid undertaking of at least one Market Maker to perform Market Maker's tasks with respect to given financial instruments, on terms laid down by the Alternative System Organiser.

4. Subject to § 20.3 and § 21.2, the market on which an issuer's financial instruments are traded shall be changed upon request of such issuer. A decision on changing the market for given financial instruments shall be made by the Alternative System

Organiser. Such decision should be published on its website at least 3 business days prior to the decision effective date.

5. Subject to sub-paragraph 6 and sub-paragraph 7, the decision on changing the trading system shall be made by the Alternative System Organiser. Such decision should be published on its website at least 3 business days prior to the decision effective date.

6. Shares classified in the NewConnect Super High Liquidity Risk segment other than shares classified in the segment due to the declaration of the issuer's bankruptcy with the possibility of entering into an arrangement shall be traded in the single-price auction system as of the third trading day after the date of publication of information about the classification to trading participants.<sup>2</sup>

7. Shares which are no longer classified in the NewConnect Super High Liquidity Risk segment shall be traded in the continuous trading system as of the third trading day after the date of publication of information about their discontinued classification in the segment to trading participants unless the Alternative System Organiser decides otherwise.<sup>2</sup>

## § 10

1. In the alternative trading system, a party to the transaction may exclusively be a Market Member as well as the National Depository on terms laid down in an agreement with the Alternative System Organiser.

2. Exhibit 2 to these Rules sets out detailed rules of trading in financial instruments in the alternative system, including:

- 1) rules, procedures and conditions of making and cancelling transactions,
- 2) rules, procedures and conditions of listing, determining and announcing prices or values of listed instruments,
- 3) rules of registering and settling transactions made,
- 4) rules of resolving disputes concerning the course or settlement of transactions,
- 5) rules of publishing information concerning offers and transactions made,
- 6) measures to counteract and disclose instances of manipulation.

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<sup>2</sup> Provisions of § 9.6-7 come into force with effect from 27 June 2012.

## Chapter 4

### **Suspending trading in and delisting financial instruments in the alternative system**

#### § 11

1. The Alternative System Organiser may suspend trading in financial instruments for not more than 3 months subject to the provisions of § 12.3 and § 17c.2:
  - 1) if so requested by the issuer,
  - 2) if it considers this necessary to protect the interests and safety of trading participants,
  - 3) if the issuer breaches rules governing the alternative system.
2. In cases set out in law, the Alternative System Organiser shall suspend trading in financial instruments for not more than a month.

#### § 12

1. The Alternative System Organiser may delist financial instruments:
  - 1) if so requested by the issuer; however, such decision may be dependent on meeting additional requirements by the issuer,
  - 2) if it considers this necessary to protect the interests and safety of trading participants,
  - 3) if the issuer's bankruptcy is declared or the petition in bankruptcy is dismissed by the court because the issuer's assets are insufficient to cover the costs of the proceedings,
  - 4) if the issuer is placed in liquidation.
2. The Alternative System Organiser shall delist financial instruments from the alternative system:
  - 1) in cases set out in law,
  - 2) if their transferability has become restricted,
  - 3) if they are no longer dematerialised,
  - 4) 6 months of the validity date of a decision on declaration of bankruptcy of the issuer including liquidation of its assets or court decision to dismiss a petition for declaration of bankruptcy because the issuer's assets are insufficient to cover the costs of proceedings.

3. Before making a decision to delist financial instruments, the Alternative System Organiser may suspend trading in those financial instruments. In that case, the provisions of § 11.1 shall not apply to the period of such suspension.

### § 13

Information about the suspension of trading in or the delisting of financial instruments shall be promptly published on the website of the Alternative System Organiser.

## **Chapter 5**

### **Obligations of financial instrument issuers in the alternative system**

### § 14

Issuers of financial instruments introduced to trading in the alternative system must comply with rules and regulations governing that market.

### § 15

Issuers of financial instruments introduced to trading in the alternative system must promptly inform the Alternative System Organiser about plans related to issue of financial instruments introduction of which they intend to seek or exercise of rights attached to listed instruments as well as about decisions made in this respect, and agree with the Alternative System Organiser such decisions as far as they affect the organisation and method of trading in the alternative system.

### §15a

For the purpose of enabling supervision of compliance with regulations applicable in the alternative trading system, in particular the issuers' compliance with reporting requirements, upon demand of the Alternative System Organiser, the issuer of financial instruments introduced or seeking introduction to the alternative trading system shall immediately prepare and present copies of documents and provide written explanations about its financial instruments and the activity of the issuer, its authorities or their members.

## § 15b

1. If, in the opinion of the Alternative System Organiser, there is reasonable doubt that the scope, mode or circumstances of the activity performed by the issuer may have a negative impact on the safety of trading in financial instruments in the alternative system or the interest of trading participants, in particular where:

- a) the issuer fails to start operations within the scope or on the date indicated in the information document or another document published by the issuer;
- b) the issuer discontinues its core operations;
- c) the business object or the scope of the issuer's activity is changed;
- d) the issuer's financial or business standing has deteriorated significantly

- the Alternative System Organiser may request the issuer:

- 1) to order an investment firm or another entity which is a commercial law company providing services related to business transactions including financial advisory, legal advisory or financial audit services to analyse the financial and business standing of the issuer and its outlook and to prepare a document containing the results of the performed analysis and an opinion on the possibility that the issuer can start or continue operations and on its outlook;
- 2) to publish the document referred to in point (1).

2. The issuer shall not order the activities referred to in sub-paragraph 1(1) to the issuer's holding entity, the issuer's subsidiary or a subsidiary of the issuer's holding entity. The issuer shall not order those activities to an entity which performs or performed the obligations of an Authorised Adviser for financial instruments of the issuer or to the holding entity or a subsidiary of such Authorised Adviser.

3. The document referred to in sub-paragraph 1(2) shall be published by the issuer in the form of a current report no later than 45 days after the publication of the decision of the Alternative System Organiser imposing the obligation referred to in sub-paragraph 1 on the issuer, in the procedure and on the conditions set out in Exhibit 3.

4. If the Alternative System Organiser has reasonable doubt as to the scope of the performed analysis or concludes that the document referred to in sub-paragraph 1(2) has significant gaps, the Alternative System Organiser may request the issuer:

- 1) to supplement the document with additional information or explanations;
- 2) to order the entity referred to in sub-paragraph 1(1) to perform an additional analysis or to prepare an additional document according to the provisions of sub-paragraph 1(1);

3) to order another entity which fulfils the conditions set out in sub-paragraph 1(1) and sub-paragraph 2 to perform an additional analysis or to prepare an additional document according to the provisions of sub-paragraph 1(1)

- within the scope and within the time limit indicated in the decision of the Alternative System Organiser, but such time limit shall be no less than 30 days after the date of publication of the decision.

5. The documents, information and explanations referred to in sub-paragraph 4 shall be published by the issuer in the form of a current report in the procedure and on the conditions set out in Exhibit 3.

## § 16

*(repealed)*

## § 17

1. Subject to sub-paragraphs 3 and 3a, issuers of financial instruments introduced to trading or applied for being introduced to trading shall provide the Alternative System Organiser with current and periodical information to the extent and on rules specified respectively in Exhibit 3 and Exhibit 4 to these Rules. The Alternative System Organiser specifies in another document the technical and organisational rules of providing current and periodical information referred to in the first sentence.

2. Current and periodical information should:

- 1) include information reflecting the specific nature of the situation described in a true, fair and complete manner,
- 2) be prepared in a manner enabling investors to assess the impact of information provided on the business, property and financial situation of the issuer or on the price or value of listed financial instruments.

3. Issuers of financial instruments introduced to trading in the alternative system and at the same time listed on the regulated market must provide the Alternative System Organiser with such current and periodical information and at such times as according to appropriate regulations such information is provided on a given regulated market.

3a. Issuers of financial instruments based outside the Republic of Poland whose financial instruments introduced to trading in the alternative system are at the same time listed on a market other than the regulated market or in an alternative trading system other than the alternative trading system operated by the Alternative System Organiser or BondSpot S.A. shall provide the Alternative System Organiser with such

current and periodical information and at such times as according to appropriate regulations such information is provided on a given market or in the given alternative trading system. If so decided by the Alternative System Organiser, issuers of such instruments shall additionally provide the information referred to in Exhibit 3 and Exhibit 4 to these Rules within the scope indicated by the Alternative System Organiser.

4. Issuers based outside the Republic of Poland may provide current and periodical information in Polish or English. When such current or periodical information is provided for the first time, the issuer should specify the language in which such information will be provided, unless information is provided in both languages. The issuer shall publish information about a change of its decision in this respect on the website of the Alternative System Organiser beforehand.

5. Current and periodical information shall be published on the website of the Alternative System Organiser as soon as it is provided, subject to sub-paragraph 6.

6. Current and periodical information referred to in sub-paragraph 3 shall be published on the website of the Alternative System Organiser as soon as it is disclosed to the public in accordance with the regulations applicable on the given regulated market.

#### § 17a

1. Before the information referred to in § 17.1 is published, the issuer shall not disclose or otherwise publish such information.

2. The prohibition referred to in sub-paragraph 1 shall not be violated by disclosure of information to other parties where it is necessary for the proper operation of the issuer and where at the same time it is ensured that persons to whom such information is disclosed will keep it confidential. Where information constitutes inside information within the meaning of Article 154.1 of the Trading Act, it shall be disclosed pursuant to the provisions of Article 156.6 of the Trading Act.

3. The provisions of sub-paragraph 2 shall apply accordingly to disclosure obligations performed by issuers referred to in § 17.3a.

4. If it is discovered that an issuer failed to publish information required according to the provisions of this Chapter, the Alternative System Organiser may request the issuer to publish such information immediately and to present reasons for its failure to publish it earlier.

## § 17b

If, in the opinion of the Alternative System Organiser, it is necessary for the issuer to continue its co-operation in the performance of its disclosure obligations with an entity authorised to perform the tasks of Authorised Adviser, the Alternative System Organiser may request the issuer to conclude an agreement to the extent set out in § 18.2(3) and § 18.2(4). The agreement should be concluded within 30 days from the date of the relevant decision of the Alternative System Organiser and remain in force for at least one year after conclusion.

## § 17c

1. If an issuer fails to comply with the rules or regulations applicable in the alternative trading system or fails to perform or inappropriately performs the obligations set out in this Chapter, in particular the obligations set out in § 15a, § 15b, § 17 - § 17b, the Alternative System Organiser may, depending on the degree and scope of the occurring violation or irregularity:

- 1) reprimand the issuer;
- 2) impose a fine of up to PLN 20,000 on the issuer;
- 3) suspend trading in the issuer's financial instruments in the alternative system;
- 4) delist the issuer's financial instruments from the alternative system.

2. The provisions of § 11.1 shall not apply to the time limit of the suspension referred to in sub-paragraph 1(3).

3. The Alternative System Organiser taking a decision to impose a penalty on the issuer shall provide a justification and present a copy of the decision with the justification immediately to the issuer and the issuer's Authorised Adviser.

4. The Alternative System Organiser may decide to impose a fine together with the penalty of suspension of trading or the penalty of delisting.

5. Within 5 business days from the date of submission of a decision imposing a fine, the penalty of suspension of trading or the penalty of delisting to the issuer, the issuer may submit an application for the case to be reconsidered within such scope. The decision imposing a fine or the penalty of delisting shall not be enforced before that time limit or until the submitted application has been reviewed. The decision to impose the penalty of suspension of trading shall be enforced immediately.

6. The Alternative System Organiser shall immediately review an application for a case to be reconsidered. A decision made on that basis shall not impose a fine on

the issuer in an amount greater than the amount indicated in the decision concerned by the application for a case to be reconsidered.

7. The issuer shall pay the imposed fine to the account of a public benefit organisation selected by the issuer within 14 days from the effective date of the decision imposing the fine. Otherwise, the penalty referred to in sub-paragraph 1(3) or sub-paragraph 1(4) may be imposed on the issuer. The issuer shall immediately present a copy of the proof of payment of the amount referred to in the first sentence to the Alternative System Organiser.

#### § 17d

The Alternative System Organiser may publish on its website information about discovered violation of the rules or regulations applicable in the alternative trading system by the issuer, the issuer's failure to perform or inappropriate performance of obligations, or a penalty imposed on the issuer. The Alternative System Organiser may include in such information the name of the entity which performs the obligations of Authorised Adviser for the issuer.

## **Chapter 6**

### **Alternative System Participants**

#### **Section 1**

#### **Authorised Advisers**

#### § 18

1. An Authorised Adviser is an investment firm or another entity which is a commercial company or partnership providing services related to business transactions, including financial and legal advice or financial audits, and entered into a register maintained by the Alternative System Organiser. The requirement of holding commercial company or partnership status does not apply to entities with a registered office outside the territory of the Republic of Poland.

1a. An Authorised Adviser for financial instruments introduced to the alternative trading system may not be the issuer of the financial instruments, the parent entity of the issuer or a subsidiary of the issuer or of the issuer's parent entity.

2. The Authorised Adviser shall:

- 1) examine whether the information document prepared in connection with applying for introduction of given financial instruments to trading was prepared in accordance with requirements set out in Exhibit 1 to these Rules, and make the declaration referred to in § 3.2(2);
  - 2) examine whether requirements for introducing the issuer's financial instruments to trading in the alternative system were met;
  - 3) co-operate with the issuer as regards the issuer performing disclosure obligations set out in these Rules and monitor the issuer's performance of the disclosure obligations;
  - 4) advise the issuer on an ongoing basis as regards its instruments functioning in the alternative system,
  - 5) perform other tasks and co-operate with the Alternative System Organiser to the extent and on rules specified in Exhibit 5 to these Rules.
3. An agreement with the Authorised Adviser should provide for such Authorised Adviser's performance of obligations specified in sub-paragraphs 2(3) and 2(4) for at least a year after the first day of trading in financial instruments of a given issuer in the alternative trading system.
4. On application of an issuer, the Alternative System Organiser may, having studied an opinion of the Authorised Adviser, release the issuer from the duty to ensure effectiveness of the agreement with the Authorised Adviser to the extent defined in sub-paragraph 3 prior to the end of the period referred to in sub-paragraph 3 if:
- 1) (deleted),
  - 2) the issuer's existing experience and correct performance of obligations under these Rules, specifically disclosure obligations, argue for that, or
  - 3) the issuer's reasonable interests argue for that and the issuer published, on terms specified in other regulations, its financial statements together with an opinion of an entity authorised to audit financial statements for at least 2 consecutive financial years preceding the application for introduction of its instruments to trading in the alternative system, or
  - 4) qualified investors hold at least 25% of the issuer's share capital.
- 4a. On application of an issuer, the Alternative System Organiser may release the issuer from the duty to execute the agreement with the Authorised Adviser if:
- 1) the issuer is an entity entered into the register of Authorised Advisers on the market where the issuer's financial instruments are to be introduced, or

- 2) such issuer's financial instruments are at the same time listed on the regulated market or not more than 3 months have passed since trading on that market was discontinued.

5. The Authorised Adviser must promptly notify the Alternative System Organiser of a change of the agreement concerning performance of the tasks of Authorised Adviser concluded with the issuer of financial instruments introduced to the alternative trading system (except for changes to the remuneration terms), its termination or expiry, as well as execution of a new agreement. In the case of a change of the agreement or execution of a new agreement, the Authorised Adviser shall immediately communicate its contents (except for the remuneration terms) to the Alternative System Organiser. The Alternative System Organiser may request the issuer or the Authorised Adviser to promptly submit additional information in this respect.

6. The Authorised Adviser must promptly notify the Alternative System Organiser of the conclusion or termination of an agreement concerning performance of the tasks of Authorised Adviser concluded with an issuer whose financial instruments will in future be seeking introduction to the alternative trading system under the agreement.

7. In the event of:

- 1) termination or expiry of the agreement with the Authorised Adviser prior to the end of the period referred to in sub-paragraph 3, except for the termination of the agreement under the release referred to in sub-paragraph 4,
- 2) objection referred to in sub-paragraph 6,
- 3) suspension of the Authorised Adviser's right to operate in the alternative system,
- 4) striking the Authorised Adviser off the register referred to in sub-paragraph 1,

the Alternative System Organiser may suspend trading in financial instruments of the issuer for which such entity acts as an Authorised Adviser if it decides that safety of trading in the alternative system or the interests of trading participants require so.

8. Requirements to be met by an entity applying for being entered into a register of Authorised Advisers and rules of making such entries, as well as the tasks of an Authorised Adviser and the rules of its co-operation with the Alternative System Organiser are laid down in Exhibit 5 to these Rules. Exhibit 5 also lays down cases in which the Authorised Adviser's right to operate in the alternative system may be suspended, the Authorised Adviser may be struck off the register of Authorised Advisers or another penalty may be imposed on the Authorised Adviser, as well as the rules and procedures of taking such decisions.

9. When considering the application for entry into the register of Authorised Advisers the Alternative System Organiser shall take into account first of all safety of trading in the alternative system and the applicant ensuring proper performance of Authorised Adviser's obligations.

10. *(repealed)*

11. The Alternative System Organiser shall notify the applicant in writing about the decision made to make or refuse the entry as soon as it considers the application. If it decides to make the entry, the Alternative System Organiser shall promptly make such entry.

12. *(repealed)*

13. *(repealed)*

14. *(repealed)*

15. The Alternative System Organiser shall publish the register of Authorised Advisers on its website.

16. A subsequent application for entry into the register of Authorised Advisers may be filed no earlier than upon the lapse of 6 months after the date of delivery of the decision refusing the entry to the applicant.

17. An issuer of debt financial instruments shall not be required to execute an agreement with an Authorised Adviser. Where an issuer uses the assistance of an Authorised Adviser, the provisions of this Section shall apply accordingly and the issuer shall indicate the entity which performs the function of Authorised Adviser and the scope of its activity in the information document.

## **Section 2**

### **Market Members**

#### **§ 19**

1. On application of an exchange member, the Alternative System Organiser shall set a start date and scope of its business as a Market Member in the alternative trading system, subject to sub-paragraphs 1a and 1b.

1a. The conditions of the start of an exchange member's business as a Market Member in the alternative trading system are as follows:

- 1) the exchange member or its representative – clearing member of the National Depository shall join a fund securing proper settlement of transactions made in the alternative trading system referred to in Article 68 of the Trading Act;

2) the exchange member or its representative – clearing member of the National Depository, respectively, shall make a payment to the guarantee fund referred to in point 1).

1b. The exchange member shall, not later than 2 business days before the start date of business in the alternative trading system, provide the Alternative System Organiser with a written statement to the effect that it fulfils the conditions referred to in sub-paragraph 1a.

2. The Market Member shall conduct its business in accordance with regulations governing the alternative system and in such conduct shall observe the principles of diligence, loyalty and unbiased approach towards trading participants as well as the principles of safe and secure trading.

3. The Alternative System Organiser may suspend the Market Member's right to operate in the alternative system if:

- 1) the business of the Market Member on the exchange is suspended,
- 2) it decides that the Market Member does not warrant correct performance of basic obligations under the rules and regulations governing the alternative system,
- 3) it decides that the business of the Market Member may jeopardise the safety of trading in the alternative system or the interests of trading participants.

4. The Alternative System Organiser may de-register the Market Member from the alternative system if it decides that:

- 1) the business of the Market Member jeopardises the safety of trading in the alternative system or the interests of trading participants,
- 2) the Market Member grossly violates rules and regulations governing the alternative system.

5. The Alternative System Organiser shall de-register the Market Member from the alternative system if:

- 1) a resolution to admit such Market Member to operate on the exchange is repealed,
- 2) the Market Member is de-registered from the exchange.

6. Where the Alternative System Organiser decides to suspend the Market Member's right to operate in the alternative system or de-register the Market Member from the alternative system, it must give specific reasons for its decision and promptly provide the party concerned with its copy together with the related specific reasons.

7. The Market Member may, within 5 business days of the day of delivery of the decision referred to in sub-paragraph 6, file an application for reconsidering the case.
8. The Alternative System Organiser must consider the reconsideration application promptly.
9. In matters not addressed in these Rules, provisions of the Exchange Rules concerning the exchange member's activities on the exchange shall apply to the activities of Market Members in the alternative system.
10. The Alternative System Organiser shall maintain a register of Market Members and publish it on its website.

### **Section 3**

#### **Market Animators**

##### § 20

1. A Market Animator shall be a Market Member or an entity, being an investment firm or foreign investment firm, other than a Market Member, which entity under an agreement with the Alternative System Organiser agreed to take, on its own account, on the order-driven market, actions aimed to support the efficiency of trading in financial instruments of a given issuer, on terms specified by the Alternative System Organiser. An entity other than a Market Member shall perform Market Animator's actions through a Market Member authorised to act on the client's account.
2. (deleted).
3. Subject to § 9 subparagraph 2b, if the agreement with the Market Animator is terminated or expires or if the Market Animator's right to operate in the alternative system is suspended or the Market Animator is de-registered from the system, the Alternative System Organiser may suspend trading in the issuer's financial instruments until a new agreement with a Market Animator or an agreement with a Market Maker is executed and takes effect; if the agreement is executed with a Market Maker, trading may be resumed on the price-driven market only..
4. The rules of activity of Market Animators in the alternative trading system are specified in Exhibit 6 to these Rules. The Exhibit may also specify cases in which the Market Animator's right to operate in the alternative system may be suspended or such Market Animator may be de-registered from such system. The Alternative System Organiser may specify in another document the detailed conditions of animating financial instruments in the alternative trading system.

5. Where the Alternative System Organiser decides to de-register the Market Animator from the alternative system, it must give specific reasons for its decision and promptly provide the party concerned with its copy together with the related specific reasons.
6. The Market Animator may, within 5 business days of the day of delivery of the decision referred to in sub-paragraph 5, file an application for reconsidering the case. Until such time limit expires, and if an application has been filed, until it is considered, a decision to de-register the Market Animator from the alternative system shall not be enforced.
7. The Alternative System Organiser must consider the reconsideration application promptly.
8. The Alternative System Organiser shall maintain a register of Market Animators and publish it on its website.

#### **Section 4**

#### **Market Makers**

##### § 21

1. A Market Maker shall be a Market Member or an entity, being an investment firm or foreign investment firm, other than a Market Member, which under an agreement with the Alternative System Organiser agreed to make bids and offers on the price-driven market on terms specified by the Alternative System Organiser. An entity other than a Market Member shall perform Market Maker's actions through a Market Member authorised to act on the client's account.
2. If the agreement with the Market Maker is terminated or expires or if the Market Maker's right to operate in the alternative system is suspended or the Market Maker is de-registered from the system, the Alternative System Organiser may:
  - 1) suspend trading in the issuer's financial instruments until a new agreement with a Market Maker or an agreement with a Market Animator is executed and takes effect; if the agreement is executed with a Market Animator trading may be resumed on the order-driven market only in a trading system determined by the Alternative System Organiser,
  - 2) where justified, decide to change the market and continue trading in given financial instruments on the order-driven market, in a trading system determined

by the Alternative System Organiser, without any agreement with a Market Animator being executed.

3. The Alternative System Organiser may specify detailed rules of performance of obligations by Market Makers in the alternative trading system as well as cases in which the Market Maker's right to operate in the alternative system may be suspended or such Market Maker may be de-registered from such system. The Alternative System Organiser may specify in another document the detailed conditions of providing quotations of financial instruments in the alternative trading system.

4. Where the Alternative System Organiser decides to de-register the Market Maker from the alternative system, it must give specific reasons for its decision and promptly provide the party concerned with its copy together with the related specific reasons.

5. The Market Maker may, within 5 business days of the day of delivery of the decision referred to in sub-paragraph 4, file an application for reconsidering the case. Until such time limit expires, and if an application has been filed, until it is considered, a decision to de-register the Market Maker from the alternative system shall not be enforced.

6. The Alternative System Organiser must consider the reconsideration application promptly.

7. The Alternative System Organiser shall maintain a register of Market Makers and publish it on its website.

## **Chapter 7**

### **Fees charged in the alternative system**

#### § 22

Issuers of financial instruments introduced to trading in the alternative system, Market Members and Authorised Advisers shall pay fees to the Alternative System Organiser, at the amount and on terms specified in Exhibit 7 to these Rules

## **Chapter 8**

### **Indices, sub-indices and segments in the alternative trading system**

#### § 23

1. Instruments subject to trading in the alternative system provide the basis for calculation of indices or sub-indices in the alternative trading system.
2. The Alternative System Organiser shall specify in another document detailed rules of calculation and publishing the value of indices and sub-indices. The Alternative System Organiser shall publish such document and any amendments thereto on its website at least 14 days prior to their effective date.

#### § 23a

1. Financial instruments traded in the alternative system or issuers of such instruments may be classified in separate classification segments.
2. The decision to separate a classification segment shall be made by the Alternative System Organiser who shall at the same time define the basis of separation of the segment, the rules and procedures of classification of financial instruments or their issuers in such segment, as well as the measures applicable to such financial instruments or their issuers.<sup>3</sup>

#### § 23b

Separation of classification segments may be based in particular on:

- 1) declaration of the issuer's bankruptcy;
- 2) initiation of the issuer's liquidation;
- 3) volatility of the price of financial instruments;
- 4) liquidity of financial instruments;
- 5) market value of the issuer's shares.<sup>3</sup>

#### § 23c

1. If financial instruments or their issuers are classified to a given classification segment, the Alternative System Organiser may:
  - 1) mark the name of the financial instruments or their issuers with a specific designation in its information services or on its website;

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<sup>3</sup> Provisions of § 23a-23c come into force with effect from 27 June 2012.

- 2) remove the financial instruments from the index portfolio;
  - 3) move the financial instruments to the single-price auction system;
  - 4) request the issuer to conclude an agreement with a market animator;
  - 5) request the issuer to take actions in order to improve investor relations.
2. The Alternative System Organiser may in a given case decide to apply all or some measures referred to in sub-paragraph 1 and other measures provided for in these Rules.<sup>3</sup>

## **Chapter 9**

### **Final and transitional provisions**

#### § 24

Where an entity other than the National Depository is authorised to safe-keep financial instruments or settle transactions made in the alternative system, the provisions of these Rules governing the National Depository shall apply to that entity, as appropriate.

#### § 25

The Alternative System Organiser may resolve the rules of corporate governance for issuers of financial instruments introduced to trading in the alternative system and Alternative System Participants in another document.

#### § 25a

The Alternative System Organiser may entrust the performance of actions set out in the provisions of these Rules to an authorised employee of the Alternative System Organiser.

#### § 26

1. The Alternative System Organiser shall interpret and construe these Rules on its own initiative or upon a written request of the FSA, the National Depository, issuers of instruments listed in the alternative system as well as Authorised Advisers or other Alternative System Participants.
2. Interpretation and construal of these Rules shall be published on the website of the Alternative System Organiser.

<sup>3</sup> Provisions of § 23a-23c come into force with effect from 27 June 2012.

#### § 27

Any amendments to these Rules and Exhibits to the Rules shall come into force not earlier than 5 business days after the amendments are published on the website of the Alternative System Organiser.

#### § 28

In matters not addressed in these Rules, regulations governing the domestic regulated market, specifically regulations referring to public companies, shall apply to trading in the alternative system as appropriate.