



**Prague Stock
Exchange**

Start Market Rules

Exchange rules – section XVI.



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PART I. ADMISSION TO TRADING

Article 1 – Subject Matter and Definitions

- (1) In these Rules, the following terms shall have the meaning ascribed to them below, unless the context implies otherwise:
- a) “the Exchange” – shall mean Prague Stock Exchange (a company called Burza cenných papírů Praha, a.s., registration No. (IČO) 47115629, having its registered office in Rybná 14/682, 110 05 Praha 1, registered with the companies register administered by the Municipal Court in Prague, section B., entry No. 1773, website: www.pse.cz,
 - b) “the Central Securities Depository” – shall mean the company Centrální depozitář cenných papírů, a.s. Id. No. 25081489, with registered seat Rybná 14/682, 110 05 Praha 1, registered with the Commercial Register maintained by the Municipal Court in Prague, Section B, File 4308, webpage www.cdcp.cz or company Centrálný depozitár cenných papierov SR, a.s. IČO 31338976, with registered seat ul. 29. augusta 1/A, 814 80 Bratislava, registered with Obchodní register Okresného súdu Bratislava I, Section: Sa, File No. 493/B, webpage: <https://www.cdcp.sk/>,
 - c) “Start Market” – shall mean the market organized within the multilateral trading facility operated by the Exchange pursuant to Section 69 of Act No. 256/2004 Sb. (Collection of Laws), on business activities on the capital market,
 - d) “shares” – shall mean the entire issue of book-entered shares issued by the Issuer, a joint-stock company or a European company having its registered office in the Czech Republic or Slovak Republic whose internal relations are governed by the laws of the Czech Republic or Slovak Republic and whose shares are registered in the registrar of securities maintained by the Central Securities Depository (Article 1 (1) (b) of these rules) in compliance with relevant laws and regulations,
 - e) “Authorized Analyst” – shall have a meaning stated in the Article 7 of these rules,
 - f) “Authorized Legal Advisor” – shall have a meaning stated in the Article 8 of these rules,
 - g) “Start Day” – shall have a meaning stated in the Article 9 of these rules,
 - h) “Guaranteed Period” – shall mean a period of 2 years following the first day of trading with the shares on the Start Market,
 - i) “Tranche” – shall mean a part of the issue of interchangeable shares already admitted to trading on the Start Market; this part of issue is issued at the moment, which is different from the moment when the other parts of the issue of interchangeable shares were issued,
 - j) “Admission” – shall mean admission of shares to the Start Market under these Rules,
 - k) “Settlement Rules” – shall mean the rules of the Central Securities Depository – Settlement System Rules,
 - l) “PX Public Offer” – means an electronic system for the subscription and sale of shares by public offer, developed and managed by the Exchange.
- (2) These Rules regulate:
- a) conditions for the admission of shares to trading on the Start Market,
 - b) compliance with the notification obligations of the Issuer within the Start Market,



- c) conditions for the admission on the list of authorized analysts and authorized legal advisors,
 - d) conditions for the suspension and removal from trading on the Start Market,
 - e) conditions for the exclusion from trading on the Start Market upon the Issuer's request,
 - f) principles of application of the right to contractual penalties upon failure to comply with the obligations laid down for the Start Market.
- (3) The Start Market is intended for trading of shares which have been issued in accordance with generally binding laws, are interchangeable, transferable without any restrictions, fully paid up and admitted by the Exchange to trading on this market. In accordance with the Article 5 of these rules, the subscription of the shares, which are fully interchangeable with the shares already issued by an issuer, can also take place on the Start Market.

Article 2 – Application for Admission of Shares

- (1) The Chief Executive Officer shall decide on admission of shares to trading on the Start Market based on a written application. The decision on the admission of issue to trading can be also made by an appointed deputy of the Chief Executive Officer. .
- (2) The Issuer of the shares or its authorized representative or representatives acting under the power of attorney shall apply for admission to the Exchange.
- (3) There is no legal entitlement to the admission.
- (4) The application shall include:
 - a) Issuer information:
 - i) Business name, registered office, law governing the internal relations of the Issuer,
 - ii) Company registration No. (IČO) or, as the case may be, number under which the Issuer is registered in a public register,
 - iii) amount of the registered capital,
 - iv) identification if the Issuer according to NACE (Nomenclature générale des Activités économiques dans les Communautés Européennes),
 - v) LEI (Legal Entity Identifier) assigned according to ISO 17442.
 - b) Share information:
 - i) ISIN¹ a FISN²,
 - ii) form and type,
 - iii) volume of the issue which is admitted to trading, or alternatively maximal volume of issue which can be reached after the subscription pursuant to the Article 5 of these rules, this information must be consistent with the information contained in the security prospectus published in relation to the public offer of shares,
 - iv) nominal value if the shares are issued with nominal value or, if applicable, information indicating that they are issued without nominal value,

¹ International Securities Identification Number issued under standard ISO 6166.

² Financial Instrument Short Name fully compliant with the standard ISO 18774.



- v) identification of the investment instrument according to ISO 10962³,
 - vi) reference price⁴.
- (5) The following documents shall be attached to the application:
- a) Power of attorney granted by the Issuer if the application for admission is filed on behalf of the Issuer by a representative or representatives,
 - b) certification of the ISIN allocation,
 - c) analysis of the shares prepared by a member of the Exchange or an authorized analyst, complying with the minimum requirements defined in Annex No.1 hereto,
 - d) a security prospectus prepared by the Issuer or by the offering shareholder or shareholders of the Issuer in cooperation with the Issuer, prepared for the purpose of public offer of shares and published in accordance with the relevant laws⁵; this does not apply if the public offering of shares is not conducted in a way or manner for which the relevant laws do not require drawing up and publication of the prospectus or alternatively if an issuer does not draw up a prospectus voluntarily,
 - e) in case that the security prospectus was prepared by the offering shareholder or shareholders, the Issuer's statement that it has provided the authors with full cooperation and assistance and that the information disclosed in the prospectus is complete and true,
 - f) an affidavit of the issuer with the declaration of the issuer of the fact that the legal due diligence fulfilling the extent set in the Annex No. 2 of these rules took place and that its results are included to the security prospectus, or are published as an independent document prior to the commencement of trading of shares on the Start Market; the issuer shall specify an authorized legal advisor that conducted the legal due diligence,
 - g) a document certifying registration of the shares in the registry of investment instruments administered by an entity licensed to carry out the activities of a central depository in the Czech Republic,
 - h) Articles of association of the Issuer and, if applicable, other deeds of association,
 - i) two originals of the Framework Agreement on Admission of Shares to Trading on the Start Market signed by the Issuer,
- (6) The application shall be submitted in Czech, English or Slovak. The Exchange has a right to refuse the application that is not complete or that is submitted after 15:30 of respective working day.
- (7) As of the date of admission of the shares to trading, the Issuer shall be obliged not to request termination of trading on the Start Market or, as the case may be, not to take any steps leading to termination of trading on the Start Market at least for the Guaranteed Period, except the situation specified in Article 10 and 11 hereof.

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

⁴ Article 6 of the Exchange Rules – Section I. Exchange Rules for Trading for Automated Transaction System XETRA® Praha.

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



Article 3 – Admission of Issue of Shares

- (1) The Exchange shall decide on admission of an issue of shares within 10 business days of the date of receipt of the application at the Exchange.
- (2) For the purpose of the decision, the Exchange may request missing or other additional information. Such request suspends the deadline specified in paragraph 1.
- (3) The decision on admission shall be notified to the applicant in writing. The decision shall also specify the amount of fees for admission to the Start Market set in accordance with the Tariff of Exchange Fees⁶, the maturity date of the fees and the date of the first trading date at the Start Market or alternatively the way how this date shall be determined. In accordance with Article 6 (9), the decision shall also specify the language of the discharge of the notification obligations of the Issuer if different from Czech.
- (4) The decision on admission shall become effective on the date of delivery or, if the fee specified in the decision has not been paid, on the date of payment of the fees. If the applicant fails to pay the specified fees within 60 days of the date of issue of the decision on admission or fails to comply with the terms and conditions laid down in the decision, the decision shall be deemed invalid.
- (5) The decision shall specify also the suspensive conditions of the admission to trading on the Start Market. Such conditions can especially be the sale or subscription of specified number of shares in the public offer conducted with the use of the system PX Public Offer.
- (6) Upon meeting all the provisions of the applicable regulations, the Exchange may, in cases deserving special attention and upon request, decide to grant an exemption from the obligation to submit one or more annexes pursuant to Article 2 (5) if he believes that the requirements for investor protection and transparent functioning of the market will not be affected.

Article 4 – Admission of Tranche

- (1) If the Issuer issues a tranche of shares which have already been admitted to trading on the Start Market it shall be obliged to inform the Exchange about this fact in writing prior to the issue of the tranche. In the case of subscription of shares pursuant to Article 5, the newly subscribed shares shall not be deemed as a tranche, and these are admitted to trading on the basis of the decision on admission of the issue of shares together with the already issued and paid-up shares of the same issue.
- (2) The Issuer's written statement must contain the information specified in Article 2 (4) and annexes specified in Article 2 (5) a) and h). This statement must also include, as an attachment, the complete terms and conditions, if any, of the public offering if the shares are offered publicly, and the prospectus or an appendix to the prospectus if required by the relevant laws and regulations. In addition to these documents, the Exchange may, in justified cases, request additional annexes or documents.
- (3) Based on the Issuer's statement the Exchange shall register the increase of volume of the shares admitted to the Start Market.

⁶ Section II, Exchange Rules, Section XIII. – Fees Regulations



Article 5 – Subscription or sale of shares in public offer

- (1) The subscription or sale of shares that are subject of the admission to trading on the Start Market through a public offer can also occur prior to a commencement of trading on the Start Market. In this way, issuer's registered capital can be also increased. In such cases, the subscription or sale of shares shall be carried out in compliance with the relevant laws⁷ only through the electronic system PX Public Offer. Information on subscription or sale of shares shall be always announced prior to the first trading day on the Start Market. The detail conditions of the public offer with use of the system PX Public Offer are described in the PX Public Offer Rules.
- (2) In the cases referred to in paragraph 1 when the subscription and subsequent issuance of shares takes place, the security prospectus related to the shares and their offer shall be always published soon enough to guarantee that the public offer last at least two weeks.
- (3) Both to be issued and already issued and fully paid-up shares from an issue that is already admitted to trading on the Start Market can be offered with the use of the system PX Public Offer. Upon the commencement of such a public offer, the Exchange suspends trading in the issue on the Start Market in accordance with Article 10 of these Rules, for the duration of the public offer made through the system PX Public Offer.
- (4) In the case of subscription of shares prior to their admission to trading on the Start Market, the issuer is obliged to submit the following attachments to the Exchange, in addition to those stated in Article 2 (5):
 - a) A copy of a public deed certifying the decision of competent body of the Issuer on increase of the registered capital (if this deed is drawn up); this document shall verify that this decision fulfils the conditions necessary to ensure that the shares issued within this increase can be subscribed in the system PX Public Offer, specifically at least in the following aspects:
 - i) the competent body of the Issuer decided that the shares issued within the increase of registered capital shall be subscribed exclusively and only through the system PX Public Offer,
 - ii) the effects of the increase of the registered capital will be entered in relevant public register immediately after the 100 % of the issue price of subscription shares will be paid and records to the list of subscribers will be made,
 - iii) in case of companies governed by laws and regulations of the Czech Republic, the subscription of share based on the record to the list of subscribers shall be made only after the 100 % of the issue price is paid,
 - iv) if the subscription of shares may take place within several successive share capital increases, a document or documents proving that the decision made by a competent body of the Issuer allows this.
 - b) An affidavit of the Issuer, in which is stated that all the decisions and actions made by the Issuer in order to increase its registered capital by the subscription of shares has been made in compliance with all relevant laws governing the issuer and also in accordance with its internal rules and regulations or standards.

⁷ In particular, the Act 90/2012 Coll., on Business Corporations and the Act No. 256/2004 Coll., on Undertaking on the Capital Market.



- (5) The issuer shall ensure that a notary who made out a notarial deed referred to in Article 5 (4) (a) provides the necessary cooperation in order to carry out the subscription of shares also in accordance with all relevant instructions from the Exchange.
- (6) The Exchange is entitled to set the sale or subscription of some number of shares as suspensive condition of the effectiveness of admission of particular issue of shares on the Start Market.



PART II. INFORMATION AND OBLIGATIONS ON THE START MARKET

Article 6 – Issuer’s Obligations

- (1) Prior to the commencement of trading, the Issuer shall send the Exchange a Prospectus of the security publish the same on its website or, as the case may be, publish it by another method foreseen by the law⁸.
- (2) The Issuer shall publish the following data and information and immediately provide these to the Exchange via a web application at pxportal.pse.cz:
 - a) an audited annual report, immediately after the completion of its final version⁹ but no later than within 6 months of the end of the relevant financial period,
 - b) an invitation to the general meeting immediately after it has been properly published or distributed to the shareholders in accordance with the applicable regulations¹⁰,
 - c) the minutes of the general meeting or the proposals adopted or not adopted by the general meeting of the issuer and the number of valid votes cast for each proposal, within 15 days of the date of the general meeting,
 - d) all information on the approved changes to the Articles of Association and changes to the rights related to the shares,
 - e) information on changes in the volume of the issue, nominal value and ISIN of the shares,
 - f) information on opening of an insolvency proceeding with the Issuer, a decision on bankruptcy, a decision on entry of the Issuer into liquidation, information on other decisions of the public administration which may have significant impact on the Issuer’s business,
 - g) information on opening or final termination of significant court or arbitration proceedings or other forms of disputes, criminal proceedings or administrative proceedings relating to the Issuer, together with brief information on the reasons for opening these proceedings or on the results thereof (e.g., imposition of a fine, obligation to pay damages, prohibition of activity, etc.),
 - h) information on significant changes in the statutory, supervisory and management bodies of the Issuer,
 - i) other information which may induce a significant change of the price of the shares, an example of which is provided in Annex No. 3.
- (3) The Issuer is also obliged to provide the Exchange with the financial data for the last closed accounting period via pxportal.pse.cz web application. The financial data shall be provided in the electronic form and format specified by the Exchange without undue delay after the publication of the annual report or financial statements for the last closed accounting period.
- (4) If the Issuer has obliged itself for particular accounting period, it is also obliged to publish an analytical report which meets the content requirements set out in the Annex No. 1 to these Rules

⁸ Art. 21 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

⁹ Prepared in accordance with Act No. 563/1991 Coll., on Accounting.

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



and is prepared by an authorized analyst and by the Exchange trading member. This analytical report must be published within one month following the date on which the issuer published its annual report or financial statements pursuant to Article 6 (2) a), but no later than seven months after the end of the issuer's financial year, depending on which from respective events occurs earlier. The analytical report must be also sent to the Exchange via the electronic application pxportal.pse.cz without undue delay after its publication.

- (5) If the issuer fails to publish the analytical report within the deadline referred to in paragraph 4, the issuer shall be obliged to pay a fee for trading shares on the Start Market in the amount set by the relevant regulations of the Exchange.
- (6) In the web application pxportal.pse.cz, issuers can fill in a calendar of corporate events which is subsequently published on the pse.cz website.
- (7) The Issuer is also obliged to provide the authorized analyst or the Exchange trading member composing an analytical report with the necessary cooperation and assistance and data, information, resources which are demonstrably necessary for the analysis. The issuer is also obliged to stipulate one or one or several individuals (employee, attorney, external staff member) who will be personally responsible for regular cooperation with the authorized analyst or with the Exchange trading member composing an analytical report.
- (8) The Issuer is obliged to provide the Exchange with the information specified in paragraph 2 immediately after it has been published. If the information may cause a significant change in the price of shares and its publication can be planned in advanced, the issuer should preferably publish it in such a way that the information is made public in appropriate period of time before the commencement or after the end of trading on the Start Market on respective day.
- (9) In addition to the obligations specified in paragraph 2, the Issuer is also obliged to ensure physical presentation of up-to-date information on the Issuer's financial situation and the development of the Issuer's business by a member of the Issuer's top management at the Start Days organized by the Exchange according to Article 9 hereof. Such a presentation shall not contain data or information that could be classified as inside information, has not yet been made public and there is a reasonable assumption that it may have an impact on the share price. Such information has to be disclosed in accordance with applicable law¹¹.
- (10) In the case of decisions on profit distribution or advance payment for the profit distribution (dividend), the issuer of shares admitted to trading on the Start Market is obliged to ensure that a record date for entitlement to a dividend or advance payments is not earlier than the third trading day of the Exchange following the date when a relevant body of the issuer approved the respective distribution. At the same time, the issuer is obliged to ensure that the announcement of approval of dividend or advance payment is made not later than on the second trading day of the Exchange following the respective record date for entitlement for respective distribution.
- (11) The disclosure obligation shall be discharged in Czech. In justified cases the Exchange may allow the Issuer to discharge the disclosure obligation in Slovak or English or in a combination of the aforesaid languages.
- (12) The Issuer is obliged to discharge the disclosure obligation until the termination of the trading of the shares on the Start Market.
- (13) In compliance with the relevant laws, the Exchange is obliged to conduct specific inspection activities in relation to the suspicion of the market manipulation or of the abuse of inside

¹¹ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.



information, alternatively in order to ensure a transparency of the market. Every issuer is obliged to provide the necessary cooperation to the Exchange for these inspection activities.

Article 7 – Analytical Report and List of Authorized Analysts

- (1) Every Issuer who applies for admission of shares according to these Rules must ensure the publication of an analytical report meeting requirements set by the Annex No. 1 to these Rules and prepared by an authorized analyst included in the list maintained by the Exchange or by the Exchange trading member. An issuer may also oblige itself to publish such an analytical report, even repeatedly, during the period of admission of its issued shares to trading on the Start Market, in which case the issuer is subject to a lower exchange fee rate.
- (2) The task of the authorized analyst or of the Exchange trading member pursuant paragraph 1 hereof is to prepare analyses complying with the minimum requirements according to Annex No. 1 hereto, both prior to the admission of the shares to the Start Market and also after their admission, if it has an agreement with the issuer and the issuer commits to publishing an analytical report. The analytical report must be prepared such that the period defined in Article 6 (4) could be complied with.
- (3) The authorized analyst or the Exchange trading member composing an analytical report is obliged to treat the information and data provided by the Issuer in such manner as to prevent any misuse thereof within the trading on the Start Market, within business transactions or otherwise.
- (4) The authorized analyst or member of the Exchange trading member shall disclose the fact that it is providing this service for remuneration and disclose any potential conflict of interest.
- (5) The list of authorized analysts and Exchange trading members is maintained by the Exchange and is published on its website. Authorized analysts are approved by the Exchange based on a prior application.
- (6) In order to be included in the list of authorized analysts, the analyst must submit the following:
 - a) An application requesting approval of the activities of an authorized analyst; the application shall include:
 - i) name (for natural persons not registered in the companies register) or business name, registered place of business or office registered in a public register, company registration No. (IČO),
 - ii) relevant information on the organization and ownership structure,
 - iii) identification of at least one natural person responsible for the performance of the activities of the authorized analyst within the applicant and having at least 5 years of experience in a profession relevant for the activities of an authorized analyst, including this person's CV.
 - b) The following documents shall be attached to the application:
 - i) In the case of foreign legal entities an extract from the foreign register of legal entities,
 - ii) the last audited or unaudited annual report, if any,



- iii) detailed description of the experience with analytical and consulting activities including an overview of the results achieved for the last 3 years, including an example of the reports or analyses.
- (7) The Exchange shall decide, after having considered all circumstances, on inclusion or non-inclusion of the analyst in the list of authorized analysts within 30 business days of the receipt of the application by the Exchange. There is no legal entitlement to inclusion in the list of authorized analysts.
- (8) The application including the attachments must be sent to the Exchange in written and in electronic form.
- (9) The Exchange may request missing or additional information for the purpose of making the decision. Such request suspends the deadline specified in paragraph 6.
- (10) The decision of the Exchange on inclusion in the list of authorized analysts must be sent to the applicant in writing.
- (11) The decision shall come into effect on the date of signing of the general written agreement between the Exchange and the authorized analyst.
- (12) Upon a written termination of contract, the Exchange will remove the authorized analyst from the list of authorized analysts and cease contractual cooperation with him. In case that such an authorized analyst has a valid commitment to prepare an analysis for any issuer of shares admitted to trading on the Start Market as of the date of removal from the list of authorized analysts, analyses prepared for issuers with which such authorized analyst has a valid commitment to prepare an analysis report as of the date of termination for purposes of the obligation set forth in Section 6 (4) of these rules, shall be deemed as to be analyses prepared by an authorized analyst for a period of 18 calendar months following the date of the authorized analyst's removal from the list of authorized analysts.
- (13) In the case of any doubts regarding the activities of the authorized analyst, the Exchange may request any information which was available to the analyst in the course of preparation of any of the analyses. In the case of a conclusive misconduct on the part of the authorized analyst the Exchange may decide to impose a penalty, namely:
 - a) public admonition,
 - b) removal from the list of authorized analysts,
 - c) application of the right to the contractual fine upon failure to comply with the terms laid down in the general agreement between the Exchange and the authorized analyst.The Exchange shall publish the information on this decision on its website.
- (14) The decision of the Exchange on removal from the list of authorized analysts must be communicated to the recipient in writing to its headquarters or registered seat. There is no remedy against this decision.
- (15) The decision shall come into effect on the date specified therein.

Article 8 – List of Authorized Legal Advisors

- (1) Every Issuer who applies for admission of shares according to these Rules must ensure, prior to the introduction of the shares to the Start Market, performance of a due diligence by a legal advisor entitled to provide legal services in a country of issuer's registered seat and included by the Exchange in the list of authorized legal advisors. The results of a due diligence have to be



reflected in a prospectus that is drawn up and published in relation to the admission of the issue on the Start Market. The reason for due diligence is the validation of correctness and completeness of information in the mentioned documents.

- (2) The authorized legal advisor is obliged to proceed in accordance with the applicable regulations¹² and hand over the result of the due diligence to an issuer in a form usable in a prospectus. The general structure of due diligence is set in the Annex No. 2 of these rules.
- (3) The Issuer is obliged to provide the authorized legal advisor with the necessary cooperation and assistance and all data, information and materials which are necessary for the performance of the due diligence.
- (4) The list of authorized legal advisors is maintained by the Exchange and is published on its website. Authorized legal advisors are approved by the Exchange based on a prior application.
- (5) In order to be included in the list of authorized legal advisors, the legal advisor must submit the following:
 - a) an application requesting approval of the activities of an authorized legal advisor; the application shall include:
 - i) name (for natural persons not registered in the companies register) or business name, registered place of business or office registered in a public register, company registration No. (IČO),
 - ii) information on the organization and ownership structure,
 - iii) identification of at least one natural person responsible for the performance of the activities of an authorized legal advisor within the applicant and having a valid license to work as an attorney in the Czech Republic or Slovak Republic and at least 5 years of experience in the area of legal services, including the professional CV of this person.
 - b) The following documents shall be attached to the application:
 - i) in the case of foreign legal entities an extract from the foreign register of legal entities,
 - ii) a document certifying the granting of the license to work as an attorney or settled European attorney in the Czech Republic or Slovak Republic,
 - iii) a description of the applicant's experience in working as an attorney and legal advisory, including a general overview of selected reference projects for the last 3 years where the applicant is entitled to anonymize the entities to whom the legal services were provided.
- (6) The Exchange shall decide, after having considered all circumstances, on inclusion of the legal advisor in the list of authorized legal advisors within 10 business days of the receipt of the application by the Exchange. There is no legal entitlement to inclusion in the list of authorized legal advisors.
- (7) The application including the attachments must be sent to the Exchange in written and in electronic form.
- (8) The Exchange may request missing or additional information for the purpose of making the decision. Such request suspends the deadline specified in paragraph 8.

¹² In particular Act No. 86/1996 Sb. Coll., on Advocacy.



- (9) The decision of the Exchange on inclusion in the list of authorized legal advisors must be sent to the applicant in writing.
- (10) The decision shall come into effect on the date of receipt.
- (11) Na Upon a written request, the Exchange will remove the authorized legal advisor from the list of authorized legal advisors, no later than 10 days after receipt of such request.
- (12) In the case of any doubts regarding the activities of an authorized legal advisor, the Exchange may request any information which was available to the legal advisor in the course of preparation of the due diligence. In the case of a conclusive misconduct on the part of the authorized legal advisor the Exchange may decide to impose a penalty, namely:
 - a) public admonition,
 - b) removal from the list of authorized legal advisors.The Exchange shall publish this decision on its website.
- (13) The decision of the Exchange on removal from the list of authorized legal advisors must be communicated to the recipient in writing its headquarters or seat. There is no remedy against this decision.
- (14) The decision shall come into effect on the date specified therein.
- (15) In reasonable cases, the Exchange is entitled to submit a complaint about the breach of duties of an authorized legal advisor to the Supervisory Committee of the Czech Bar Association.

Article 9 – Start Day

- (1) Within its activities on the Start Market the Exchange organizes so-called Start Days. During the Start Days take place the periodical meetings of Issuers of shares admitted to trading on the Start Market and their shareholders and potential investors, but also the presentations of issuers that are interested in admission of shares on the Start Market or issuers that are already offering their shares within the offer conducted with a use of the system PX Public Offer.
- (2) The Exchange organizes several Start Days a year. The Exchange always publishes in advance the date, time, and place of the next Start Day, together with a detailed program of each event.
- (3) Within the Start Days every Issuer of shares admitted to trading on the Start Market is obliged to ensure physical presentation of the up-to-date information related to its financial situation and the development of its business in accordance with Article 6 (7) hereof.
- (4) In justified cases the Exchange is authorized to change the place, time and program of any individual Start Day. The Exchange must publish such change without undue delay on its website and, if applicable, using other adequate methods to communicate it to the investors.

Article 10 – Suspension and Removal of Shares from Trading

- (1) The Exchange is authorized to remove shares from trading on the Start Market, in particular in situations when the shares do not fulfil the conditions for admission set by relevant laws and the Exchange rules, when the Issuer fails to comply with the obligations laid down by the Exchange



Rules or, as the case may be, where there is a relevant reason to do so for the sake of protection of the investors or proper functioning of the market.

- (2) For reasons specified in paragraph 1 the Exchange may also suspend trading of shares if it is believed that these reasons will exist only for a limited time period. Furthermore, the Exchange will suspend trading in the issue on the Start Market for the duration of the public offer of issued or newly issued shares from the given issue, if this public offer is carried out using the system PX Public Offer.
- (3) The trading will be suspended or terminated as of the date specified in the decision on removal from or suspension of trading. The decision must specify this date in accordance with the Exchange Rules and the applicable laws and regulations.
- (4) The Exchange shall announce the decision on suspension or removal according to the relevant laws and also in the Exchange Bulletin. At the same time, the decision including the grounds shall be sent to the Issuer. Publishing or delivery of the decision to the Issuer is not a condition for the coming into effect of the decision.
- (5) The decision on suspension or removal shall be issued by the Chief Executive Officer. This decision may be issued also by an appointed deputy of the Chief Executive Officer.

Article 11 – Exclusion of Shares from Trading

- (1) The Exchange shall exclude shares from trading upon the Issuer's request if the Issuer meets the requirements that are laid down by the Exchange Rules and if it has been decided by an authorized body of the Issuer. In justified cases the Exchange may request additional documents. The Issuer, however, may request termination of trading of the shares only after the expiry of the Guaranteed Period. After taking into account, the requirement for protection of the market and investors as well as the Issuer's needs, the Exchange shall set the date of exclusion of the shares from trading on the Start Market.
- (2) In the cases suitable for the special consideration, the Exchange is entitled to decide on the issuer's request that particular share issue may be excluded also before the expiration of the guaranteed period. The other conditions set in the paragraph 1 has to be fulfilled also in those cases.
- (3) The trading will be terminated as of the date specified in the decision on exclusion of the shares from trading. The decision must specify the date of termination of trading in accordance with the Exchange Rules and the applicable laws and regulations.
- (4) The Exchange shall announce the decision on exclusion of the shares in accordance with the relevant laws and also in the Exchange Bulletin. At the same time, the decision including the grounds shall be sent to the Issuer. Publishing or delivery of the decision to the Issuer is not a condition for the coming into effect of the decision.
- (5) The decision on the exclusion of shares shall be issued by the Chief Executive Officer. This decision may be issued also by an appointed deputy of the Chief Executive Officer.



Article 12 – Penalties upon the Issuer’s Failure to Comply with its Obligations

- (1) Should the Issuer breach the Exchange Rules, the Chief Executive Officer may impose any of the following penalties, either on one-time basis or recurrently:
 - a) A written reprimand,
 - b) public announcement of the fact that notification obligations have been breached (in the Exchange Bulletin, on the website of the Exchange, in printed media, etc.),
 - c) a fine in the amount of up to CZK 50,000.00:
 - i) for the first breach in the amount up to CZK 10,000,
 - ii) for the second breach in the amount up to CZK 20,000,
 - iii) for the third and every further breach in the amount of up to CZK 50,000,
 - d) Suspension and termination of trading of the shares for the period necessary to ensure remedial actions,
 - e) Removal of the shares from trading.
- (2) The penalties according to paragraph 1 have the nature of contractual fines as a tool strengthening compliance with the Issuer’s obligations.
- (3) The specific regulation of imposition of contractual fines shall be provided in the General Agreement on Admission of Shares for Trading on the Start Market entered into by and between the Issuer and the Exchange prior to the admission of the shares to the Start Market.
- (4) Multiple penalties specified in paragraph 1 may apply to a single breach.
- (5) Imposing a penalty shall not affect the discharge of the Issuer's obligations set forth in the Exchange Rules.
- (6) The penalties may be imposed within six months of the day on which the Chief Executive Officer learns about the facts relevant for the imposing thereof but no later than one year following the occurrence of such events.

Article 13 – Procedure for Imposing Penalties

- (1) The procedure for imposing penalties upon the Issuer begins with the delivery of written notice to the Issuer's registered office or to another address which the Issuer has conclusively specified as a contact address for communication with the Exchange.
- (2) The written notice according to paragraph 1 shall include:
 - a) specification of the reasons for which the penalty is imposed,
 - b) penalties imposable upon the Issuer,
 - c) a request asking the Issuer to respond within the set deadline and also provide all other details or information which it considers useful.
- (3) For the needs of imposing penalties, the Chief Executive Officer is entitled to request information, documents or other materials from the Issuer that could help determine the true and complete state of affairs. The Issuer is entitled to comment on all information and circumstances related to the breach concerned.



- (4) The decision on the imposition of the penalty together with the accounting document containing the maturity date (if contractual penalty is imposed) shall be delivered to the Issuer's registered office or at another address which the Issuer has conclusively specified as a contact address for communication with the Exchange.
- (5) The Issuer may request the Exchange Chamber for a review of the decision within a period of 15 calendar day following the day of delivery of the decision on imposition of the penalty. The request has not a suspensory effect.



PART III. COMING INTO EFFECT

Article 14 – Coming into Effect

This section of the Exchange Rules entitled “Start Market Rules” was approved by the Exchange Chamber per rollam and takes effect from 1st January 2025.



Appendix 1 – Requirements for the analytical report

The Exchange requires the following minimum scope of the analytical report prepared according to Article 2 (5) c) and Article 6 (4) for the purpose of admission and trading on the Start Market:

- (1) Summary/introduction:
 - a) the development of the issuer's business for the most recently closed financial year,
 - b) the outlook for the following period,
 - c) share valuation, price development and trading volumes for last 12 months,
 - d) main risks and expected events for the following period.
- (2) Description of the issuer:
 - a) management profile, organizational structure, shareholder structure, free float,
 - b) breakdown of sales by geography, products and customers,
 - c) description of the product portfolio and major contracts,
 - d) SWOT analysis.
- (3) Financial information:
 - a) a description of the development of the issuer's business for the last closed financial year,
 - b) a summary of short-term and long-term plans, including strategy,
 - c) the issuer's financial information for a recently closed financial year, comprising the profit and loss statement, balance sheet and cash flow statement¹³ and a comparison with the figures for at least the two preceding financial years (except cases when the shorter period of existence of the issuer does not allow such a comparison),
 - d) an estimated financial outlook for at least next two years,
 - e) dividend policy and debt,
 - f) a summary of key financial indicators.
- (4) Analysis of the value of company, including the method of calculation (e.g. discounted cash flow analysis, peer group analysis) - explanation of the target price and investment recommendation is not required.
- (5) Analysis of the market environment and of the relevant sector.
- (6) Information on analyst's conflict of interest (if applicable)

¹³ If prepared by the Issuer in relevant accounting period and in two previous accounting periods.



Appendix 2 – Standardized extent of the legal due diligence conducted by authorized legal advisor

The Exchange requires the following structure and coverage for the due diligence made up in relation to the preparation of the prospectus created for the purpose of admission to the Start Market; structure and extent correspond to the Annex No. 1 and 3 of the Commission Delegated Regulation (EU) No. 2019/980:

- (1) Persons responsible
- (2) Statutory auditors
- (3) Selected financial information
- (4) Risk factors
- (5) Information about the issuer
- (6) Business overview
- (7) Organisational structure
- (8) Property, plants and equipment
- (9) Operating and financial review
- (10) Capital resources
- (11) Research and development, patents and licences
- (12) Trend information
- (13) Profit forecasts or estimates
- (14) Administrative, management and supervisory bodies and senior management
- (15) Remuneration and benefits
- (16) Supervisory board practices
- (17) Employees
- (18) Major shareholders
- (19) Related party transactions
- (20) Financial information concerning the issuer's assets and liabilities, financial position and profits and losses
- (21) Additional information
- (22) Material contracts
- (23) Third party information and statement by experts and declarations of any interest
- (24) Documents on display
- (25) Information on holdings



Appendix 3 – Disclosure obligations of the Issuer on the Start Market

Other disclosure obligations according to Article 6 (2) i) shall include but are not limited to the following information:

- (1) information on facts which indicate unexpected major impact on the Issuer's financial results (unexpected and major decrease or increase of revenues, etc.),
- (2) change of the auditor (e.g., because of major disputes between the Issuer's opinion and the auditor's opinion which might result in rejection of the statement on the financial statements),
- (3) significant increase or decrease of the corporate assets or net corporate assets of the Issuer (e.g., significant changes in the valuation of the Issuer's assets),
- (4) information on establishment or cancellation of a lien over a major part of the Issuer's assets,
- (5) Changes on business, manufacturing or sales conditions, including changes in the business activities which have significant impact on the Issuer's performance; this includes, for example, change of the focus of the Issuer's activities, diversification of its operations, expansions to new markets, loss of positions in important markets, introduction of a new major product, a new or innovated manufacturing process, addition or loss of major business partners, signing or termination of major agreements, production shut-downs, etc.,
- (6) information on accidents and natural disasters if these can have significant impact on the Issuer's business,
- (7) information on the start of insolvency proceedings or liquidation of major business partners or debtors of the Issuer,
- (8) information related to acquisition of patents and licenses or expiry thereof (cancellation, revocation) if these can be of great importance for the Issuer's business,
- (9) other facts which can have significant impact on the Issuer's business (e.g., granting or revocation of licenses important for the business, acquisition or loss of a major investment incentive, contract, guarantee or subsidy provided by a public entity, discussion and approval of a proposed decision on significant investment projects, acquisition, provision or loss of a major loan or credit, information on discovery or acquisition of new mineral deposits, information on significant corrections of the estimated yield of the existing resources, etc.,
- (10) discussion and approval of the plan of restructuring of the Issuer financial instrument, discussion and approval of a proposed decision on the sale or lease of a plant or any part thereof if it has significant impact on the Issuer's business, discussion and approval of the plan for transformation of the Issuer, discontinuation of the Issuer's activities by an official decision,
- (11) discussion and approval of a decision on the signing, amendment or cancellation of a controlling agreement, agreement on the transfer of profits or other group agreements,
- (12) significant changes in ownership interests of the Issuer or its shares in the voting rights,
- (13) information on the fact that the Issuer will become a target of a takeover offer or that the main shareholder has asked the Board of Directors to carry out the so-called squeeze-out, or that it only reached a 90% share in the voting rights, and they have become entitled to redemption¹⁴,

¹⁴ Art. 395 of Act No. 90/2012 Coll., on Business Corporations



- (14) approval or rejection of a merger or divestment of a plant of the Issuer by an administrative authority and other administrative decisions in the area of competition related to the Issuer,
- (15) proposal and subsequent decision on the method of distribution of profits,
- (16) proposal and subsequent decision on the decrease or increase of the registered capital, a new issue of investment instruments issued by the Issuer which may have significant impact on its financial situation or activities,
- (17) discussion and decision related to the acquisition of the company's own shares or major transactions involving other financial instruments,
- (18) request and subsequent decision to remove shares from trading on the Start Market, discussion and approval of the request on transformation of shares which may result in removal of the shares from the Start Market.