

**MACEDONIAN STOCK EXCHANGE
AD SKOPJE**

MEMBERSHIP RULES

Date of adoption by the Board of Directors	Date of receiving of consent from the Securities Exchange Commission	Date of beginning of implementation
October 07, 2006 May 15, 2008	February 12, 2007 June 19, 2008	March 3, 2007 July 14, 2008

Skopje, July 2008

Pursuant to Article 79 of the Securities Law (Official Gazette of the Republic of Macedonia no.95/2005), the Statute of the Macedonian Securities Stock Exchange AD Skopje, the Decision no.02-1902/1 on adoption of the Membership Rules of the Macedonian Stock Exchange AD Skopje and the Decision on implementation of the comments of the Securities Exchange Commission according to the Decision no.08-375/1 dated January 25, 2007 into the text of the Membership Rules of the Macedonian Stock Exchange AD Skopje, the Decision no.02-1364/1 on changes and amendments of the Membership rules from 15.05.2008, the Decision no.02-1937/2 on implementation of the comments of the Securities Exchange Commission according to the Decision no.08-2028/2 dated June 09, 2008 into the text of the Membership Rules of the Macedonian Stock Exchange AD Skopje, the clean text of the Membership Rules is prepared on July 14, 2008 which reads as follow:

**MEMBERSHIP RULES
OF
MACEDONIAN STOCK EXCHANGE AD SKOPJE**

1. GENERAL PROVISIONS

Subject of regulation of these Rules

Article 1

- 1) These Rules regulate the conditions, manner and procedure for acceptance into the membership of Macedonian Stock Exchange AD Skopje (MSE), rights and obligations of a member of the MSE, termination of membership of the MSE, as well as operations of the authorized brokers and brokers licensed by the MSE for access to the BEST system of the MSE members.
- 2) By acquirement with membership of the MSE, the member of the MSE irrevocably agrees to implement and obey the Statute, these rules and other MSE acts, and their amendments as well.

Definitions

Article 2

- (1) Certain terms from these Rules shall have the following meaning:
 - “MSE” shall mean Macedonian Stock Exchange AD Skopje;
 - “member” shall mean a brokerage house, bank or subsidiary of a foreign brokerage house, which is registered in the trade registry as a legal entity and has been granted operational license from the Securities and Exchange Commission and which is accepted in the MSE membership;
 - “authorized broker” shall mean a person who holds license for operation as a broker issued by the Securities Exchange Commission;

- “broker licensed by the MSE for access to the BEST system” shall mean an authorized broker who holds license by the MSE for access to the exchange electronic trading system and to use this system for actively trading, employed at the MSE member according to the Law on labor relationship;
- “ exchange electronic trading system” or “BEST system” shall mean the information technology system which, with the help of an appropriate computer support, enables entrance, modifications, retaining and withdrawal of the trade orders, automatic matching of the trade orders and conclusion of MSE transactions, surveillance over the trade orders and the concluded MSE transactions, as well as review of information on the trading and the listed as well as registered securities;
- MSE acts” shall mean: the Statute, Membership rules, Trading rules, Listing rules, Arbitration rules, Tariff book, as well as all other decisions and acts brought on a basis of abovementioned rules;
- “Securities regulation ” shall mean: the Law on securities, other laws in the parts that regulates operation with securities and secondary regulations arising from the laws above.

(2) For the purpose of this rules, if otherwise defined, all other terms shall have the same meaning as defined in the Law on Securities and MSE acts.

2. ACCEPTANCE INTO MEMBERSHIP

Conditions for acceptance into membership

Article 3

(1) Conditions for acceptance of the authorized market participant into the MSE membership are as follows:

- to be registered in the Trade Register as brokerage house, bank or subsidiary of foreign brokerage house;
- to have a license for operations with securities issued by the Securities and Exchange Commission;
- the authorized market participant acts to be in compliance with the laws and the MSE acts;
- to be duly organizationally and technically equipped, especially in regard with to connecting of the member into the BEST system;
- to be member of the authorized Securities Depository;

- to have minimum two persons that hold license for operation as a broker or license for operation as an investment advisor issued by the Securities and Exchange Commission, with the full time employment;
- to have a decision of the managing body for accepting the Statute, these Rules, and the MSE acts and to oblige for their implementation and adhering;
- to have duly nominal capital and liquid capital in accordance with the Law, and to have duly exposure coefficient stipulated by the Securities and Exchange Commission as well (if the authorized participant operated more than one year before the day of submitting of the application for acceptance into membership);
- to meet other criteria stipulated by the Securities and Exchange Commission;
- to meet other criteria stipulated by the MSE in the MSE acts.

(2) The MSE is obliged to allow to any authorized market participant who is registered into the Trade Register and meets the requirements of paragraph 1 of this article and the provisions of these Rules as well, to become a member of the MSE.

Manner of acceptance into the MSE membership **Article 4**

- 1) The MSE membership status is acquired by acceptance into the MSE membership.
- 2) The MSE Board of Directors adopts a decision for acceptance of the authorized participant into the MSE membership.
- 3) MSE member can not transfer its status of MSE member to other person or entity.
- 4) As an exception of paragraph 3 of this article, in the case of statutory changes of the MSE member, the newly established authorized participant becomes MSE member.

Procedure for acceptance into the MSE membership **Article 5**

- 1) The authorized participant who intends to become MSE member submits written application to the MSE for acceptance into membership, which form and content are set in the Attachment 1 which is integral part of these Rules.
- 2) Along to the application of paragraph 1 of this article, the authorized participant who intends to become MSE member submits at least the following documentation to prove that the conditions for the MSE membership are met:
 - notarized copy of its Statute;
 - decision on registration of the legal entity into the Trade Register, and all the changes registered into the Trade Register;
 - copy of the license for operations with securities issued by the Securities and Exchange Commission;
 - confirmation issued by authorized Securities Depository confirms that the authorized participant is its member;
 - copy of the consent for appointment of director of brokerage house/department for securities operations of a bank, issued by the Securities Exchange Commission;

- evidence that the authorized participant employ minimum two authorized brokers with the full time employment;
- specification of the employees by working positions (in case of authorized bank, specification of the employees by working positions of the department that operates with securities);
- specification of computer and technical equipment that will be used in the operations with securities;
- data for the person in charge for compliance with the laws and other legal acts, MSE acts and the acts of the authorized participant;
- original copy of the Decision of the managing body of the authorized participant confirming that authorized participant is aware with the MSE Statute, these Rules and MSE acts, accepts and shall implement them;
- financial reports for the last business year, if the authorized participant operated more than one year before the day of submitting of the application for acceptance into membership;
- data for liquid capital and for exposure coefficient of the authorized participant, if the participant operated more than one year before the day of submitting of the application for acceptance into membership.

3) Foreign brokerage house that intends to become MSE member through its subsidiary, together with the requirements determined in the paragraph 2 of this article, shall, also, submit:

- original and translation of the original copy of the approval for securities operations issued in its country and evidence for registration into the Trade Register or other register in accordance with the laws of domicile country;
- original and translation of the original copy of the document by which the regulator of the securities market in its domicile country permits establishing a subsidiary of the brokerage house in the Republic of Macedonia;
- audited financial reports for the last three years.

4) The MSE qualified department considers the application for acceptance into membership, while it especially considers the completeness of the application and compliance of the submitted acts of the authorized participant with the laws and the MSE acts. The MSE qualified department makes a report for submitted application with a proposal.

5) If the submitted application is incomplete or from the enclosed documentation is not possible to find a compliance of the acts of the authorized participant with the laws and the MSE acts, the MSE will require from the authorized participant to complete the submitted application within the 30 days from the date of its submission. In the same period of time, the MSE has a right to require other additional documentation of the authorized participant which is necessary for obtaining complete opinion upon the submitted application, and which proves that the authorized participant who intends to become a MSE member meets the requirements for membership.

6) The authorized participant who intends to become a MSE member is obliged to complete submitted application in accordance with paragraph 5 of this article within 30 days from the date of its receiving by the MSE.

7) Based on the submitted application by the authorized participant, enclosed documentation and report for the application by the MSE qualified department, the MSE Board of Directors decides for its acceptance or rejection, i.e. for acceptance of the authorized participant into the MSE membership or for rejection of the application for acceptance into membership, within 45 days from the day of the receiving the application, and in the cases of paragraph 5 and paragraph 8 of this article, within the 30 days from the day of receiving of the completed application.

8) If the Board finds out that the submitted documentation is incompleting to decide upon the application of the authorized participant for MSE membership, the Board has right to require completion of the documentation. The authorized participant is obliged to complete the submitted documentation within 30 days from the day of receiving the requirement by the Board.

9) If the Board finds out that the authorized participant meets the requirements for membership, makes a decision for its acceptance into the MSE membership. The Board's decision for acceptance in membership shall be submitted to the authorized participant who requires acceptance in the MSE membership, Securities Exchange Commission, and all other MSE members and the public are informed within 3 business days from the day of adopting the decision.

10) If the Board finds out that the authorized participant does not meet the requirements for membership, rejects the membership application with a decision, and gives an explanation claiming the reasons due to which the membership is not approved.

11) The MSE informs the Securities and Exchange Commission for rejection of a requirement for membership.

12) The authorized participant from paragraph 10, which membership application is rejected has a right to complain to the Securities and Exchange Commission, through the MSE, within 15 days from the day of receiving the Board's decision.

Commencement of use of the membership rights

Article 6

1) The MSE member shall, immediately after the acceptance into membership, undertake all necessary activities in order to begin to realize the membership rights:

- to pay to the MSE necessary compensations determined with the MSE Tariff book;
- to provide communication connection with the BEST system;
- minimum two employees – authorized brokers to acquire the status of broker with license by the MSE for access to the BEST system.

- 2) Immediately after completing of all the activities set in paragraph 1 of this article, the MSE Chief Executive Officer defines the date from which the member will commence to use the MSE membership rights, defines the member code and gives instructions for enabling active access of the member to the BEST system, within 3 business days from the day of performing all the activities of paragraph 1 of this article at the latest.
- 3) If the MSE member does not perform all necessary activities set in paragraph 1 of this article, within 30 days of the day of its acceptance in membership, the Board of Directors has a right to revoke the decision for membership acceptance.

Brokers licensed by the MSE for access to the BEST system

Article 7

- 1) Only brokers of the MSE member licensed by the MSE for access to the BEST system, may have access to the BEST system to trade with securities.
- 2) The authorized broker acquires with the status of broker licensed by the MSE for access to the BEST system of the member if the following requirements are met:
 - the member shall submit evidence that the person has valid broker license issued by the Securities and Exchange Commission;
 - the person shall pass or has passed special expert exam organized by the MSE;
 - the member shall submit to the MSE a statement that all transactions realized by that person on behalf of the member will treat as transactions realized by the member and the member will be duly responsible for it;
 - the member shall submit evidence that the person has full time employment with the member according the Law on Labor Relations;
 - the person shall submit to the MSE a statement that is aware with the MSE acts, accepts and adheres it.
- 3) The authorized broker may not acquires with the status of broker licensed by the MSE for access to the BEST system of the member, if there is a valid decision against him for excluding of the trading, due to the violation of the MSE acts and/or member's internal acts.
- 4) The special expert exam of paragraph 1 item 2 of this article is consist of two parts:1) test of the knowledge of the MSE Trading Rules and 2) test of the knowledge of the characteristics of the MSE trading electronic system in order to use it.
- 5) The special expert exam is carry out by special commission established by the MSE Chief Executive Officer and it is performed in written form, and organized when it is necessary.
- 6) The special expert exam considers passed if the candidate answers correctly to at least 60% of the questions at the two parts individually.
- 7) A compensation determined with the MSE Tariff book has to be paid in order to pass the special expert exam.
- 8) After the accomplishment, i.e. examination of the requirements set in paragraph 2 and paragraph 3 of this article, the MSE assigns an user name and password to the authorized broker, by which gives him authorization for access and use of the BEST system, i.e. a right to act as broker with MSE permission for access to the BEST system.
- 9) The broker licensed by the MSE for access to the BEST system is obliged to keep the user name and password as business secret.

10) If the broker licensed by the MSE for access to the BEST system has not used the right for access to the BEST system one year continually, it is obligatory to pass the exam of paragraph 4 of this article again, before to commence to use that right again.

11) With a decision of Chief Executive Director, the MSE will suspend or abolish the right of the broker licensed by the MSE for access to the BEST system of the MSE member if:

- the MSE receives information of the member or finds out that the broker licensed by the MSE for access to the BEST system has non regular employment, according to the Law on Labor Relations, with the member that reported him;
- expiration of the validity of its broker permission issued by the Securities Exchange Commission and the said permission is not been renewed within the legal term, or the permission has been revoked by the Securities Exchange Commission;
- the broker licensed by the MSE for access to the BEST system is temporarily or permanently excluded from trading due to the MSE acts violation;
- the MSE member submits requirement for abolishment of the right of the broker with MSE permission for access to the BEST system to act on behalf of the member in the MSE securities trading.

Subsidiaries of MSE member

Article 8

(1) The MSE member is obliged to inform the MSE for opening or closing of the member's subsidiary/ies, for the operations that will be performed in the subsidiary, for authorized brokers and the brokers licensed by the MSE for access to the BEST system employed in the member's subsidiary and for each change of the authorized brokers and brokers with MSE permission for access to the BEST system in the member's subsidiary. The member is obliged to inform the MSE for each change of the status, authorizations and operations that will be performed in the MSE member's subsidiary and to submit a decision of competent body named the operations that will be performed.

(2) The MSE member's subsidiary that performs only technical and assisting operations is not provided with connection to the BEST system

(3) The technical and assisting operations that are performed in the MSE member's subsidiaries are those operations as receiving orders, informing the clients about buying or selling the securities which is not investment advising and other assisting and technical operations that are not considered as supplying of services according article 94 of the Securities Law.

(4) The MSE will provide connection of the member's subsidiary to the BEST system, only if the subsidiary meets the following requirements:

- the member shall submit to the MSE an application for connection of its subsidiary to the BEST system;
- the member shall submit to the MSE an evidence that the Securities Exchange Commission has been informed about the opening of the subsidiary;
- to be duly organizationally and technically equipped, especially in regard with the connecting of the subsidiary into the BEST system;

- a communication connection of the subsidiary with the BEST system to be provided;
- to have an integrated book of orders of the subsidiary with member's headquarters;
- to have at least one broker licensed by the MSE for access to the BEST system full time employed in the member's subsidiary;
- the necessary compensations determined with the MSE Tariff book to be paid by the member;

(5) The connection of the member's subsidiary with the BEST system is performed with a decision of the Chief Executive Officer, within 3 business days from the day of fulfillment of all the requirements from paragraph 2 of this article.

**Member Register and Register of Brokers licensed by the MSE
for access to the BEST system
Article 9**

(1) The MSE keeps Member Register in which the following data and its amendments are registered:

- name/title of the member;
- code of the member;
- headquarters of the member;
- date of the acceptance of the member into a membership;
- date of beginning of trading at the MSE;
- director of the member;
- person in charge for compliance with the laws and other regulations, the MSE acts and acts of the authorized participant;
- authorized brokers employed with the member and all changes in their number;
- the brokers licensed by the MSE for access to the BEST system of the member and all changes of their right to act on behalf of the member;
- total number of employees of the member, with specification of the employees positions;
- information regarding suspension or excluding of the MSE trading;
- evidence of pronounced sanctions;
- nominal capital of the member;
- member's subsidiaries;
- date of end in the MSE membership;
- other data upon the MSE requirement.

(2) The MSE keeps Register of Brokers licensed by the MSE for access to the BEST system, in which the following data and its amendments are registered:

- first and second name and registered number of the broker licensed by the MSE for access to the BEST system;
- code of the broker licensed by the MSE for access to the BEST system;
- date of acquiring with the right to act as broker licensed by the MSE for access to the BEST system;

- date when the broker licensed by the MSE for access to the BEST system, began to use the right to act as a broker licensed by the MSE for access to the BEST system;
- dates of acquiring, renewing and expiring of the broker's license;
- member on whose behalf the broker licensed by the MSE for access to the BEST system acts;
- evidence of pronounced sanctions;
- all changes of his right to act as broker licensed by the MSE for access to the BEST system.

(3) In the Member Register the MSE, also, keeps the data for the members which are permanently excluded of membership, liquidated e.t.c

(4) In the Register of Brokers licensed by the MSE for access to the BEST system, the MSE keeps the data for all brokers licensed by the MSE for access to the BEST system to whom the MSE has issued user names, regardless they are active or not.

3. CONTINUED CONDITIONS FOR MSE MEMBERSHIP

Article 10

(1) MSE member shall meet the following conditions in continuity:

- to have license for operating with securities issued by the Securities Exchange Commission;
- to comply its acts with the laws and the MSE acts;
- to maintain duly level of organizational and technical equipment, especially regarding the connecting of the member to the BEST system;
- to be member of authorized depository of securities;
- to have minimum two full time employed brokers licensed by the MSE for access to the BEST system at any time;
- at any time to have appropriate nominal capital and liquid funds in accordance with law, and to have appropriate coefficient of exposure stipulated by the Securities Exchange Commission;
- to maintain its integrity;
- in case of member – brokerage house, the only operation to be trading with securities and other activities connected with securities trading;
- to have established and to maintain internal systems and mechanisms for efficiency, regular and responsible operation, especially regarding the acts that regulate operation with clients, keeping of business secret, the way of prevention of abuse of information which are not accessible to the publicity, supervision procedures for the operation e.t.c.;
- to meet all conditions for membership that the MSE may periodically requests;
- to pay on regular basis the compensations determined with the MSE Tariff book.

(2) The un-fulfillment of any of the requirements named in paragraph 1 of this article causes temporarily or permanently losing the status MSE member.

(3) If MSE member becomes illiquid or its financial situation is significantly violated or in its operation some event occurs that brings into question the safety of the other MSE members and/or the safety of the MSE itself, the Board of Directors may, by shorter procedure, without disciplinary procedure, pronounce temporarily ban for performing the part or all the activities of the such MSE member connected with the operation with securities, including suspension from trading or on the other way use of the MSE capacities or exclude the member temporarily from the MSE membership.

4. THE MSE MEMBER'S RIGHTS

Article 11

The MSE member has the following rights arising from the MSE membership:

1. to emphasize in its operations that it is MSE member;
2. the equal treatment with all other MSE members;
3. to use the BEST system and to participate into the trading;
4. through its brokers licensed by the MSE for access to the BEST system to conclude securities transactions, if the market conditions allow that;
5. to have an access to all information announced by the MSE relevant to the securities trading, in accordance with the MSE rules;
6. to be on time and completely informed about adopting and/or amending of the MSE rules relevant to the securities trading and/or about MSE membership;
7. other rights determined by the MSE rules.

5. THE MSE MEMBER'S OBLIGATIONS

General obligations and responsibilities of the MSE member

Article 12

The MSE member has the following general obligations and responsibilities:

1. to follow the provisions of the Securities Law and other laws and by-laws which regulate securities operation, to perform MSE operation conscientiously, in accordance with the MSE acts, to secure the member's employees not to offer or give, nor ask or accept any activity which means violation of the laws, MSE acts and member's internal procedures;
2. to follow the MSE rules and instructions;
3. when trades in its name and on behalf of a client, the member in relations with the other MSE members has a status of principal, i.e. as it trades in its name on its behalf and is responsible for the transactions concluded for its clients on all basis;
4. the member is responsible for all activities perform by its directors and employees on behalf of the member, including the signed agreements on behalf of the member by the named persons;

5. the member is responsible for all transactions concluded on its behalf by a broker licensed by the MSE for access to the BEST system or employee, as well as for performing of those transactions in accordance with the MSE acts;
6. upon the MSE request to submit data, information, reports and documents related with the acceptance of orders, concluded transaction at the MSE and/or important data for protection of public interest and investor's interest as well;
7. to provide to its clients timely and best performance of the trading orders in accordance with the procedures stipulated with the Trading rules. When the member receives client's order or based of its authorization will make a decision to give or agree order for the client, the member has to do it in the most efficient way in the given circumstances. The member shall operate fair with its orders and with the client's orders and always to provide a priority to the client's before the member's orders, in accordance with the MSE Trading rules;
8. to provide its employees and/or representatives to be qualified to act on its behalf appropriately and to provide high business standards conditions for performing and supervising the operation of its employees;
9. to submit to the MSE data for the person in charge for following and compliance with the laws and other regulations, self-regulated organization's rules and the member's rules;
10. to submit to the MSE annual financial reports for its operation, together with a report of the authorized auditor within the 15 days of its adoption. In case of bank-member, also, to submit a derived revenue and expenditure balance of the securities department of the bank;
11. to concern about the MSE reputation during public appearances;
12. to sign arbitration agreement which regulates solving of disputes in accordance with the MSE Arbitration Rules;
13. not to abuse unpublished information and to keep at the obligations for keeping a business secret;
14. the member shall not give advice for trading, nor to trade or organize transactions with the single aim to get a bigger fee, that is not corresponding with the client portfolio;
15. the member is obliged to regulate a procedure which shall provide:
 - (a) the way of submitting the appeals by the clients referring the obeying the MSE acts;
 - (b) the way of control of the statements in the appeal; and
 - (c) the way of adopting the decision upon the appeal and allow the client to submit an objection to the MSE.
16. appropriately to announce the working time with clients as well as the MSE trading time;
17. the member is obliged in all premises of its operation with clients, to allow insight in the member's general conditions for operation and in the tariff for securities services.

Obligatory reporting to the MSE
Article 13

- 1) MSE member is obliged to report to the MSE in the following cases:
- change or termination of employment of director, authorized broker, broker licensed by the MSE for access to the BEST system and/or person competent for following and obeying the laws and other legislation and MSE acts;
 - amendments of the company's statute;
 - change of the member's name or place of operation;
 - data for opening, closing of member's subsidiaries and changes in the operations of the subsidiaries as well;
 - recording of changes in the Trade Register;
 - adopting a decision on change of the nominal capital;
 - significant court and arbitration disputes that come from securities trading or disputes that may cause significant disturbance of the member's current operation;
 - starting a procedure by the competent body against the member;
 - limiting or revoking the license for operating with securities by the Security Exchange Commission or by the National Bank of the Republic of Macedonia;
 - limiting or revoking the license for operation of the employee in the MSE member issued by the Securities Exchange Commission;
 - other forms of temporarily or permanently cessation of member's operation;
 - pronounced sanctions to the employees that come from its internal acts according article 7, paragraph 3 from these Rules;
 - starting liquidation or bankruptcy procedure.
- 2) The reports of paragraph 1 of this article, the MSE members are obliged to submit within 7 days from the day of the occur acts and changes at latest.

Obligations with reference to the clients money

Article 14

- 1) The member is obliged to keep at the separate account all the clients money given to the member for buying the securities or money from the selling of securities of the client.
- 2) The money at the special account may be used only in accordance with the valid client's instructions.
- 3) Member paid the money from the selling of the securities exclusively on behalf and for account of the client within one business day after the receiving the money from the selling of securities.
- 4) The member controls or is responsible for the clients funds, i.e. is obliged to provide appropriate protection of the funds through separating and identifying of those funds, or at the other way, in accordance with the undertaken responsibility.
- 5) The member is especially concerned:

- (a) to not mix the client's money with the other money;
 - (b) to know at any time the amount of money that the client has on his account;
 - (c) money of one client not to be used for other client.
- 6) The member shall not make payments for the transactions with securities on its behalf and for its account, and any other payments on its behalf and for its account, with the client's money.
- 7) The member may withdraw money from the client's account, only if:
- (a) has a written authorization for payment on behalf of the client;
 - (b) has a written authorization for payment of debt caused from trading, including fees and compensations, that the client owes to the member; or
 - (c) has a written authorization for transferring the money at the other account of the client;
 - (d) in case of payment of money on the client's account upon the broker's mistake.
- 8) The member may withdraw money from the client's account in order to collect its compensations and fees, if it is agreed in the contract with the client.

Obligations referring to the member's financial operation

Article 15

- 1) The member is obliged to fulfill the mature financial obligations on timely manner and to maintain its capability permanently to fulfill its obligations.
- 2) If the member has not appropriated basic capital and liquid capital in an amount and with structure appropriate to the scope and kind of services and the risks that it is exposed in its operation, in order to fulfill mature obligations for the realized transactions on timely manner, stipulated by the Securities Exchange Commission and in accordance with the law, the member is obliged to:
- inform the Securities and Exchange Commission, authorized securities depository where it is member and the MSE, within the 24 hours from the moment when it will become aware for its financial problems, and
 - stop to trade with securities.

Obligations of the member for making of internal operation and control rules

(Control procedures)

Article 16

- 1) The member is obliged to make internal operation and control rules for its employees with which it will secure that its directors and employees will operate in accordance with securities legislation and MSE rules.
- 2) The member shall secure its employees to be appropriately trained, to have necessary qualifications and to be under internal control by the person in charge for following and comply with the laws and other legislation, MSE rules and member's acts.

3) The authorized broker employed in the member and other person which is not broker with MSE permission for access to the BEST system has not right to conclude transactions on behalf of the member through the BEST system. The MSE member is responsible for any breaking of this rule.

4) The member is obliged to control carefully the operation of its employees and all other persons (proxies, representatives, procurators) that operate on behalf and for the account of the member.

5) The member is obliged to not allow to unauthorized persons access and use of the BEST system. The member is responsible for all transactions in the securities trading realized in the BEST system on behalf of the member by unauthorized persons.

6) The member's employees may not trade with securities on their behalf and for their account through other MSE member.

Obligations for payment of compensations Article 17

- (1) The member is obliged to pay all compensations determined by MSE acts.
- (2) The Board of Directors determines the time and the way of payment of compensations.
- (3) The members have to obey the MSE requirements, instructions or directions referring to the payment of compensations, including the payment of interest for overdue payment.

Special obligations of MSE member's directors Article 18

Each member's director, together with the member, is responsible for each breaking, disobeying of the MSE acts made or caused with awareness or caused by the director's negligence.

6. TERMINATION OF THE MSE MEMBERSHIP

Membership termination Article 19

- 1) The member loses the MSE member status, temporarily or permanently, due to the following reasons:
 - revoking a decision on acceptance in membership;
 - adjournment of a membership;
 - voluntary resigning;
 - excluding from membership;
 - withdrawing of the license for performance by the Securities Exchange Commission in accordance with the Securities Law;

- bankruptcy of the member in accordance with the Securities Law;
- termination of the member (liquidation), in accordance with the Securities Law;
- in other cases stipulated by the Law and MSE acts.

Revoking a decision on acceptance in membership
Article 20

MSE Board of Directors has a right to revoke a decision on acceptance in membership, if the MSE member does not perform all necessary activities said in article 6 paragraph 1 of these Rules within 30 days from the day of its acceptance in membership.

Adjournment of membership
Article 21

- 1) The member may require from the Board of Directors its MSE membership to be in adjournment, but the period of adjournment cannot be longer of one year.
- 2) In order the MSE membership to be in adjournment, the member is obliged to pay its all financial obligations towards the MSE and other MSE members, to secure all its clients to be informed about its future status and to provide appropriate regulation of the relations between the clients and the member in accordance with the client's requirements.
- 3) During the adjournment, the member in its operation, has no right to emphasize its MSE membership and it is obliged to pay the compensations in accordance with the MSE Tariff.

Voluntary membership resigning
Article 22

- 1) The member that intends to resign of the MSE membership on voluntary basis, shall submit to the Board announcement for the resigning 30 days before the formally resigning.
- 2) In order to resign voluntary, the member shall pay its all financial obligations towards the MSE and other MSE members, to secure all its clients to be informed about its future status and to provide appropriate regulation of the relations between the clients and the member in accordance with the client's requirements.

Temporarily excluding from membership
Article 23

1) The MSE Board of Directors may exclude the member from MSE membership temporarily by adoption of disciplinary measure, in case of ascertained violation of MSE rules, conducted in accordance with a procedure regulated with the Disciplinary Rules.

2) The Chief Executive Officer excludes the member from MSE membership temporarily if the member does not meet some of the continued membership conditions stipulated with article 10, paragraph 1, items 1, 4 and 5 of these Rules, until the fulfillment of that requirement/s.

3) The Chief Executive Officer excludes the member from MSE membership temporarily if the member does not pay the obligations towards the MSE within 7 (seven) days at latest after the term determined for paying of the submitted invoice, until the paying of the obligations.

4) If the member does not meet some of the continued MSE membership conditions stipulated with article 10, paragraph 1, items 2, 3, 6, 7, 8, 9, 10 and 11 of these Rules, the Chief Executive Officer commences a disciplinary procedure within 3 business days from the day of his acknowledge about the unfulfilment of some of the continued membership requirements.

5) The MSE informs the Security and Exchange Commission and the publicity about the temporarily excluding of the member from MSE membership.

6) The member which is temporarily excluded from membership is obliged: to pay financial obligations to the MSE, to secure all its clients to be informed about its status and to provide appropriate regulation of the relations between the clients and the member in accordance with the client's requirements.

7) With the temporarily excluding from the membership, the member loses the membership rights temporarily, while the other members rights and MSE rights towards that member, acquired before its excluding, remain in force.

Permanently excluding from MSE membership

Article 24

1) The MSE Board of Directors may exclude the member from membership permanently, in the procedure determined by the Disciplinary Rules, in the following cases:

- if the member is accepted in the MSE membership on the basis of untrue data;
- if the member does not meet the continued membership requirements stipulated with these Rules, in the longer period of time;
- if the member rudely and/or repeatedly violates the MSE acts;
- if there are justified circumstances that the investors interests will be protected.

2) With the permanently excluding from membership, the member loses its status and rights of MSE member, while the other members rights towards that member which are acquired before its excluding, as well as MSE rights regarding unpaid financial obligations of that member, remain in force.

3) The MSE informs the Securities and Exchange Commission, the other MSE members and the publicity about the permanently excluding of a member from MSE membership.

4) The authorized market participant which was excluded from MSE membership may submit requirement for acceptance in the membership again, after one year from the day of the effectiveness of the decision on excluding from membership.

5) The member which is permanently excluded from membership is obliged: to pay financial obligations to the MSE, to secure all its clients, as soon as possible to be informed about its status and to provide appropriate regulation of the relations between the clients and the member in accordance with the client's requirements.

TRANSITIONAL AND FINAL PROVISIONS

Article 25

This clean text of the Membership rules shall enter into power from the day of adoption of the Decision for implementation of comments of the Securities Exchange Commission according to the Decision no.08-2028/2 dated June 09, 2008, into the text of the Membership Rules of the Macedonian Stock Exchange AD Skopje.

By entering into power of the clean text of the Membership Rules from the paragraph 1 of this article, the clean text of the Membership Rules no.09-370/2 dated 19.02.2007 cease to be valid.

Article 26

1) All MSE members are obliged to submit to the MSE a statement by the management for the brokerage house, and for authorized bank a statement by the managing body of the bank that they accept these Rules, in the period from receiving a consent by the Securities Exchange Commission to the day of beginning of implementation of these Rules, determined in article 25 of these Rules.

2) The members which in the term of paragraph 1 of this article will not submit to the MSE a statement by the member management that accept these Rules, will be temporarily excluded from membership until they submit a statement.

Article 27

1) The authorized brokers which in the moment of beginning of implementation of these Rules have active user names and passwords for trading into the MSE electrical trading

system based on previously passed exam at MSE, acquire a right to act as brokers licensed by the MSE for access to the BEST system.

2) The persons of paragraph 1 of this article are obliged to submit to the MSE a statement that they are aware with the MSE rules, that they accept and will obey the said rules, in the period from receiving a consent by the Securities Exchange Commission to the day of beginning of implementation of these Rules, determined in article 25 of these Rules.

3) As an exemption of paragraph 1 of this article, the persons who will not act in accordance with paragraph 2 of this article, will not acquire with a right to act as brokers licensed by the MSE for access to the BEST system, i.e. the right to access to the BEST system will be revoked until they submit a statement.

Article 28

1) Within 7 days from the day of beginning of implementation of these Rules, the MSE members are obliged to submit data for the person in charge for following and compliance with the laws, other regulations, MSE acts and member's acts.

2) The members which will not submit to the MSE data for the person in charge for following and compliance with the laws, other regulations, MSE acts and member's acts, within the term of paragraph 1 of this article, will be temporarily excluded from membership until they submit the said data.

Article 29

With the day of beginning of the implementation of these Rules, the MSE members must not accept orders for securities trading upon concluded contracts for business and technical cooperation with other entities.

Article 30

The MSE member is obliged, upon a need, to comply its acts with the MSE rules within ninety (90) days from the day of beginning of the implementation of these Rules.

Board of Directors

Zvonko Stankovski, President

APPLICATION FOR ACCEPTANCE IN MSE MEMBERSHIP

1. **Title of authorized participant in the securities market:** _____
2. **Short title:** _____
3. **Place of business of authorized market participant:** _____
4. **Telephone number/fax:** _____
5. **Registration in the Trade Register:** _____
6. **SEC operation license of authorized market participant:** _____
7. **SEC consent for nominating of Director of authorized market participant:** _____
8. **Depository member:**
 - Depository title _____
 - date of acceptance in membership _____
9. **Number of employees – authorized brokers:** _____
10. **Total number of employees:** _____
11. **Data for nominal capital of the authorized market participant:** _____
12. **Number of issued shares:** _____
13. **Nominal value of a share:** _____
14. **Types of securities services:** _____
15. **Owners/founders:** _____
16. **Managing body:** _____

17. Managing body President: _____

**18. Director of the authorized
market participant:** _____

19. Submitted documentation as attachment to the application: