Prague Stock Exchange

RULES FOR BLOCK TRADES

Exchange Rules - part XVII.

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Article 1 – Subject of the Provisions

This Part of the Exchange Rules provides for principles of trading with shares listed on the Prague Stock Exchange (hereinafter "PSE") in the trading system Xetra® Prague (hereinafter "Xetra®") on PSE.

Article 2 – Basic principles of Block Trades

This document establishes rules for processing orders intended for Block Trades, the type and scope of information provided during the trading day to the market.

The Block Trade conclusion is considered as the formalization of negotiated trade according to the valid legislation.

Following principles are set for Block Trades:

- Block Trades are not anonymous, trades are negotiated with the concrete counterparty.
- Orders for Block Trades are sent and managed by the system separately from orders flow determined for other trading procedures.
- Block Trades have no influence to the official price of the instruments which are the subjects of Block Trades.
- The order book for Block Trades is closed, market does not have any pretrading information regarding these orders.
- Report for concluded trade is generated imediatelly when the trade is concluded. Report is generated automatically by the trading system.
- Files with complete trading data for settlement needs are created on daily basis when trading day is closed.
- Block Trade is published to the market promptly. Block Trades are a part of the official PSE price list.
- Block Trades are considered as the Exchange trades.

Article 3 – Block Trades availability

Block Trades are available for PSE members only, Xetra® user profiles for member traders are used.

Article 4 – Orders for Block Trades

Trader can conclude Block Trade on behalf of client (account A-Agent) or on the member account (account P-Proprietary).

Any execution restrictions, trading restrictions or other limitations regarding trading can not be used in orders for Block Trades.

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In orders for Block Trades the counterparty of this negotiated trade allways must be determined.

Table 1 Order Attributes for Block Trade Orders

Order Atribut	Description / Content	Mandatory ?
Buy / Sell	Buy / Sell	yes
Instrument	ISIN or WKN	yes
User's identification code	Xetra® identification code – User ID	yes
Member's identif. code	Xetra® identification code – set by PSE	yes
Price	Negotiated price of the Block Trade	yes
Volume	Number of pcs (for debt securities nominal volume)	yes
Date and time	Date and time, when the trade was negotiated by both counterparites (out of Xetra®)	yes
Counterparty	Identification member Xetra® code – set by PSE	yes
Account code	A (Agent), P (Proprietary)	yes
Trader's order number	Set by PSE member - to be used at the trader´s discretion	no
Text field	To be used at the trader´s discretion	no
Xetra® order number	Order identification in Xetra® - set by the system	yes

Article 5 – Conditions for Block Trade conclusion

a) Both counterparties negotiate for the given trade number of pieces and the price per one piece, where the trade must keep the minimal value and the price regulation. It is not possible to send orders for trades which do not keep the set conditions .

b) The minimal value for Block Trades is set as CZK 300.000.

c) The price regulation for Block Trades relates to the order book in continuous trading for the given instrument , as follows:

- The price of Block Trade must be in the time of negotiation within the current best spread (spread determined by the best bid price and the best ask price).

- In the case of empty order book there is no possibility to set the best spread and no trade can be negotiated.

d) Both counterparties must formalized the negotiated trade(send the buy/sell order into the Xetra®) as soon as technically possible .

e) Summarization of orders or trades is not allowed. PSE member can not send summarized order, each trade must be managed separately.

f) The Block Trade is concluded (the negotiated trade is formalized) when two sent orders (buy and sell side) are executed. These two orders must fulfill following conditions:

- the same instrument (ISIN)
- the same volume
- the same price
- the same date and time
- opposite direction (sell - buy)
- opposite counterparty

In the case of situation when more orders in the order book fulfill the conditions for Block Trades conclusion (whether it be on one side or on both sides), the time priority is used for order management.

Article 6 – Final Provisions

(1) According to the valid legislation (EU Regulation), Block Trades are concluded only on the basis of a pre-trade transparency waiver for equity instruments.

(2) The ratio between Block Trades for the given instrument (liquid share) concluded on the basis of orders which are not considered as „large in scale orders" and trades concluded with the given instrument in all EU trading venues is limited by the parameters set in EU Regulation.

(3) In the case that limits are exceeded, the pre-trade transparency waiver is suspended. Block Trades concluded on the basis of orders which are not considered as „large in scale orders" will not be available for six months from the day when the waiver is suspended

Article 7 – Effectiveness

This Exchange Rule was approved by the Exchange Chamber and takes effectiveness from 2.12.2019.

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