General Regulations
of the Stock Exchange
Approved by order of the Minister of Economy and Finance number 1268-08 of 7 July 2008 amended and supplemented by the order 30-14 of 6 January 2014.
General Rules of the Stock Exchange

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General Rules of the Stock Exchange
Rules relative to the listing of securities on the Stock Exchange, the conditions of their transfer and their cancellation
Chapter 1  Admission of securities for listing on the Stock Exchange

Section 1 : General provisions

Article 1.1.1
The admission of securities for listing on the Stock Exchange, as defined by Article 2 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented, is subject to an application of admission addressed to the managing firm by the issuer itself or by the duly appointed proxies thereof.

Article 1.1.2
The issuer that requests the admission of the securities thereof for the listing on the Stock Exchange must address to the managing firm a legal file that includes the following documents:

• the application of admission for listing on the Stock Exchange, appointing the counselor(s) commissioned for this purpose;
• the minutes of the decision-making bodies that have decided the operation, and defined the methods of the achievement thereof;
• the draft of information document;
• the draft of the agreement regulating the members of the investment syndicate, if need be;
• the draft of the schedule for the listing of securities concerned by the admission operation;
• the certificate of admission of securities for the operations of the central securities depository;

Article 1.1.3
The schedule of any operation of registration of securities for listing on the Stock Exchange is established with the consultation of the managing firm.

Article 1.1.4
The registration of the new securities of capital or debt of any issuer already registered for listing on the Stock Exchange depends on the meeting of the commitments provided for in article 1.1.5. Moreover, it must update the elements of the legal file thereof provided for in article 1.1.2.

Article 1.1.5
The issuer that requests the admission of the securities thereof for listing on the Stock Exchange makes the following commitments:

• provide the managing firm with the minutes of each of the ordinary and extraordinary general assemblies of the shareholders,
• keep the managing firm informed of the modifications that may be made to the bylaws, as well as the measures taken by the decision-making bodies of the issuer regarding the securities thereof;
• ensure the agreement of the managing firm in order to set the schedule of issue and subscription, for any securities transaction;
• provide the managing firm with the certified annual summary financial statements as well as the report of auditors on each fiscal year immediately after their publication;
• provide the managing firm with semiannual financial documents set forth in article 17 of the Royal Edict as law Nr.1-93-212 of rabia II 4, 1414 (September 21, 1993) relative to the Council for the Code of Ethics in Securities and the information required from corporate entities making public issues, as amended and supplemented;
• provide the managing firm with all official statements and publications distributed by the issuer, as well as any document of financial or economic information that it might publish;
• to provide the managing firm with the information relating to the distribution of the capital thereof;
• provide the managing firm with any modification brought to the appointment of the institutions in charge of financial service relating to the management of the securities thereof.

Article 1.1.6

The managing firm may require from the issuer requesting the registration of the securities thereof for listing on the Stock Exchange, the supply of any information necessary to the instruction of the operation of admission.

Article 1.1.7

On the basis of the file of admission, the managing company verifies the regularity of the conditions of admission and the negotiability of the securities which registration for listing on the Stock Exchange is requested. It verifies also the conditions of registration for listing on the Stock Exchange as they are provided for in Articles 14, 14a and 14b of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented.

Article 1.1.8

The favorable reply to the application of registration of securities for listing on the Stock Exchange, as defined by the aforesaid Article 2 of the Royal Edict as law Nr. 1-93-211 of rabia II 4, 1414 (September 21, 1993), gives rise to a notice of approval relating to the admission for trading and the schedule of the transaction.

Article 1.1.9

The notice of approval is served by the managing firm on the issuer or on the duly appointed proxy thereof. This notice is final only after the endorsement of the information document by the Council for the Code of Ethics in Securities provided for in article 14 of the Royal Edict as law Nr.1-93-212 of rabia II 4, 1414 (September 21, 1993) relative to the Council for the Code of Ethics in Securities and the information required from corporate entities making public issues, as amended and supplemented.
Article 1.1.10
The notice of approval is notified by the managing firm to the issuer or the proxy thereof duly appointed, within a fifteen days’ deadline. This deadline begins to run as of the date of the receipt of the legal file of admission. The absence of any decision notified within this deadline amounts to an approval.

Article 1.1.11
The notice of approval is valid for three months. The validity may be extended by the managing firm further to a well-founded application from the issuer, and after approval of the Council for the Code of Ethics in Securities.

Article 1.1.12
The managing firm pronounces the admission of a security at one of the compartments for listing on the Stock Exchange. This decision may subject to a publication at the Official List, specifying the compartment, the conditions of trading, the procedure and the date of the first listing.

Article 1.1.13
The refusal of admission for listing on the Stock Exchange of a security by the managing firm must be well-founded and served on the Council for the Code of Ethics in Securities.

Article 1.1.14
The managing firm informs in writing the issuer or the proxy thereof duly appointed of the expenses and commissions that it applies to the operations concerning the issuer, as well as the conditions of their payment.

Article 1.1.15
Unless otherwise decided by the managing firm, and after the endorsement of the Council for the Code of Ethics in Securities, securities giving access to the securities of the capital of any issuer may be registered for listing on the Stock Exchange only if the securities of the capital to which they refer are themselves registered for listing on the same.

Section 2: Admission of securities of the capital for listing on the Stock Exchange

Article 1.1.16
The securities of the capital are all classes of shares making up the capital of any issuer as well as all other securities or rights giving or likely to give access directly or indirectly to the capital and to the voting rights, transmissible through a book-based system or by tradition. The matter concerns mainly:

- ordinary shares;
- shares with preferred dividends and without voting rights;
- investment certificates;
- shares with twofold voting right.
Article 1.1.17

The managing firm registers ex officio in the list of the Stock Exchange the following securities of capital:

- securities of capital issued from any increase of capital through the capitalization of reserves, of any issuer which securities are already registered in the official list of the Stock Exchange;
- securities of capital issued from any increase of capital as part of a transaction to offset claims or conversion of debentures into equity.

The procedure referred to in Articles 1.1.1, 1.1.2, 1.1.5, 1.1.18, 1.1.19, 1.1.20, 1.1.21, 1.1.22 and 1.1.23 of this regulation is not necessary for the registration of the securities set forth in paragraph 1 of this article.

a. Admission of securities of capital to the first compartment of the official list of the Stock Exchange

Article 1.1.18

The issuer requesting the registration of securities of the capital thereof in the first compartment of the official list of the Stock Exchange must meet the conditions set forth in paragraph 1 of Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.

Article 1.1.19

The issuer referred to in Article 1.1.18 above must submit to the managing firm a file of admission made up of the following documents:

- documents set out in article 1.1.2;
- letter containing the commitments provided for in article 1.1.5;
- bylaws or, if need be, the instrument of incorporation of the corporate entity, updated and certified true;
- certified summary financial statements of the three fiscal years preceding the application of admission;
- annual accounts consolidated pursuant to the laws in force, or failing which, according to international standards, should the issuer have subsidiaries as referred to in article 143 of the Act Nr.17-95 on joint stock companies.

b. Admission of securities of the capital to the second compartment of the official list of the Stock Exchange

Article 1.1.20

The issuer requesting the registration of securities of the capital thereof in the second compartment of the official list of the Stock Exchange must meet the conditions referred to in paragraph 2 of Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.
Article 1.1.21

The issuer referred to in Article 1.1.20 above, must submit to the managing firm a file of admission made up of the following documents:

- documents set out in article 1.1.2;
- letter containing the commitments provided for in article 1.1.5;
- bylaws or, if need be, the instrument of incorporation of the corporate entity, updated and certified true;
- certified summary financial statements of the two fiscal years preceding the application of admission;
- copy of the agreement entered into according to the form set by the Council for the Code of Ethics in Securities for one-year period, stating especially the obligations of the aforesaid company to animate the securities market.

c. Admission of securities of the capital to the third compartment of the official list of the Stock Exchange

Article 1.1.22

The issuer requesting the registration of the securities of the capital thereof in the third compartment of the official list of the Stock Exchange must meet the conditions set forth in paragraph 3 of Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.

Article 1.1.23

The issuer referred to in Article 1.1.22 above, must submit to the managing firm a file of admission made up of the following documents:

- documents set out in article 1.1.2;
- letter containing the commitments provided for in article 1.1.5;
- bylaws or, if need be, the instrument of incorporation of the company, updated and certified true;
- copy of the agreement entered into according to the form set by the Council for the Code of Ethics in Securities for a three-year period, stating especially the obligations relative to the preparation of the documents of information intended for the public and the animation of the securities market.
- certified summary financial statements of one fiscal year preceding the application of admission.

Section 3: Admission of debt securities to the official list of the Stock Exchange

Article 1.1.24

For the admission of debt securities for listing on the Stock Exchange, the issue of the foregoing securities must meet the conditions set forth in Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.
Article 1.1.25
For corporate entities the securities of which are not registered in the official list of the Stock Exchange, the application of admission of debt securities must be backed up by a file of admission the tenor of which is as follows:

- documents of the file set out in article 1.1.2;
- letter of commitment containing the elements provided for in article 1.1.5;
- bylaws or, if need be, the instrument of incorporation of the company, updated and certified true;
- certified summary financial statements of the two fiscal years preceding the application of admission.

Article 1.1.26
For corporate entities the securities of which are not registered in the official list of the Stock Exchange, the application of admission of new debt securities must be accompanied with the documents of the file referred to in article 1.1.2.

Article 1.1.27
For debt securities totally recoverable at the final maturity of the loan, the issuer the securities of which are admitted for listing on the Stock Exchange informs the managing firm of the number of redeemed securities, if need be, as part of accelerated redemption.

In case of debt securities amortizable during the life of the loan, the issuer the securities of which are admitted for listing on the Stock Exchange informs the managing firm of the number of securities to be amortized according to the amortization schedule, either through redemption at par or through repurchase on the Stock Exchange, with the price and the date of amortization of these debentures.

Section 4: Admission of shares of companies investing in risk capital for listing on the Stock Exchange

Article 1.1.28
The shares of the followings may be registered for listing on the Stock Exchange in a separate compartment:

- companies investing in risk capital regulated by the law in force in the field;
- mutual funds investing in securitization regulated by the Act 10-98 relative to the securitization of mortgage claims.

Issues of the aforesaid shares must meet the conditions set forth in Article 14b of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.
Article 1.1.29
The methods of admission for listing on the Stock Exchange for the shares of investment companies or funds referred to in article 1.1.28 above, the procedure(s) of their first listing, the methods of their trading as well as all the information that the issuer of these shares must submit to the managing firm shall be subject to subsequent provisions.

Section 5: Information required from corporate entities the securities of which are admitted for listing on the Stock Exchange

Article 1.1.30
The issuer that has received final consent for the admission of the capital securities thereof has to provide the managing firm with the following documents:

General documentation

• List of shareholders holding 5% or more of the capital of the issuing corporate entity with the indication of their duties in the said corporate entity, if need be,
• Trend of the capital of the issuing corporate entity during the last three fiscal years, preceding the application of admission.

Economic and financial documentation

• Minutes of the ordinary general assemblies relating to the last three fiscal years, if need be;
• Loss and profit accounts and consolidated balance sheets, if need be;
• Particulars relating to the advantages from which the staff benefits (subscriptions of shares reserved for salaried employees…), if need be;
• Activity reports for the last three fiscal years, if need be.

Legal documentation

• Articles of incorporation of the company and, if necessary, instruments of transformation into a joint stock company;
• Minutes in-extenso, certified true, of the constituent assembly and of the general assembly that have decided and ratified the last increase of capital in cash, as well as the resolutions of the board of directors adopted as part of the enforcement of the decisions of these assemblies;
• Minutes in-extenso, certified true, of the extraordinary general assemblies, especially the assemblies that have decided or ratified the modification of the par value of the shares, the free allotment of shares, the reductions of capital and, generally, that have amended the bylaws, during the last three fiscal years;

• In case of takeover, contribution or merger, agreement of contribution, minutes of the general assemblies that have ratified these contributions, the resolution of the board of directors, the report of the auditors, the report of the auditors in charge of the verification of contributions or particular benefits, if any.

Article 1.1.31

The issuer that has received final consent for the admission of the debt securities thereof has to provide the managing firm with the following documents:

• certificate of investment for all securities by the leader of the institutions that have ensured the firm underwriting of the issue, where appropriate;
• consolidated accounts, where appropriate;
• articles of incorporation of the issuer, certified true minutes of the extraordinary general assemblies that have amended the bylaws during the last three years, as well as the corresponding vouchers of legal publication.

Article 1.1.32

The issuers the securities of which are registered for listing on the Stock Exchange have to provide the managing firm with the following documents:

• minutes of the ordinary and extraordinary general assemblies;
• updated bylaws after each amendment;
• measures taken by the decision-making bodies of the issuer as regards the securities thereof;
• updated list of shareholders holding 5% or more of the capital of the company;
• annual and semiannual financial statements that the issuer must publish pursuant to articles 16 and 17 of the Royal Edict as law Nr.1-93-212 of rabia II 4, 1414 (September 21, 1993) relative to the Council for the Code of Ethics in Securities and the information required from corporate entities making public issues;
• official statements and publications distributed by the issuer, as well as any document of financial or economic information that the issuer would have to publish;
• schedules of issue and subscription for any securities transaction in order to obtain the consent of the managing firm;
• appointment of the institutions in charge of the financial service.
Chapter 2

Diffusion and procedures of the first listing

Article 1.2.1

The floatation of any issuer on the Stock Exchange is fulfilled by the public diffusion of the securities thereof and the organization of their first listing.

Section 1: Public diffusion of securities

Article 1.2.2

The admission for listing on the Stock Exchange involves the public diffusion of a minimum number of securities and an amount referred to in articles 14, 14a, 14b of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented.

Article 1.2.3

The public diffusion of securities admitted for trading may be wholly or partly effected concomitantly with their first listing or in the period preceding immediately the same.

Article 1.2.4

When the issuer chooses to fulfill the public diffusion of securities partly within the framework of a first listing procedure, and partly within the framework of a prior investment, the managing firm appraises the adequacy of diffusion methods with the features of the envisaged transaction, in comparison with the diffusion methods set by the Council for the Code of Ethics in Securities.

The price fixed for the first listing procedure may not exceed the one practiced during the investment.

Article 1.2.5

The issuer or the proxy thereof duly appointed supplies the managing firm, at the end of the transaction, with a detailed summary statement on the investment result. This result is subject to a publication at the Official List of the Stock Exchange.

Section 2: Provisions common to the procedures of first listing

Article 1.2.6

The first listing of securities admitted for listing on the Stock Exchange is ensured according to any of the following four procedures: firm price offer, open price offer, minimal price offer and direct listing.
Article 1.2.7

The first listing of securities admitted for listing on the Stock Exchange is subject to a publication in the Official List of the Stock Exchange that sums up the information contained in the information document certified by the Council for the Code of Ethics in Securities and specifies the features of the transaction and especially:

- the identity of the issuer and the counselors thereof for the operations of admission;
- the number, nature and features of securities object of the transaction;
- the price or price range set by the issuer;
- the schedule and procedure of the first listing chosen and, generally, all particulars relating to the first listing and necessary for the information of the public.

Article 1.2.8

Irrespective of the procedure retained, and in the event the features of the envisaged transaction or the circumstances of the market foreshadow an important disequilibrium between the offer and the demand, the managing firm may require that brokerage companies members of the investment syndicate pay to it, on the day of the delivery of subscriptions, the funds corresponding to the coverage of subscription orders, in an account indicated by it and opened with Bank Al-Maghrib.

Practical methods for the implementation of the call for funds are set and published through a notice by the managing firm.

The decision of the coverage of subscription orders by the managing firm is accounted for and sent to the Council for the Code of Ethics in Securities forthwith.

Article 1.2.9

If, in view of the demands presented, the managing firm considers that the enforcement of the particular rules of the first listing procedure chosen would lead to the listing of a stock price exceeding a margin in comparison with the price of the offer, set in concert with the issuer or the proxy thereof duly appointed, or to an excessive reduction of retained buy orders, it may decide to postpone the floatation to a later date. In this case, it informs thereof the Council for the Code of Ethics in Securities.

The publication of a notice in the Official List announces this date as well as, if need be, the procedure of the first listing chosen and the new methods set for the achievement of the floatation. All buy orders must be renewed.
Article 1.2.10
The result of the implementation of the procedures of the first listing leads to the publication of a notice by the managing firm, showing especially the quoted price, in case of listing, or the indicative price in the case of the impossibility of listing, the number of exchanged securities and the conditions under which quotations are conducted on the following days.

Article 1.2.11
The first listing of securities gives rise to a registration on the Stock Exchange by one or several brokerage companies.

Article 1.2.12
The issuer communicates to the managing firm the name(s) of the brokerage company or companies appointed by it in order to ensure the registration on the Stock Exchange of the first listing.

Section 3 : Procedures of the first listing

Firm price offer, minimal price offer and open price offer

Article 1.2.13
The procedure of firm price offer consists in putting at the disposal of the public a quantity of securities after fixing a firm price. Orders presented by subscribers are compulsorily stated in this price. Securities are allotted according to a comparison between the offer and the demand and according to an allotment method announced beforehand by the managing firm.

Article 1.2.14
Minimal price offer consists in putting at the disposal of the public a quantity of securities after fixing a minimal price of sale. Subscribers represent their orders at this price or at a higher price.

Article 1.2.15
Open price offer consists in putting at the disposal of the public a quantity of securities after fixing a price range. Subscribers present their orders at a rate within the price range, up to and including the limits.

Article 1.2.16
A notice is published in the Official List within five business days at least before the commencement of subscriptions. Announcing the listing of a security according to one of the three procedures, this publication specifies the number of securities put at the disposal of the market by the issuer and the selling price (firm price offer), or the minimal price or the price range, at which these securities are offered.
Article 1.2.17
In concert with the managing firm, the issuer may reserve itself the right to modify the price of the offer (firm price offer), or the minimal price or the price range, initially set, provided that the possibility of the same has been set forth in the information document and the price or the price range finally retained is published three business days at least before the date the closing of subscriptions.

This modification is subject to a publication by the managing firm in the Official List that specifies the conditions under which previously issued buy orders must be confirmed or modified.

Article 1.2.18
On the day fixed for the realization of the first listing, the managing firm centralizes buy orders transmitted to it by brokerage companies. It accepts only buy orders stipulated at the price of the offer in the case of a firm price offer or at a price exceeding or equal to the minimal price in the case of a minimal price offer or at price that comes under the price range in the case of an open price offer.

In the case of a minimal price offer, the managing firm is entitled to eliminate orders coupled with a limit higher than a margin given in comparison with the minimal price, fixed in concert with the issuer or the proxy thereof duly appointed.

Article 1.2.19
Should the offer be satisfactory, the rate of the first listing is that of the price of the offer, in the case of firm price offer.

In the case of an offer with minimal price or open price, the rate emanates from the comparison between the offer and the demand and taking into account the demand expressed as part of investment.

Article 1.2.20
In concert with the managing firm, the issuer may state that buy orders issued in reply to the offer should be distributed in classes differentiated according to several types of orders. The managing firm makes known:

- the methods of transmission of orders by brokerage companies,
- the particulars concerning each type of orders.

The issuer determines the methods according to which the managing firm settles the statement of buy orders and divides the securities concerned by the offer between principals, either according to a flat percentage, or by reserving a particular treatment for some types of orders.
Article 1.2.21
As part of minimal price and open price offers, the managing firm, in agreement with the issuer, may divide into several portions the securities put at the disposal of the market and allocate each portion to meet demands retained, divided per sections, classified per limit and, where relevant, reduced beforehand. All orders are paid at the same price.

Direct listing

Article 1.2.22
The floatation of any security according to direct listing procedure is realized under the conditions of trading usually practiced in the market.

Article 1.2.23
With the agreement of the managing firm on the conditions of admission and the transaction schedule, and for the listing of securities, direct listing may include the placing at the disposal of the market of a quantity of securities intended for sale on the first day of the listing.

Article 1.2.24
A notice is published by the managing firm in the Official List at least five business days before the date of the first listing. This publication announces the listing of a security according to direct listing procedure and specifies the introduction price as well as the method retained for the listing of the security.

Chapter 3 Methods of transfer between listing compartments at the Stock Exchange

Article 1.3.1
The issuer the securities of which are listed on the Stock Exchange must comply with the provisions of articles 14, 14a and 14b of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented.

Article 1.3.2
Further to an overall systematic review made each year, the managing firm makes sure that issuers comply with the provisions of Articles 14, 14a and 14b of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.
Article 1.3.3

In case of noncompliance with the criteria referred to in article 14 c of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), the managing firm informs the issuer of any possible transfer of the securities thereof to another compartment or, if need be, of their deletion.

Article 1.3.4

The issuer the securities of which are listed on the Stock Exchange may require the transfer of the securities thereof from one compartment to another. The managing firm appraises the transfer in comparison with the conditions of admission for listing on the Stock Exchange stipulated for each compartment.

Article 1.3.5

Once a year, the managing firm publishes the reclassification of capital securities in the compartments in the Stock Exchange official list, to which they belong, while justifying such reclassification.

Chapter 4

Deletion of securities listed on the Stock Exchange

Article 1.4.1

On its own initiative, the managing firm decides to delete from the Stock Exchange official list the securities of any issuer as part of an overall systematic examination conducted every year on the basis of the criteria referred to in article 16 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented.

Article 1.4.2

The managing firm establishes a file on each security likely to be deleted. It informs the issuer of the possibility of such decision of deletion and takes its opinion on the relevancy of such measure.

Article 1.4.3

Pursuant to the provisions of Article 17 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), the deletion of securities listed on the Stock Exchange may also be pronounced by the managing firm, upon the request of the Council for the Code of Ethics in Securities when the concerned issuer does not abide by the provisions of the Royal Edict as law Nr.1-93-212 of rabia II 4, 1414 (September 21, 1993) relating to the Council for the Code of Ethics in Securities and the information required from corporate entities making public issues, as amended and supplemented, or when the concerned legal entity is put into receivership.
Article 1.4.4
Pursuant to the provisions of Article 16 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented, the deletion of securities listed on the Stock Exchange may also be pronounced by the managing firm, upon the request of the issuer.

Article 1.4.5
Before the deletion of the securities of any company from the official list, a public offer of withdrawal may be lodged according to the methods set out in the Act Nr.26-03 relative to public offers in the stock market, as amended and supplemented.

Article 1.4.6
The managing firm may decide to maintain the securities of any issuer eligible for deletion on the firm understanding that it undertakes to take necessary measures in order to comply with the conditions of admission for listing on the Stock Exchange within a deadline fixed by the foregoing firm.

Article 1.4.7
Pursuant to the provisions of Article 16 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented, the quantitative elements, set forth in the 2nd item of paragraph 2 of the foregoing Article 16, retained for the examination of any file of deletion, are settled by the managing firm for each of the compartments and published in the Official List.

Article 1.4.8
The aforesaid quantitative elements are periodically revised. Any revision is subject to a publication in the Official List.

Article 1.4.9
The managing company informs the Council for the Code of Ethics in Securities of its decision of deletion and publishes the same in the Official List and in a legal notice newspaper, at the latest, forty five business days before the effective date thereof.

Article 1.4.10
The deletion of a any capital security leads to the deletion of all the secondary lines attached thereto, as defined in articles 3.5.2. and 3.5.3 hereto.

Article 1.4.11
Debt securities listed on the Stock Exchange remain quoted until their final reimbursement, except in the case where the issuer would be put into liquidation.
Public offers in the stock-market
Chapter 1

Definitions

Article 2.1.1

Within the meaning of the Act Nr.26-03 relative to Public Offers in the stock market enacted by the Royal Edict Nr.1-04-21 of rabia I 1, 1425 (April 21, 2004), the followings are considered as public offers in the stock market:

- buy public offers as defined by the provisions of article 3 of the aforesaid Act Nr.26-03,
- exchange public offers, as defined by the provisions of article 4 of the aforesaid Act Nr.26-03,
- public offers of withdrawal as defined by the provisions of article 6 of the aforesaid Act Nr.26-03,
- public offers of sale as defined by the provisions of article 7 of the aforesaid Act Nr.26-03.

Pursuant to the provisions of article 5 of the aforesaid Act Nr.26-03, when the public offer is mixed, i.e. including a partial payment in securities with balance in cash, applicable methods of realization are determined according to the main feature given to the offer by the initiator thereof, subject to the approval of the Council for the Code of Ethics in Securities.

Article 2.1.2

Pursuant to the provisions of article 12 of the aforesaid Act Nr.26-03, the period of a public offer stands for the duration between the date of the publication of the notice of the lodgment of the project of the offer and the date of the publication of the notice relating to the result of the offer, referred to in article 39 of the Act Nr.26-03 relative to public offers in the stock market.

Article 2.1.3

Pursuant to the provisions of article 11 of the aforesaid Act Nr.26-03, the duration of a public offer stands for the period between the date of opening and the date of the closing of the public offer.

Chapter 2

Common provisions

Article 2.2.1

Pursuant to the provisions of article 30 of the aforesaid Act Nr.26-03, upon the request of the Council for the Code of Ethics in Securities, the managing firm suspends the listing of the security concerned by a project of public offer. The suspension is subject to a publication in the Official List immediately.
Article 2.2.2

Pursuant to the provisions of paragraph 3 of article 34 of the aforesaid Act Nr.26-03, upon the request of the Council for the Code of Ethics in Securities and after the receipt of a copy of the notice of admissibility of the project of the offer issued by the latter, the managing firm lists anew the securities concerned by the public offer. The new listing and the major provisions of the public offer are forthwith published in the Official List.

If the conditions of the public offer do not allow for the listing of the concerned securities in view of their reference price, the managing firm may proceed to the cleaning of the order book and the adjustment of the foregoing reference prices.

Article 2.2.3

Immediately after the publication by the Council for the Code of Ethics in Securities of the notice of admissibility, the initiator or the duly appointed proxy thereof, sends to the managing firm the draft schedule of the offer that will be examined by the latter with regard to the features of the transaction and the deadlines of the realization thereof.

The managing firm gives to the initiator its opinion on the approval of the draft schedule of the transaction before obtaining the endorsement of the information document set forth in article 35 of the aforesaid act Nr.26-03.

Article 2.2.4

Upon the receipt of the information document endorsed by the Council for the Code of Ethics in Securities, the managing firm publishes a notice specifying the schedule and the tenor of the public offer as well as its practical methods for order centralization, allotment and settlement.

Article 2.2.5

Pursuant to the provisions of article 39 of the aforesaid Act Nr.26-03, the entities which desire to take part in the public offer send their orders to the members of the investment syndicate until the day of the closing of the offer. These orders may be cancelled at any time until the day of the closing of the public offer.

Article 2.2.6

Pursuant to the provisions of article 39 of the aforesaid Act Nr.26-03, the managing firm centralizes the buying, selling or exchange orders transmitted by brokerage companies.

The centralization is the process whereby the managing firm receives orders on the supports it defines, controls subscriptions and ensures the allotment of securities.

At the date set out in the schedule, the managing firm provides the Council for the Code of Ethics in Securities with the summary statement of centralized orders.
Article 2.2.7
When the offer is declared without result by the Council for the Code of Ethics in Securities, the latter informs thereof the initiator, the concerned company and the managing firm. The latter publishes a notice in the Official List forthwith.

Article 2.2.8
In order to preserve the regular running of the market, the managing firm may be obliged to publish in the Official List, the methods of orders transmission and trading during the period of the public offer on securities concerned by the same.

Chapter 3
Takeover bids, exchange offers, takeover bids for withdrawal

Article 2.3.1
During the period of the public offer, the securities of the concerned company are not admitted for trading in the block market.

Article 2.3.2
Pursuant to the provisions of paragraph 1 of article 51 of the aforesaid Act Nr.26-03, if during the period of a takeover bid, the initiator and, if need be, the entities in concert with which it acts, purchase in the market securities of the concerned company at a price higher than the price of the offer, this leads to the automatic increase of the price of the takeover bid up to the level of the trigger price of the initiator in the market. In this case, the managing firm publishes in the Official List the new price and, if need be, the new schedule.

Article 2.3.3
For the enforcement of the provisions of paragraph 2 of article 51 of the aforesaid Act Nr.26-03, after the closing of the takeover bid and until the publication of results, brokerage companies must make sure that orders to buy the securities of the concerned company, transmitted by the initiator and, if need be, the entities in concert with which it acts, are made out at prices less or equal to the price of the offer.

Article 2.3.4
If the initiator waives the public offer thereof, under the conditions set forth in article 50 of the foregoing Act Nr.26-03, it must inform the managing firm of the decision of waiver. This decision is published forthwith in the Official List.
Article 2.3.5
In the case of a competing public offer or a higher bid, the managing firm publishes in the Official List the new conditions and the new deadlines set by the aforesaid offer as communicated by the Council for the Code of Ethics in Securities.

Article 2.3.6
In case of a competing public offer, orders already transmitted in reply to the initial public offer must be renewed by principals, as of the date of the opening of the competing offer.

Article 2.3.7
In case of a higher bid, orders already transmitted in reply to the public offer remain valid.

Article 2.3.8
At the latest, on the day of the opening of the offer, securities presented in reply to the public offer must be subject to a freezing in an account by depositories.

Article 2.3.9
If the offer is declared positive by the Council for the Code of Ethics in Securities, the managing firm ensures the allotment of securities and generates the operations or the transactions issued from the offer at the date set out in the schedule.

Article 2.3.10
At the date set out in the schedule, the delivery of securities and the payment in cash, in the case of takeover bids, takeover bids for withdrawal, offers for the exchange of securities are made according to the methods indicated in the notice provided for in Article 2.2.4 hereto.

Chapter 4 Public offers of sale

Article 2.4.1
The initiator may provide that orders issued in reply to the public offer of sale should be distributed into classes differentiated according to the type of order, determines the standards according to which the managing firm settles the statement of orders and divides securities, either according to a flat percentage, or by reserving a particular treatment for some types of orders.
The managing firm gives its opinion on technical feasibility in comparison with the distribution of securities per differentiated class of orders.

In this event, the managing firm specifies in the notice referred to in article 2.2.4 hereto the particulars it may require from brokerage companies with respect to the types of orders.

Article 2.4.2

If the characteristics of the envisaged operation or the circumstances of the market foreshadow an important disequilibrium between the offer and the demand, the managing firm may require that brokerage companies members of the investment syndicate pay to it, on the day of the delivery of subscriptions, the funds corresponding to the coverage of buying orders, in its account opened with Bank Al-Maghrib.

Practical methods for the implementation of the call for funds are set and published through a notice by the managing firm.

The decision of the coverage of subscription orders by the managing firm is accounted for and sent forthwith to the Council for the Code of Ethics in Securities.

Article 2.4.3

At the date set out in the schedule, the managing firm ensures the allotment of securities and generates transactions.

Article 2.4.4

At the date set out in the schedule, the delivery of securities and the payment in cash are made according to the methods indicated in the Notice provided for in Article 2.2.4 hereto.
Rules relating
to the functioning of the market
Chapter 1

Organization of the market

Article 3.1.1
Trading of securities, stocks and bonds listed on the Stock Exchange is organized under the authority of the managing firm.

Article 3.1.2
Before the end of each year, the managing firm fixes and publishes in the Official List the non-working days for the year to come.

Article 3.1.3
The managing firm settles the presentation of the official list and the nomenclature of its chapters. The official list puts forth especially the physiognomy of transactions per market (central and blocks), the first and the last quoted market prices, the reference price as well as the highest and the lowest prices treated on each security traded in the central market and the offered and asking prices at the close of the market.

After the publication in the official list, rectification may be made only for omitted prices or clerical errors.

Article 3.1.4
The flotation of securities, stocks and bonds listed on the Stock Exchange is electronically ensured.

The e-listing may be made according to any of the following methods:

• fixing: Listing at fixing is expressed by the comparison of all orders already introduced by brokerage companies in the e-listing system and, if need be, by the determination of a unique price for each security;
• continuing: market making is expressed by the comparison of all orders issued beforehand by brokerage companies in the e-listing system and, if need be, by the determination of an instantaneous price for each security.

Article 3.1.5
The distribution of securities between each listing method is effected according to the criteria of liquidity according to the takeover by the e-listing system determined by the managing firm on the basis of:

• the volume of transactions;
• the number of treated securities;
• the number of sessions where the security has been treated;
• the number of registered contracts.

The managing firm may set up other criteria that shall be settled and published by a notice in the official list.
The distribution of securities between each listing method is revised at least every six months and published in the official list.

The methods of liquidity calculation are defined by the managing firm and published in the official list.

The managing firm settles the method for the listing of securities during their first admission for listing.

**Article 3.1.6**

Any modification brought to the method of the listing of any security is subject to a publication in the official list at least 5 business days before the enforcement thereof.

**Article 3.1.7**

Pursuant to the provisions of Article 12 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, the managing firm may suspend the listing of one or several securities.

Any listing suspension the duration of which exceeds the trading session is subject to a publication in the official list specifying the reason and the duration of suspension, if need be.

The managing firm informs the Council for the Code of Ethics in Securities of the cases of suspension not published in the official list.

**Article 3.1.8**

Pursuant to the provisions of paragraphs 2 and 3 of Article 12 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, the suspension of the listing of any security by the managing firm, upon the request of the Council for the Code of Ethics in Securities, awaiting the publication by the issuer of the information provided for in Article 18 of the Royal Edict as law Nr.1-93-212 of rabia II 4, 1414 (September 21, 1993) relative to the Council for the Code of Ethics in Securities and the information required from corporate entities making public issues, is lifted in full right immediately after the publication of the aforesaid information by the issuer in a legal notice newspaper or, failing such publication, at the latest after five sessions of suspension.

The suspension and the resumption of the listing are subject to a well-founded notice published by the managing firm, and this, pursuant to the foregoing article 12.
Article 3.1.9

Any contract entered into between a brokerage company and an issuer, whereby such company would perform particular conditions of intervention in the stock market for this issuer, is submitted, beforehand, to the Notice of the Managing Firm.

The main characteristics of the contract are forthwith published by a notice in the official list.

Chapter 2

Stock exchange orders

Section 1 : Wording of orders

Article 3.2.1

Orders are marked “in the best limit”, at “a limited price”, “in the market” or “triggering”.

The “at the best limit” order is accompanied with no price indication. It is intended to be performed at the fixing price, if it is treated in soft opening, or soft closing, or at the price of the best limit of the opposite direction if it is treated during the stage of a continuous session. It is performed according to the conditions of the market referred to in Article 3.3.29.

A limited price order is the one whereby the purchaser sets the maximum price it is willing to pay and the vendor the minimum price whereby it accepts to sell the securities thereof. It is executed according to the conditions of the market as set out in article 3.3.30 hereto.

The order in the market is accompanied with no price indication. It is intended to be performed at the different prices in the order book according to the conditions of the market referred to in Article 3.3.31 hereto.

The triggering order allows for the running as buyer or seller starting from a determined price:

at this price and above the same when the matter concerns a purchase.

at this price and below the same when the matter concerns a sale.
The triggering order is either “at trigger level” or “at trigger range”. It is “at trigger level” when it includes only one price limitation starting from that when it triggers.

It is “at trigger range” when a second price limitation fixes the maximum not to be exceeded at the purchase and the minimum below which the order is not performed at the sale.

The rules for the management of the triggering order are referred to in article 3.3.32.

Article 3.2.2

The managing firm may decide to suspend or limit the use of one or several of these types of orders for the groups, during the listing phases or during determined statements of securities. This decision is published by a notice in the official list.

Section 2 : Transmission of orders

Article 3.2.3

The Stock Exchange order is transmitted by any means suitable for the principal and the brokerage company. Pursuant to paragraph 1 of Article 19 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), orders transmitted to a brokerage company by phone must be subject to voice storage by this company.

Section 3 : Validity of orders

Article 3.2.4

The maximum duration of the validity of an order is 30 calendar days.

Article 3.2.5

Failing the implementation within the stipulated deadline, the order with a determined period becomes null and void.
Article 3.2.6

The validity of any order expires automatically especially on the occasion of the following operations:

- detachment of any subscription right;
- detachment of any allocation right;
- payment of dividend;
- deletion of any security from the official list of the Stock Exchange;
- splitting or consolidation of shares.

In this case, the managing firm proceeds to the purge of the order book of the securities in question and publishes a notice in the official list, at least 5 business days before the date of the application thereof.

Article 3.2.7

In case of any securities transaction other than those referred to in article 3.2.6 above, the managing firm may set a date from which orders not yet executed on a given security must be renewed by the principals. This decision is subject to a publication in the official list at least 5 business days before the fixed date.

Chapter 3

Management of the e-listing system

Section 1: General organization of the e-listing system

Article 3.3.1

Listed securities are classed per groups of securities according to the listing method retained and their characteristics.

The allocation of securities to a group thereof is subject to a notice published in the official list.

Article 3.3.2

Securities belonging to the same group of securities are submitted to the same listing rules.

Article 3.3.3

Trading is made per single security, with the exception of any well-founded decision of the managing firm, published in the official list.

Article 3.3.4

The authorized minimal price change, referred to as “no listing”, is fixed by the managing firm for each type of securities, and published in the official list. The no listings are fixed by portions of prices.
Article 3.3.5
Schedules for the listing of different groups of securities are determined by the managing firm and published in the official list.

If necessary, schedules in force set by the managing firm may be modified. The managing firm informs thereof forthwith traders and the Council for the Code of Ethics in Securities.

Article 3.3.6
Minimal price change authorized during the same session are calculated from the reference price as defined in paragraph 14 of Article 4 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.

Article 3.3.7
The reference price, as defined in the aforesaid paragraph 14 of Article 4 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), is set by the managing firm according to the following rules:

- when the security is treated during the previous session, the reference price is the last price treated;
- when the security has been reserved during the previous session, the reference price is the high threshold level if the security has been reserved upwards or the low threshold level if the security has been reserved downwards or the last reference price if orders in the market sheet justify the same;
- when the security has been reserved at the end of the fixing of the close, the reference price is the last price treated;
- when the market is selling without any offer, the reference price is either the high threshold level or the last reference price according to quantities and prices present in the market sheet;
- when the market is offering without any demand, the reference price is either the low threshold level or the last reference price according to quantities and prices present in the market sheet;
- when offers and demands are inconsistent, the reference price remains unchanged.

Article 3.3.8
For the securities the last listing of which dates back to more than one month, a commission gathering the representatives of the managing firm and the Council for the Code of Ethics in Securities consults the issuer, in order to determine the measures to be taken so as to be able to proceed to a new listing.
Article 3.3.9

In case of any securities transaction, the reference price is adjusted in consequence thereof.

Article 3.3.10

During the comparison of orders, the price treated may not witness any change in relation to the reference price set by the managing firm, higher than the one set by the Council for the Code of Ethics in Securities pursuant to the provisions of Article 12 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.

Within the limit of the targeted variation, the managing firm shall set the threshold levels for the change of prices settled according to liquidity and their nature. The determination of these threshold levels as well as their modification are subject to an information sent to the Council for the Code of Ethics in Securities and a publication in the official list.

If the statement of offers and demands leads to the overstepping of the threshold levels fixed by the managing firm, the latter reserves the listing of the security under the conditions set forth in articles 3.4.20 and 3.4.21 hereto.

Article 3.3.11

Brokerage companies may introduce in the e-listing system orders relating to a reserved security. These orders are executable with the resumption of the listings.

Article 3.3.12

In the case of suspension of a security upon the request of the Council for the Code of Ethics in Securities, the managing firm forbids the treatment of the orders on this security.

The managing firm may also forbid the treatment of orders on any security during a fixed period in the cases of suspension of this security or the modification of its listing parameters.

This interdiction is notified to traders.

Article 3.3.13

For each transaction realized by a brokerage company, the latter receives an implementation message advising it of the implemented amount of securities and the applicable price. In the case of partial implementation, the remaining amount of the order is indicated in the implementation message.
Section 2: Trading equipment

Article 3.3.14
The managing firm puts at the disposal of brokerage companies trading equipment allowing for the assurance of trading through the e-listing system. This equipment is set up in the premises of the brokerage companies.

Article 3.3.15
The availability of trading equipment at the brokerage company is subject to an agreement between the managing firm and each brokerage company.

Article 3.3.16
Trading equipment is used under the responsibility of the brokerage company pursuant to the terms of these general regulations and the aforementioned agreement.

Article 3.3.17
Pursuant to the provisions of Article 12a of the Royal Edict as law Nr.1-93-211 of rabia Il 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, in the event the trading equipment is used in a manner inconsistent with the rules defined by these general regulations and in the agreement referred to in article 3.3.15 above, the managing firm is entitled to suspend momentarily the means of remote access of the brokerage company to the e-listing system.

If the behavior of the brokerage company is likely to jeopardize the good running of the market, the managing firm suspends the access thereof to the e-listing system. The managing firm alerts the Council for the Code of Ethics in Securities and informs the Professional Association of Brokerage Companies.

The Council for the Code of Ethics in Securities rules within a two business day time duration on the suspension.

Article 3.3.18
The use of the trading station and the introduction of an order through the medium of the same can be made only by traders acting for and on behalf of the brokerage company and who have been given the corresponding empowerment cards referred to in article 5.2.1. of Title V hereto.
Article 3.3.19
The introduction of orders into the e-listing system by any means other than the trading equipment depends on the prior agreement of the managing firm and is made under the responsibility of the brokerage companies and according to the rules set out in the agreement entered into between the managing firm and the brokerage company.

Article 3.3.20
When a brokerage company is unable to accede to the e-listing system through the medium of the trading equipment, it may use, within the limit of the availability thereof, the standing equipment put at the disposal of the managing firm.

Should one or several brokerage companies be deprived of the access to the e-listing system, on account of technical problems beyond their control, the managing firm may suspend the trading session or modify the listing schedules for the benefit of the market and informs thereof forthwith the brokerage companies and the Council for the Code of Ethics in Securities.

Section 3: Stock exchange orders accepted by the e-listing system

Article 3.3.21
The order introduced into the e-listing system by a brokerage company is subject to a takeover expressed by a time and date stamped message of discharge which transfers to the managing firm the responsibility of the implementation. The system assigns to each order a sequential unique order number per security.

Article 3.3.22
Each dealer must work out a ticket of orders received in a session, duly time and date stamped, and abide by the chronological order of the receipt during the introduction of orders into the e-listing system.

Article 3.3.23
To be receivable, any order must include the following compulsory parameters:
• direction of order (buy or sell)
• security (code or mnemonic)
• amount of securities;
• price;
• trigger price, if the matter concerns a triggering order;
• validity period;
• entry of client order, non-client, animation, purchase or triangular;
• unique reference of the order according to a codification worked out by the managing firm on the basis of the nature of the order.
Article 3.3.24

The managing firm may set other compulsory parameters on its own initiative or upon the request of the Council for the Code of Ethics in Securities. These new parameters are published in the official list, at least, 5 business days before their coming into effect.

Article 3.3.25

The indication of any minimal amount, any disclosed amount as defined in articles 3.3.34 and 3.3.36 hereto, are optional parameters.

Article 3.3.26

In parallel to the introduction of orders into the e-listing system, price and volume controls must be conducted by brokerage companies, security by security, in order to check that there are no errors or incoherence.

As to them, price controls are made in order to detect orders the price stipulation of which is too far from prices prevailing in the market, or, obviously, intended to bring about a misalignment of the exaggerated price, if not to cause a reservation.

These controls meet the requirements of safety and integrity imposed by the managing firm, so that the transmitted orders would not adversely affect the good running of the trading system and the integrity of the market.

Article 3.3.27

Orders introduced in the e-listing system may be valid on the day, at a determined date, good-till-cancelled or in a session.

Day: the order is valid for the trading session during which it is treated.

Determined date: the order is valid until the stated date.

Revocation: the order is valid for a period determined by the managing firm published in a notice. The maximum period of validity of a good-till-cancelled order is 365 days as of the date of the capture thereof.

Session: the order is valid for the session during which it is entered. This type of validity is admissible if the trading session is organized according to several sessions.

Article 3.3.28

At the date of the expiry of its validity, any order is automatically excluded from the e-listing system.

Article 3.3.29

The execution of any order “at the best limit” depends on the listing phase during which it is introduced into the e-listing system:

At the opening

In case of any partial execution or non-execution, the portion or the total quantity of the order non executed becomes a limited order during the opening.
In a continuing session

It is totally or partly executed at the price of the best limit of the opposite side of the market when it is presented. It is rejected by the e-listing system, failing orders in the opposite direction of the market.

Article 3.3.30

The execution of the order at a limited price depends on the listing phase during which it is introduced into the e-listing system.

At the opening

- The order with a limited price is totally or partly executed according to the opening price.
- In case of partial execution, the order at a limited price remains posted at the opening price.
- In case of non-execution, the order with a limited price remains posted at the price at which it was introduced.

In a continuing session

During the continuing session, the introduction of an order with a limited price leads either to a partial or total execution if the conditions of the market allow for the same, or failing which, to the positioning in the market sheet in a decreasing order in terms of purchase price or ascending at the sale (price priority) and in terms of the queue of orders with the same limit (time priority).

Once a buy order is stipulated at a limit matching or exceeding an order present in the market sheet of the opposite direction (i.e. at the sale), the introduced buy order is implemented at the price corresponding to the limit of the sell order.

Once a sell order is stipulated at a limit lower or equal to an order present in the market sheet of the opposite direction (i.e. at the purchase), the introduced sell order is implemented at the price corresponding to the limit of the buy order.

If the limit of the introduced order recovers more than one limit of the opposite direction of the market, the latter is executed against the different limits up to the limit thereof, if need be, until the exhaustion of its total quantity.

In case of a partial execution, the order remains positioned at the limit thereof for the balance on the market sheet.
Article 3.3.31

The “at the market” order has priority over the other types of orders. The execution thereof depends on the listing phase during which it is introduced into the e-listing system.

At the opening

If available quantities allow for a complete execution of the “at the market” order, it is then executed at the opening price.

If available quantities do not allow for a complete execution of the “at the market” order and if the security is not reserved, the security is reserved according the methods set by the managing firm and published by a Notice.

In a continuing session

During its introduction, the “at the market” order is executed at the maximum available, serving as much limits as necessary in the market sheet and, if need be, it is displayed for the quantity non executed without limit of the price.

At the closing

If available quantities allow for a complete execution of the “at the market” order, remaining in the market during the passage to the pre-closing phase, it is then executed at the closing price.

If available quantities do not allow for a complete execution of the “at the market” order, the security is reserved according the methods set by the managing firm and published by a Notice.

Article 3.3.32

The execution of the detachment order depends on the listing phase during which it is introduced into the e-listing system.

At the opening

During its introduction into the e-listing system, only the order the trigger price of which is higher (for buy orders) or lower (for sell orders) than the reference price (or of the previous fixing, for the securities listed according to several fixings per trading session), is accepted. It is executed at the opening price insofar as the latter is consistent with the threshold or with the trigger range.
In the continuing session

During its introduction into the e-listing system, only the order the trigger price of which is higher (for buy orders) or lower (for sell orders) than the closing listed price, is accepted. The introduction of a trigger order in a session does not lead to immediate trading. A transaction must necessarily take place between the registration and the triggering of the order:

- at a price equal or lower than the trigger price for sell orders,
- at a price matching or exceeding the trigger price for buy orders.

In case of triggering, the order with triggering threshold is transformed into a market order and the triggering range order is transformed into a limited order. They are executed according to the same rules applied to these two types of orders.

Section 4: Conditions associated with Stock Exchange orders

Article 3.3.33
Stock exchange orders may include conditions of execution, especially:

- disclosed quantity
- executed or eliminated validity;
- Minimal quantity.

Article 3.3.34
The disclosed quantity is the quantity of securities initially parameterized by the trader in order to be visible on the market. The disclosed quantity of any order must be less or equal to the total quantity of the order. It may not be less than the quantity of securities fixed by the managing firm and published in the official list.

The shown quantity is the quantity of securities actually visible on the market. It is less or equal to the disclosed quantity. It corresponds to the difference between the disclosed quantity and the executed quantity.

When the order is executed for all its shown quantity, the latter is renewed if the remainder allows for the same, for a quantity matching the disclosed quantity. The order is placed in the queue of orders at the same limit.

The order with a disclosed quantity is admissible to the soft opening as a continuing session.

The disclosed quantity may be associated with an order at the prevailing price (marked “opening”).
Article 3.3.35
The order including the “executed & eliminated” condition is admissible to a continuing session, during the soft opening phases, of listing at the last price and soft closing. At the opening, it is executed for the possible maximum. The possible balance thereof is eliminated.

During the continuing session and the phase of listing at the last price, it is executed for the possible maximum at the time of the introduction thereof into the e-listing system. The possible balance of the order is eliminated.

Article 3.3.36
The order with a minimum quantity is assigned to a minimal quantity of execution.

At the time of the introduction of the order, if the specified minimal quantity is forthwith and totally executed, the balance of the order remains in the market. Failing which, the entire order is eliminated.

The order with a minimal quantity is admissible only to a continuing session and during the phase of listing at the last price.

Article 3.3.37
Non-client order is an order for one’s own account issued by a brokerage company during a requited payment.

No method of specific execution is applicable to non-client orders by the e-listing system.

Article 3.3.38
The managing firm may proceed to the overall elimination of orders set out in the market sheet of a security once the latter is affected by a securities transaction or for other technical reasons. It may also proceed to the partial elimination under the conditions provided for in Article 3.4.20 hereto or in the event the brokerage company does not comply with any clause of Article 3.3.26 hereto.

Article 3.3.39
In the event the managing firm proceeds to the elimination of orders, it informs thereof the brokerage companies and specifies the reasons behind the same.

Article 3.3.40
Unfilled orders may be subject to modification or cancellation by brokerage companies.

Article 3.3.41
The direction of the (buy or sell) order and the code of the security may be modified by the brokerage company.

Likewise, it is not possible to assign a minimal quantity to an order already set out in the market sheet.
Article 3.3.42

The modification of an order leads to:

- the assignment of a new order number;
- the loss of the temporal priority if the modification:
  - affects the limit (positioning of the order in the queue of orders at its new limit);
  - aims at increasing the total quantity of an order without disclosed quantity, already positioned in the market sheet (positioning of the order in the queue of orders at its limit);
  - aims at increasing the disclosed quantity of an order already registered in the e-listing system if the foregoing quantity has not been subject to any partial implementation. Otherwise, this treatment occurs only when the remainder is totally executed.

Section 5: Cancellation of transactions

Article 3.3.43

The managing firm may cancel transactions only in the exceptional circumstances set forth in Article 12d of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993).

In case of technical incident or error of the managing firm on the parameters of the listing of one or several securities, it may proceed immediately to the cancellation of all or any of the transactions on the concerned security or securities, organize a new trading session and decide on the time of the restarting of the listing.

Given the existence of trading security mechanisms, applications of cancellation from brokerage companies do not constitute a reason for cancellation. However, in case of error that has led to the listing of an out-of-line price, or concerning a security listed in the fixing, the managing firm may cancel transactions emanating therefrom.

Article 3.3.44

Practical methods of cancellation are set by the managing firm and published in a notice.

Article 3.3.45

The managing firm informs on the same day the Council for the Code of Ethics in Securities of the cancelled transactions and specifies the reasons behind the cancellation.
Section 1: How securities are listed at the fixing

Article 3.4.1
The listing of securities at the fixing consists of two phases:

1. Soft opening,
2. Opening.

Article 3.4.2
During the soft opening phase, brokerage companies transmit to the e-listing system orders from the equipment put at their disposal. Introduced orders are automatically registered in the market sheet without giving rise to any transaction. They may be modified or cancelled.

An opening theoretical price is calculated and circularized permanently whenever an order is introduced, modified or cancelled.

Article 3.4.3
At the opening time, fixed by the managing firm, for each security, all existing orders are compared. If this comparison allows for the same, an opening price shall emanate therefrom.

During the opening, it is no longer possible to introduce orders, cancel or modify the already introduced orders.

Article 3.4.4
The managing firm may program during a certain period, according to the fixing, a phase of listing at the last treated price or, failing which, at the reference price.

During this phase, it is possible to enter orders or execute the same at the last price or at this price only.

Section 2: Progress of the session of the listing of securities on a continuous basis

Article 3.4.5
A session of listing on a continuous basis occurs according to the following phases:

- soft opening,
- opening,
- session,
- soft closing,
- closing.
Article 3.4.6
During the soft opening phase, brokerage companies transmit to the e-listing system orders from the equipment put at their disposal.

Introduced orders are automatically registered in the market sheet without giving rise to any transaction. They may be modified or cancelled.

An opening theoretical price is calculated and circularized permanently whenever an order is introduced, modified or cancelled.

Article 3.4.7
At the opening time, fixed by the managing firm, for each security, all existing orders are compared. If this comparison allows for the same, an opening price shall emanate therefrom.

During the opening, it is no longer possible to introduce orders, cancel or modify the already introduced orders.

Article 3.4.8
After the opening and until the soft closing, orders are performable on a continuous basis. The listing on a continuous basis is reflected by the comparison of all orders according to their takeover by the e-listing system and, if this comparison allows for the same, to the determination of an instantaneous price for each security.

Article 3.4.9
During the soft closing period, orders are introduced into the e-listing system without giving rise to any transaction. They may be modified or cancelled.

Article 3.4.10
At the closing time, for each security, already registered orders are compared and, if this comparison allows for the same, a closing price is listed. At this moment, it is no longer possible to introduce orders, cancel or modify the already treated orders.

Article 3.4.11
The managing firm may program during a certain period, according to the fixing of the closing, a phase of listing at the last treated price or, failing which, at the reference price.

During this phase, it is possible to enter orders or execute the same at the last price or at this price only.

Section 3 : Calculation of theoretical prices during the phases of soft opening and soft closing

Article 3.4.12
The opening theoretical price is calculated automatically by the e-listing system according to the orders present in the market sheet and adjusted following the introduction, the modification or the cancellation of any order.
The calculation of the theoretical price is made according to the following four criteria:

- the calculated price is the one that maximizes the number of exchanged securities;
- if two or several prices are determined according to the first criterion, the retained price is the one that minimizes the number of non-served securities;
- if the previous process gives rise to several fixing prices, the direction of the balance is taken into consideration for the determination of the fixing price;
  - the fixing price is stipulated at the highest of these prices if the direction of the balance is on the buyer side for all these levels (surplus of the demand);
  - the fixing price is stipulated at the lowest of these prices if the direction of the balance is on the seller side for all these levels (surplus of the offer);
- if the conditions are not always discriminatory, the applied criterion is that of the weakest variance in comparison with the reference price.

The opening theoretical price takes into account the overall quantity of orders including a disclosed quantity.

Article 3.4.13

The opening theoretical price is displayed in real time in the trading stations during the soft opening phase.

Article 3.4.14

The closing theoretical price is calculated during the soft closing according to the same methods retained for the calculation of the opening theoretical price.

Section 4 : Allocation of securities at the opening and at the closing

Article 3.4.15

At the time fixed by the managing firm for each group of securities, the e-listing system compares automatically present orders. When an opening price is determined, transactions take place at this price.

Buy orders the limit of which is strictly higher than the opening price are totally executed, whether they have or not a disclosed quantity (price priority).

Sell orders the limit of which is strictly lower than the opening price are totally executed, whether they have or not a disclosed quantity (price priority).
Market orders, best limit orders (marked opening) and orders with a limit equal to the opening price, are served, in case of disequilibrium between the offer and the demand, according to the rule of the first come, first served (priority of time).

The managing firm may set up, after the consent of the Council for the Code of Ethics in Securities, another rule of allocation based on the method of priority determination set out in Article 3.4.18 hereeto.

Market orders have priority in comparison with the best limit orders (marked opening) and the orders with a limit matching the opening price.

Best limit orders (marked opening) have priority in comparison with orders that have a limit equal to the opening price.

Article 3.4.16
The allocation of securities during the closing phase is made according to the same methods stipulated for the opening phase.

Section 5: Continuous session and allocation of securities

Article 3.4.17
Orders are allocated according to their priority.

The priority of orders is determined, firstly, according to the price (buy orders are classified in a decreasing order and sell orders are classified in an ascending order) and, secondly, according to the time of their entry in the book of orders (first come, first served).

Article 3.4.18
The managing firm may set up, after the consent of the Council for the Code of Ethics in Securities, the method to determine the priority for the following orders:

- in a first phase, the priority of orders is determined according to the price (buy orders are classified in a decreasing order and sell orders are classified in an ascending order);
- at an identical price, the priority of orders is determined according to the origin of the order (according to the type of account provided at the level of the order);
- at identical price and origin, the priority of orders is determined according to the time of their entry in the book of orders (first come, first served).
Orders may have 5 different origins:
- order executed on behalf of a client,
- order executed as a contra order;
- order executed as part of a contract of animation;
- order executed as part of redemption of shares for price regulation;
- order executed as part of a triangular transaction.

Orders executed on behalf of clients have priority over orders executed as contra orders.

Article 3.4.19

Each order introduced into the e-listing system is immediately compared with opposite direction orders. Orders may be executed once or several times, entirely, partially or not at all. Therefore, each introduced new order may generate one, several or no transaction. Orders in the market sheet are executed according to the principle of time priority.

Orders, or their balance, are classified in the market sheet according to the rule of price and then time.

These provisions are valid both for the phase of listing on a continuous basis and the phase of listing at the last price.

Section 6: Reservation and interruption of the listing of quoted securities

Article 3.4.20

The managing firm proceeds to the reservation of the listing of a security once, during the comparison of orders, in order to create one or several transactions. The price of execution emanating therefrom is likely to pass over the static variance thresholds.

The static variance thresholds are defined by the managing firm within the maximal variance limit authorized by the Council for the Code of Ethics in Securities pursuant to the provisions of Article 12 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented. They are fixed by the application of a maximum change rate to the reference price of each security.

The overstepping leads to a reservation of the price to the increase, if the exceeding is on the side of the high threshold or to the decrease when the exceeding is on the side of the low threshold. The overstepping of static thresholds during a session of listing on a continuous basis leads first of all to a momentary interruption of the listing of the security in question.

The rule of reservation is applied to all quoted securities and the methods of the application thereof are defined and published by the managing firm in a notice in the official list.
Article 3.4.21

For securities quoted on a continuous basis, the managing firm may define the interruption thresholds called “dynamic thresholds” during the phase of listing on a continuous basis. The aforesaid thresholds are fixed by the application of a rate of change, lower than the authorized maximum change rate, to the price of the last transaction registered in a session of listing on a continuous basis. In case of overstepping of the dynamic threshold, the managing firm may, as the case may be, either interrupt momentarily the listing of the security as a precautionary measure, or proceed to the reservation of the price of the security according to the methods fixed by it. In all cases, the dynamic thresholds must be situated inside the static thresholds. The rules for the running of dynamic thresholds are fixed by the managing firm and published in a notice.

Chapter 5

Particular methods for securities trading

Section 1: Debt securities

Article 3.5.1

Debt securities are listed in the percentage of their face value and at the coupon foot or in a currency unit on the decision of the managing firm. This decision is published in the official list.

The methods for the calculation of the accrued coupon are fixed by the managing firm and published in a notice in the official list.

Section 2: Secondary lines

Article 3.5.2

Any security making up a secondary line is derived from a major line of listing which it is the reference price thereof.

Article 3.5.3

The following securities are especially deemed as secondary lines:

- application rights;
- allocation rights;
- investment certificates;
- new shares with different possession;
- shares with preference dividends without voting right;
- debt securities convertible into shares.
Article 3.5.4

The managing firm determines the main and secondary lines according to their liquidity. Therefore, a secondary line may become a main line and vice-versa on the decision of the managing firm. This decision is published in the official list 5 business days before its effective date.

Article 3.5.5

The managing firm may define, for each secondary line, a theoretical price that serves as a reference price. This price is determined according, on the one hand, to the last opening price for the reference security and, on the other hand, subject to any exception, to the differential of the price generally noted between the secondary line and its reference.

Thus, for allocation rights, the reference price is adjusted daily by applying the method of the increase of capital (number of new shares/number of old shares) to the opening price of its main line.

However, for subscription rights, the adjustment of the price according to the main line is made only on the first day of the listing thereof.

Article 3.5.6

The managing firm determines the method of listing for the secondary lines according to their liquidity.

Article 3.5.7

In case of the absence of the main line, the managing firm suspends the listing of the secondary lines the reference prices of which are attached to that of the main line, with the exception of subscription rights.

Chapter 6 Animation of listed securities

Article 3.6.1

The securities may be animated pursuant to an animation agreement within the meaning of Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, or to a contract of liquidity provided for in Article 3.6.4 hereto.
Article 3.6.2

The managing firm settles the practical methods to exercise the animation in accordance with the principles fixed by the Council for the Code of Ethics in Securities pursuant to Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented. The aforesaid methods are published in the official list.

Article 3.6.3

Within a three month maximum deadline after the expiry of the animation agreement, and further to the observation of the trend of liquidity of the security object of the same, the managing firm may require from the issuer the conclusion, within a two month time duration, of a new animation agreement with a brokerage company pursuant to Article 14 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.

Article 3.6.4

On its own initiative or on the initiative of a brokerage company, the managing firm may set a liquidity contract aiming at improving the liquidity of any quoted security. The practical methods for the application of each contract are defined by the managing firm in concert with the issuing brokerage company, served on the Council for the Code of Ethics in Securities and published in a notice.

Chapter 7 Transactions of blocks

Section 1 : Minimum Size of Blocks

Article 3.7.1

The Minimum Size of Blocks is determined for each security according to the trend, during a period determined by the managing firm, of criteria calculated by the application of the following parameters:

• securities exchanged in the central market and in the market of blocks.
• prices in the central market and in the market of blocks.

The methods to calculate the Minimum Size of Blocks are settled by the managing firm and published by a notice in the official list.

The Minimum Size of Blocks may not be less than a minimum threshold fixed by the managing firm, according to the nature of security, and published in the official list.
For the newly quoted securities, the Minimum Size of Blocks is fixed by the managing firm and published by a notice. It must exceed or match the abovementioned minimum threshold and it is defined by taking into account the following criteria:

- the number of securities corresponding to the capital of the company;
- the number of securities reported to the public by the company;
- the stock market capitalization during the listing of the issuer;
- the minimum sizes of blocks of comparable securities.

For newly listed securities in secondary lines, the Minimum Size of Blocks is calculated from that of the main line and according to the methods of the transaction that have initiated the same.

Article 3.7.2

The frequency of the updating of the minimum sizes of blocks is semiannual. However, further to a further periodical review of the balance between the Minimum Size of Blocks and the liquidity of the market, a more frequent updating may be made if the liquidity of the market justifies the same.

The managing firm publishes in the official list within five business days before the application of the same, the Minimum Size of Blocks for each security. Any modification of the Minimum Size of Blocks is served on brokerage companies and on the Council for the Code of Ethics in Securities.

Article 3.7.3

Subjacent orders, of a unique order presented by a brokerage company on behalf of several clients pursuant to a management portfolio agreement, must observe individually the Minimum Size of Blocks required in order to be able to register a transaction of blocks.

Section 2 : Registration of block transactions

Article 3.7.4

Transactions of blocks must be declared by the concerned brokerage companies to the managing firm, and this, pursuant to Article 19 of the Royal Edict as law Nr.1-93-211 of rabia Il 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented.

Declarations of block transactions are presented, by brokerage companies, at the end of the fixing, for securities listed on this basis and at the end of the fixing of commencement for securities listed on a continuous basis.

Article 3.7.5

Schedules of the declaration of block transactions are determined by the managing firm and published by a notice in the official list.
Section 3 : Range of market prices

Article 3.7.6
The range of the market prices on the basis of which block transactions may be made is published by the managing firm at the end of the fixing.

Article 3.7.7
For the securities listed on a continuous basis, block transactions are made at a price within the weighted average range, up to and including the limits, defined from a central market, and this, within the limit of a variation margin fixed by the managing firm and published in the official list.

The weighted average range stands for average prices resulting, after the weighting of prices by quantities, from buy and sell orders displayed in the central market. The cumulated quantity of securities taken into consideration must be equal to the Minimum Size of Blocks of the security in question.

If, failing sufficient unfilled orders on account of the Minimum Size of Blocks, the weighted average range may not be calculated at the purchase or sale, the retained price shall be the first limit increased or decreased, according to the direction, by 5% variation margin.

If, on account of the reservation of a security, the weighted average range may not be calculated, the authorized price range is determined according to the overstepped reservation threshold, on the basis of the high threshold decreased or the low threshold increased by a 5% maximum variation margin.

Article 3.7.8
For the securities listed at the fixing, blocks are traded at prices contained in a range, including the limits, determined on the basis of the last treated price increased or decreased by a 1% maximum variation margin.

Article 3.7.9
A block transaction concerning at least 5% of the securities making up the registered capital of a listed company, or concerning a quantity standing for at least 10 times the Minimum Size of Blocks, without, however, this quantity being less than 2.5% of securities making up the registered capital thereof, may be realized at a price included in a 10% range on the one hand and on the other hand in the weighted average range for the securities listed on a continuous basis. In the case of securities listed on a fixing basis, the transaction is made at the last treated price decreased or increased by 10%.

However, after the consent of the Council for the Code of Ethics in Securities, the same treatment may be applied to a set of transactions making up together one transaction, even if they do not individually concern a number of securities meeting the conditions of quantity indicated above.
Contrary to the first paragraph of this article and after the consent of the Council for the Code of Ethics in Securities, the operation may, however, be concluded with different price conditions, under the firm understanding that it concerns at least 5% of the securities making up the registered capital and it takes on a strategic character.

Article 3.7.10
The margins set forth in article 3.7.7 are maximums and may be fixed at lower thresholds by the managing firm according to the transparency and the liquidity of the market.

Section 4 : Interdiction

Article 3.7.11
Block transactions are forbidden:

• when the security is suspended,
• when there is no unfilled order for the securities listed on a continuous basis;
• when the security is not treated in the central market during the trading session of the day for the securities listed on fixing basis;
• in case of a takeover bid, public offer of exchange or withdrawal on the concerned security during the period of the offer;
• for newly quoted securities in the absence of a first price treated in the central market, beyond those resulting from the compulsive opening procedure;
• for the securities quoted on a continuous basis when they are reserved, with the exception of the transactions concerning a multiple of the Minimum Size of Blocks fixed by the managing firm and published by a notice.

Section 5 : Declarations

Article 3.7.12
Any declaration of a brokerage company received by the managing firm in the absence of declaration of the contra brokerage company on the same day, is null and void.

Article 3.7.13
Toute déclaration doit préciser :

• the date
• the security code (numerical or mnemonic)
• the price
• the code of the contra brokerage company
• the type of intervention (client or non-client)
• the number of securities
• the direction of the declaration of blocks.
Article 3.7.14
The managing firm publishes daily the transactions of blocks in the official list. This publication includes the security treated, the quantity, the price and the volume of block transactions.

Article 3.7.15
The managing firm controls the regularity of the operations of blocks and matches the declarations of the buyer and the seller.

Chapter 8
Securities transactions

Article 3.8.1
A securities transaction is defined as an action of an issuer or a third party in relation with this issuer, affecting the rights attached to this security. The followings are especially considered as securities transactions: distribution of dividends, payment of interests, detachment of rights and any other operation likely to have an impact on the number of securities making up the registered capital of the issuer.

Article 3.8.2
The issuer or the centralizer of any securities transaction transmits to the managing firm, at the latest ten (10) business days before the date of the detachment or the date of the opening of the transaction, the information relative to the transaction to be concluded as well as a file germane thereto and the content of which is fixed by the managing firm.

Article 3.8.3
Upon the receipt of the information relating to a securities transaction on the part of an issuer, the managing firm consults the depository to make sure that the information received by the two entities is consistent and to coordinate their respective treatment of the transaction.

In case of delay of information by the issuer, the managing firm and the central depository may agree with the issuer on a new schedule for the realization of the securities transaction.

Article 3.8.4
The managing firm announces the methods of the securities transaction in the official list at least five days before the detachment or the date of the opening of the transaction. The announcement of the managing firm must include especially the following elements:

- for the securities transaction relating to the payment of dividends: date of detachment and date of payment;
- for the securities transaction relating to subscription and allocation, date of detachment, date of right listing, date of the transaction closing, date of deletion of rights and date of listing of new shares;
- for the securities transaction concerning exchange, date of the opening of the transaction, date of the closing of the transaction, date of the listing of new shares and date of deletion of old shares.
Article 3.8.5
Contrary to the decision taken by the managing firm and validated by the Council for the Code of Ethics in Securities, a right of subscription or allocation is detached three business days before the date of the start-up of the transactions relating to subscription or allocation.

Article 3.8.6
When the issuer provides for a date for the closing of the transactions of allocation and exchange in order to avoid that rights or securities making up fractional lots remain non-exercised, the managing firm proceeds to the deletion of the concerned listing lines immediately after the closing of the period of validity of rights or exchange of securities.

It publishes this decision in a notice at least ten business days before its effective date.

Article 3.8.7
In the cases of securities transactions relating to the payment of dividends, subscription or allocation, the managing firm proceeds at the date of detachment to the adjustment of the price and the characteristics of the listing of the security object of the aforesaid transaction.

In case of publication by the managing firm of the history of the price of the security, the adjustment of the price made must be mentioned.

Article 3.8.8
On the last day of the period of the listing of subscription rights, the managing firm may set up particular methods facilitating the implementation of orders still unfilled or that have reached brokerage companies on the last day of the period of the listing of subscription rights.

Article 3.8.9
Unless otherwise specified by the managing firm, sessions of regularization take place in the normal circumstances of the market relative to the conditions of listing of secondary lines as defined in article 3.5.3. hereto.

Management methods of regularization sessions are fixed by the managing firm and published in the official list.

Chapter 9

Thresholds overstepping

Article 3.9.1
The information relative to the overstepping of any of the shareholding thresholds set out in the last paragraph of articles 68 b and 68 c of the Royal Edict as law Nr.1-93-211 of 4 rabia II 1414 (21 September 1993), is published in the official list.
This information is as follows:

- full name or firm name of the person or the entity that has overstepped the shareholding thresholds;
- designation of the listed share;
- percentage of interest in the capital or voting rights in the listed company;
- number of possessed securities;
- number of securities giving at term access to the capital and voting rights related thereto.

Chapter 10

Methods of registration of direct transfer operations

Article 3.10.1

Pursuant to the provisions of paragraph 5 of Article 4 of the Royal Edict as law Nr.1-93-211 of rabia Il 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, direct transfer stands for any transfer of ownership of a security listed on the Stock Exchange, which involves no pecuniary commutation or of any other nature whatsoever and which occurs between spouses, direct ascendants and descendants of the first and second degrees, as well as further to any succession or legacy.

Article 3.10.2

Pursuant to the provisions of Article 31 of the Royal Edict as law Nr.1-93-211 of rabia Il 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, the aforesaid direct transfers concerning securities listed on the Stock Exchange must be declared to the concerned affiliated institution or the brokerage company, by the donator and the beneficiary thereof within a 60 day time limit following the date of the foregoing transfer.

Article 3.10.3

Pursuant to the provisions of Article 31 of the Royal Edict as law Nr.1-93-211 of rabia Il 4, 1414 (September 21, 1993) relative to the Stock Exchange, as amended and supplemented, the aforesaid direct transfers must be subject to a declaration for their registration by the interested brokerage company with the managing firm within a 5 working day deadline.

Article 3.10.4

The methods of declarations of direct transfers are set by the managing firm and published in the official list.
Chapter 11

Methods of registration of the operations of security contributions

Article 3.11.1
The contribution of securities listed on the Stock Exchange must be subject to a Stock Exchange registration through an accredited brokerage company, pursuant to the provisions of articles 4 and 18 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993).

Article 3.11.2
The appreciation of the operation of the contribution of listed securities must be realized under the same market conditions (central or blocks) of the security on the day of the realization of the aforesaid contribution. The practical methods are fixed by the managing firm and published in a notice.

However, in case of any particular legal or regulatory provisions, the contributions of securities are appreciated according to the foregoing provisions.

Article 3.11.3
If the security concerned by the contribution is not treated, the appreciation must be made on the basis of the reference price of the same.

Article 3.11.4
In the case of reservation of the security concerned by the contribution, the appreciation must be made on the basis of the reference price of the security for the following trading session.

Article 3.11.5
The contribution of listed securities may not be realized if the concerned security is suspended from the listing.

Article 3.11.6
The initiators of the operations of securities contribution must make sure of the conditions of the prices of the security concerned by the contribution with the managing firm.

Article 3.11.7
The registration, through a brokerage company, of the operation of the contribution must be subject to an instruction served on the managing firm at the latest five trading sessions after the realization of the contribution.

The practical methods of registration are defined by the managing firm and published in the official list.

Article 3.11.8
Contrary to the indications set out in the previous articles, the contributions of listed securities, made as part of the within group reorganization or concerning the reorganization operations of the group which do not lead to any change of direct or indirect control, are subject to a simple declaration served on the managing firm and do not give rise to any compensation whatsoever.
The declaration set out in the first paragraph is ensured through a brokerage company within a five business day maximum time limit after the realization of the aforesaid operation.

It is published in the official list by the managing firm.

**Chapter 12**

**Repurchase by issuers of their own shares at the Stock Exchange in order to regularize the market**

**Article 3.12.1**

Pursuant to the provisions of Article 281 of the Act Nr.17-95 relative to joint stock companies and the decree Nr.2-02-556 of 22nd Hijja 1423 (February 24, 2003) laying down the forms and conditions under which joint stock companies may repurchase their own shares in order to regularize the market, the issuer that desires to conduct a repurchase program must inform the managing firm of the methods of the same at least 5 business days before the commencement thereof.

**Article 3.12.2**

The issuer must inform the managing firm, if need be, of the brokerage company appointed for the realization of the repurchase program.

**Article 3.12.3**

The managing firm publishes the methods of the repurchase program by a notice in the official list.

**Article 3.12.4**

The brokerage company which intervenes as part of the repurchase program, informs the managing firm at the end of each month of the number of shares repurchased or sold for this purpose.

**Article 3.12.5**

Any modification of the methods of the repurchase program must be, forthwith, notified by the issuer to the managing firm.

**Article 3.12.6**

The issuer must inform the brokerage company of the orders transmitted as part of the repurchase program. These orders must be introduced into the e-listing system with a reference defined and published by the managing firm.
Chapter 13

Formalities for the registration of the final transfer of ownership of securities listed on the stock exchange under securities lending transactions

Article 3.13.1
Pursuant to the provisions of Article 24 of Law 45-12 relative to securities lending, in the event of termination of a securities lending transaction, and where the securities lent and/or provided as collateral are listed on the stock exchange, the transfer of ownership shall become final and the provisions of Article 18 of the Dahir establishing Law 1-93-211 relative to the stock exchange shall apply.

Article 3.13.2
In the event of termination of a securities lending transaction, the parties shall proceed, within five (5) trading days from the date of termination of said securities lending transaction, to register the final transfer on the stock exchange via their designated approved brokerage firms.

Article 3.13.3
The securities covered by the final transfer are valued according to the market conditions prevailing on the day of termination of the securities lending transaction.

Article 3.13.4
In the event that the security concerned by the final transfer was not processed on the day of termination of the securities lending transaction, it shall be valued at its reference price on that day.

Article 3.13.5
In case of reservation of the security concerned by the final transfer, the security shall be valued at its reference price on the following trading day.

Article 3.13.6
The formalities for reporting transactions relating to the final transfer of securities are laid down by the managing firm and published in a notice.
Rules relating to the protection of investors
Section 1: General principles of payment on delivery

Article 4.1.1

The provisions of Articles 4.1.2, 4.1.4, 4.1.12, 4.1.14, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.22, 4.1.24, 4.1.25, 4.1.26, 4.1.30, 4.1.35, 4.1.39, 4.1.40, 4.1.42, 4.1.44, 4.1.46, 4.1.57, 4.1.58, 4.1.59, 5.1.1, 5.1.7 are repealed and replaced as follows:

Article 4.1.2

The transactions carried out on the central market are the subject of a settlement of the cash and a delivery of securities. This settlement and this delivery are correlated and simultaneous as per the provisions of Article 33 of “Dahir” (Royal decree) establishing Law number 1-93-211 dated 4 Rabii II, 1414 (September 21, 1993) relating to the Stock Market, as modified and supplemented.

However, the delivery of securities may be solved through a monetary compensation as per the provisions of Article 4.1.39 of these General Rules.

Article 4.1.3

The payment in cash and the delivery of securities between brokerage companies take place within a maximum deadline fixed by the managing firm as of the date of the transaction and published by a notice in the official list. This deadline may depend on the nature of the concerned security.

Article 4.1.4

Brokerage companies must take all necessary measures in order to meet all their obligations of payment and delivery further to the deals made by them.

Brokerage companies remain indebted for securities and cash following the transactions made by them until the actual outcome of their movements.

Article 4.1.5

Once registered by the managing firm, and subject to the provisions of article 4.1.39 hereto, the transaction is deemed irrevocable.

Article 4.1.6

The issuer informs the managing firm of the date of the implementation of a securities transaction. This date applies to all securities whether they are registered or bearer securities.

The central depository ensures the management of securities transactions affecting purchases and sales that have not given yet rise to any payment in cash and delivery of securities.

The managing firm publishes the effective date of securities transactions.
Article 4.1.7
Brokerage companies entitled to hold securities accounts pursuant to the provisions of article 24 of the Act Nr.35-96 relative to the central depository, conserve and manage, in distinct accounts, securities belonging to their clients and those belonging to them.

Article 4.1.8
In the two markets (central and blocks), the buyer is indebted for the cash and the seller for the securities immediately after the execution of the order.

Article 4.1.9
A principal may give directly a buy or sell order to a brokerage company which does not ensure the conservation of its securities and cash. In this case, the principal must inform the brokerage company of the institution with which it has deposited the securities and the cash thereof and give an instruction for the payment on delivery under the conditions set forth in article 4.1.18.

Article 4.1.10
Brokerage companies must sign, with principals, an intermediation agreement specifying, especially, any element relating to the orders and their outcomes.

Article 4.1.11
Should the principal fail to meet the obligations thereof, the brokerage company may use the balance of securities accounts and/or the cash of the defaulting client opened with it to unwind its pending transactions arising out from the default, provided that this possibility is provided for as part of the agreement set forth in article 4.1.10 above.

Section 2: Payments and deliveries between brokerage companies

Article 4.1.12
To guarantee the operations carried out by the brokerage firms on the central market, the Managing Company is an intermediary between the brokerage firms for all the transactions carried out by these firms on the central market.

Article 4.1.13
Payment in cash and delivery of securities following any transaction between brokerage companies on a listed security are made through the managing firm.
Article 4.1.14

The brokerage firms do automatically adhere to the system of guarantee of performance of the operations.

Each brokerage firm adhering to the guarantee scheme benefits from the guarantee of performance of the operations granted by the Managing Company, the said guarantee being referred to at Article 33 of the abovementioned “Dahir” establishing Law number 1-93-211 dated 04 Rabii II, 1414 (September 21, 1993). For this reason, the brokerage firm must observe the procedures enacted by the guarantee scheme.

Article 4.1.15

The provisions of this article are repealed by the decree of the Economy and Finance Minister number 1156-10 of April 07, 2010.

Article 4.1.16

At the end of each trading session, the Managing Company transmits to the Central Depositary instructions for the settlement of the cash and the delivery of the securities relating to the transactions.

Article 4.1.17

The Central Depositary informs, each day, the Managing Company of the status of the pending transactions.

Any transaction which did not give rise to the settlement of the cash and to the delivery of the securities within the prescribed time periods is called a pending transaction.

Article 4.1.18

The brokerage firms must have the securities and the cash corresponding to their commitments resulting from the trading within the deadlines provided for at Article 4.1.3 of these General Rules, so that the Central Depositary may proceed to the completion of the transactions transmitted by the Managing Company.

For this purpose, the brokerage firms must make sure that:

• either the originator places at their disposal the securities or the cash necessary to the completion of the transaction. In this case, the trading order is equivalent to a settlement-delivery instruction;

• or when they are not the brokerage firms are not the depositaries of the customer, that the settlement-delivery instruction is transmitted by the client directly to the depositary entity within place or indirectly to the brokerage firm which will transmit it to the depositary entity under the conditions agreed upon between the three parties. These conditions may be as follows:
- the client mentions concerning the duly signed order his settlement-delivery instruction;
- the client transmits to the depositary entity the settlement-delivery instruction duly signed within the stock exchange time periods;
- the client transmits to the depositary entity a permanent settlement-delivery instruction on the basis of notification by the brokerage firm of the execution of the order.

Section 3 : Guarantee system

Article 4.1.19

The Managing Company guarantees to the brokerage firms the cash settlement and the delivery of the securities which are due for them at a rate of their transactions subject to the exception contemplated at Article 4.1.2 of these General Rules.

To this end, the brokerage firms constitute some guarantee deposits with the Managing Company, which are referred to at Article 33 of the abovementioned “Dahir” establishing Law number 1-93-211 dated 4 Rabii II 1414 (September 21, 1993), the said deposits being intended to mitigate the absence of securities or cash which are due in connection with the transactions carried out on the central market. These deposits include:

- an initial contribution;
- a regular contribution;
- an exceptional contribution.

Article 4.1.20

The initial contribution is paid once a brokerage company becomes a member of the guarantee system; it must cover partly the medium daily activity of the brokerage company.

In case of membership of a new brokerage company, the initial contribution is equal to the weakest contribution of the operational brokerage companies.

The amounts corresponding to the initial contribution are revised on a quarterly basis in order to determine possibly the top-up payments to be made by the brokerage companies or the returns of contributions to brokerage companies.

However, the managing firm may, at any time, revise the amount of the initial contribution of any brokerage company in case of a considerable change of the activity thereof.

The methods of calculation and payment of the initial contribution are finalized by the managing firm and published in the official list.
Article 4.1.21

The initial contribution is remunerated by the managing firm. It is invested in treasury bills and/or in any assets without any risk in terms of capital.

Brokerage companies that cease definitely their activities may recover their guarantee deposits set forth in paragraph 2 of article 4.1.19 above, once all their positions are settled and under the conditions set by the managing firm.

Article 4.1.22

The regular contribution is determined on the basis of the risk of each brokerage firm in connection with the pending transactions and are subject to a daily adjustment, notified to the brokerage firms during each trading session before the opening.

The calculation of the regular contribution is made:
- On a net basis for the transactions not completed within the prescribed time periods contemplated at Article 4.1.3 of these General Rules;
- On the basis of the transaction for the transactions which are still pending.

Thus, if the risk of a brokerage firm increases, the regular contribution must increase. The brokerage firm must thus pay a regular contribution to the Managing Company. If, on the other hand, its risk decreases, the Managing Company returns to it part of its regular contribution. The adjustment called for must be carried out before the opening of the trading session of the same day.

The methods of calculation and adjustment of these contributions are determined by the Managing Company in accordance with the provisions of this chapter and are published in the Stock Exchange Bulletin.

Article 4.1.23

When a defaulting brokerage company is subject to a momentary suspension of the activity thereof in the stock market pronounced pursuant to the provisions of article 4.1.26 hereto, the managing firm may require an exceptional contribution from all brokerage companies.

The methods of calculation and payment of the exceptional contribution are set by the managing firm and published in the official list.

Article 4.1.24

The Managing Company updates each day the regular contribution of the transactions about to be completed and those pending, on the basis of a reference price set on a daily basis.

Article 4.1.25

In accordance with the provisions of Article 33 of the abovementioned “Dahir” establishing Law number 1-93-211 of the 4 Rabii II 1414 (September 21 99), when the adjustment referred to at Article 4.1.22 above has not been carried out or when the brokerage firm which has a pending transaction has not completed the aforementioned transaction at the sixth trading session which follows the theoretical completion date, the pending transaction can be the subject of a repurchase or resale at the initiative of the Managing Company. This repurchase or this resale takes place according to the methods set by this latter.
The expenses and costs related to the repurchase or the resale of the securities are borne by the failing brokerage firms.

The Managing Company initiates the securities and cash flows resulting from the repurchase and resale sessions in lieu of the brokerage firms concerned.

Article 4.1.26

Pursuant to the provisions of Article 12 (a) of the abovementioned Dahir establishing Law number 1-93-211 dated 4 Rabii II, 1414 (September 21, 1993), the Managing Company may suspend, temporarily and on a purely conservatory basis, the access to the market for a brokerage firm in the event of non compliance with its following cash commitments:

- the calls of the initial contribution and the regular contribution contemplated at Articles 4.1.20 and 4.1.22 of these General Rules;
- the completion of the purchase transactions;
- the monetary compensation contemplated at Article 4.1.39 of these General Rules;
- the repurchase or resale price spread contemplated at Articles 4.1.42 and 4.1.57 of these General Rules;
- the damages contemplated at Articles 4.1.43 and 4.1.58 of these General Rules.

Article 4.1.27

If the adjustment set forth in article 4.1.22 above is not made, the managing firm may proceed to the official, partial or total liquidation of the positions in lieu of the defaulting brokerage company and at the expense thereof until the reconstitution of the regulatory guarantee deposit. It informs thereof the Council for the Code of Ethics in Securities.

The conditions and methods of this liquidation are set by the managing firm and published in the official list.

Article 4.1.28

The managing firm initiates securities flows emanating from redemption and resale sessions as well as cash flows relating to pecuniary commutation, differential of redemption and resale prices, damages and lump sum set forth in articles 4.1.39, 4.1.42, 4.1.43, 4.1.44, 4.1.57, 4.1.58 and 4.1.59 hereto in lieu of brokerage companies according to the methods set by it and published in the official list.

Article 4.1.29

The methods to settle transactions emanating from redemption and resale sessions are fixed by the managing firm and published in the official list.
Section 4: Resolution of securities or cash lacks

Resolution of securities lacks

Article 4.1.30

As of the reception from the Central Depositary of the details concerning the transactions which could not have been able the subject of a delivery of securities against settlement of the cash at the end of the time allowed at article 4.1.3 of these General Rules, the Managing Company immediately asks officially the failing brokerage firm to regularize its situation and to inform thereof the Deontological Council of the Transferable Securities (CDVM).

Article 4.1.31

Immediately after serving on the defaulting brokerage company the notice set forth in article 4.1.30 hereto, the latter must take the necessary measures in order to find securities. If it manages to do so, it informs immediately the managing firm.

Article 4.1.32

If the security lack is still not resolved at the sixth trading session following the date of the theoretical settlement, the managing firm informs all the brokerage companies that it will seek to redeem for the account of the defaulting company, the missing securities at a price equal to the last reference price increased by the maximum variation rate in force.

Article 4.1.33

Brokerage companies wishing to take part in the redemption session transmit to the managing firm sell orders under the conditions and within the deadlines fixed by it. Only the orders at a price indicated by the managing firm are accepted.

Article 4.1.34

The managing firm puts at the disposal of brokerage companies a system allowing for the management of redemption sessions.

Article 4.1.35

The Managing Company uses the balance of the securities on the security concerned of the failing brokerage firm to complete the pending the transaction and proceeds to the repurchase on the remainder according to the methods stated by it and published in the Stock Exchange Bulletin.

The repurchase by the Managing Company is done on a first come first served basis.
Article 4.1.36
The managing firm may trigger the redemption session before due date on its own initiative especially in anticipation of the striking off of the security or at the request of a defaulting brokerage company if it is sure that it will be unable to find the securities in the imparted deadlines.

Article 4.1.37
If, at the end of the first redemption session, securities have not been totally repurchased, and provided that all brokerage companies are informed thereof, the managing firm organizes on the next day a second and last session of redemption at a price equal to the last reference price increased by twofold the maximum variation rate in force.

The second session of redemption is organized according to the same rules as the first.

Brokerage companies wishing to take part in this second session of redemption transmit to the managing firm sell orders, under the technical conditions and within the deadlines fixed by it. Only the orders at the price indicated by the managing firm are accepted.

Article 4.1.38
During the second session of redemption, the managing firm may decide a partial allotment of repurchased securities. In this case, the non-delivered brokerage company shall partially be served up to available securities. The remainder is subject to a pecuniary commutation pursuant to article 33 of the aforesaid Royal Edict as law Nr.1-93-211 of Rabii II 4, 1414 (September 21, 1993).

Article 4.1.39
In accordance with Article 33 of the abovementioned Dahir establishing Law number 1-93-211 dated 04 Rabii II 1414 (September 21, 1993), if at the end of the second repurchase session referred to at the previous article, the securities have not been found, the Managing Company may decide that the non delivery of the securities is completed under the form of a monetary compensation.

The transaction which is the subject of the repurchase is completed under the form of a cash settlement instead of a delivery of securities. It informs thereof the Deontological Council for Transferable Securities (CDVM).

Article 4.1.40
The failing brokerage firm must pay to its purchasing counterparty or counterparties a cash amount corresponding to the latest reference price increased by three times the maximum rate of variation in force applied to the pending quantity of securities minus the corresponding cash amount.

Article 4.1.41
The brokerage company or companies that have not received the delivery of securities acquired in the market resolve the non-delivery of securities by the payment to their clients of the amount in cash provided for in the previous article, by way of compensation.
Article 4.1.42
If a repurchase procedure is implemented, the difference between the amount of the repurchase and the pending cash amount is borne by the failing brokerage firm or is restored to the brokerage firm.

Article 4.1.43
Except in the case where the non-delivery is resolved by pecuniary commutation, the defaulting brokerage company must pay to its counterpart(s), damages the amount of which is calculated on the basis of twofold the buy-back rate of Bank Al-Maghrib applied to the quantity of the outstanding securities valued at the closing price of the initial dealing, prorata temporis. The amount of damages may not be less than one hundred Dirhams.

Article 4.1.44
The failing brokerage firm pays to the Managing Company a sum to cover the administrative expenses generated by the suspended securities. The amount of the aforementioned sum is calculated on the basis of 0.2% applied to the quantity of securities valued at the closing price of the during the closure of the initial trading. The amount of the aforementioned sum may not be lower than 2,000 Moroccan Dirhams net of tax and exceed 10,000 Moroccan Dirhams net of tax, per pending security and per trading date.

Article 4.1.45
In the event the selling brokerage company in default cannot pay the amounts provided for in articles 4.1.39, 4.1.42, 4.1.43 and 4.1.44 hereto, the managing firm makes recourse to guarantee deposits constituted by the aforesaid brokerage company.

Pursuant to the provisions of article 12a of the aforesaid Royal Edict as law Nr. 1-93-211 of rabia II 4, 1414 (September 21, 1993), the managing firm suspends, momentarily and as a protective measure, the access to the market for the defaulting brokerage company until it reconstitutes the initial contribution thereof. It informs thereof the Council for the Code of Ethics in Securities.

Resolution of cash lacks

Article 4.1.46
As of the notification by the Central Depositary of the details concerning the transactions not having been the subject of a cash settlement against delivery of the securities at the end of the time period set at Article 4.1.3 of these General Rules, the Managing Company immediately sends a warning to the failing brokerage firm asking it to regularize its situation and to inform thereof the Deontological Council for Transferable Securities (CDVM).

Article 4.1.47
Immediately after serving on the defaulting brokerage company the notice set forth in article 4.1.46 hereto, the latter must take the necessary measures in order to regularize its “cash” position.
Article 4.1.48
If, at the end of the second trading session following the date of the theoretical settlement, the lack is still not resolved, the managing firm may suspend momentarily the activity in the stock market for the defaulting brokerage company, pursuant to the provisions of Article 12a of the aforesaid Royal Edict as law Nr. 1-93-211 of rabia Il 4, 1414 (September 21, 1993), and this, according to the methods that it fixes and publishes in the official list. It informs thereof immediately the Council for the Code of Ethics in Securities.

Article 4.1.49
Once the defaulting brokerage company has the missing funds, the managing firm lifts the possible suspension set forth in article 4.1.26 hereto and informs thereof immediately the Council for the Code of Ethics in Securities.

Article 4.1.50
If, at the end of the third trading session following the theoretical settlement, the lack has not been resolved, the managing firm informs the Council for the Code of Ethics in Securities and all brokerage companies that it shall proceed to the resale of securities, within the deadlines fixed by it, on behalf of the defaulting brokerage company, at a price equal to the last reference price decreased by the maximum variation rate in force.

Article 4.1.51
Brokerage companies wishing to take part in the resale session transmit to the managing firm buy orders under the technical conditions and within the deadlines fixed by it. Only the orders at the price indicated by the managing firm are accepted.

Article 4.1.52
The managing firm puts at the disposal of brokerage companies a system allowing for the management of resale sessions.

Article 4.1.53
The resale by the managing firm is effected according to the first come first served rule.

Article 4.1.54
If, at the end of the first resale session, securities have not been totally resold, the managing firm organizes on the next day a second resale session. It informs brokerage companies that the resale shall occur at a price equal to the last reference price reduced by twofold the maximum variation rate in force.

This second session of resale shall be organized according to the same rules as the first.
Article 4.1.55

If the securities have not been sold at the end of the two resale sessions, the managing firm makes recourse to guarantee deposits constituted by the defaulting brokerage company.

Pursuant to the provisions of Article 12 of the aforesaid Royal Edict as law Nr. 1-93-211 of rabia II 4, 1414 (September 21, 1993), the managing firm suspends, momentarily and as a protective measure, the access to the market for the defaulting brokerage company until it reconstitutes the initial contribution thereof. It informs of the same the Council for the Code of Ethics in Securities.

Article 4.1.56

If the selling brokerage company is unable to present the securities subject to resale, the resale session shall not take place. The guarantee system applies thereto the lump sum set forth in article 4.1.59 hereto.

Article 4.1.57

If a resale procedure is implemented, the difference between the cash amount outstanding and the amount of the resale is borne by the failing brokerage firm or is returned to this latter.

Article 4.1.58

Except in the case stated at Article 4.1.56 of these General Rules, the failing brokerage firm must pay to its counterparty damages whose amount is calculated on the basis of twice of the catch in pension of (the Moroccan Central Bank) Bank Al-Maghrib, is applied to the cash amount of the pending transaction on a pro rata basis. The amount of the damages may not be lower than one hundred Moroccan Dirhams.

Article 4.1.59

The failing brokerage firm pays to the Managing Company a sum to cover the administrative expenses generated by the cash suspense. The amount of the aforementioned sum is calculated on the basis of 0.2% applied to the amount of the pending transaction. The amount of this sum may not be lower than 2,000 Moroccan Dirhams net of tax and exceed 10,000 Moroccan Dirhams net of tax, per pending security and per trading date.

Article 4.1.60

In the event the acquiring brokerage company in default cannot pay the amounts provided for in articles 4.1.57, 4.1.58 and 4.1.59 hereto, the managing firm makes recourse to guarantee deposits constituted by the aforesaid brokerage company.

Pursuant to the provisions of Article 12 of the aforesaid Royal Edict as law Nr. 1-93-211 of rabia II 4, 1414 (September 21, 1993), the managing firm suspends, momentarily and as a protective measure, the access to the market for the defaulting brokerage company until it reconstitutes the initial contribution thereof. It informs thereof the Council for the Code of Ethics in Securities.
Article 4.2.1

Pursuant to the provisions of Article 66 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), there shall be founded a fund of guarantee intended for the indemnification of clients of brokerage companies put into liquidation.

Article 4.2.2

The holders of securities and/or cash accounts opened in their names with a brokerage company shall benefit from the guarantee.

Pursuant to the provisions of Article 67 of the aforesaid Royal Edict as law Nr. 1-93-211 of rabia II 4, 1414 (September 21, 1993), the commitments covered by the guarantee concern the restitution of securities and funds deposited with brokerage companies or owed by them in order to make stock market transactions to their clients further to stock market transactions, as well as securities entrusted to brokerage companies for deposit.

Article 4.2.3

Pursuant to the provisions of Article 68 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), the intervention of the fund of guarantee depends on the recognition by the Council for the Code of Ethics in Securities that a brokerage company is put into liquidation, for whatever reason.

This intervention is subject to publication by the managing firm in the official list and in a legal ad newspaper, inviting the clients of the brokerage company put into liquidation to present their claims by registered letters with the guarantee fund as part of their rights on securities registered in their accounts and/or their cash receivables.

Claim applications are received within a three-month deadline following the date of the publication of the intervention.

Article 4.2.4

Pursuant to the provisions of Article 68a of the aforesaid Royal Edict as law Nr. 1-93-211 of rabia II 4, 1414 (September 21, 1993), and without detriment to the provisions stipulated in article 50 of the same Royal Edict, once the Council for the Code of Ethics in Securities notes that a brokerage company is put into liquidation, it shall draw up, pursuant to the laws in force, the compared inventory of actual security assets of which the brokerage company is depository and the rights of securities registered in the account of the depositors. In case of insufficiency of these actual assets, the enumerated securities are divided and actually put at the disposal of clients in proportion to their rights.
Within the limit of the ceiling of 30 million Dirhams, set forth in article 66 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), the guarantee fund indemnifies clients for missing securities and cash receivables for a maximum amount of DH 200,000 per account holder.

Article 4.2.5

Indemnities are paid within a two month deadline as of the date of the closing of the receipt of indemnification applications.

Article 4.2.6

Pursuant to the provisions of the last paragraph of Article 68a of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), the intervention of the guarantee fund leads to the subrogation of the latter in the rights of the holders of debts benefiting from the guarantee on the brokerage company put into liquidation, up to the rights actually covered by the guarantee.
Control of brokerage companies by the managing firm
Section 1 : Control of the operations of trading and outcome

Article 5.1.1

Pursuant to the provisions of Article 11 of the Dahir establishing Law number 1-93-211 dated 4 Rabii II, 1414 (September 21, 1993) relating to the Stock Market, as modified and supplemented, the Managing Company has in particular the role of ensuring the compliance of the trading and the completion operations carried out by the brokerage firms with the laws and regulations which are applicable to these operations.

For this reason, the Managing Company makes sure, as of the reception of the orders until the completion of the transactions, of the control in particular of:

• The Reality of the orders;
• Of the timestamping of the orders;
• Of the non globalization (non amalgamation);
• Of the promptness in the transmission of orders;
• Of the rules of introduction of the orders in the system provided for at Article 3.3.26 of these General Rules;
• Of the rules of good conduct of the traders during the trading sessions;
• Of the rules of use of the electronic listing system;
• Of the positions taken by the brokerage firms. For this purpose, the Managing Company is empowered to ask any information from the brokerage firms for the assessments of the risks related to the positions taken, in order to carry out the fund adjustments which are necessary to the guarantee of completion of the operations which is referred to at Article 33 of the Dahir establishing Law number p1-93-211 dated 4 Rabii II, 1414 (21 September 1993) related to the Stock Exchange.
• Of the settlements and of the settlements made;

As per the provisions of the 3rd subparagraph of above mentioned article 11, the Managing Company must communicate to the (Moroccan Financial markets authority) the Deontological Council for Transferable Securities (CDVM) of any infringement which it will have detected while exercising these controls.

Article 5.1.2

The managing firm carries out the tasks set forth in Article 5.1.1 hereto, through the verifications by the medium of documents transmitted by brokerage companies and, if need be, spot checks further to the noting of any anomaly, connected especially with:
• the cancellation of any order;
• the introduction of any order that seems abnormal in comparison with the situation of the security market;
• the abrupt change in the direction of orders relating to a security;
• the suspension of payment or delivery;
• the default in case of a call for regular contribution to the guarantee system.

A procedure manual elaborated by the managing firm and approved by the minister in charge of finance, on the advice of the Council for the Code of Ethics in Securities sets out the methods to exercise spot checks.

Article 5.1.3

The managing firm may require from the brokerage companies at any time some explanations and vindications pertaining to the orders introduced into the e-listing system.

Article 5.1.4

As part of assessment of risks incurred by the managing firm by way of the guarantee provided for in the second paragraph of Article 33 of the Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993) pertaining to the Stock Exchange, as amended and supplemented, the latter may require from the Council for the Code of Ethics in Securities some data elements pertaining to prudential rules transmitted by the brokerage companies to the Council for the Code of Ethics in Securities. The foregoing application must be well-founded.

Article 5.1.5

Pursuant to the provisions of Article 80 of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), the members of the staff of the managing firm intervening within the framework of the process of the control of brokerage companies are bound with a strict obligation of professional secrecy for all that concerns the facts and the information of which they take cognizance during the performance of their duties on pain of the sanctions provided for in Article 446 of the penal code.

Section 2 : Documents which brokerage companies must submit to the managing firm

Article 5.1.6

Before the actual start-up of the activities thereof, any brokerage company newly accredited by the minister in charge of finance must, after the subscription for the capital of the managing firm, provide the latter with the following information:
• copy of the bylaws;
• copy of the minutes of the constituent general assembly, if need be;
• copy of the minutes of the decision-making bodies appointing the executive committee, the powers and the corporate signature;
• amount and distribution of the registered capital;
• list of persons entitled to represent the company and specimen of signature;
• list of the staff whose duty requires an empowerment;
• banking details;
• certificate of membership of the professional association of brokerage companies;
• organizational chart of the company;
• copy of the accreditation decision;
• certificate of payment of initial contribution to the guarantee system;
• copy of the letter addressed to the Central Depository authorizing the managing firm to initiate the settlement of payment and delivery operations as part of the procedure of redemption and resale.

The brokerage company undertakes to inform forthwith the managing firm of any modification relating to the information communicated before the actual commencement of its activity.

Article 5.1.7

Within the framework of its activity of system of guarantee of performance of the operations, the Managing Company may ask the brokerage firms:

• The annual and semi-annual accounting and financial documents;
• The annual answers to a questionnaire including in particular:
  - The composition of the shareholding structure and the organizational chart;
  - An updating of the description of the technical, organizational and IT means dedicated to the guarantee of performance of the operations;
  - The organization put in place in particular in the fields of control and the back office.
• The reports of all the ordinary and extraordinary general meetings which deliberated on the modifications on its financial and social standing;
• Any information relating to its activity of guarantee of performance of the operations and to the situation of its general and financial risks.
Chapter 2

Control of persons acting on behalf of brokerage companies

Article 5.2.1
The function of trader on one of the markets organized by the Managing Company requires an empowerment delivered by this latter.

The trading empowerment becomes null and void at the end of two years. To this end, the Managing Company organizes a new empowerment examination.

Article 5.2.2
The accreditation to trading gives rise to the issue of an accreditation card to the trader. It specifies his name, the name of the brokerage company on behalf of which he acts and the date of the expiry thereof.

Article 5.2.3
The accreditation of the trader of any brokerage company is submitted to the obtaining of a result favorable in a professional qualifying examination. This examination is organized by the managing firm which draws up the program thereof.

Article 5.2.4
The professional examination concerns mainly:

- the knowledge and use of the e-listing system,
- the treatment of orders in the e-listing system,
- the knowledge of the legal and regulatory framework of the stock market.

Article 5.2.5
Applications of accreditations are submitted to the managing firm by brokerage companies under their own liability.

Article 5.2.6
Upon the request of brokerage companies, the managing firm may organize for traders training, if need be.

Article 5.2.7
The managing firm is charged with the processing of applications of accreditation to trading and the submitting of candidates to examinations which it organizes and prepares, pursuant to the provisions of these general regulations.

The managing firm notifies the results of the examination(s) to the candidate and the brokerage company on behalf of which he acts.

In case of a favorable result, the managing firm delivers the accreditation card to the concerned brokerage company and registers the trader in the registers kept by it.
The managing firm transmits to the Council for the Code of Ethics in Securities the list of accredited persons as well as any modification brought to this list.

Article 5.2.8

When a person accredited to trading ceases to exercise temporarily the duty of trader during a period of three months, the concerned brokerage company informs thereof the managing firm which records formally the same.

The rehabilitation depends on the passing of a new examination.

Article 5.2.9

When a person accredited to trading ceases to act definitely on behalf of a brokerage company, the concerned brokerage company informs thereof the managing firm which records formally the same.

The concerned person delivers up, forthwith, his accreditation card to the brokerage company that it delivers to the managing firm.

Article 5.2.10

Pursuant to the provisions of Article 12a of the aforesaid Royal Edict as law Nr.1-93-211 of rabia II 4, 1414 (September 21, 1993), when the acts of a person accredited to trading or acting on behalf of a brokerage company jeopardize the security and the integrity of the market, the managing firm may pronounce, concomitantly with the momentary suspension of access for the foregoing brokerage company to the market provided for in article 3.3.17 hereto, the temporary or the permanent withdrawal of the accreditation.

The managing firm must inform forthwith the concerned brokerage company, the professional association of brokerage companies and the Council for the Code of Ethics in Securities.

Article 5.2.11

Each brokerage company keeps the managing firm informed of the list of traders acting on its behalf.

Article 5.2.12

Any default on the part of a brokerage company aiming at making one or several persons avoid obtaining an accreditation shall be communicated to the Council for the Code of Ethics in Securities.

Article 5.2.13

The internal auditor of each brokerage company is the interlocutor in charge of the operation relation with the managing firm.
References of publications of laws relating to the Stock Exchange:

- Official bulletin Nr.4223 of October 6th, 1993 page 513
- Official bulletin Nr.4448 of January 16th, 1997 page 37
- Official bulletin Nr.4828 of September 7th, 2000 page 749
- Official bulletin Nr.5210 of May 6th, 2004 page 677
- Official bulletin Nr.5522 of May 3rd, 2007 page 584
- Official bulletin number 5844 of June 03, 2010, Page 1386